



Second Quarter 2009 Financial Results

**Charles E. Bunch, Chairman and
Chief Executive Officer**

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July 16, 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 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 Securities Exchange Act of 1934, as amended, 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 there-from, 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 July 16, 2009, and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information.

Agenda



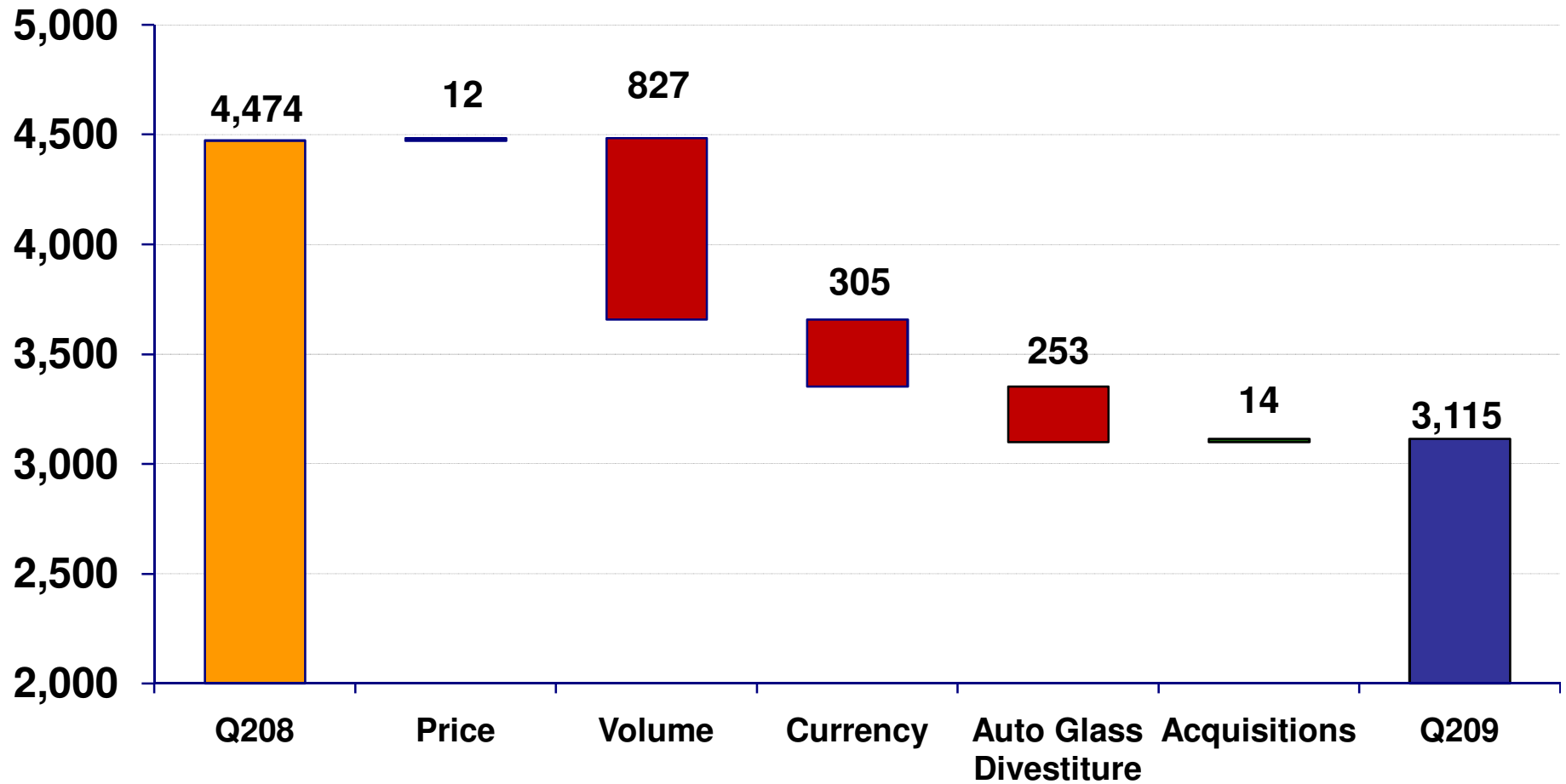
- ❖ Opening Remarks
- ❖ Financial Review
- ❖ Question & Answer Session

Second Quarter Recap



- ❖ Seasonal sales gain (Q1 to Q2) intact
- ❖ Consistent demand each month during the quarter
- ❖ Global end-use market demand down year-over-year
 - Automotive OEM & industrial declines similar to Q109 (Y-O-Y)
 - Commodity chemical declines (lower U.S. industrial activity)
 - Architectural coatings (both Europe and U.S.) Y-O-Y volume trend improved versus Q109
- ❖ Cost/restructuring benefits accelerating
- ❖ Large currency translation headwind (Euro peaked in Q208)
- ❖ Strong cash from operations (~\$400MM); \$1B cash on hand

Second Quarter PPG Sales

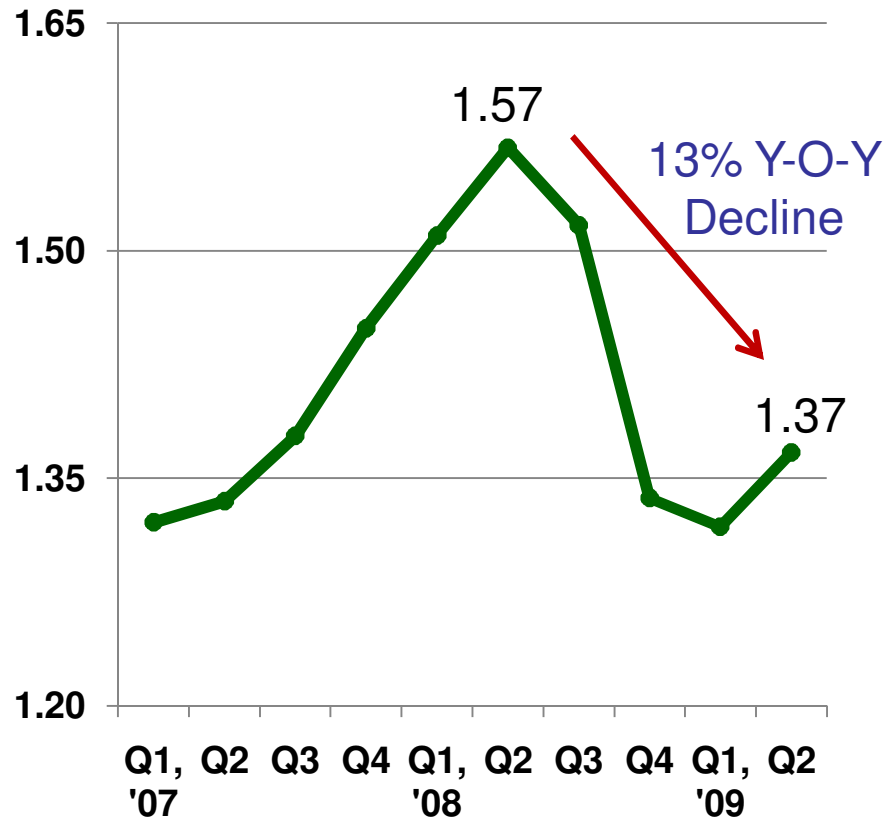


Volume decline and currency remain major headwinds

PPG Sales

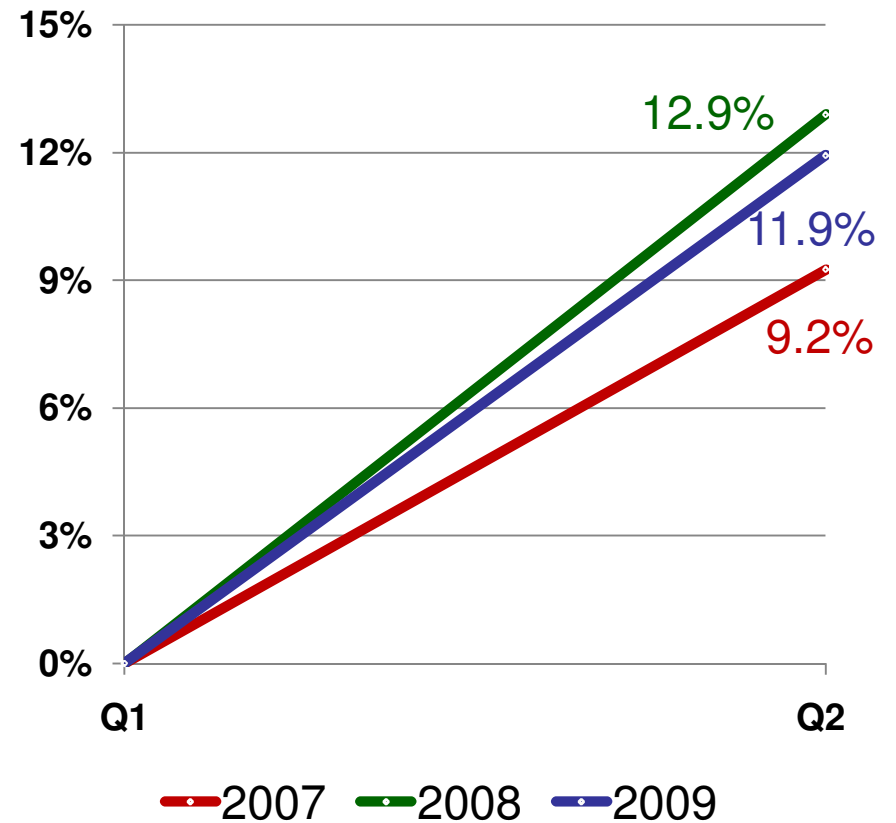


Euro/Dollar Conversion Rate



Euro Peaked in Q2, 2008

Seasonal Sales Growth Index



Seasonal Sales Trend Intact

PPG Segment Sales



	Q2, 2009	Q2, 2008	Change	%
Performance Coatings	1,066	1,269	-203	-16%
Industrial Coatings	741	1,152	-411	-36%
Architectural Coatings EMEA	527	667	-140	-21%
Optical & Specialty Materials	255	310	-55	-18%
Commodity Chemicals	319	495	-176	-36%
Glass	<u>207</u>	<u>328</u>	<u>-121</u>	-37%
<i>Sub-Total</i>	3,115	4,221	-1,106	-26%
Auto Glass (divested 9/2008)	<u>—</u>	<u>253</u>	<u>-253</u>	-100%
<i>Total PPG</i>	3,115	4,474	-1,359	-30%

PPG Segment Earnings



	Q2, 2009	Q2, 2008	Change	%
Performance Coatings	158	171	-13	-8%
Industrial Coatings	28	109	-81	-74%
Architectural Coatings EMEA	55	71	-16	-23%
Optical & Specialty Materials	61	76	-15	-20%
Commodity Chemicals	42	68	-26	-38%
Glass	<u>-7</u>	<u>20</u>	<u>-27</u>	-135%
Sub-Total	337	515	-178	-35%
Auto Glass (divested 9/2008)	<u>0</u>	<u>10</u>	<u>-10</u>	-100%
Total PPG	337	525	-188	-36%

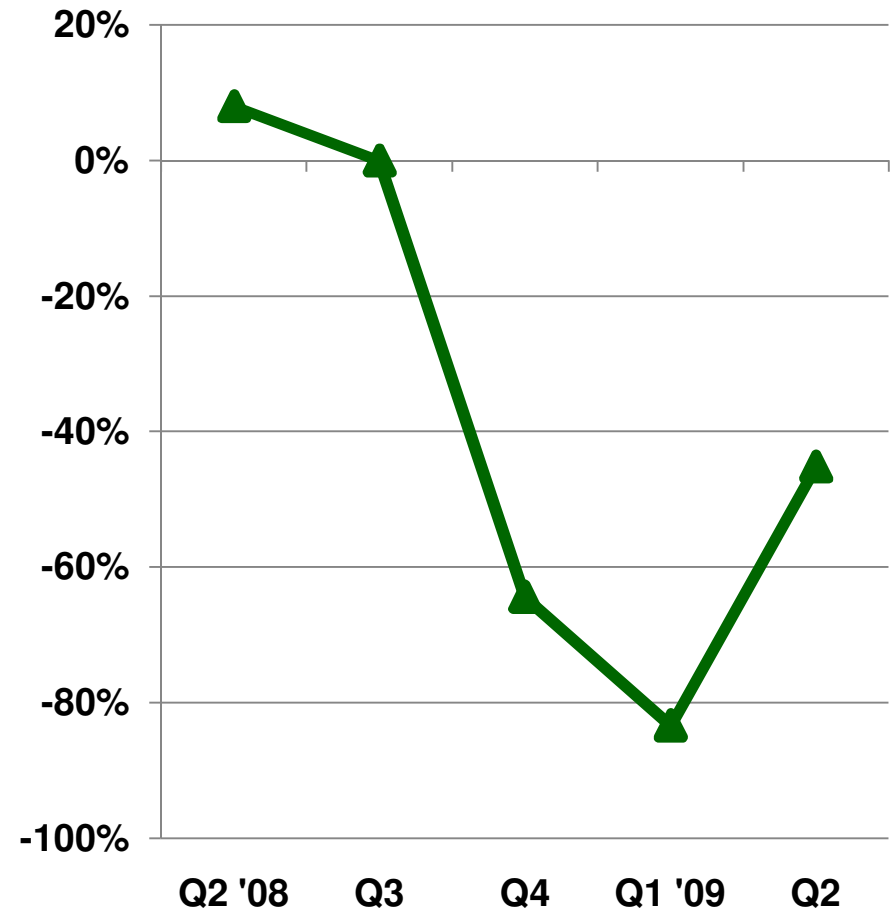
Adjusted Earnings-Per-Share *



2nd Quarter Adjusted EPS



Y-O-Y Percentage Change (Adjusted EPS)



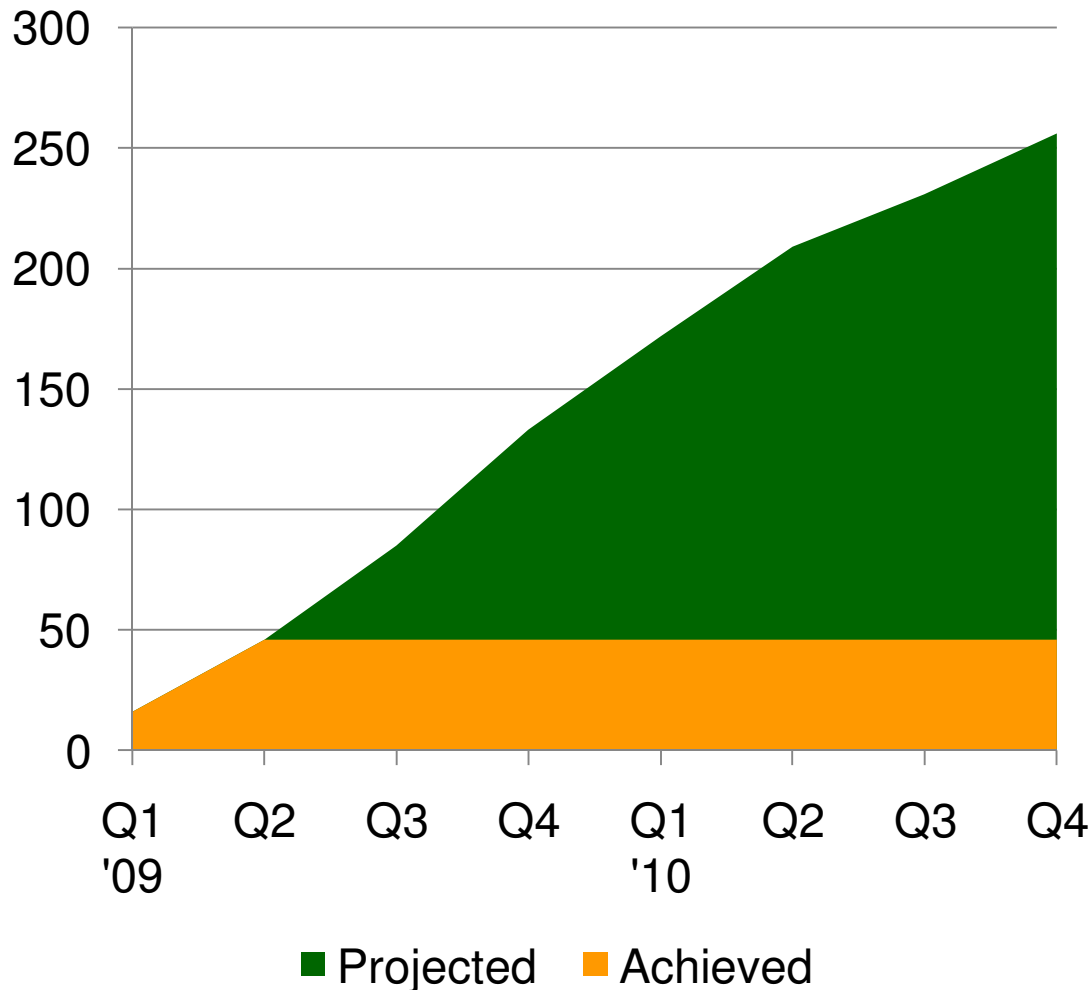
Results remain lower Y-O-Y but trend improved

* Adjusted EPS – see presentation appendix for reconciliation to reported EPS

PPG Restructuring Actions



Restructuring Savings - Annual Run-Rate



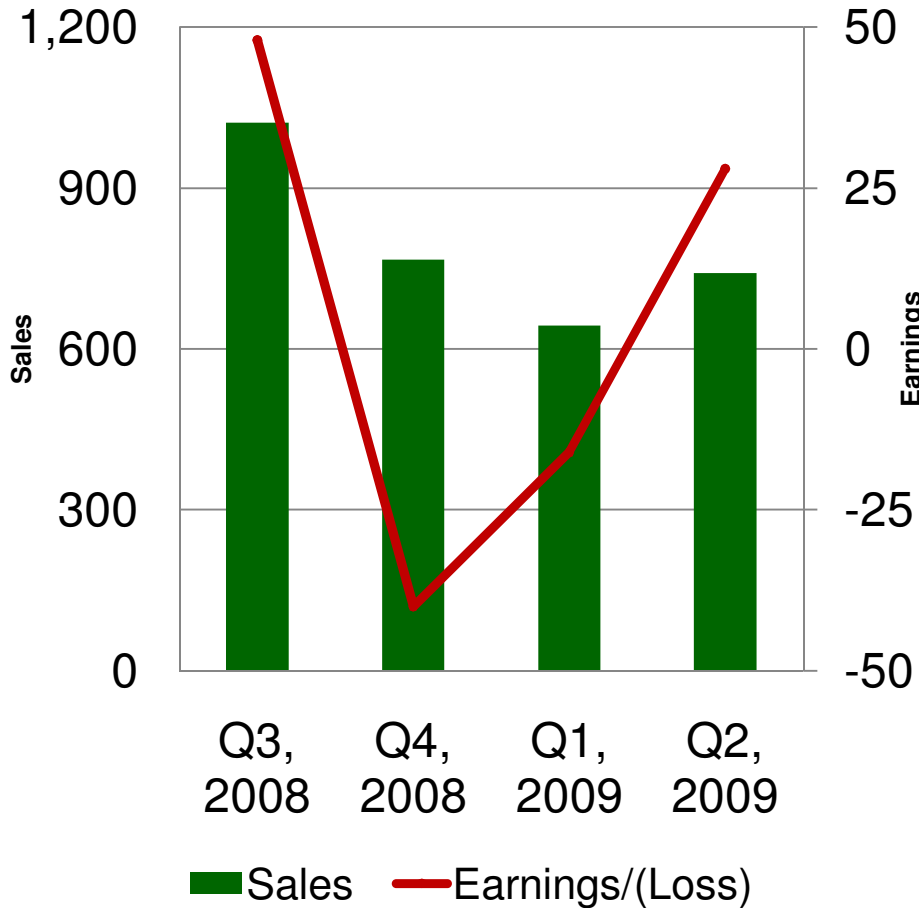
- ✓ Execution slightly ahead of original schedule
- ✓ Cost reductions structural in nature
- ✓ Total annual savings (~\$250MM) equate to \$1.00 incremental EPS upon full achievement

PPG restructuring actions announced in September, 2008 and March, 2009

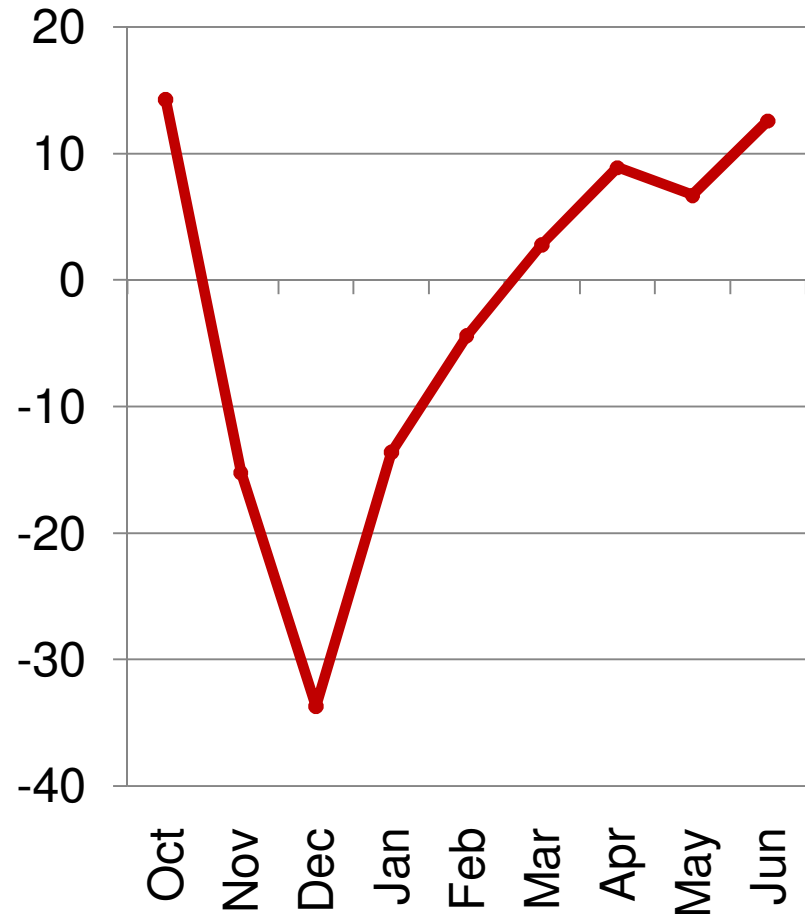
Industrial Coatings



Segment Results



Segment Earnings/(Loss)



Earnings improvement of \$68MM vs. Q408, on a lower sales level

Industrial Coatings (Cont'd)

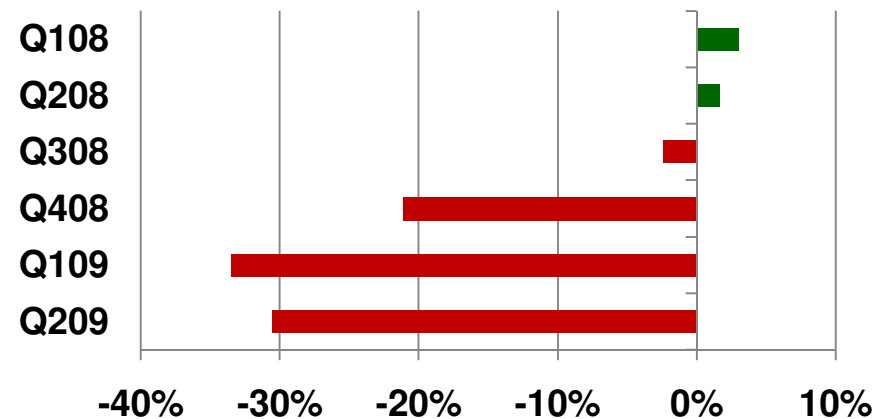


\$MM (USD)	Q209	Q208	Chg	%
Sales	741	1,152	-411	-36%
Earnings	28	109	-81	-74%

Select Sales Detail	Total	Volume	Currency
Y-o-Y Percent Change	-36%	-31%	-8%

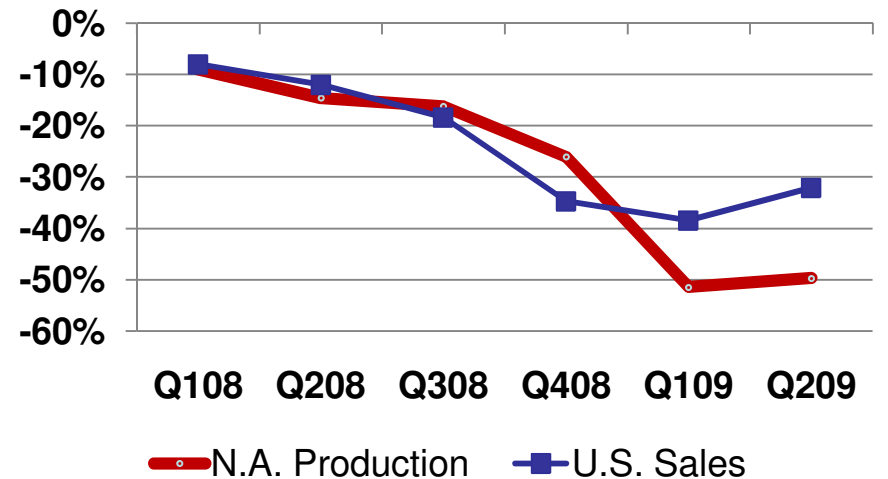
- ✓ Global demand remained very weak (auto OEM and general industrial)
- ✓ Asia outperformed other major regions
- ✓ Restructuring/cost actions driving sequential earnings improvement
- ✓ Higher Q3 auto builds anticipated (versus Q2)

Segment Volume Change (Y-O-Y)



Auto OEM Industry Statistics

(Y-O-Y Change)



Performance Coatings

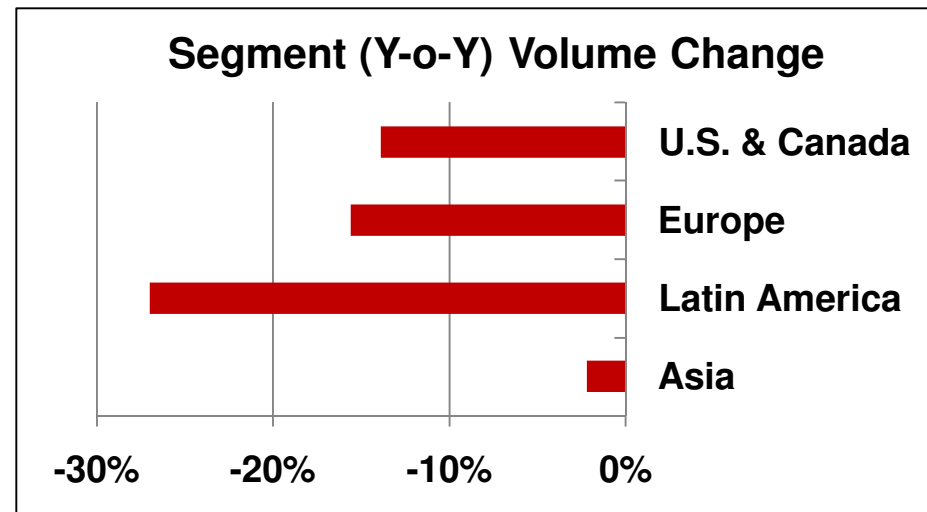


\$MM (USD)	Q209	Q208	Chg	%
Sales	1,066	1,269	-203	-16%
Earnings	158	171	-13	-8%
Op Margins	14.8%	13.5%	--	--

Select Sales Detail	Total	Volume	Currency
Y-o-Y Percent Change	-16%	-12%	-7%

- ✓ Currency translation equals -\$12MM (90% of the earnings decline)
- ✓ Seasonal sales gains intact
- ✓ Aggressive cost focus remains

- ✓ Improved U.S. architectural Y-O-Y volume performance versus past two quarters
- ✓ Auto Refinish demand remains challenging
- ✓ Protective & Marine and Aerospace volumes down slightly (Y-O-Y)



Architectural Coatings EMEA



Segment Results:

\$MM (USD)	Q209	Q208	Chg	%
Sales	527	667	-140	-21%
Earnings	55	71	-16	-23%

Select Sales Detail	Total	Currency	Other
Y-o-Y Percent Change	-21%	-16%	-5%

- ✓ Currency translation accounts for 75% (-\$12MM) of earnings decline
- ✓ Sales declined 5% in local currencies
- ✓ Seasonal trend intact

EBITDA Reconciliation:

\$MM (USD)	Q109	Q108
Earnings	55	71
Depreciation & Amortization	27	34
EBITDA	82	105
EBITDA % of Sales	15.6%	15.7%

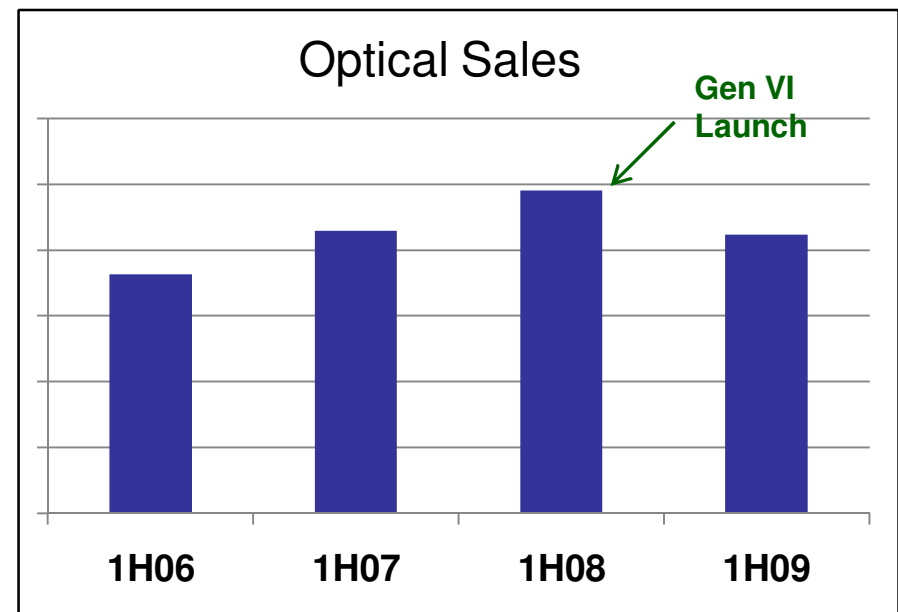
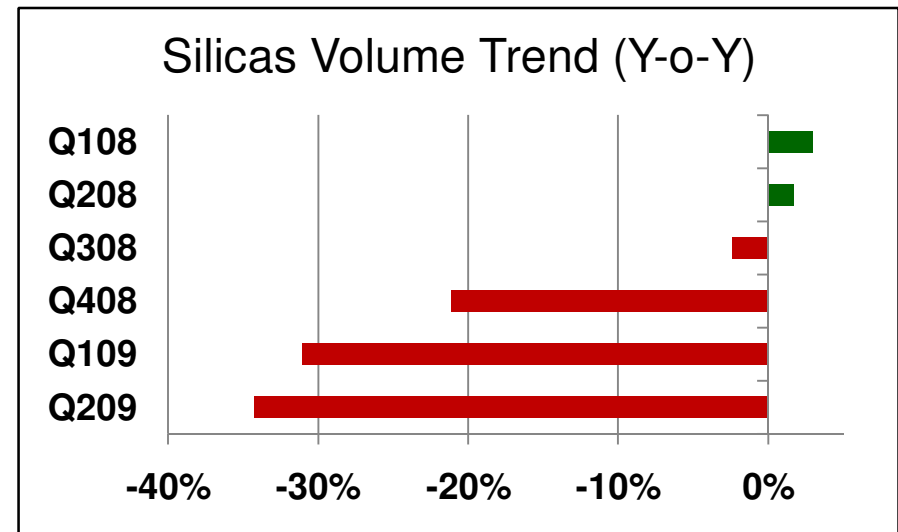
- ✓ Y-O-Y volume results improved versus Q109
- ✓ Cost actions offsetting modest volume decline
- ✓ 75-80 percent of sales relate to recurring maintenance activities (higher stability)

Optical and Specialty Materials



\$MM (USD)	Q209	Q208	Chg	%
Sales	255	310	-55	-18%
Earnings	61	76	-15	-20%
% of Sales	24%	25%	--	--

- ✓ Silicas volumes weakened further (end-use: auto OEM & auto aftermarket)
- ✓ Segment margins fairly consistent Y-O-Y despite much lower sales level (cost actions & mix)
- ✓ 2H09 Y-O-Y sales gap to lessen in Optical

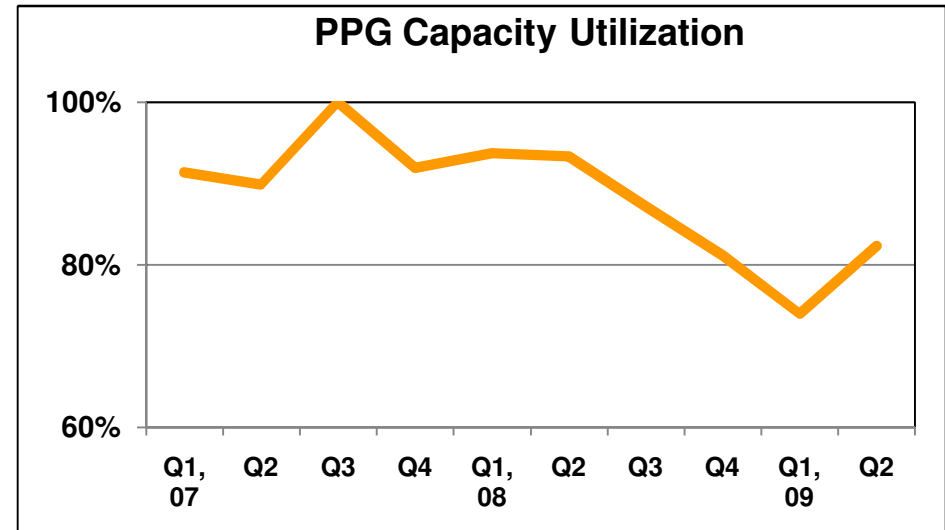


Commodity Chemicals



\$MM (USD)	Q209	Q208	Chg	%
Sales	319	495	-176	-36%
Earnings	42	68	-26	-38%
% of Sales	13%	14%	--	--

- ✓ Lower Y-O-Y operating rates & volumes (reflect lower U.S. industrial production)
- ✓ Consistent segment operating margins Y-O-Y
- ✓ Q2, 2009 PPG natural gas cost ~\$6.00 (weighted average of both hedged & un-hedged purchases)



- ✓ Caustic soda prices declined throughout the quarter
- ✓ Three chlorine price increases recently announced (total \$300/ton)

Glass



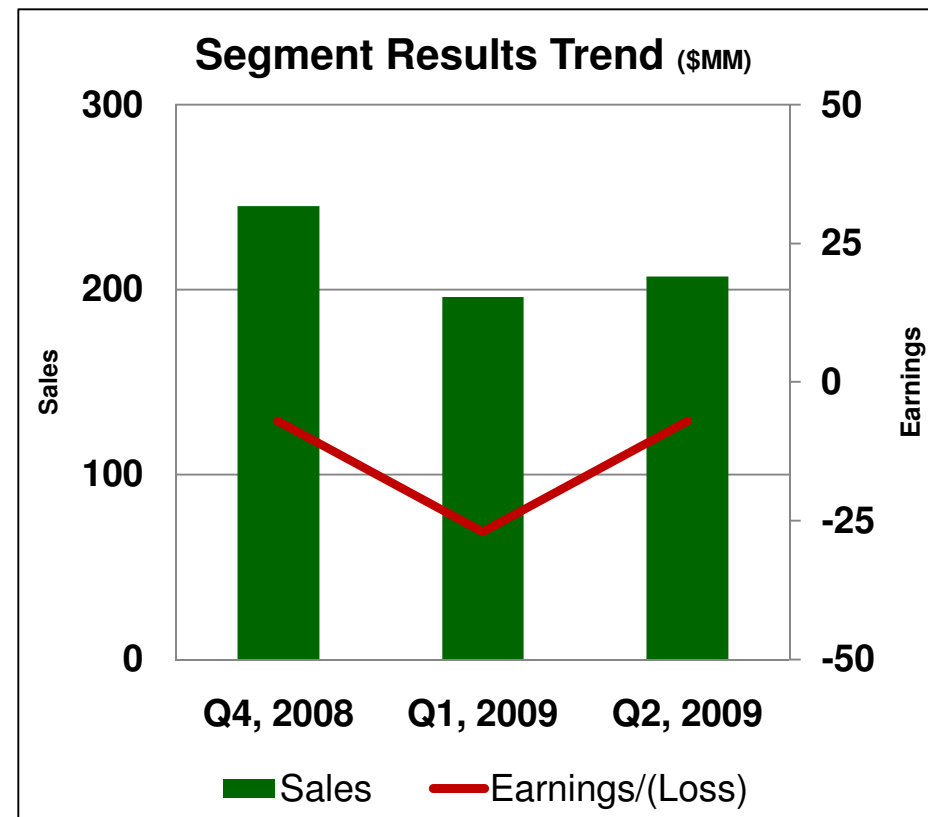
As reported (including Auto Glass in Q208)

\$MM (USD)	Q209	Q208	Chg	%
Sales	207	581	-374	-64%
Earnings	-7	30	-37	-123%

Adjusted (excluding Auto Glass)

\$MM (USD)	Q209	Q208	Chg	%
Sales	207	328	-121	-37%
Earnings	-7	20	-27	-135%

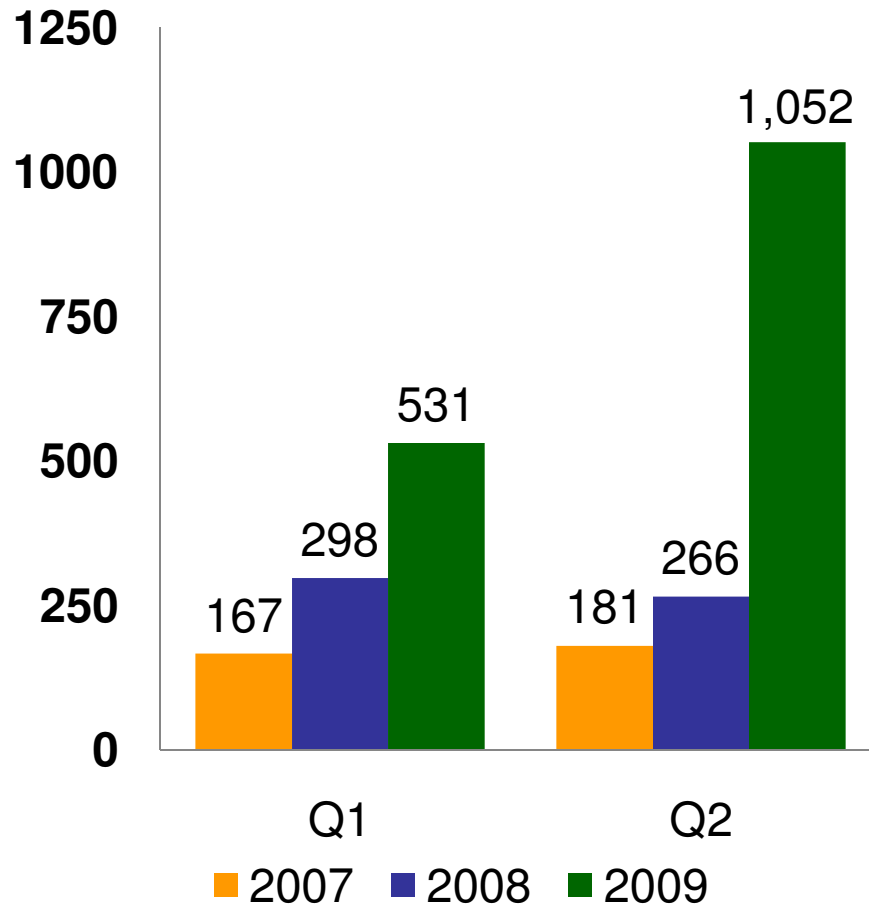
- ✓ Lower global industrial demand
- ✓ U.S. construction markets remain challenging
- ✓ Y-O-Y cost improvement approaching \$10MM
- ✓ \$20MM sequential earnings improvement on slightly higher sales



Strong Cash Position



Cash On Hand



Financial flexibility remains

Millions of USD

- ✓ Commercial paper - ~\$240MM (minimal change vs. Q109, Q408, & Q208)
- ✓ \$235MM of cash from recent term-loan net of debt pay down
- ✓ 1H09 capital spending - \$100MM
- ✓ 2009 pension contribution projection decreased to \$250MM (vs. \$350MM previously)

Summary



- ❖ Challenging external environment continues
- ❖ Executing on restructuring and cost initiatives
- ❖ Well positioned to capitalize on recovery; excellent operating leverage expected as volumes return
- ❖ Prudent management approach remains

For More Information



Thank you for your interest in PPG Industries, Inc.

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Appendix



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	2008		2007	
	<u>\$\$</u>	<u>EPS</u>	<u>\$\$</u>	<u>EPS</u>
Net Income Attributable to PPG as Reported	\$117	\$0.70	\$191	\$1.15
Net Charge for Asbestos Settlement	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>\$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>