



Citi Chemical Conference 2009

Robert J. Dellinger

**Sr. Vice President, Finance, and
Chief Financial Officer**

December 1, 2009

Forward-Looking Statements



Statements contained herein relating to matters that are not historical facts are forward-looking statements reflecting PPG's current view with respect to future events and financial performance. These matters within the meaning of section 27A of the Securities Act of 1933, as amended, and section 21E of the Securities Exchange Act of 1934, as amended, involve risks and uncertainties that may affect PPG's operations, as discussed in PPG's filings with the Securities and Exchange Commission pursuant to Sections 13(a), 13(c) or 15(d) of the Exchange Act, and the rules and regulations promulgated thereunder. Accordingly, many factors could cause actual results to differ materially from the forward-looking statements contained herein. Such factors include global economic conditions, increasing price and product competition by foreign and domestic competitors, fluctuations in cost and availability of raw materials, the ability to maintain favorable supplier relationships and arrangements, difficulties in integrating acquired businesses and achieving expected synergies therefrom, the realization of anticipated cost savings from restructuring initiatives, economic and political conditions in international markets, the ability to penetrate existing, developing and emerging foreign and domestic markets, which also depends on economic and political conditions, foreign exchange rates and fluctuations in such rates, the impact of environmental regulations, unexpected business disruptions, and the unpredictability of existing and possible future litigation, including litigation that could result if the asbestos settlement discussed in PPG's filings with the Securities and Exchange Commission does not become effective. However, it is not possible to predict or identify all such factors. Consequently, while the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on PPG's consolidated financial condition, results of operations or liquidity. All information in this presentation speaks only as of December 1, 2009, and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information. PPG undertakes no obligation to update any forward-looking statement.

Agenda



- ❖ **Opening Remarks**
- ❖ **PPG History and Transformation**
- ❖ **Third Quarter / 2009 Y-T-D**
- ❖ **Conclusion / Questions**

PPG's Third Quarter Results

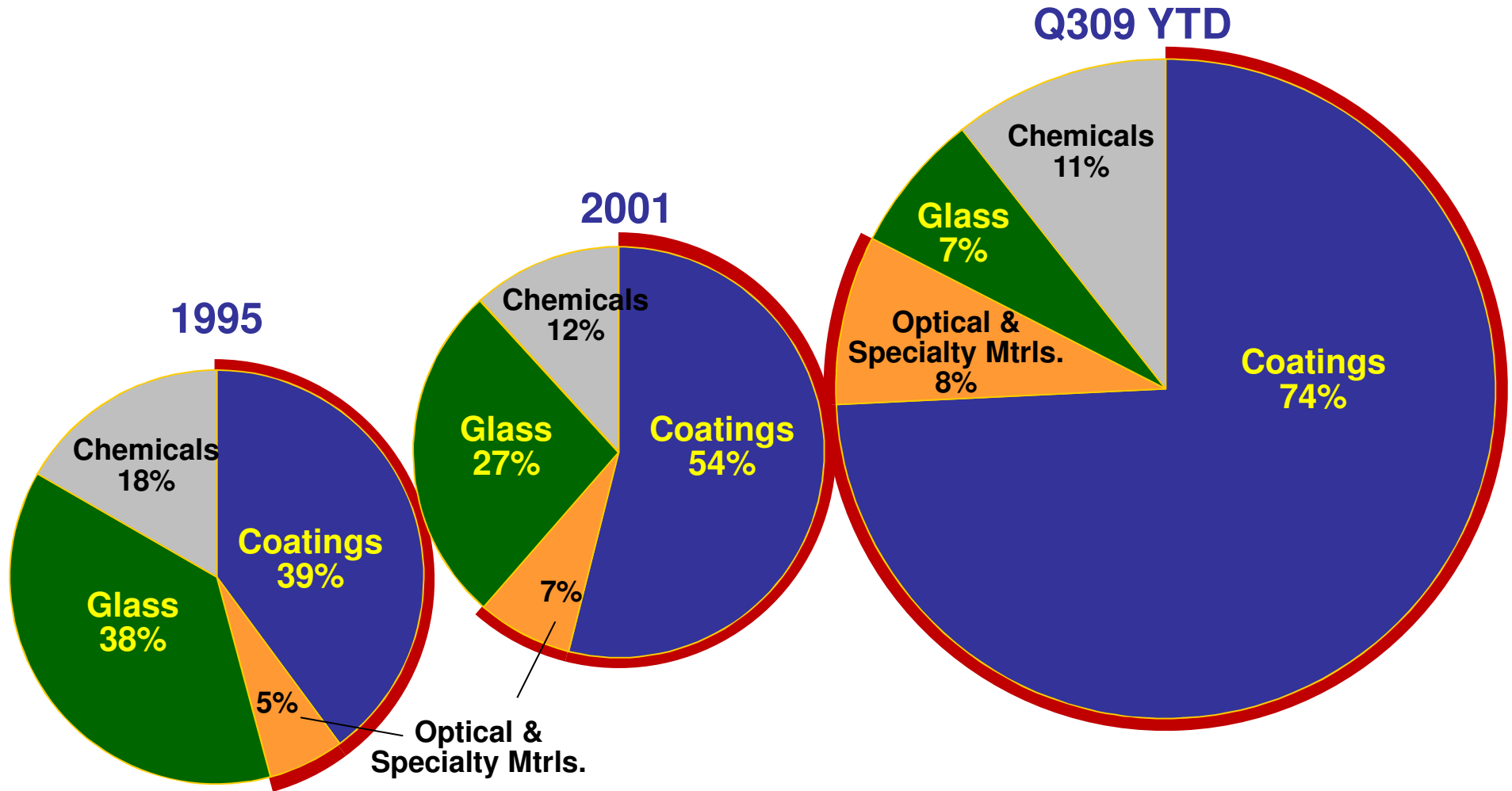


❖ Contributing Factors

- Strategic actions to transform portfolio
- Global footprint

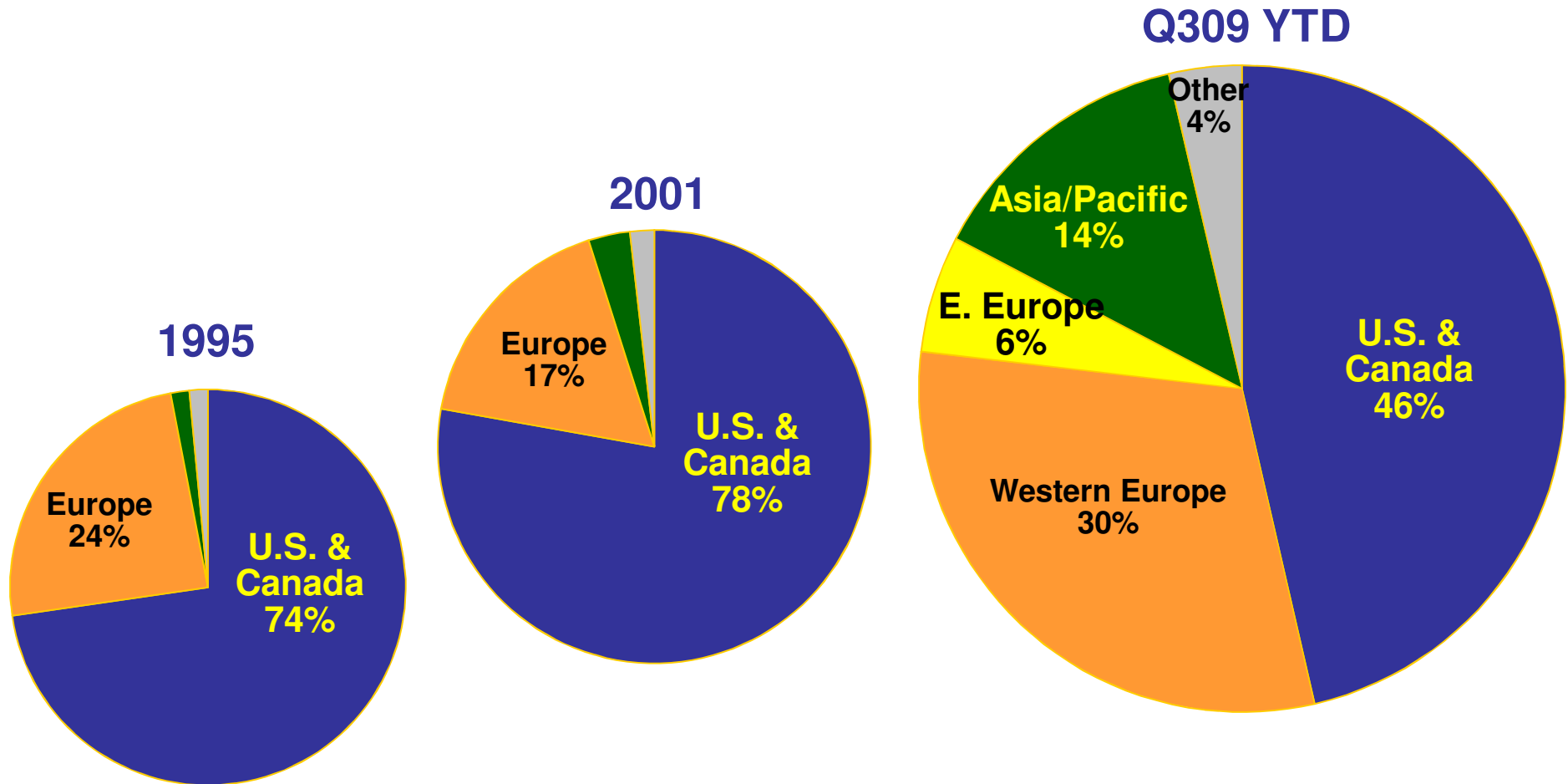
❖ Transformation strategy yielding results

PPG's Transformation



Strengthened Business Portfolio

PPG's Broader Global Footprint

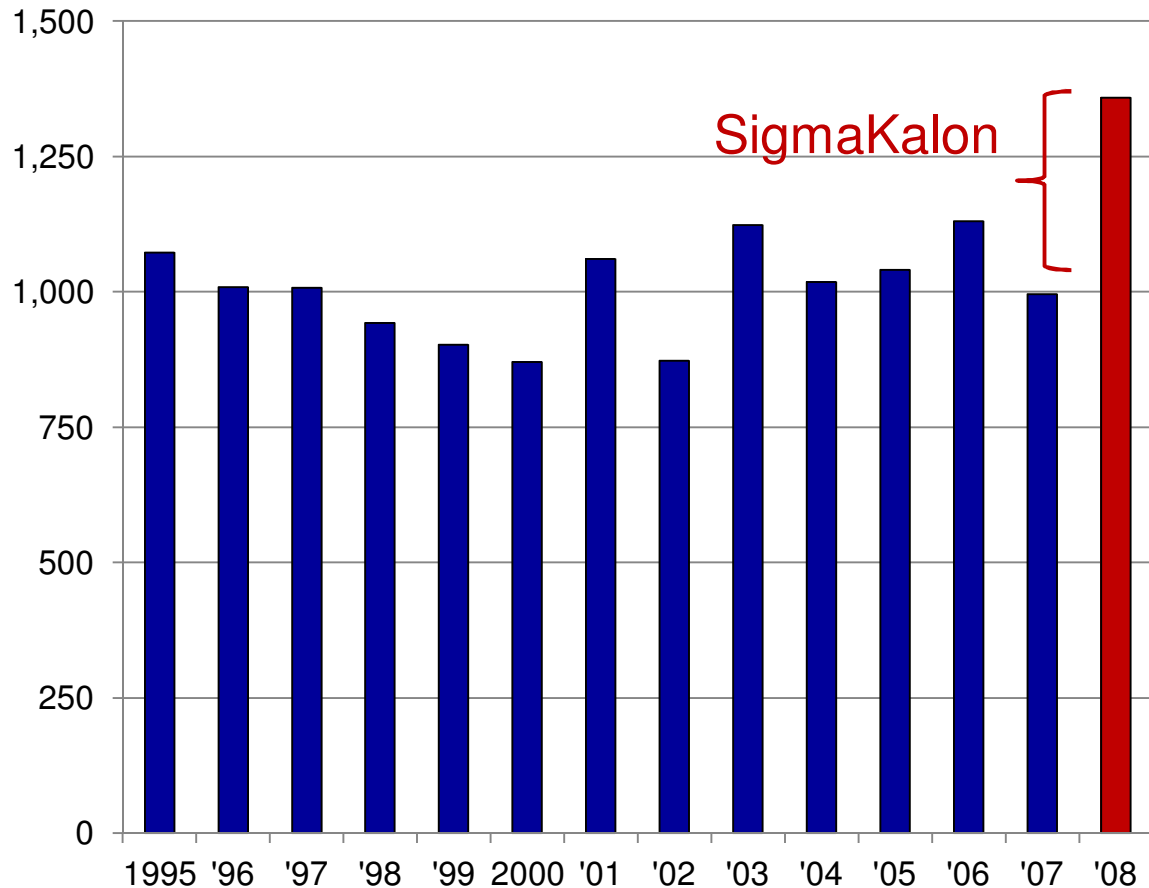


More Balanced Geographic Footprint

Cash from Operations



SigmaKalon Acquisition Produced Step Change in Cash Generation



❖ Average of \$1B annually (1995 – 2007)

❖ 2008 increase ~40% (SigmaKalon Acquisition)

❖ Balance uses focused on shareholders and portfolio reinvestment

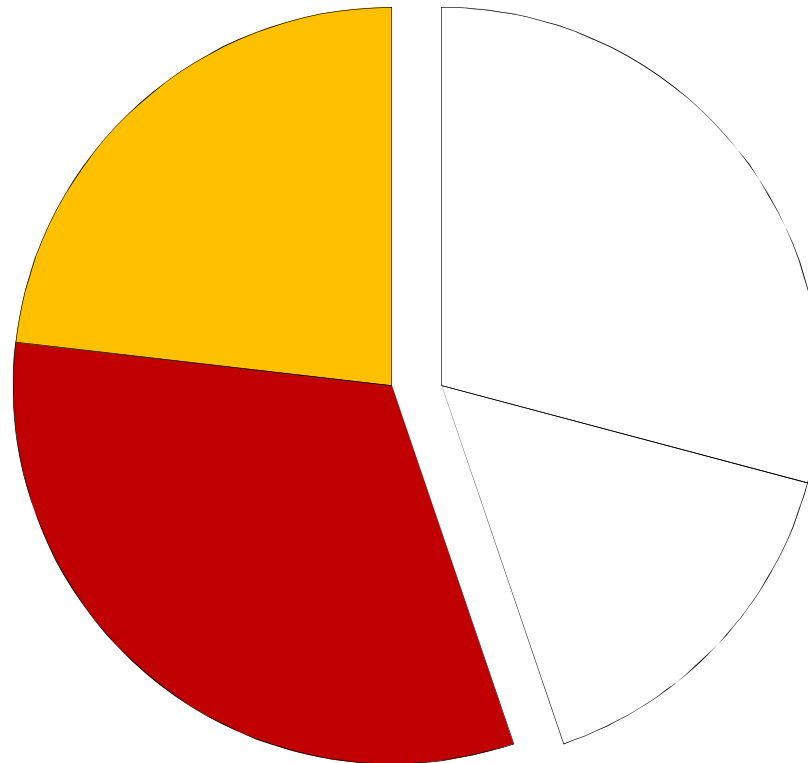
Strong and Consistent Cash Generation

Select Cash Uses



Returned to Shareholders

\$2.7B



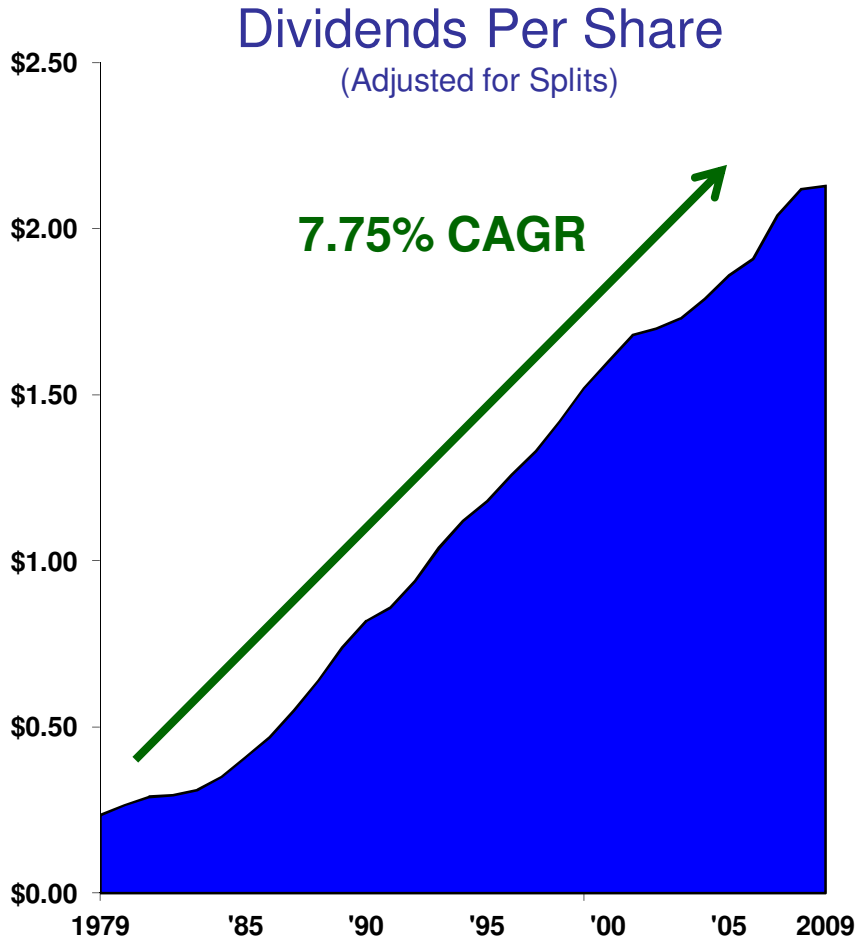
■ Dividends

■ Share Repurchases

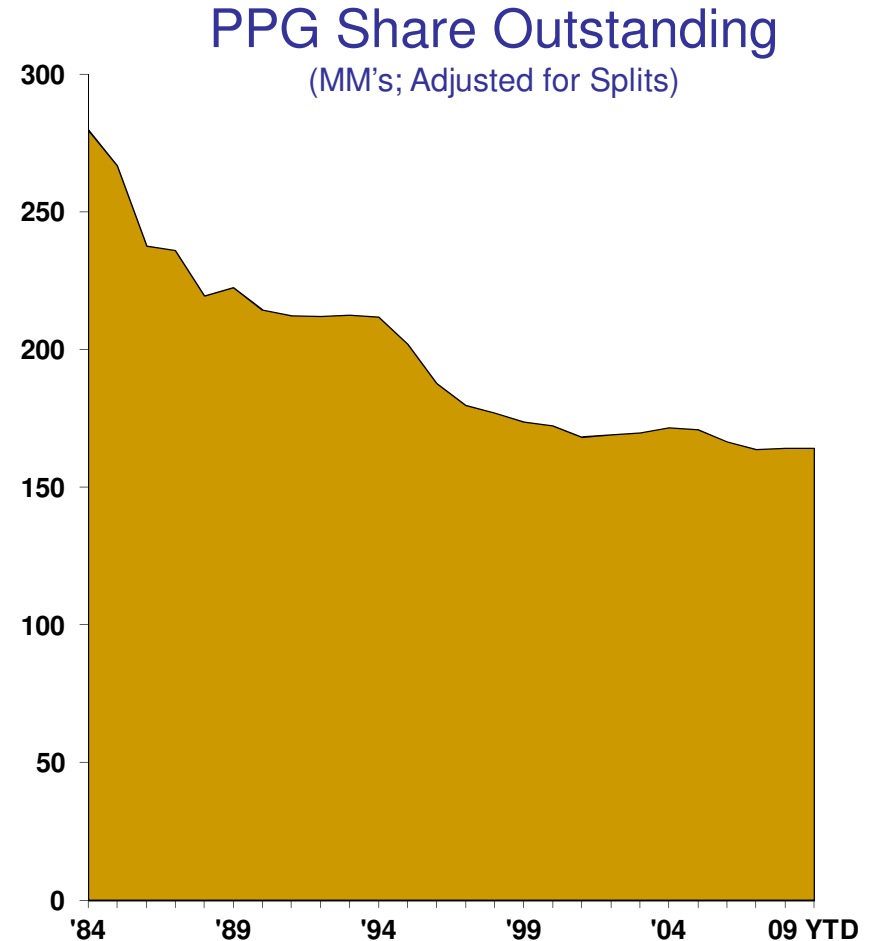
Years 2003-2007

Increasing Shareholder Payments

Returning Cash to Shareholders



Dividend Increase in October, 2009



Reduction of 40% since 1984

Well Established PPG Tradition

Select Cash Uses

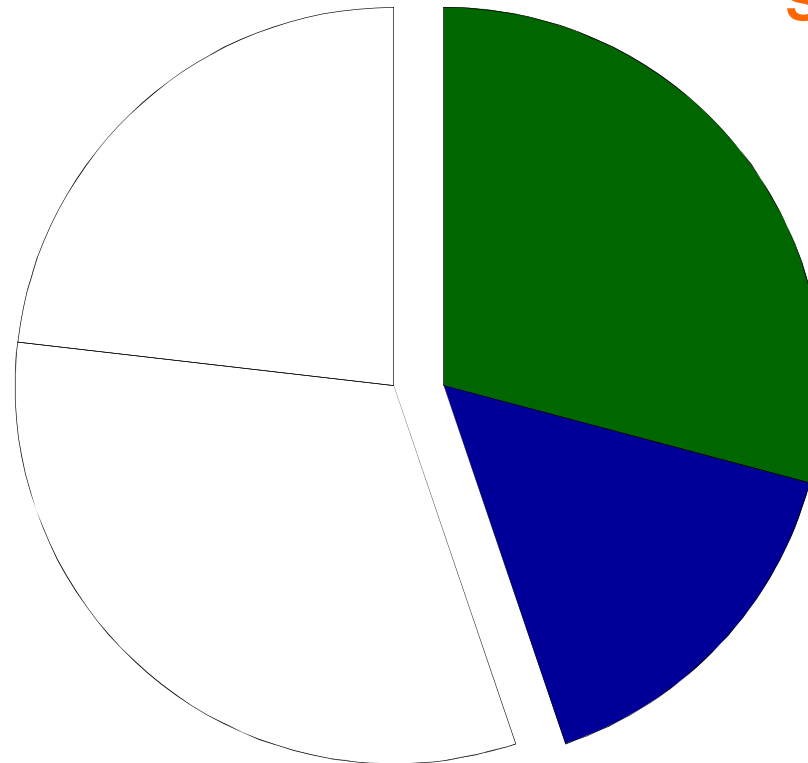


Returned to Shareholders

\$2.7B

Strengthened Portfolio

\$2.2B



□ Dividends

□ Share Repurchases

■ Capital Spending

■ Acquisitions

Years 2003-2007

Strengthening Business Portfolio

Coatings and Optical Growth



PPG Total Coatings Sales (US\$B) – Includes Acquisitions



PPG Optical Segment Sales (US\$B) – Includes Acquisitions

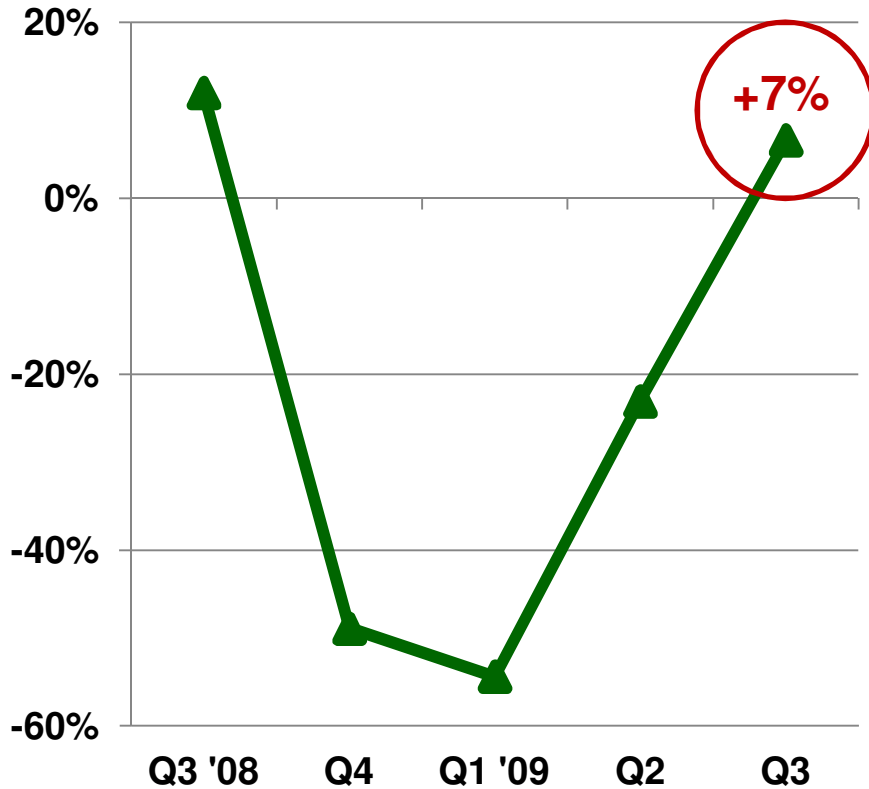


Strengthen Portfolio by Growing Core Businesses

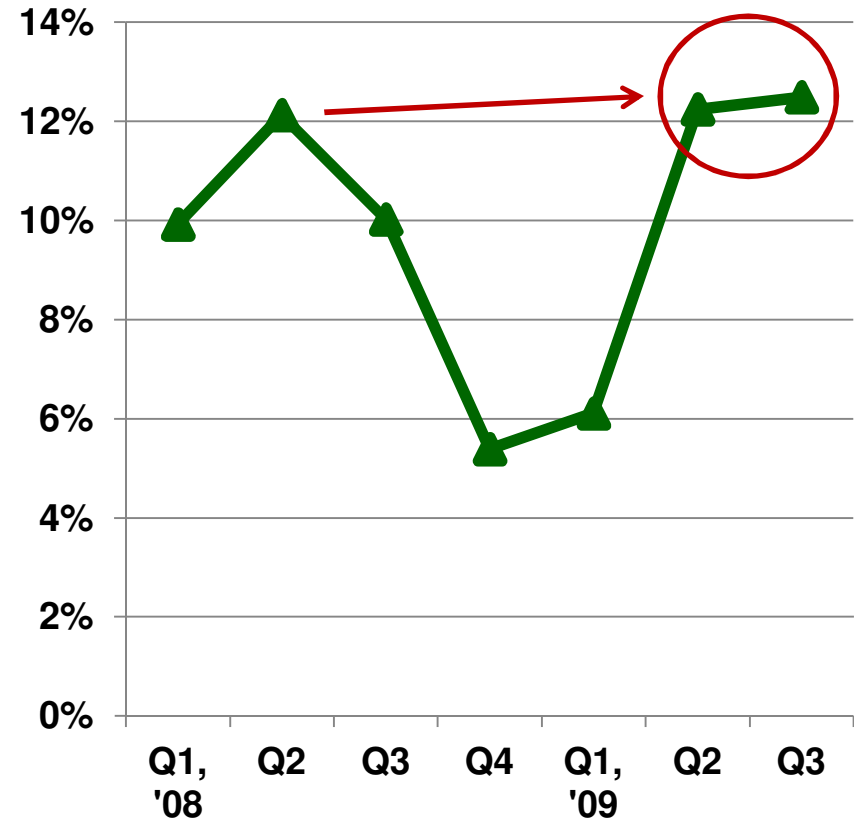
Coatings and Optical Segments



Segment Earnings Change (Y-O-Y)



Segment Operating Margin Percent

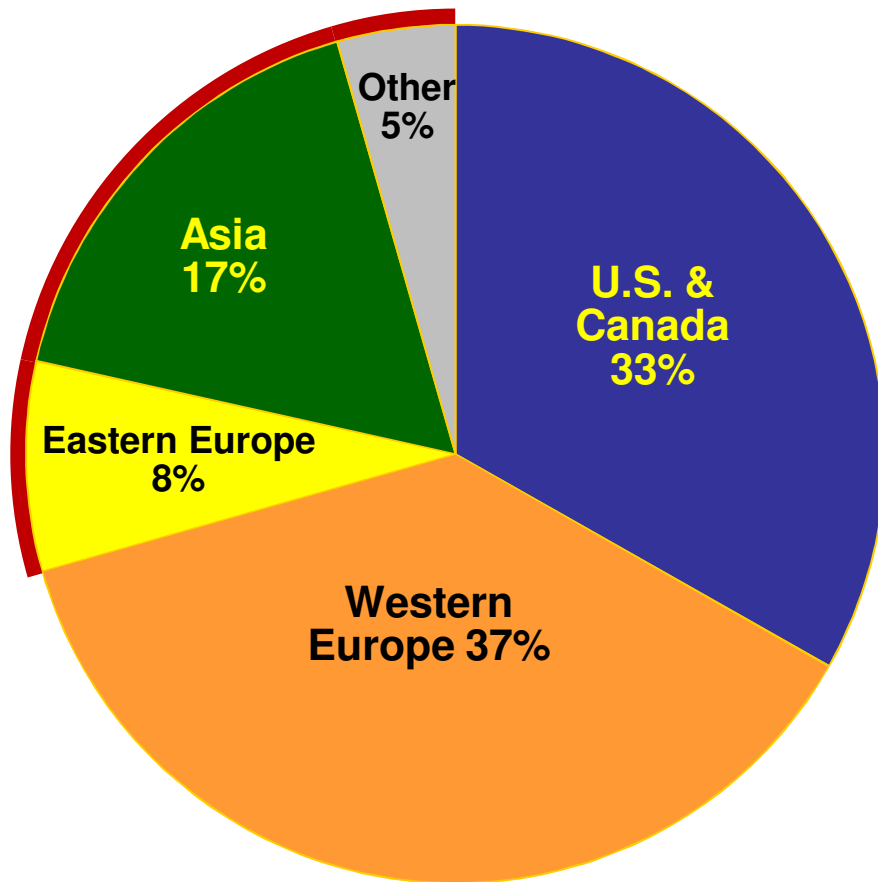


Margins At / Above Pre-Recession Levels

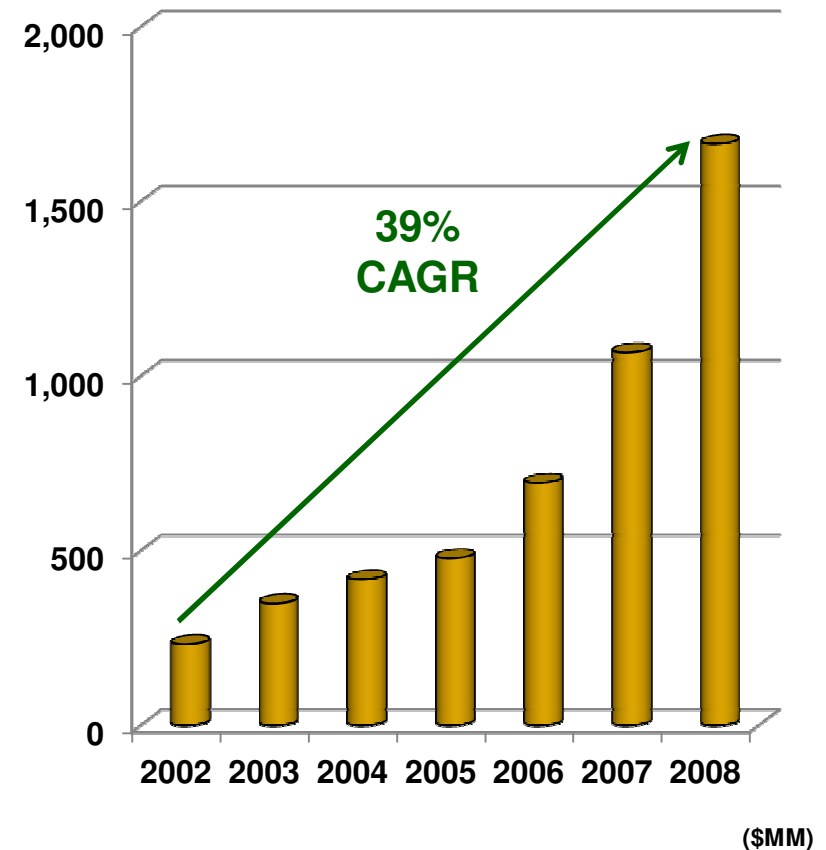
PPG's Coatings Geography



Q309 Coatings YTD



Asia/Pacific Coatings Sales



Emerging Regions Approaching 1/3 of Sales

Agenda

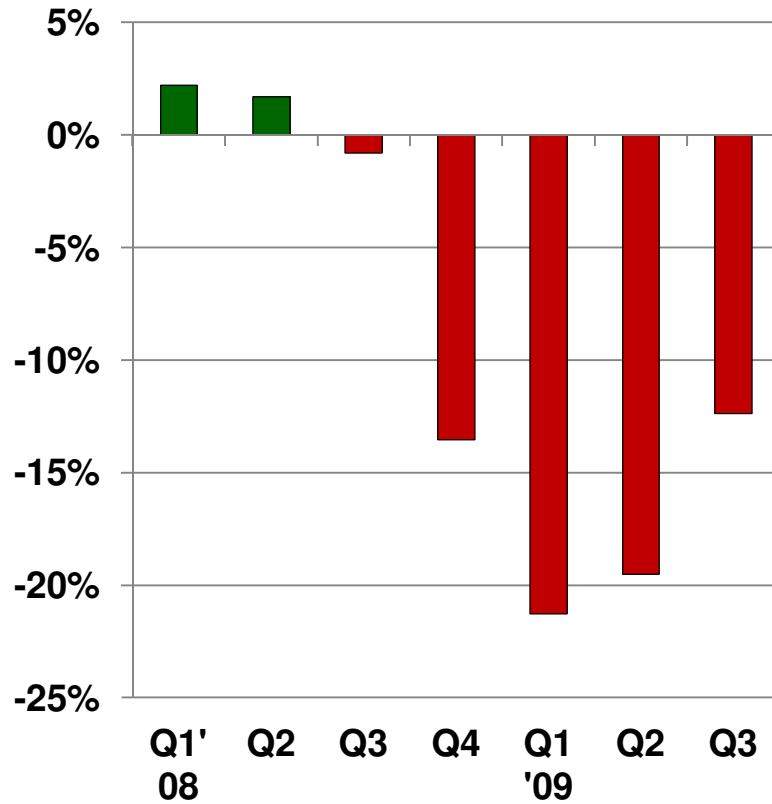


- ❖ **Opening Remarks**
- ❖ **PPG History and Transformation**
- ❖ **Third Quarter / 2009 Y-T-D**
- ❖ **Conclusion / Questions**

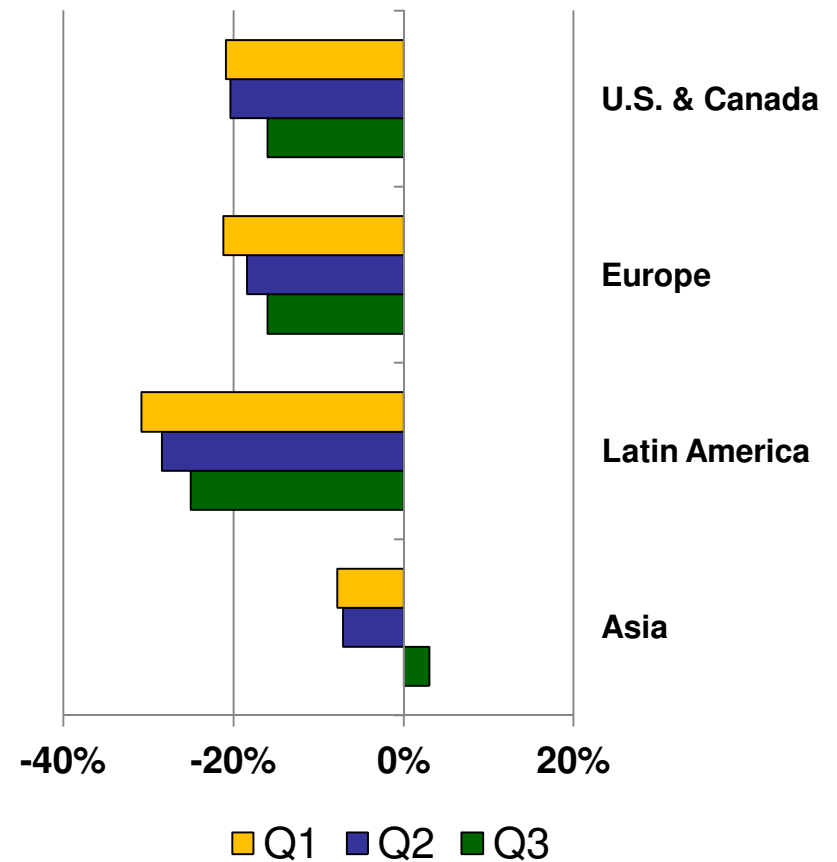
PPG Sales Volumes



Total PPG Volume
(Y-O-Y Change)



Regional Volumes
(Y-O-Y Change)

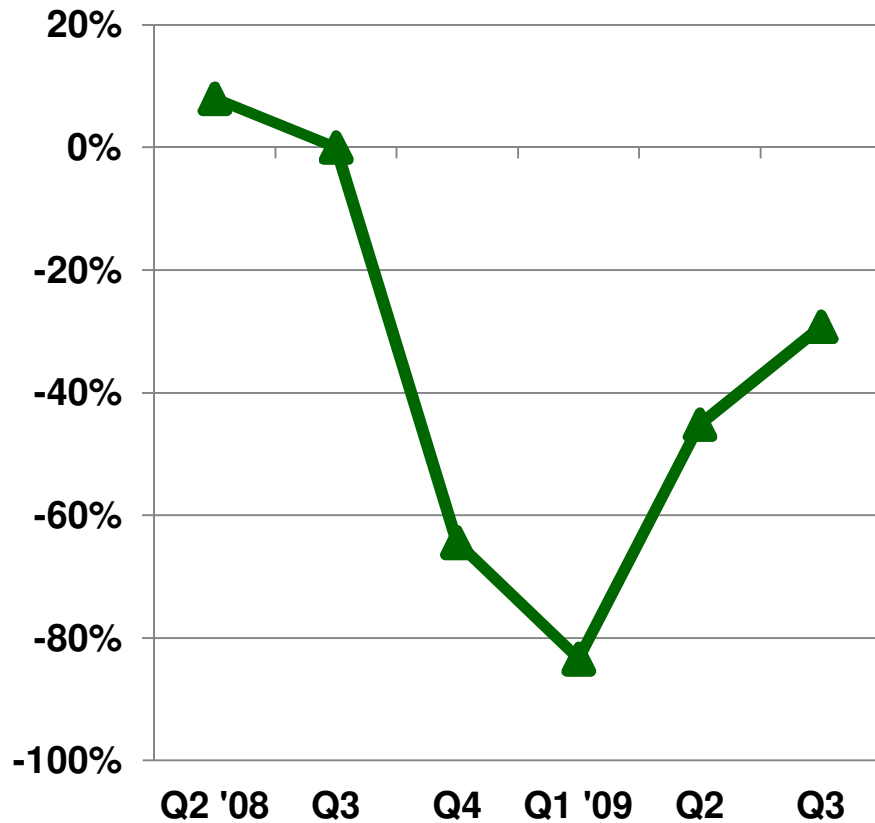


Gradual Volume Recovery

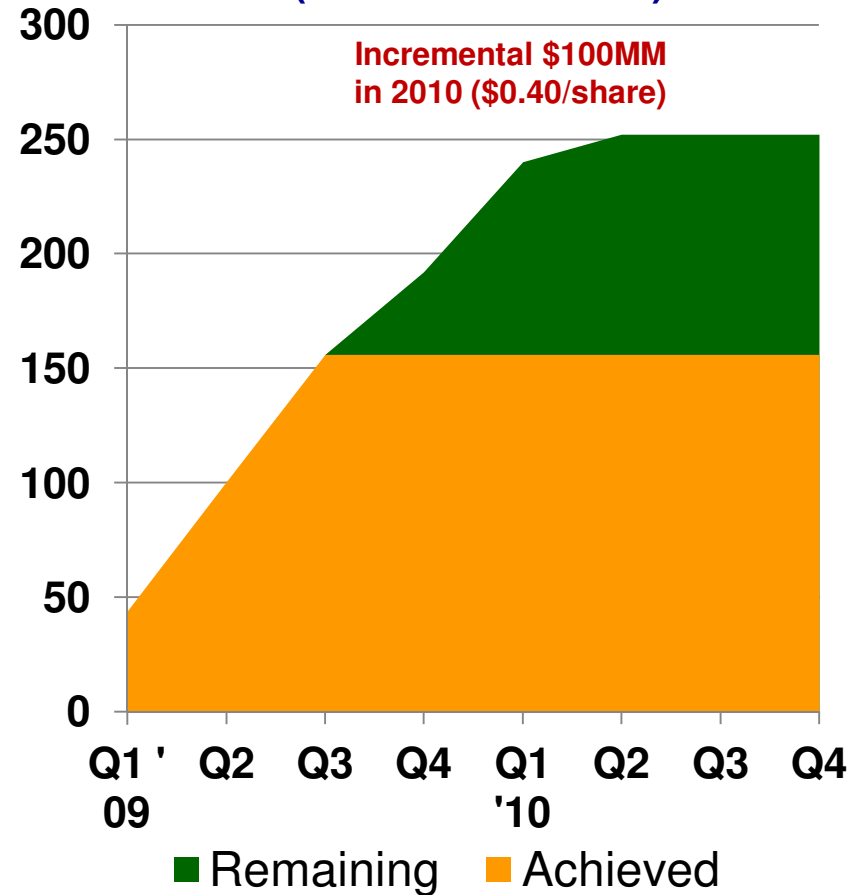
PPG Financials



**Y-O-Y Percentage Change
(Adjusted EPS)**



**Restructuring Savings
(Annual Run-Rate)**



Improving EPS Trend / Additional Savings in 2010

PPG Segment Earnings



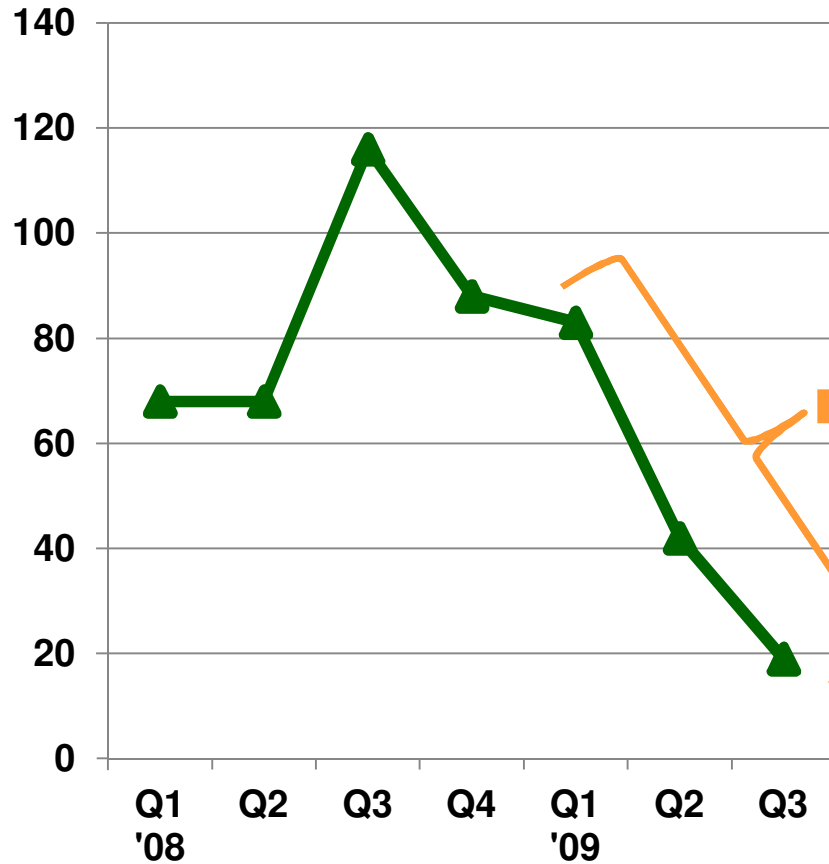
	Segment Earnings				Segment Margins		
	Q309	Q308	Chg	%	Q309	Q308	Chg
Performance Coatings	155	148	7	5%	14.4%	12.0%	+2.4%
Industrial Coatings	58	48	10	21%	7.0%	4.7%	+2.3%
Arch. Coatings EMEA	59	61	-2	-3%	10.6%	9.7%	+0.9%
Optical & Specialty Mtrls.	67	61	6	10%	26.1%	21.0%	+5.1%
Commodity Chemicals	19	116	-97	-84%	6.6%	23.2%	-16.6%
Glass	<u>-6</u>	<u>22</u>	<u>-28</u>	-127%	-2.7%	6.8%	-9.5%
Sub-Total	352	456	-104	-23%	10.9%	11.4%	-0.5%
Auto Glass (divested 9/2008)	--	<u>-5</u>	<u>5</u>	-100%	--	-2.1%	+2.1%
Total PPG	352	451	-99	-22%	10.9%	10.7%	+0.2%

Millions of USD

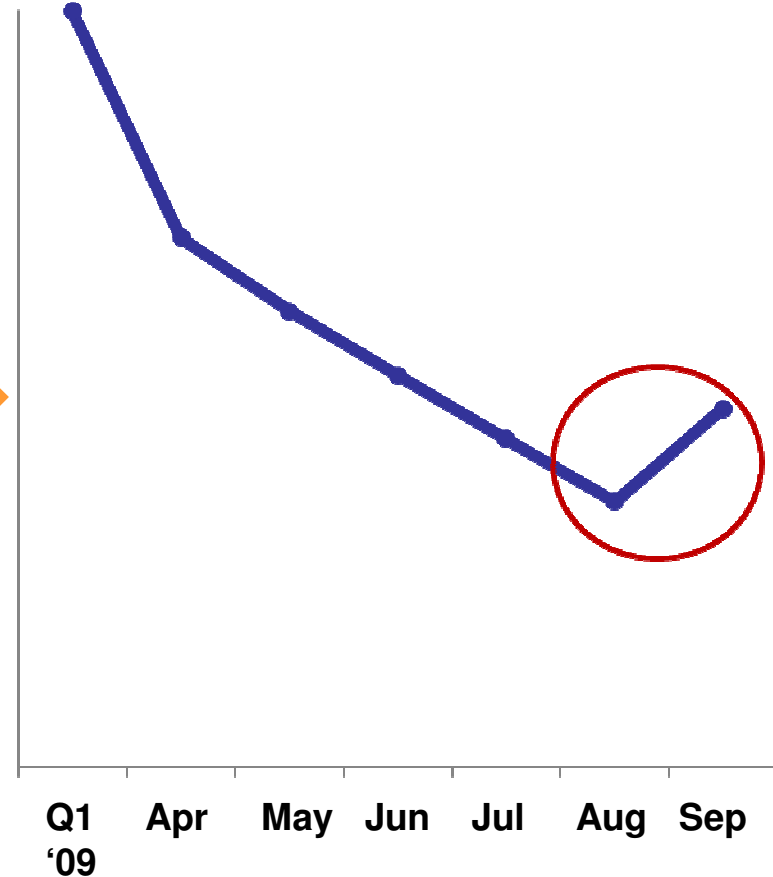
Commodity Chemicals



Segment Earnings (\$MM)



PPG ECU Price Trend

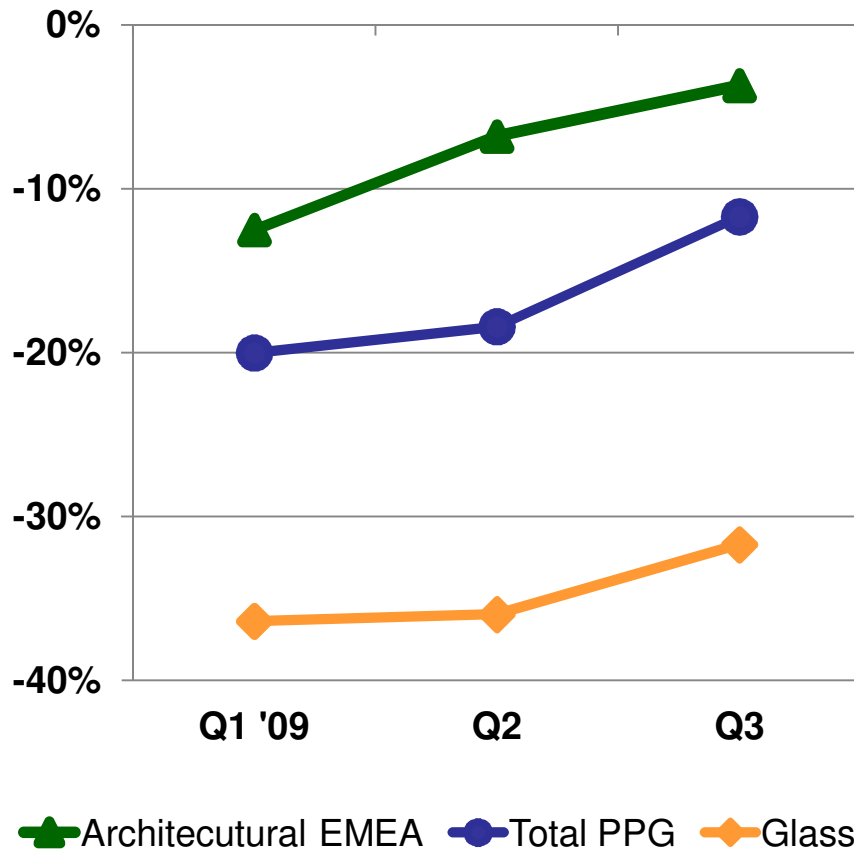


ECU Price Advanced in September

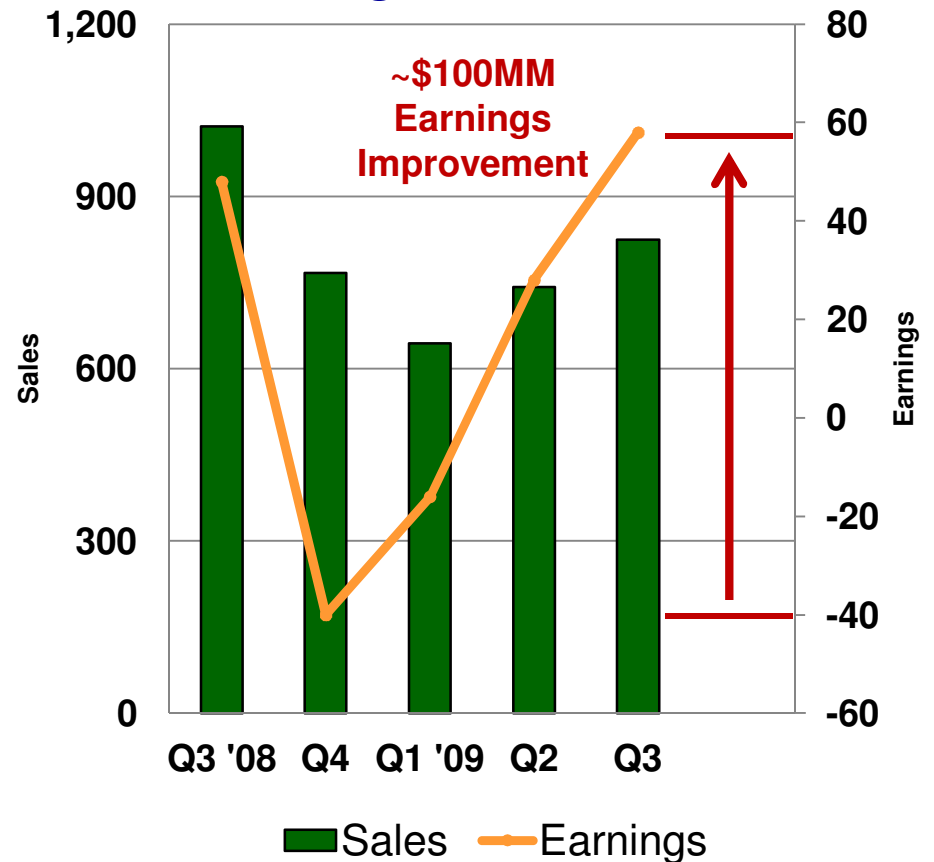
Select Financial Data



Select PPG Volumes (Y-O-Y Change)



Industrial Coatings Segment (\$MM)

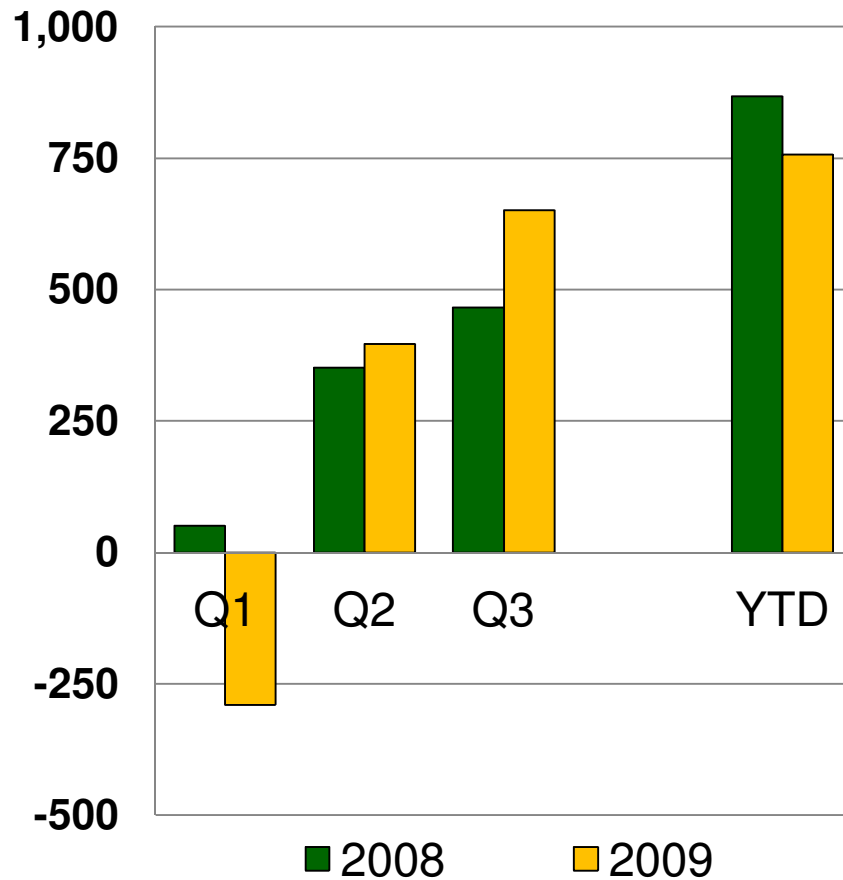


Coatings Segments Performing Well

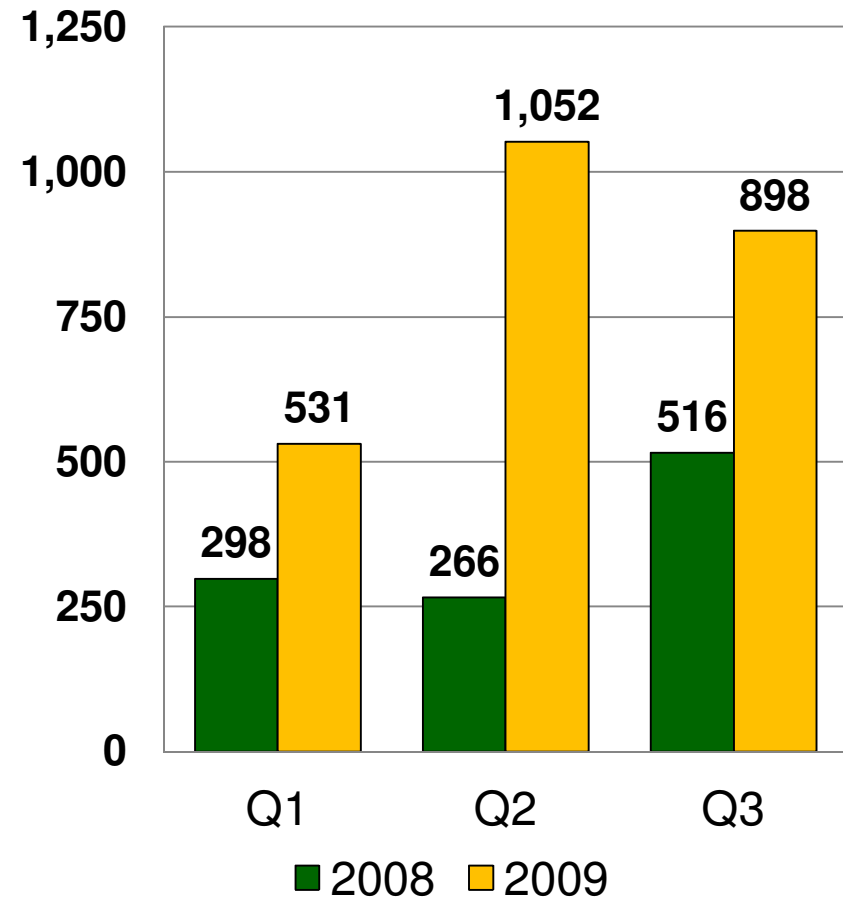
Strong Cash Performance



Cash from Operations



Cash On Hand



2008 Performance Was a Record

Financial Flexibility Remains

Conclusion



- ❖ **Strategic actions yielding results**
- ❖ **Quick response to economic conditions; further cost savings to come**
- ❖ **Core business margins expanding**
- ❖ **Positioned to leverage economic recovery**
- ❖ **Strong cash generation/position; history of rewarding shareholders remains**

Appendix



Thank you for your interest in PPG Industries, Inc.

Investor Contact:
Vince Morales (412) 434-3740

Adjusted EPS Reconciliation



Amounts in Millions of USD except EPS

First Quarter	2009		2008		2007	
	<u>\$\$</u>	<u>EPS</u>	<u>\$\$</u>	<u>EPS</u>	<u>\$\$</u>	<u>EPS</u>
Net (Loss)/Income Attributable to PPG as Reported	\$(111)	\$(0.68)	\$100	\$0.61	\$194	\$1.17
Net Charge for Asbestos Settlement	2	0.01	-	-	5	0.03
Business Restructuring Charge	141	0.86	-	-	-	-
Acquisition-Related Costs	-	-	89	0.54	-	-
Adjusted Net Income	<u>\$32</u>	<u>\$0.19</u>	<u>\$189</u>	<u>\$1.15</u>	<u>\$199</u>	<u>\$1.20</u>

Adjusted EPS Reconciliation



Amounts in Millions of USD except EPS

Second Quarter	2009		2008		2007	
	<u>\$\$</u>	<u>EPS</u>	<u>\$\$</u>	<u>EPS</u>	<u>\$\$</u>	<u>EPS</u>
Net Income Attributable to PPG as Reported	\$146	\$0.89	\$250	\$1.51	\$249	\$1.50
Net Charge for Asbestos Settlement	2	0.02	2	0.01	6	0.03
Auto Glass & Services Depreciation catch-up	-	-	11	0.07	-	-
Auto Glass & Services Divestiture benefits costs	-	-	12	0.07	-	-
Adjusted Net Income	<u>\$148</u>	<u>\$0.91</u>	<u>\$275</u>	<u>\$1.66</u>	<u>\$255</u>	<u>\$1.53</u>

Adjusted EPS Reconciliation



Amounts in Millions of USD except EPS

Third Quarter	2009		2008		2007	
	<u>\$\$</u>	<u>EPS</u>	<u>\$\$</u>	<u>EPS</u>	<u>\$\$</u>	<u>EPS</u>
Net Income Attributable to PPG as Reported	\$159	\$0.96	\$117	\$0.70	\$191	\$1.15
Net Charge for Asbestos Settlement	2	0.01	3	0.02	3	0.02
Restructuring charge			110	0.67	-	-
Gain on sale of Auto Glass & Services divestiture			(3)	(0.02)	-	-
Acquisition related costs			-	-	4	0.03
Glass divestiture costs			-	-	11	0.06
Fine Chemicals divestiture			-	-	19	0.11
Adjusted Net Income	<u>\$161</u>	<u>\$0.97</u>	<u>\$227</u>	<u>\$1.37</u>	<u>\$228</u>	<u>\$1.37</u>

Adjusted EPS Reconciliation



Amounts in Millions of USD except EPS

Fourth Quarter	2008		2007	
	<u>\$\$</u>	<u>EPS</u>	<u>\$\$</u>	<u>EPS</u>
Net Income Attributable to PPG as Reported	\$71	\$0.43	\$200	\$1.21
Net Charge for Asbestos Settlement	<u>(3)</u>	<u>(0.02)</u>	<u>1</u>	<u>0.01</u>
Adjusted Net Income	<u>\$68</u>	<u>\$0.41</u>	<u>\$201</u>	<u>\$1.22</u>