



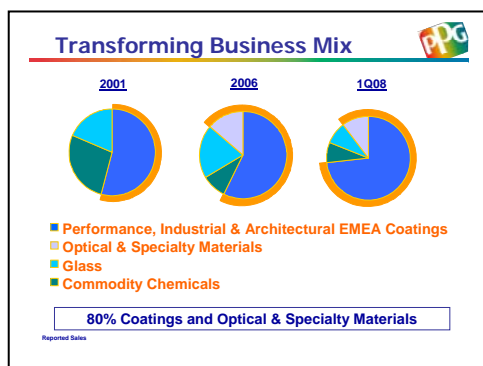
PPG Industries, Inc.

Comments by: William H. Hernandez, Sr. Vice President, Finance

As presented to the Goldman Sachs Basic Materials Conference 2008 – May 21, 2008

Good morning everyone. I'm Bill Hernandez, senior vice president, finance, and chief financial officer for PPG Industries. Thank you for your interest in PPG.

Today I'll discuss the progress of our transformation at PPG. We are focused on turning our already-strong company, with excellent cash flow, into an even stronger company with even more free-flowing cash, enhanced diversity and continued, longer-term growth potential.



Transforming Business Mix

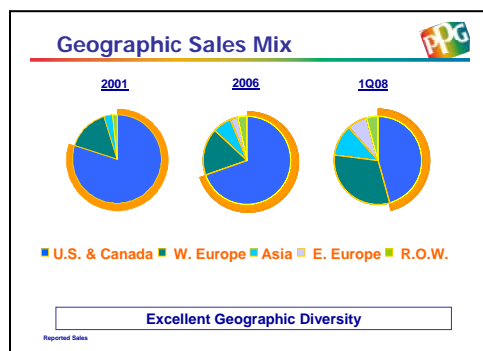
Our transformation began at the end of the nineties, when we purchased about 20 coatings companies and sold our Asian and European glass operations.

During an economic period similar to today's in 2000 and 2001, we digested the acquisitions and shifted the company's emphasis from nearly equal interests in coatings, glass and chemicals previously to a concentration of more than 50 percent on coatings and optical materials as of 2001.

Most of you are already familiar with coatings, but I'd like to quickly describe our optical business. It's supported by our leading technology in *Transitions* photochromic lens products, and it has been our fastest-growing segment for nearly 20 years, with average growth rates in the mid-teens. As important, its operating margins are around 25 percent.

With the new emphasis, PPG delivered consistent organic growth in coatings between 2001 and 2006, as both sales and earnings grew at about 7 percent – nearly double the industry average.

In 2006 and 2007, we purchased another dozen or so coatings companies, and in January of this year, we capped-off this stage of our transformation with the purchase of the SigmaKalon Group – a leading European coatings company. Today, coatings products and optical and specialty materials constitute about 80 percent of our company, up from about 50 percent in 2001, and our sales have more than doubled over the past seven years.




Geographic Sales Mix

In addition to growth in our core coatings and optical products businesses, our strategic actions also were focused on diversifying our geographic mix.

Just two years ago in 2006, more than 70 percent of our reported sales were in the United States and Canada. Today, these geographies represent only about 45 percent of our total sales.

Geographic diversification has been a key element in our ability to continue to growing in the face of a slowing U.S. economy. Our sales in the emerging regions of Asia, Latin America and Eastern Europe now account for about 20 percent of our portfolio, and growth in these regions has allowed us to continue to grow despite slowing growth in the U.S.

SigmaKalon Acquisition 	
Acquisition Update	Business Update
<ul style="list-style-type: none"> ✓ Completed acquisition January 2, 2008. ✓ Final purchase price: 8.8x 2007 ongoing EBITDA. ✓ Permanent financing placed in March 2008. ✓ Integration underway. 	<ul style="list-style-type: none"> ✓ Organic growth of low- to mid-single digits in 1Q08. ✓ PPG coatings sales up >40 percent in 1Q08. ✓ Synergy level intact / underway. ✓ Cash generation.

SigmaKalon Acquisition


As I mentioned, in January we purchased SigmaKalon, a leading coatings company in Western and Eastern Europe. I don't have time to discuss details of the transaction today, but they are available from prior PPG presentations in our Investor Center at www.ppg.com.

In short, the acquired SigmaKalon business is very complementary and filled previous voids in PPG's coatings profile, both geographic and in growing end-markets such as protective-and-marine coatings. We expect it to expand our overall coatings sales by at least 40 percent.

We closed the deal January second, and integration is going extremely well. In the first quarter, we put permanent financing in place within our targeted interest-rate range, despite a volatile credit market, and we are on pace to achieve our first-year synergy targets.

More important, while there is concern regarding the state of the Western European economy, this business has continued to grow, and we expect to see similar growth trends moving ahead.

Last – and, in my opinion, a fact that has been missed by many in the investment community – is that SigmaKalon will significantly enhance PPG's cash from operations, given the nature of the business and the execution by the management team.

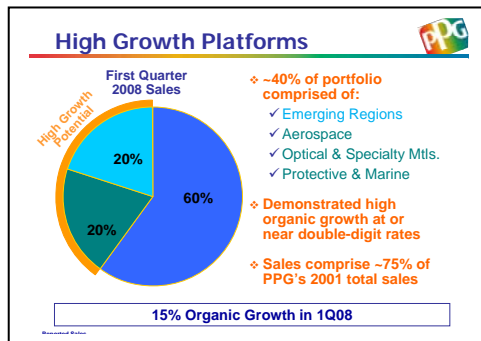
Transformation Summary 
<ul style="list-style-type: none"> ❖ Core businesses expanding – now ~80% of company. ❖ Geographically diverse – U.S. & Canada now only ~45% of company. ❖ Future earnings growth – integrating acquisitions, expanding end-markets.

Transformation Summary

In concluding my transformation discussion, I'd like to reiterate that PPG's strategic actions have significantly shifted our portfolio toward businesses we believe are more stable and resilient, and those we see having continued growth potential.

The transformation has altered the company's composition in many ways from just two years ago.

However, we are aware that many of you use 2001 as a benchmark year, given the recession at that time and its similarity to today's economic environment. Using that year as a basis of comparison, you will see that we have altered PPG in a significantly more meaningful fashion.



High Growth Platforms

Our actions to revise PPG's footprint have enhanced our company's current and future organic growth prospects. We expanded our participation in several regions and specific end-markets that are continuing to deliver high growth rates.

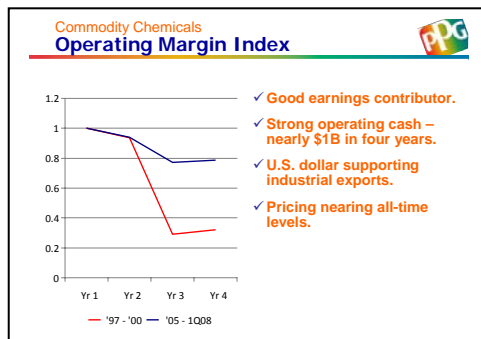
Specifically, our optical, aerospace and protective-and-marine businesses all have demonstrated growth rates around, and in some cases well above, 10 percent.

Also, we have substantially increased our penetration in Asia, Latin America and Eastern Europe, which are delivering comparable growth rates.

To more vividly demonstrate PPG's radical shift, these growth platforms in 2001 combined to total slightly more than 10 percent of our company. Today, they comprise nearly 40 percent of our company, which itself has doubled in size since 2001. Stated another way, today's combined sales for these growth platforms equal about three-quarters of our entire company's value in 2001.

As first quarter results indicated, with combined organic volume growth for these segments averaging more than 15 percent, these growth platforms remain notable for the company's future.

However – and let me be clear here – while these business units and regions have outstanding growth potential, we do have additional areas within the company that we expect to continue delivering growth. Some examples are our global automotive coatings business, which continues to support strong global OEM end-market growth, and some specific product lines that are serving growing end-markets such as wind energy, infrastructure and security applications.



Commodity Chemicals: Operating Margin Index

Let me quickly discuss another PPG business that has performed very well in recent years. Our Commodity Chemicals business unit, primarily comprised of chlor-alkali manufacturing, has remained a solid earnings contributor and an even better cash contributor.

Over the past four years, this business has been a steady contributor, with nearly one billion dollars in earnings, operating margins averaging more than 16 percent, and nearly one billion dollars in cash generated as well.

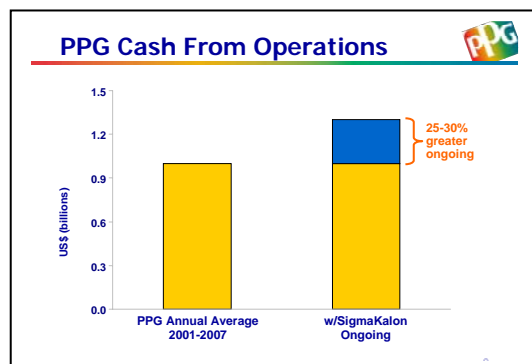
Most significant is that this historically has been the period in the economic cycle – with slowing in end-markets such as housing – when this business has experienced the most cyclicity. As the chart illustrates, following the last peak in the late 1990s, the indexed operating margins in this business dropped nearly 80 percent.

This business has remained strong, though, and in the first quarter of this year, earnings improved by more than 50 percent versus last year. Also, pricing is approaching all-time highs, and operating margins have improved slightly versus last year.

The macro industry has undergone notable changes since the last earnings trough at the beginning of this decade. Consider these facts:

- Over the past seven years, there has been a permanent shuttering of about 12 percent of the industry's capacity.
- Industrywide consolidation now finds the top four suppliers accounting for nearly 80 percent of the industry.
- Also, a weakening U.S. dollar has resulted in favorable export economics for the U.S. industrial base.

For some time, we have communicated to the investment community that it is undervaluing this business, and this stability is confirming our opinion.



PPG Cash From Operations

Now I'll shift gears to cash generation, which remains a hallmark at PPG. We have generated an average of one billion dollars in cash from operations for about the past decade. Following our acquisitions in the late 1990s, once we secured top-line sales and began to realize synergies, we stepped-up our focus on cash and delivered one of our best cash-generation years in 2001, despite the recession.

We are following this template again, as we are sharpening our cash focus this year after having made acquisitions the past several years. Aiding us this time is the fact that SigmaKalon is an excellent cash generator, and we expect that, following integration, this acquisition alone will add 25 to 30 percent to our historic cash level.

Adding this cash to our already strong cash profile will enable us to focus on growing our earnings, initially through debt reduction.



Earnings Growth

I want to be respectful of today's format, with its focus on Q&A, as we do want to hear and answer your questions.

But first I'd like to review what I call the "earnings growth levers" that PPG has despite today's economic challenges.

- As I discussed, we see continued organic growth opportunities in several key regions and businesses. As our results validated this past quarter, we anticipate this growth will continue to more than offset impacts in slower economic regions.
- Next, our acquisitions including SigmaKalon will continue to strengthen our earnings. We see SigmaKalon in particular appreciably growing segment earnings during peak painting seasons in the second and third quarters. Additionally, we continue to extract synergies and will continue to increase our synergy run rate as the year progresses.
- Last, our strong and consistent cash generation enables us to continue pursuing earnings growth, initially through debt repayment to reduce our interest costs. As an example, quarterly interest costs resulting from our SigmaKalon financing are about 45 million dollars. We expect to pay down between 250 and 450 million dollars of debt toward the end of this year, and equal amounts in 2009 and 2010.

I'll wrap up by commenting that we have successfully grown the company both organically and acquisitively by sticking to our strategy. This growth has helped make PPG one of the most diversified coatings companies in the world, both by geography and end-market, and it has helped our optical business remain a top performer in nearly every respect.

As shown the past several quarters, our growth continued despite slowing economic conditions. More important, we still have various "levers" we can pull to continue increasing our cash generation and, ultimately, growing our company.

Questions & Answers 

Thank you for your interest in PPG Industries, Inc.

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Questions & Answers

Thank you again for your interest in PPG. I would now be happy to take your questions.

Forward-Looking Statement

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