



PPG Industries, Inc. Fourth Quarter 2010 Financial Results

Earnings Brief – January 20, 2011

Fourth Quarter Financial Recap

- ❖ Record quarterly sales and earnings-per-share
- ❖ Volume recovery continues; strong emerging region growth
- ❖ Higher pricing in all segments; coatings raw material cost inflation
- ❖ Lower full year tax rate
- ❖ Strong cash performance; cash returned to shareholders

Fourth Quarter Financial Recap

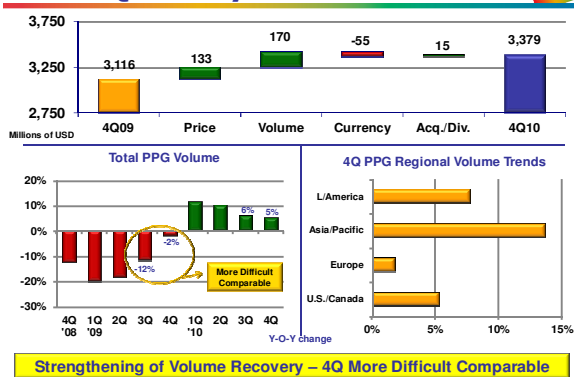
PPG achieved record fourth quarter sales of \$3.4 billion in 2010, an increase of 8 percent compared to the 2009 fourth quarter figure of \$3.1 billion. Fourth quarter 2010 reported net income was \$205 million, or \$1.24 per share, and adjusted net income was \$207 million, or \$1.25 per share, all fourth quarter records. Fourth quarter 2009 reported net income was \$142 million, or 85 cents per share, and adjusted net income was \$144 million, or 86 cents per share. A reconciliation of reported net income to adjusted net income is available in the appendix of this presentation and in the Investor Center section of PPG's website at www.PPG.com.

Record fourth quarter results were aided by higher volumes, including continued strong results in emerging regions. Higher pricing was achieved in all operating segments, with coatings price improvements partially offsetting rising raw materials costs.

The full year ongoing tax rate for 2010 was reduced to 26 percent in the fourth quarter from the company's previous estimate of 27 percent.

In what is historically PPG's best cash-generation quarter, cash from operations was very strong at about \$600 million. For the full year 2010, cash from operations totaled \$1.3 billion, and about 75 percent of that total, or about \$1 billion, was returned to shareholders in the form of an increased annual dividend payout and share repurchases.

PPG Quarterly Sales



PPG Quarterly Sales (Waterfall and Trend Charts)

Sales of \$3.4 billion improved by \$263 million, or 8 percent, versus the fourth quarter 2009, establishing a new fourth quarter record.

Pricing improved by more than \$130 million, with each segment contributing. Commodity Chemicals led the pricing gains due to continued tightening in the caustic soda market. The coatings segments delivered higher pricing each quarter of 2010, with a focus on offsetting persistent raw materials cost increases.

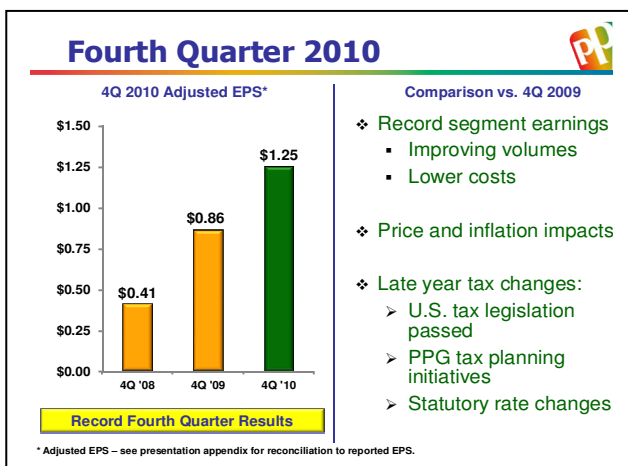
Currency conversion reduced sales by \$55 million, primarily as a result of a much weaker Euro in 2010 compared to 2009.

Volumes improved by \$170 million, or 5 percent. During the fourth quarter of last year the economic recovery began to gain traction, making this quarter's comparable period more difficult.

Volume growth remained strong in the Asia/Pacific region, at nearly 15 percent, and in Latin America, at about 8 percent. Full year growth in these regions was broad, with most coatings businesses delivering double-digit increases. For the year, PPG's Asia/Pacific sales surpassed \$2 billion, an increase of nearly 25 percent, with earnings in the region increasing nearly 50 percent.

As with prior periods this year, during the quarter the developed regions continued to benefit from steady improvement in industrial activity, which was coupled with improving aftermarket activity. Ongoing weakness in construction and maintenance markets continued to suppress architectural coatings volumes in Europe, as fourth quarter declines remained consistent with prior quarters at about 5 percent. Worth noting is that architectural coatings volumes in the United States and Canada were flat year-over-year.

Overall, the company's record sales performance in the quarter and record annual sales in emerging regions reflect the measurable benefits from PPG's strategic initiatives to broaden end-use markets served and improve penetration in rapidly growing regions.



Adjusted Earnings per Share

Adjusted earnings per share was \$1.25 for the fourth quarter, setting a new record for the company. This compares with 86 cents in 2009 and 41 cents in a recession-impacted fourth quarter 2008.

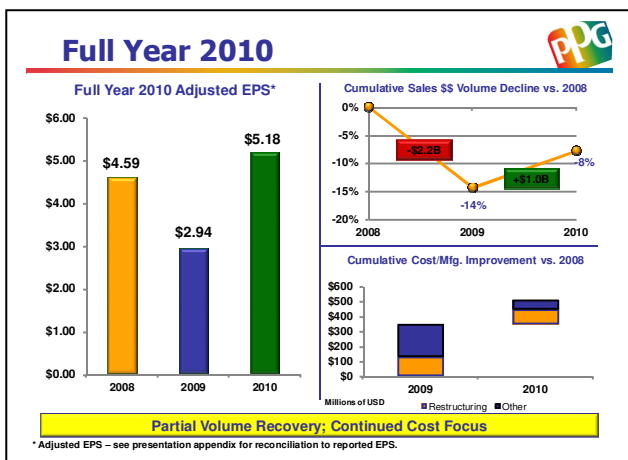
The main contributors to the improved earnings and corresponding record segment earnings were improved volumes and lower manufacturing costs.

As with prior quarters in 2010 for the company, in total, higher selling prices aided by strong pricing gains in Commodity Chemicals countered input cost inflation. Coatings raw material costs escalated all year and rose

by high-single-digit percentages in the quarter and mid- to high-single-digit percentages for the full year. Not all coatings businesses fully offset raw material inflation in the fourth quarter, and offsetting inflation with pricing remains a key objective in 2011.

Another driver was a lower tax rate. The 2010 full year ongoing tax rate was lowered in the quarter to 26 percent from the company's previous estimate of 27 percent. The lower rate is due to benefits from U.S. tax legislation passed late in the year and PPG tax planning initiatives implemented during the fourth quarter. The full year tax rate was also lowered due to the impact of fourth quarter statutory tax rate changes outside the United States. As a result of all these factors, the fourth quarter effective tax rate was 21.6 percent.

The lower tax expense added 9 cents to fourth quarter per share results. This includes the catch-up adjustment relating to adjusting the ongoing tax rate on income earned in the first three quarters of 2010 which was 6 cents per share. The remaining 3 cents was the result of the lower ongoing tax rate impact on fourth quarter earnings and of enacted reductions in statutory tax rates outside the U.S. The current estimated ongoing tax rate range for 2011 is 26 to 27 percent.

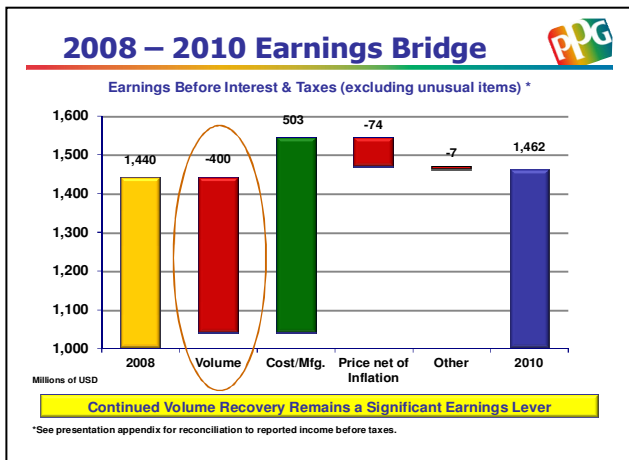


Full Year Adjusted Earnings per share

The 2010 adjusted earnings per share of \$5.18 represents a significant improvement from the \$2.94 in 2009. In addition, PPG achieved record earnings in both the third and fourth quarters, providing momentum heading into 2011.

Full year sales volumes improved by \$1 billion versus 2009, with strong margin performance achieved due to a continued, aggressive cost focus. Full year 2010 costs were reduced by about \$100 million due to the prior year's restructuring program, along with an additional \$50 million from other cost management and manufacturing improvement actions. Earnings grew in

comparison with 2008 despite sales volumes that remain \$1.2 billion, or about 8 percent below 2008 levels. The 2010 cost-reduction initiatives, along with the partial volume recovery, were key components to the earnings gain.



2008–2010 Earnings Bridge

The \$1.2 billion in lower sales volumes is one of the key components in bridging the 2008 to 2010 earnings, as these lower sales volumes reduced earnings by \$400 million versus 2008. However, cumulative cost and manufacturing improvements of more than \$500 million from 2008 to 2010 more than offset this impact. The cost savings include about \$250 million resulting from PPG’s 2008 and 2009 announced restructuring actions. The additional \$250 million stems from aggressive cost management based on the lower volumes.

As volumes continue to return closer to pre-recession levels, the reduced cost structure will provide a significant earnings lever for PPG.

Performance Coatings								
SMM (USD)	4Q10	4Q09	Chg	%	2010	2009	Chg	%
Sales	1,102	1,026	76	7%	4,281	4,095	186	5%
Earnings	170	149	21	14%	661	551	110	20%
Margin %	15.4%	14.5%	--	--	15.5%	13.5%	--	--

Select Sales Detail	Total	Volume	Currency	Select Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	7%	6%	-1%	2010 Y-O-Y Change	5%	0%	2%

Fourth Quarter <ul style="list-style-type: none"> Record earnings on continued margin improvement Continued high sales growth in both Aerospace and Protective & Marine Architectural Coatings volumes flat with prior year Mid-single digit Auto Refinish volume growth Tight cost focus remains 	Full Year <ul style="list-style-type: none"> Record full year earnings despite mid-single digit percent declines in Architectural volumes Positive business mix continues (strengthening Auto Refinish and Aerospace businesses) Record Protective & Marine results Solid pricing gains
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Performance Coatings

For the Performance Coatings segment, sales for the quarter were \$1.1 billion, up \$76 million versus the prior year’s period.

Segment earnings improved 14 percent to a fourth quarter record of \$170 million. Segment margins expanded 90 basis points to 15.4 percent due to the continued growth of several top-performing businesses, along with lower costs. Segment selling prices were increased in the quarter in an effort to offset raw materials cost inflation.

Segment volumes improved 6 percent in the quarter, aided by continued strong growth in the protective and marine coatings and aerospace businesses. Mid-single-digit percentage growth was realized in the automotive refinish business, with both emerging and developed regions contributing equally. Volumes in the architectural coatings – Americas and Asia/Pacific business were flat, including flat results in the U.S. and Canada region.

For the full year, a new earnings record of \$661 million was established, with quarterly records achieved in every quarter during the year. This was supported by record or near-record earnings in the aerospace, automotive refinish, and protective and marine coatings businesses, as all benefited from partial volume recovery and lower costs.

The architectural coatings – Americas and Asia/Pacific business experienced mid-single-digit volume declines for the full year, but that impact was fully countered by strong cost management.

The momentum from this record 2010 performance is expected to carry into 2011, with the emerging regions contributing to global growth in automotive and aircraft fleets, which aids the aftermarkets served by this segment.

Industrial Coatings								PPG			
SMM (USD)	4Q10	4Q09	Chg	%	2010	2009	Chg	%			
Sales	949	859	90	10%	3,708	3,068	640	21%			
Earnings	79	89	-10	-11%	378	159	219	138%			
Margin %	8.3%	10.4%	--	--	10.2%	5.2%	--	--			
Select Sales Detail	Total	Volume	Currency					Select Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	10%	10%	-1%					2010 Y-O-Y Change	21%	19%	1%

<p>Fourth Quarter</p> <ul style="list-style-type: none"> ✓ Solid volume gains versus improving prior year results ✓ Global auto OEM volumes up nearly 15%, outpacing industry ✓ Raw materials inflation partially offset by pricing & lower costs ✓ Asian sales up 30%, size of Asian business surpasses U.S./Canada 	<p>Full Year</p> <ul style="list-style-type: none"> ✓ Strong, but only partial volume recovery from recession in mature regions ✓ Considerable emerging regions growth (>35%) ✓ Raw material inflation greater than pricing in second half of the year ✓ Price increases and additional cost initiatives underway for 2011
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Industrial Coatings

The Industrial Coatings segment's sales increased 10 percent in the quarter, to \$949 million in comparison with prior year results that included a benefit from the start of recovery in many global industrial markets. Currency conversion was a modest negative. Fourth quarter earnings of \$79 million were down \$10 million as price, volume and cost improvements did not fully offset higher raw materials costs.

The automotive OEM coatings business posted volume growth of nearly 15 percent, easily outpacing global industry auto production growth of 7 percent. Both the industrial coatings and packaging coatings businesses posted mid- to high-single-digit volume growth.

The Asia/Pacific region of the Industrial Coatings segment surpassed the U.S./Canada region in terms of sales size, based on continued strong growth of nearly 30 percent in the quarter.

For the full year, segment sales surpassed \$3.7 billion, up \$640 million, on 19 percent volume growth, reflecting the continuing, gradual industrial recovery in developed economies and considerable emerging regions growth. Earnings returned closer to pre-recession levels as margins grew by 500 basis points to 10.2 percent, with raw material inflation crimping margins in the second half of the year.

Despite the gradual recovery, volumes in the developed regions remained down more than 15 percent, or about \$500 million, versus 2008. In 2011, further industrial volume recovery is anticipated, coupled with continued emerging-regions growth. Additional pricing efforts are underway for 2011, including for those customers on semi-annual or annual contracts. These sales gains will be supplemented with aggressive cost initiatives as a means to fully offset the earnings impacts from raw material cost inflation.

Architectural Coatings – EMEA								PPG												
SMM (USD)	4Q10	4Q09	Chg	%	2010	2009	Chg	%												
Sales	426	457	-31	-7%	1,874	1,952	-78	-4%												
Earnings	2	11	-9	-82%	113	128	-15	-12%												
Depreciation & Amortization					107	109	--	--												
EBITDA					220	237	--	--												
EBITDA Margin					11.7%	12.1%	--	--												
<table border="1"> <thead> <tr> <th>% of Sales by Quarter (Excl. Currency Impact)</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>Avg. '08-'10</td> <td>23%</td> <td>29%</td> <td>28%</td> <td>20%</td> </tr> </tbody> </table>											% of Sales by Quarter (Excl. Currency Impact)	Q1	Q2	Q3	Q4	Avg. '08-'10	23%	29%	28%	20%
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Avg. '08-'10	23%	29%	28%	20%																

<p>Fourth Quarter</p> <ul style="list-style-type: none"> ✓ Results reflect historical sales seasonality ✓ Currency -\$28MM to sales ✓ Solid pricing, reflecting higher raw materials ✓ Mid-single-digit percentage volume declines 	<p>Full Year</p> <ul style="list-style-type: none"> ✓ Negative currency headwind of \$7MM on earnings, ~\$70MM on sales ✓ Stable volume trend all year (down mid-single-digit percents) and stable Y-O-Y earnings / margins ✓ Strong, consistent cash generation ✓ Further pricing actions underway
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Architectural Coatings – EMEA

Architectural Coatings – EMEA segment sales in the quarter of \$426 million were down \$31 million versus the same period in 2009, and earnings declined \$9 million. The fourth quarter is traditionally the lowest sales quarter of the year due to seasonality. Negative currency conversion, due primarily to a weakened Euro, was a significant factor, negatively impacting sales by \$28 million.

Volume results remained steady with prior quarters in 2010, declining by mid-single-digit percentages, reflecting continued general sluggishness in the European construction and maintenance markets. Partly

offsetting negative currency and volume impacts in the quarter were solid price gains in response to higher raw materials costs.

On a full year basis, sales declined \$78 million, predominantly due to currency, with solid pricing and a few small acquisitions offsetting the volume declines. Volume trends remained consistent each quarter during the year, down about 5 percent. Earnings were down a modest \$15 million, with negative currency translation accounting for nearly half.

Segment performance is also measured in terms of earnings before interest, taxes, depreciation and amortization, or EBITDA. EBITDA is a relevant measure for this segment given the ongoing, non-cash

amortization expense from the SigmaKalon acquisition. Despite the challenging volumes and currency, full year EBITDA margins declined only 40 basis points, as this business remains a very stable earnings and cash contributor.

Conditions in the end-use market remain stable, yet challenging, entering 2011. Additional pricing efforts are underway with the intention of fully offsetting raw materials cost inflation.

Optical & Specialty Materials					PPG			
SMM (USD)	4Q10	4Q09	Chg	%	2010	2009	Chg	%
Sales	268	245	23	9%	1,141	1,002	139	14%
Earnings	57	47	10	21%	307	235	72	31%
Margin %	21.3%	19.2%	--	--	26.9%	23.5%	--	--

Select Sales Detail	Total	Volume	Currency	Select Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	9%	10%	-2%	2010 Y-O-Y Change	14%	14%	0%

<p>Fourth Quarter</p> <ul style="list-style-type: none"> Record sales in both businesses Double-digit volume gains (both Optical Products & Silicas) Record earnings despite higher growth focused selling & advertising 	<p>Full Year</p> <ul style="list-style-type: none"> Record sales & earnings Return to historic double-digit growth rates Transitions growth in emerging regions of ~20% Adjacent products supplementing growth rate
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Optical and Specialty Materials

Fourth quarter sales for the Optical and Specialty Materials segment were \$268 million, up \$23 million on 10 percent volume growth. Earnings grew by 21 percent to \$57 million, a new fourth quarter record for the segment.

Both the optical products and silicas businesses delivered double-digit volume growth for the fourth quarter and in each quarter during 2010. As a result, segment sales and earnings results for the quarter and year were all-time records. Increased penetration was achieved in the optical end-use market for both Transitions® lens products and adjacent products,

including about 20 percent growth in emerging regions. Volume recovery momentum continued in silicas and was supplemented by higher pricing.

Growth in year-over-year operating margins was maintained at between 200 to 300 basis points all throughout 2010, including in the fourth quarter, despite higher selling and advertising costs focused on current and future growth initiatives.

Strong performance is expected to carry into 2011, despite higher advertising costs focused on continued top-line growth.

Commodity Chemicals					PPG			
SMM (USD)	4Q10	4Q09	Chg	%	2010	2009	Chg	%
Sales	376	306	70	23%	1,434	1,273	161	13%
Earnings	73	8	65	812%	189	152	37	24%
Margin %	19.4%	2.6%	--	--	13.2%	11.9%	--	--

<p>Fourth Quarter vs. Prior Year</p> <ul style="list-style-type: none"> Significant earnings recovery continues Higher maintenance costs Substantially higher ECU prices <p>Fourth Quarter vs. Prior Quarter</p> <ul style="list-style-type: none"> Higher earnings - ECU prices growing during the quarter Higher maintenance costs (planned outage), resulting in lower capacity utilization Lower natural gas costs, depleting hedge position 	<p>Full Year</p> <ul style="list-style-type: none"> Rapid, "V" shaped earnings recovery Average natural gas costs ~\$5.50/MMBTU, negative priced gas hedges reduced earnings Double-digit full year margins despite earnings trough, hedges Excellent cash generation Very low caustic inventory exiting 2010
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Commodity Chemicals

Compared with the fourth quarter 2009, sales in the Commodity Chemicals segment grew by \$70 million and earnings increased by \$65 million. The strong segment earnings recovery continues, predominantly due to higher pricing. Maintenance costs were higher, due in part to a planned fourth quarter 2010 outage.

Comparing fourth quarter results sequentially versus the third quarter 2010, sales and earnings increased despite lower capacity utilization stemming from the planned fourth quarter maintenance outage. ECU prices rose throughout the quarter, with December pricing at the highest level of the year. Both caustic and chlorine

pricing improved. Natural gas unit costs were about \$5.00 per MMBTU, including the negative impact from prior natural gas hedges.

For the full year 2010, the segment achieved rapid earnings recovery from trough levels. Annual average natural gas costs were about \$5.50, including the impact from hedges. Hedges contracted in prior years at an average unit price of \$7.75 impacted the cost of 25 percent of 2010 natural gas purchases. Despite the trough earnings earlier in the year and negative gas hedges, the segment delivered double-digit full year operating margins and remained an excellent cash generator.

Looking forward, the business exited the year with very low caustic inventories, and additional, already announced price increases are being implemented in early 2011.

Glass					PPG			
SMM (USD)	4Q10	4Q09	Chg	%	2010	2009	Chg	%
Sales	258	223	35	16%	985	849	136	16%
Earnings	29	1	28	n/a	74	-39	113	290%
Margin %	11.2%	0%	--	--	7.5%	-4.6%	--	--

Select Sales Detail	Total	Volume	Currency	Select Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	16%	15%	-1%	2010 Y-O-Y Change	16%	18%	0%

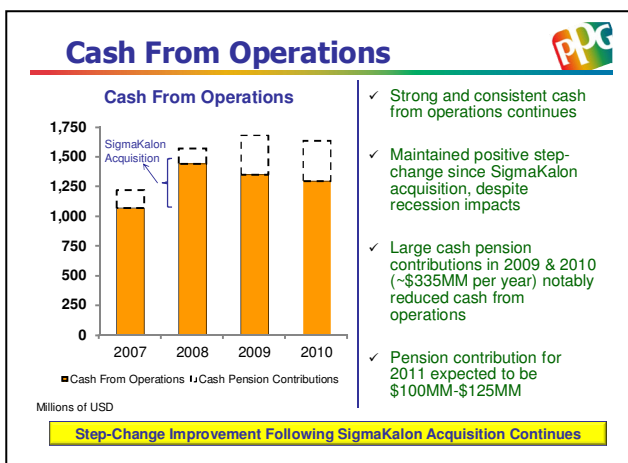
Fourth Quarter <ul style="list-style-type: none"> ✓ Earnings recovery continues, double-digit operating margin ✓ Broad earnings contributions - volume, price and lower costs ✓ Higher volumes in both businesses ✓ Fiber Glass capacity utilization remained at ~100% 	Full Year <ul style="list-style-type: none"> ✓ Substantial earnings recovery from prior year loss ✓ Significantly lower costs / higher manufacturing utilization ✓ Improved Fiber Glass volumes ✓ Higher equity earnings (electronics end-use market)
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Glass

Fourth quarter sales for the Glass segment were \$258 million, up \$35 million, aided by continued strong year-over-year fiber glass volumes and improved performance glazings volumes. Both businesses achieved higher pricing.

Segment earnings improved to \$29 million, compared with \$1 million in the prior year's fourth quarter. In addition to higher sales volume and price, lower costs also aided in the earnings improvement. Fiber glass capacity utilization remained at essentially 100 percent for the quarter.

Full year sales improved to \$985 million, up about 16 percent, with substantial earnings improvement to \$74 million from a prior year loss of \$39 million. Higher fiber glass volumes, along with manufacturing and cost improvements, were key factors. Additionally, higher equity earnings relating to a fiber glass joint venture serving the electronics industry was a contributor.

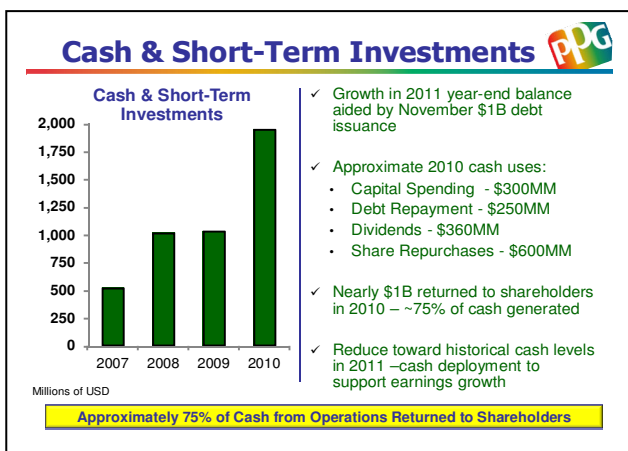


Cash From Operations

Cash generated from operations in 2010 was about \$1.3 billion, including about \$600 million in the fourth quarter, which is traditionally PPG's strongest cash-generation quarter.

PPG has historically been a strong and very consistent cash generator, regardless of economic conditions. In the past three years, the level of cash from operations elevated significantly, reflecting the cash-generation capability of the SigmaKalon businesses acquired in early 2008. The growth the past three years is even more notable when considering it was accomplished during the recession that started in late 2008.

Additionally, cash from operations in both 2009 and 2010 included roughly equal deductions of about \$335 million for contributions of cash to PPG's pension plans. Pension contributions averaged \$140 million in years 2007 and 2008. Despite the larger pension contribution, the 2010 cash generated from operations remained near 2008 record levels.



The current expectation is for a pension contribution related to 2011 of between \$100 to \$125 million, more than \$200 million below 2009 and 2010.

Cash

PPG ended the year with about \$2.0 billion in cash and short-term investments, up from just over \$1 billion the previous year. This increase reflects the strong cash generation in 2010 and the recent issuance of \$1 billion in long-term debt. Further details of this debt issuance are included later in this presentation.

Uses of cash were as follows:

- Capital expenditures for the quarter were \$150 million, and just over \$300 million, or 2.3 percent of sales, for the full year. Anticipated 2011 capital spending is in the range of 2.5 to 3.5 percent of sales.
- Debt repayments in the quarter totaled about \$50 million, and about \$250 million for the year. No term debt is due in 2011; however, in the middle of 2011, the company expects to pre-pay with cash on hand \$400 million of debt, which is due mid-2012.
- Dividends paid totaled \$90 million in the quarter and \$360 million for the full year, including an increase in the quarterly dividend in July. PPG has increased the annual dividend payout for 39 consecutive years.
- Stock repurchases totaled slightly more than \$300 million for the quarter and just below \$600 million for the year. Shares repurchased totaled 3.9 million shares during the quarter and 8.1 million shares for the year. More than 9 million shares remain under our current share repurchase authorization.

Rewarding shareholders in the form of dividends and buybacks remains a long-standing PPG tradition. For 2010, nearly 75 percent of cash from operations, or nearly \$1 billion, was returned to shareholders as dividends or through share repurchases.

We anticipate returning cash and short-term investments back toward historical levels in 2011. Our key objective in deploying our cash will be to support earnings growth through uses such as bolt-on acquisitions and share repurchases.

PPG Debt Issuance		
November 2010 Debt Issuance Details		
<u>Term</u>	<u>\$MM</u>	<u>Rate</u>
5-Year	\$250	1.90%
10-Year	\$500	3.60%
30-Year	\$250	5.50%
Total / Weighted Average	\$1,000	3.65%

November Debt Issuance

In November 2010, PPG issued \$1 billion of term debt in three separate tranches: a 5-year, 10-year and 30-year tranche. The purpose of this issuance was to enhance PPG's financial flexibility at attractive interest rates. The blended interest rate for the issuance is 3.65 percent.

PPG Financial Metrics

In addition to the forecast of returning cash and short-term investments back to historical levels, several other PPG financial metrics for 2010 and 2011 are included for reference. A quick summary of these is as follows:

- In 2011, PPG will no longer consider the earnings adjustment relating to the increase in the company's proposed asbestos settlement liability as an earnings special. The 2010 impact to reported earnings was 4 cents per share, comparable with the expected impact in 2011.
- As noted previously, PPG's tax rate on ongoing earnings is expected to be in the range of 26 to 27 percent in 2011.
- Combined pension and OPEB costs are expected to be in the range of \$240 to \$260 million, with the midpoint slightly below the \$260 million recognized in 2010.
- Operating working capital as a percentage of sales has improved the past two years, declining to 19.2 percent for 2010. This remains a PPG focus item, with performance anticipated to improve in 2011 as well.

PPG Financial Metrics			
<u>Item</u>	<u>2010 Actual</u>	<u>2011 Current View</u>	<u>Comment</u>
Cash and Short-Term Investments	~\$2.0B	Reduce Toward Historical Levels	Invest to Support EPS Growth Opportunities
Asbestos no longer a special EPS adjustment	\$(0.04) Included as Special	\$(0.04) Ongoing EPS Impact	Presentation Change: No Longer a Special Charge (Corporate)
Tax Rate (ongoing)	26%	26% - 27%	Mix of Geographic Earnings
Pension Expense	~\$160MM	\$140MM - \$150MM	Lower Discount Rate Offset by Higher Asset Returns
OPEB Expense	~\$100MM	\$100MM - \$110MM	Lower Discount Rate; Health Care Initiation
Operating Working Capital (% of Sales)	19.2%	18.0% - 19.0%	Improved Efficiency; Continued Focus

Conclusion



Strong 2010 Performance:

- > Leveraging gradual volume recovery to deliver solid EPS recovery; Aggressive cost management
- > Growth in emerging/other low tax regions aided EPS
- > Positive step-change in cash generation continued; Nearly \$1B in cash returned to shareholders
- > Volumes grew, but remained \$1.2 billion below 2008 levels

2011 Outlook:

- > Record 2nd half 2010 EPS provides momentum heading into 2011
- > Economic recovery expected to strengthen and broaden
- > Cash deployment focused on growth initiatives

Conclusion

In conclusion, PPG delivered strong financial results for 2010 including record fourth quarter and near-record full year adjusted earnings per share. The company is leveraging the earnings impact of the gradual volume recovery with a lower cost structure. Also aiding results is continued double-digit percentage sales growth in many emerging regions. A lower ongoing tax rate, driven by the growing earnings in low tax regions, also contributed.

The company delivered strong cash performance for the year as well, maintaining the positive step-change in cash since the SigmaKalon acquisition. Nearly \$1 billion in cash was returned to shareholders as either dividends or through share repurchases.

This strong 2010 financial performance is despite volumes that remained \$1.2 billion below 2008 levels.

PPG's record second half 2010 earnings provide momentum heading into 2011, and the expectation is for the economic recovery to further strengthen and broaden. PPG is also working on initiatives to deploy its \$2 billion of cash and short-term investments to further support earnings growth.

Appendix



Adjusted EPS Reconciliation



First Quarter	2010		2009		2008	
	\$\$	EPS	\$\$	EPS	\$\$	EPS
Net Loss/(Income) Attributable to PPG as Reported	\$30	\$0.18	\$(111)	\$(0.68)	\$100	\$0.61
Business Restructuring	-	-	141	0.86	-	-
Acquisition-Related Costs	-	-	-	-	89	0.54
Change in U.S. Tax Law (U.S. Patient Protection and Affordable Care Act)	85	0.51	-	-	-	-
Net Charge for Asbestos Settlement	2	0.01	2	0.01	-	-
Adjusted Net Income	\$117	\$0.70	\$32	\$0.19	\$189	\$1.15

Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation



Second Quarter	2010		2009		2008	
	\$\$	EPS	\$\$	EPS	\$\$	EPS
Net Income Attributable to PPG as Reported	\$272	\$1.63	\$146	\$0.89	\$250	\$1.51
Auto Glass & Services Depreciation catch-up	-	-	-	-	11	0.07
Auto Glass & Services Divestiture benefits costs	-	-	-	-	12	0.07
Net Charge for Asbestos Settlement	2	0.01	2	0.02	2	0.01
Adjusted Net Income	\$274	\$1.64	\$148	\$0.91	\$275	\$1.66

Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation



Third Quarter	2010		2009		2008	
	\$\$	EPS	\$\$	EPS	\$\$	EPS
Net Income Attributable to PPG as Reported	\$262	\$1.58	\$159	\$0.96	\$117	\$0.70
Business Restructuring Charge	-	-	-	-	110	0.67
Gain on Divestiture of Automotive Glass and Services Business	-	-	-	-	(3)	(0.02)
Net Charge for Asbestos Settlement	2	0.01	2	0.01	3	0.02
Adjusted Net Income	\$264	\$1.59	\$161	\$0.97	\$227	\$1.37

Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation



Fourth Quarter	2010		2009		2008	
	\$\$	EPS	\$\$	EPS	\$\$	EPS
Net Income Attributable to PPG as Reported	\$205	\$1.24	\$142	\$0.85	\$71	\$0.43
Net Charge/(Credit) for Asbestos Settlement	2	0.01	2	0.01	(3)	(0.02)
Adjusted Net Income	\$207	\$1.25	\$144	\$0.86	\$68	\$0.41

Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation



Full Year	2010		2009		2008	
	\$\$	EPS	\$\$	EPS	\$\$	EPS
Net Loss/(Income) Attributable to PPG as Reported	\$769	\$4.63	\$336	\$2.03	\$538	\$3.25
Net Charge for Asbestos Settlement	8	0.04	8	0.05	2	0.01
Change in U.S. Tax Law (U.S. Patient Protection and Affordable Care Act)	85	0.51	-	-	-	-
Business Restructuring	-	-	141	0.86	110	0.67
Acquisition-Related Costs	-	-	-	-	89	0.54
Gain on Divestiture of Automotive Glass & Services Business	-	-	-	-	(3)	(0.02)
Auto Glass & Services Depreciation catch-up	-	-	-	-	11	0.07
Auto Glass & Services Divestiture benefits costs	-	-	-	-	12	0.07
Adjusted Net Income	\$862	\$5.18	\$485	\$2.94	\$759	\$4.59

Amounts in Millions of USD except EPS

EBITDA Reconciliation



PPG Architectural Coatings - EMEA:

	2010	2009	2008
Sales	\$1,448	\$1,495	\$1,835
Earnings	111	117	141
Depreciation & Amortization	80	80	97
EBITDA	191	197	235
EBITDA %	13.2%	13.2%	13.0%

Amounts in Millions of USD, Except Percents

Adjusted Earnings Before Interest and Taxes Reconciliation



	2010	2009	2008
Income Before Taxes	\$1,295	\$617	\$908
Interest Expense, net of Interest Income	155	166	227
Asbestos Settlement - Net	12	13	4
Business Restructuring		186	163
Acquisition-related costs			117
Gain on Automotive Glass and Services Divestiture			-15
Divestiture Related Benefit Costs			19
Depreciation catch-up charge			17
Adjusted Earnings Before Interest and Taxes	\$1,462	\$982	\$1,440

Amounts in Millions of USD

PPG INDUSTRIES, INC.
Business Segment Information
4th Quarter Results
(Millions of Dollars)

	Net Sales		Segment Income (Loss)	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
PERFORMANCE COATINGS	\$ 1,102	\$ 1,026	\$ 170	\$ 149
INDUSTRIAL COATINGS	949	859	79	89
ARCHITECTURAL COATINGS EMEA	426	457	2	11
OPTICAL and SPECIALTY MATERIALS	268	245	57	47
COMMODITY CHEMICALS	376	306	73	8
GLASS	<u>258</u>	<u>223</u>	<u>29</u>	<u>1</u>
SUBTOTAL	<u>\$ 3,379</u>	<u>\$ 3,116</u>	<u>\$ 410</u>	<u>\$ 305</u>
			(15)	(15)
LEGACY ITEMS (NOTE A)			(3)	(3)
ASBESTOS SETTLEMENT - NET			(43)	(42)
INTEREST EXPENSE, NET OF INTEREST INCOME				
UNALLOCATED STOCK BASED			(18)	(13)
COMPENSATION (NOTE B)			(40)	(32)
OTHER UNALLOCATED CORP. EXPENSE - NET				
(NOTE C)				
INCOME BEFORE INCOME TAXES			<u>\$ 291</u>	<u>\$ 200</u>

Note A:

Legacy items include current costs related to former operations of the company including pension and other postretirement benefit costs, certain environmental remediation costs, and certain charges which are considered to be unusual or non-recurring. Legacy items also include equity earnings from PPG's approximate 40-percent investment in the former automotive glass and services business for the three months and years ended December 31, 2010 and 2009.

Note B:

Unallocated stock-based compensation includes the cost of stock options, restricted stock units and contingent share grants that are not allocated to the operating segments.

Note C:

The increase in corporate unallocated costs in 2010 is due to higher variable pay and benefit costs and transactional losses on foreign currency balance sheet exposures.

PPG INDUSTRIES, INC.
Condensed Statement of Operations
4th Quarter Results
(Millions of Dollars)

	3 Months Ended		
	December 31,		
	<u>2010</u>	<u>2009</u>	<u>% Change</u>
Net Sales	\$ 3,379	\$ 3,116	8.4
Cost of Sales, exclusive of depreciation and amortization	2,086	1,934	7.9
Selling, R&D and admin expenses	871	859	1.4
Depreciation	86	90	(4.4)
Amortization	32	33	(3.0)
Interest Expense	52	49	6.1
Asbestos Settlement - net	3	3	0.0
Other (earnings)/charges - net	(42)	(52)	(19.2)
Income Before Income Taxes	291	200	
Income Tax Expense (Note A)	63	37	70.3
Net Income Attributable to the Controlling and Noncontrolling Interests	228	163	
Less: Net Income Attributable to Noncontrolling Interests	(23)	(21)	
Net Income (attributable to PPG)	\$ 205	\$ 142	44.4
Earnings per common share (attributable to PPG)	\$ 1.26	\$ 0.86	46.5
Earnings per common share -- assuming dilution (attributable to PPG)	\$ 1.24	\$ 0.85	45.9
Average shares outstanding	162.8	166.0	(1.9)
Average shares outstanding -- assuming dilution	164.9	167.1	(1.3)

Note A:

Income tax expense for the year ended December 31, 2010 includes expense of \$85 million resulting from the reduction of our previously provided deferred tax asset related to our liability for retiree medical costs. The deferred tax asset was reduced due to tax law changes included in health care legislation enacted by Congress in March 2010, that included a provision to reduce the amount of retiree medical costs that will be deductible after Dec. 31, 2012. Tax expense for 2010 also includes a \$5 million benefit as a result of enacted changes in statutory tax rates. The remaining tax expense for the year ended December 31, 2010, of \$335 million represents an effective tax rate on pretax earnings of approximately 26 percent.

The effective tax rate on pretax earnings for the year ended December 31, 2009 was 31 percent, consisting of tax benefits of 24 percent on the charge for business restructuring, 38 percent on the asbestos charge, and \$2 million stemming from audit settlements while the remaining tax expense represents approximately 30 percent on the remaining pretax earnings.

Forward-Looking Statement

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, foreign exchange rates and fluctuations in such rates, the impact of future legislation, 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 and in PPG's Form 10-K for the year ended January 20, 2011 are 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 October 21, 2010, 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.