



Third Quarter 2009 Financial Results

**Charles E. Bunch, Chairman of the Board
and Chief Executive Officer**

**William H. Hernandez, Sr. Vice President,
Finance, and Chief Financial Officer**

**Robert J. Dellinger, Sr. Vice President,
Finance, and Chief Financial Officer
Designate**

October 15, 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 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 October 15, 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



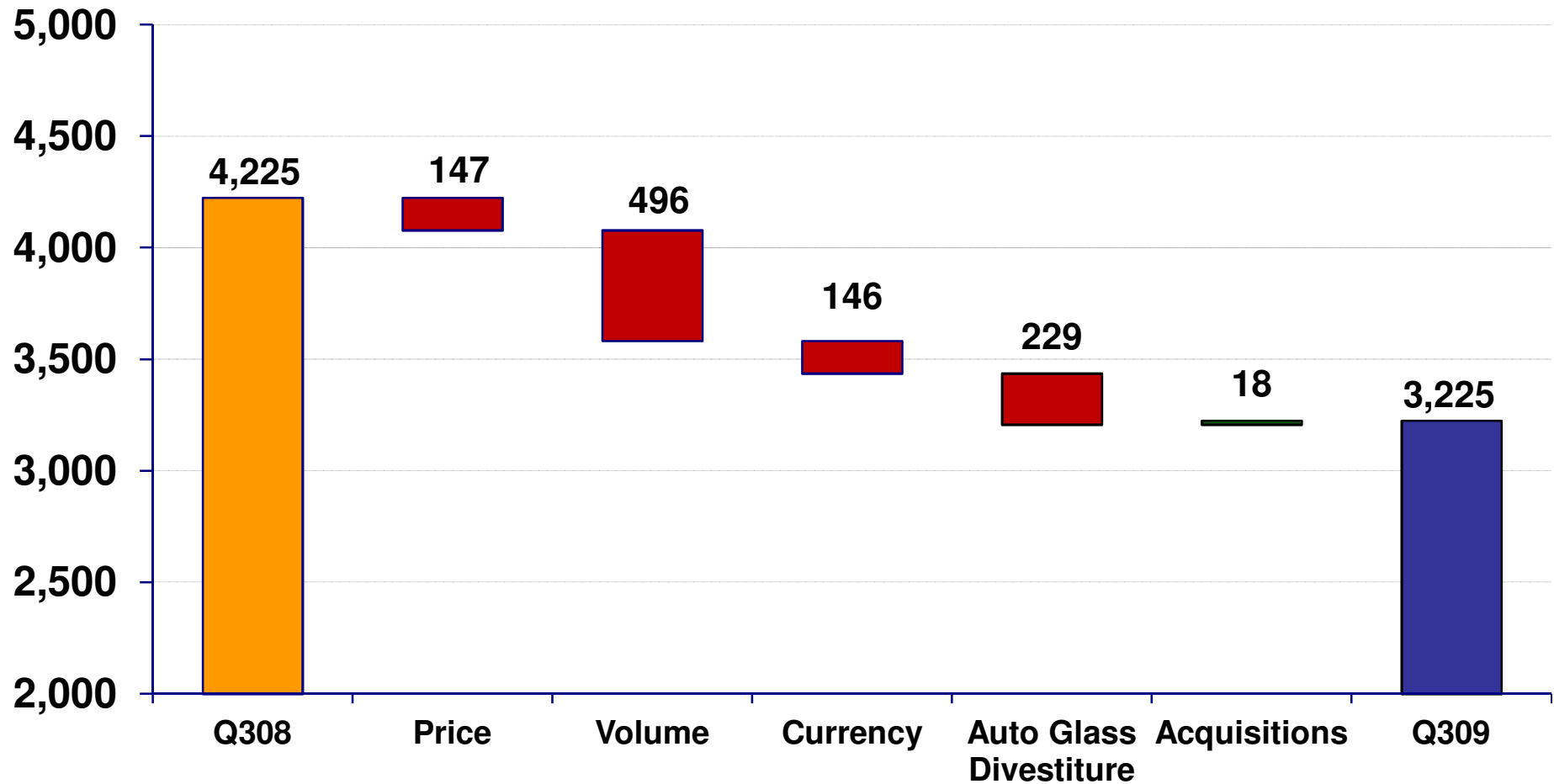
- ❖ Opening Remarks
- ❖ Financial Review
- ❖ Question & Answer Session

Third Quarter Recap



- ❖ Improved year-over-year earnings performance in coatings and Optical & Specialty Materials
- ❖ Volume trends improved modestly versus 1H09 (still down year-over-year)
 - A. Strong Asian results aided by growth in China
 - B. Automotive OEM production improvements (U.S. and China)
 - C. Commodity Chemicals price declines (pricing advanced at quarter's end)
- ❖ Restructuring benefits growing; more to come
- ❖ Cash generation up 40 percent year-over-year and strong cash balance (\$900MM on hand)
- ❖ Paid down \$700MM in debt in the quarter

Third Quarter PPG Sales

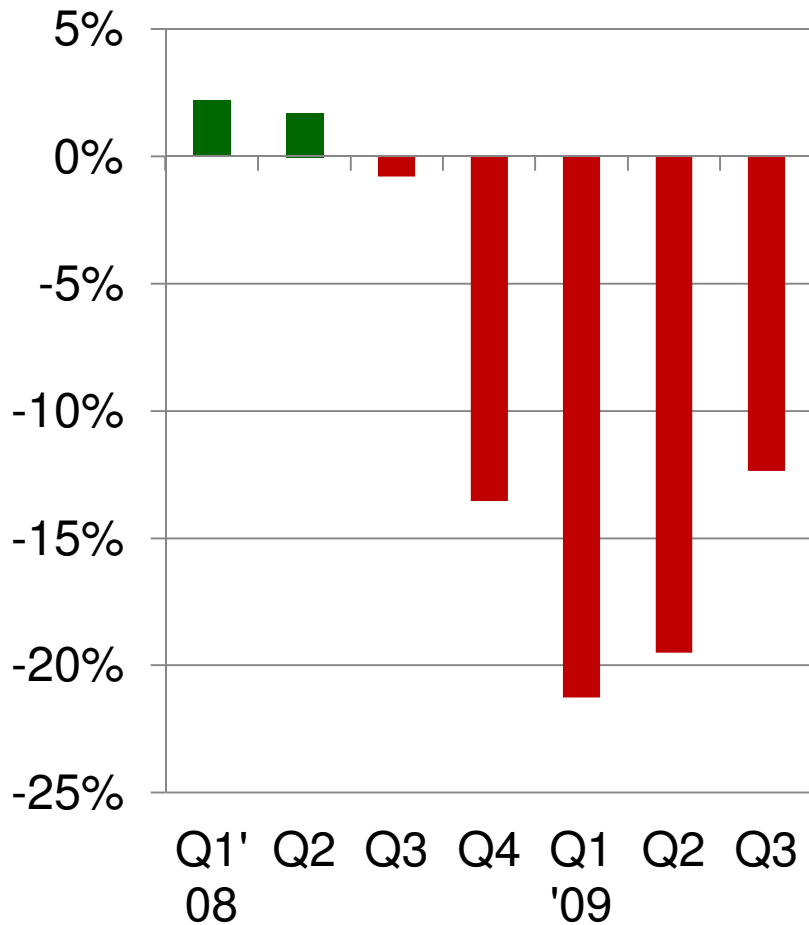


Volume declines remained a major headwind

PPG Sales

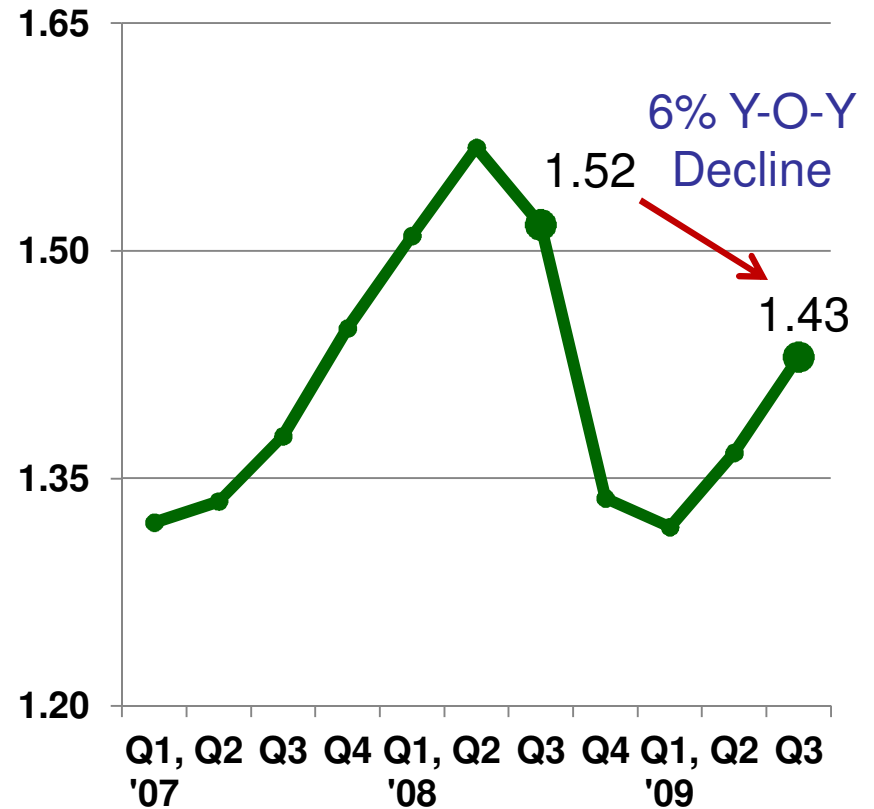


Volume Change (Y-O-Y)



Gradual Demand Improvement

Dollar/Euro Conversion Rate



Euro Still Headwind in Q3

PPG Segment Sales



| | Q3, 2009 | Q3, 2008 | Change | % |
|--|--------------|--------------|---------------|-------------|
| Performance Coatings | 1,075 | 1,229 | -154 | -13% |
| Industrial Coatings | 824 | 1,022 | -198 | -19% |
| Architectural Coatings EMEA | 559 | 632 | -73 | -12% |
| Optical & Specialty Materials | 257 | 290 | -33 | -11% |
| Commodity Chemicals | 287 | 500 | -213 | -43% |
| Glass | <u>223</u> | <u>323</u> | <u>-100</u> | -31% |
| <i>Subtotal</i> | 3,225 | 3,996 | -771 | -19% |
| Auto Glass (divested 9/2008) | == | <u>229</u> | <u>-229</u> | -100% |
| <i>Total PPG</i> | 3,225 | 4,225 | -1,000 | -24% |

PPG Segment Earnings

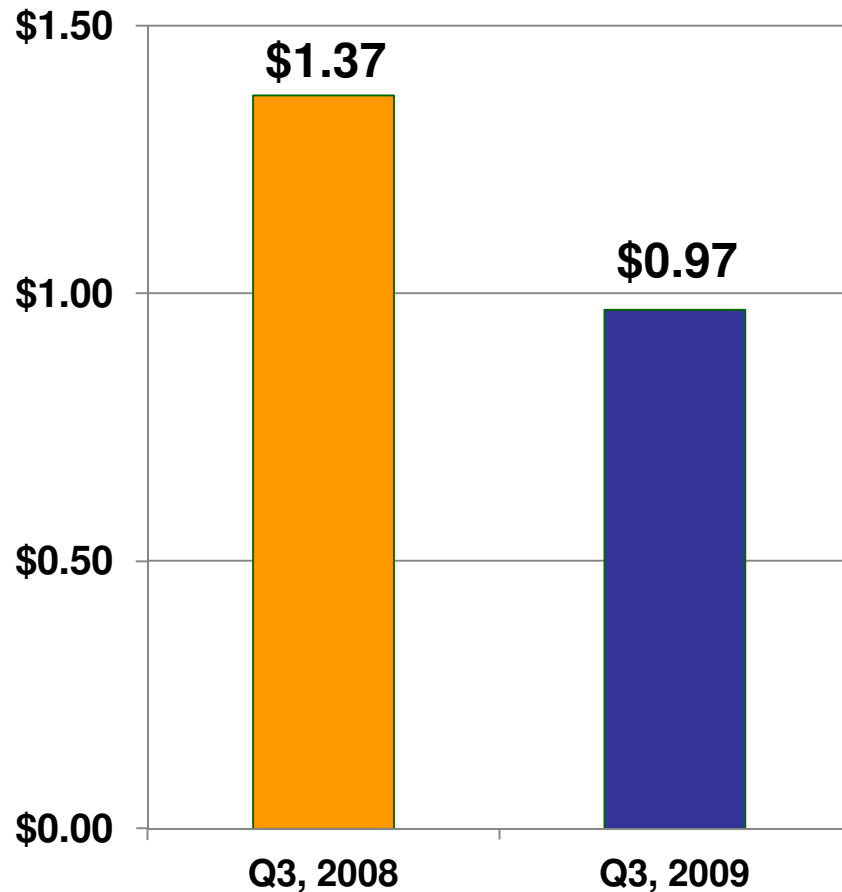


| | Q3, 2009 | Q3, 2008 | Change | % |
|-------------------------------|------------|------------|-------------|-------------|
| Performance Coatings | 155 | 148 | 7 | 5% |
| Industrial Coatings | 58 | 48 | 10 | 21% |
| Architectural Coatings EMEA | 59 | 61 | -2 | -3% |
| Optical & Specialty Materials | 67 | 61 | 6 | 10% |
| Commodity Chemicals | 19 | 116 | -97 | -84% |
| Glass | <u>-6</u> | <u>22</u> | <u>-28</u> | -127% |
| Subtotal | 352 | 456 | -104 | -23% |
| Auto Glass (divested 9/2008) | <u>==</u> | <u>-5</u> | <u>5</u> | -100% |
| Total PPG | 352 | 451 | -99 | -22% |

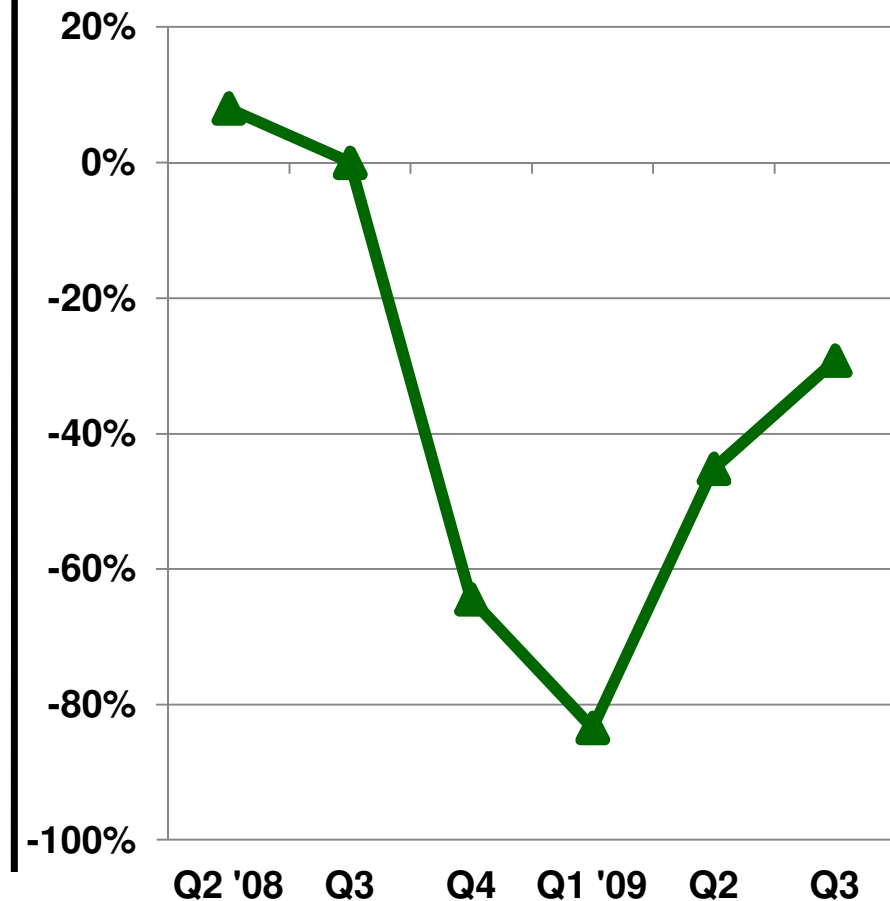
Adjusted Earnings-Per-Share *



3rd Quarter Adjusted EPS



Y-O-Y Percentage Change (Adjusted EPS)



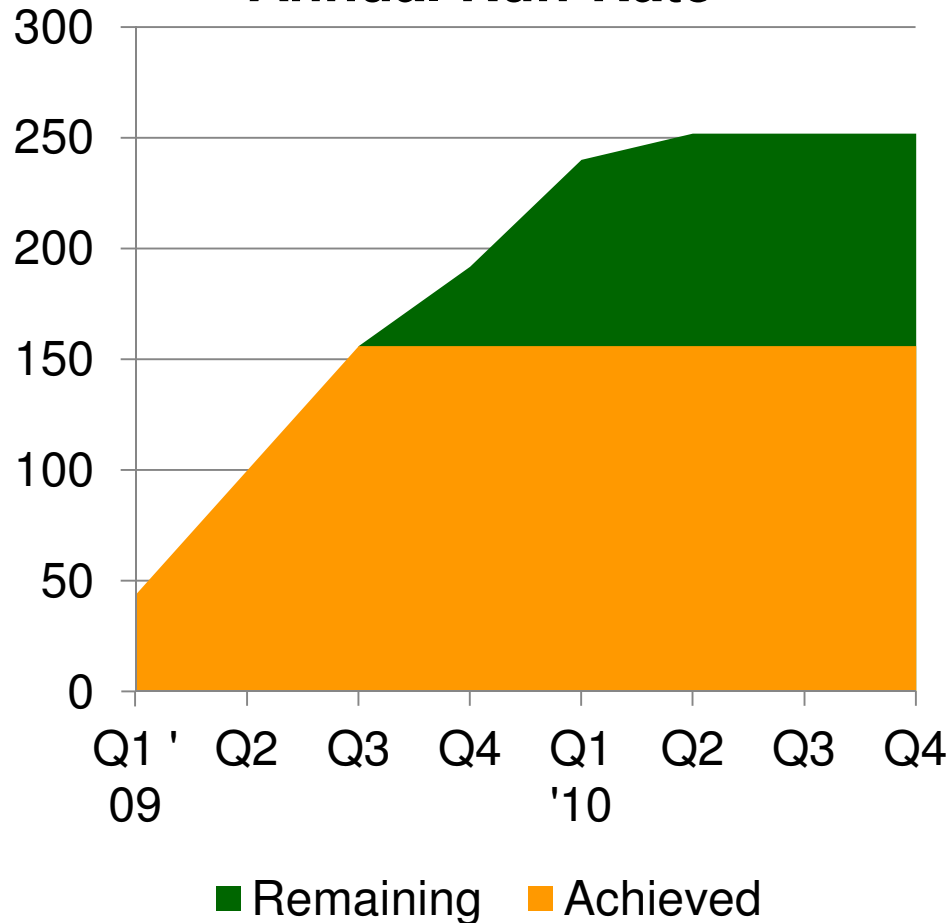
Improved Y-O-Y trend

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

PPG Restructuring Actions



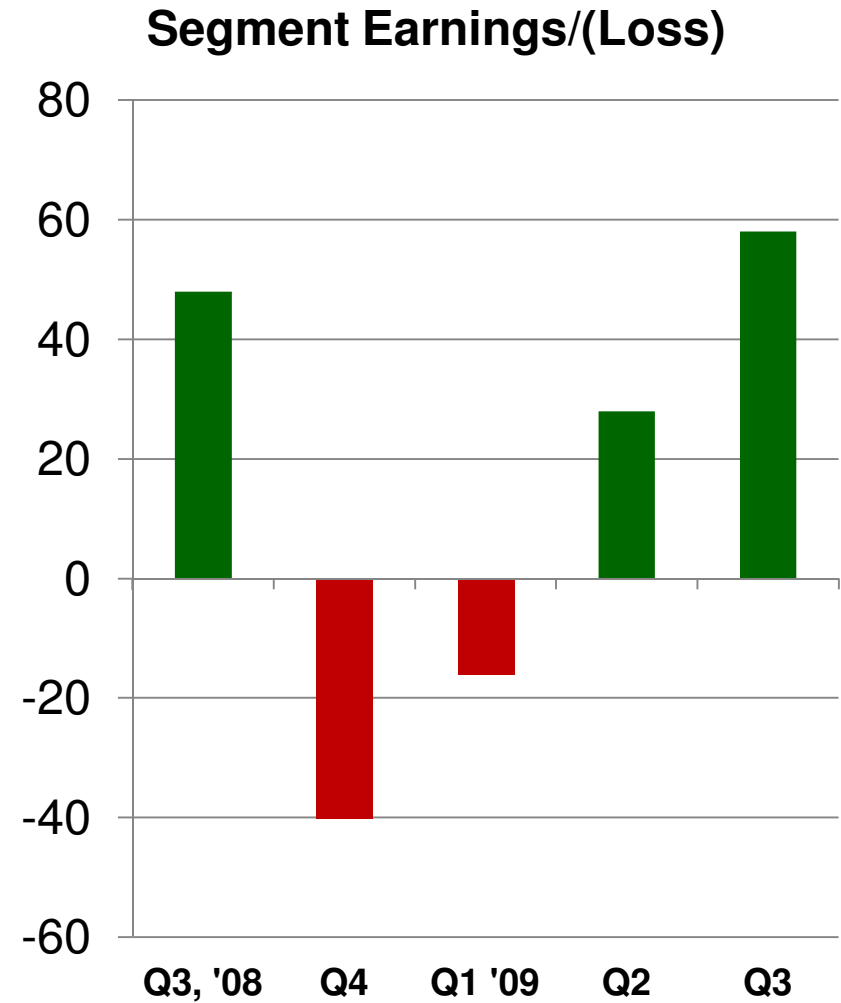
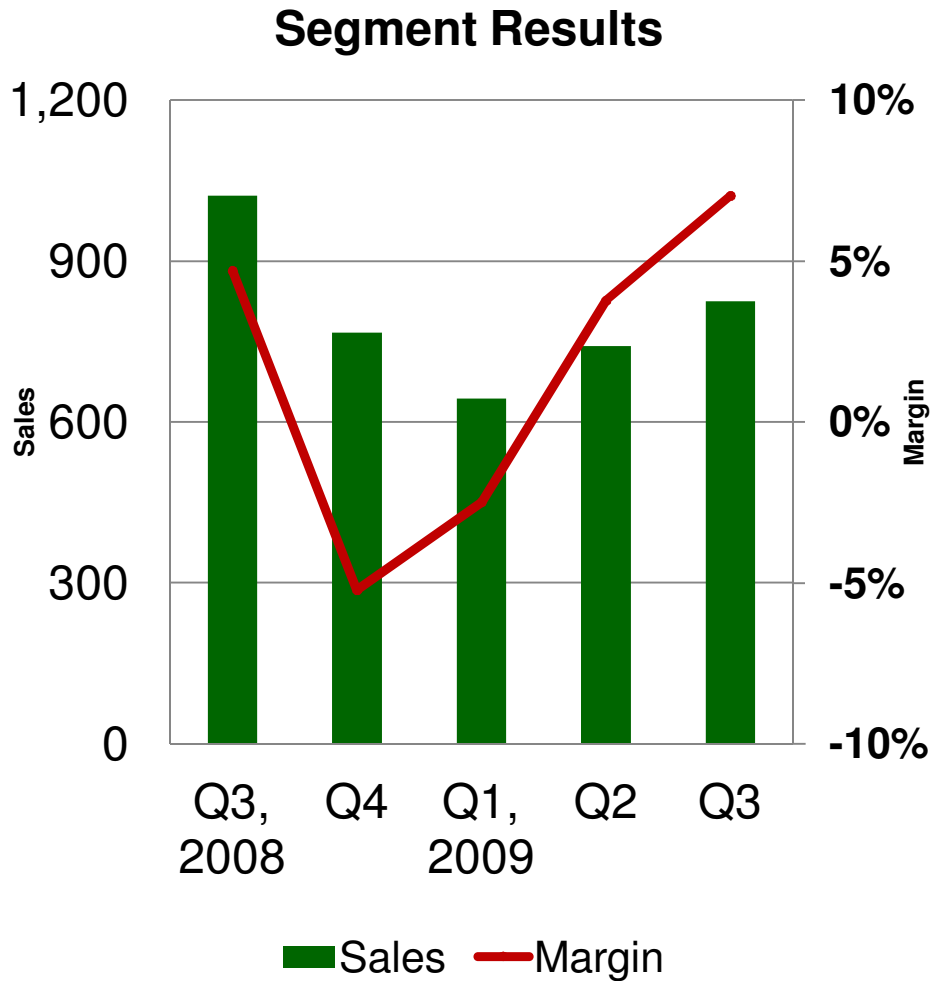
Restructuring Savings – Annual Run-Rate



- ✓ Pace accelerated
- ✓ Completion of programs anticipated in early 2010 (rather than later in 2010)
- ✓ Full annual savings upon completion of ~\$250MM
- ✓ 2010 incremental savings of ~\$100MM vs. 2009

Savings achieved at an accelerated pace

Industrial Coatings



Improved Y-O-Y earnings/margin despite ~20% sales decline

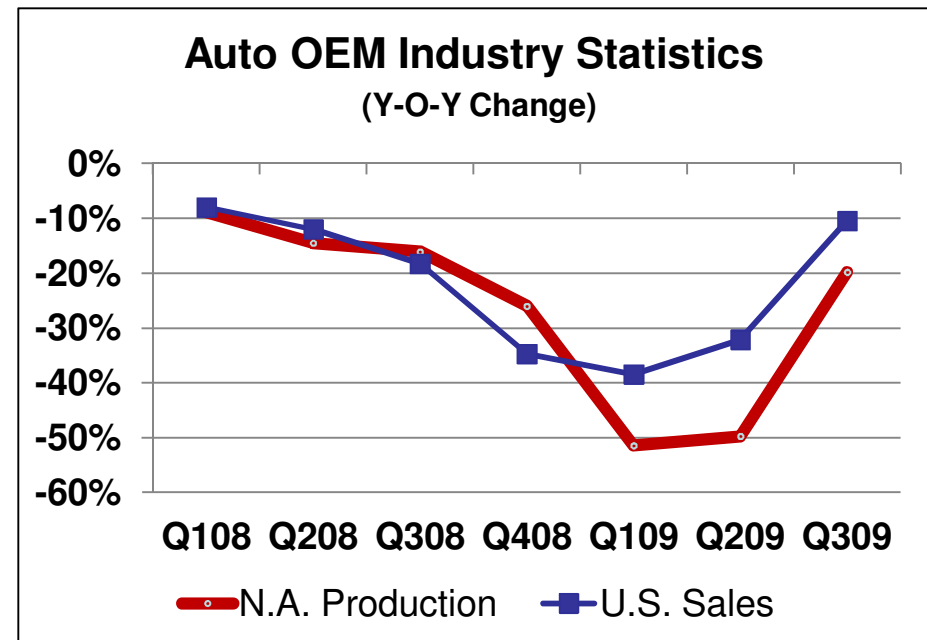
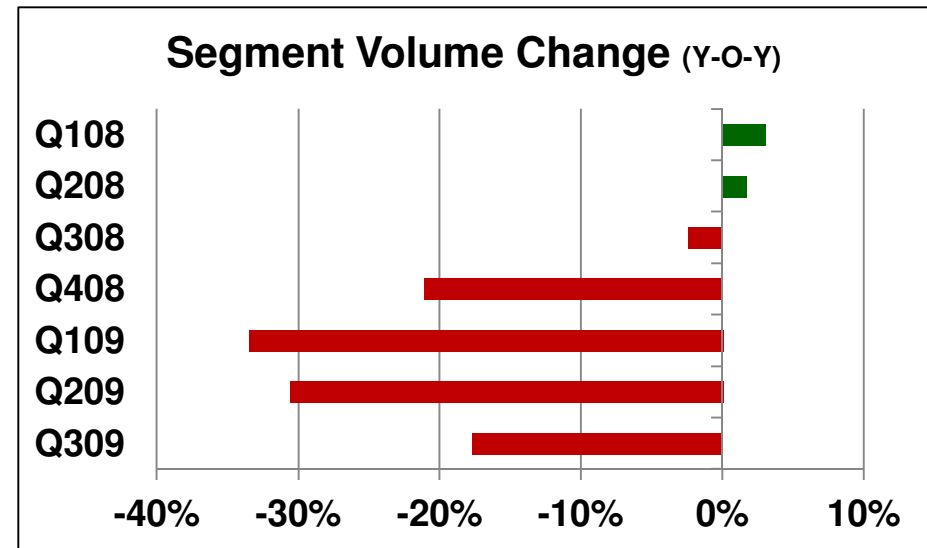
Industrial Coatings (Cont'd.)



| \$MM (USD) | Q309 | Q308 | Chg | % |
|-------------------|-------------|--------------|-------------|-------------|
| Sales | 824 | 1,022 | -198 | -19% |
| Earnings | 58 | 48 | 10 | 21% |
| Op Margins | 7.0% | 4.7% | -- | -- |

| Select Sales Detail | Total | Volume | Currency |
|----------------------|-------------|-------------|------------|
| Y-o-Y Percent Change | -19% | -18% | -4% |

- ✓ Sequential demand improvement (Q2-to-Q3)
- ✓ N.A. auto builds improved
- ✓ Asia volumes higher Y-O-Y; strong China auto growth
- ✓ Flat-to-higher Q4 auto builds expected (vs. Q3)
- ✓ Maintaining cost focus



Performance Coatings

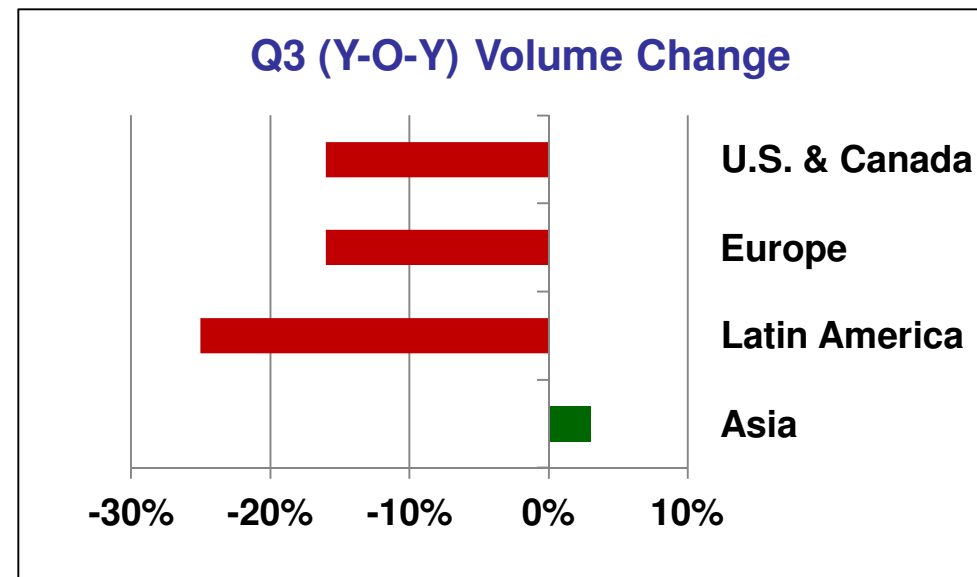


| \$MM (USD) | Q309 | Q308 | Chg | % |
|-------------------|--------------|--------------|-------------|-------------|
| Sales | 1,075 | 1,229 | -154 | -13% |
| Earnings | 155 | 148 | 7 | 5% |
| Op Margins | 14.4% | 12.0% | -- | -- |

| Select Sales Detail | Total | Volume | Currency |
|----------------------|-------------|-------------|------------|
| Y-o-Y Percent Change | -13% | -13% | -3% |

- ✓ U.S. Architectural volumes remain challenging
- ✓ Auto Refinish demand improved slightly (vs. Q2)
- ✓ Traditional seasonal sales decline (U.S. Architectural) anticipated in Q4

- ✓ Higher Y-O-Y earnings despite negative currency translation (-\$6MM)
- ✓ Aggressive cost focus maintained
- ✓ Protective & Marine and Aerospace sales flat with prior quarter



Architectural Coatings EMEA



Segment Results:

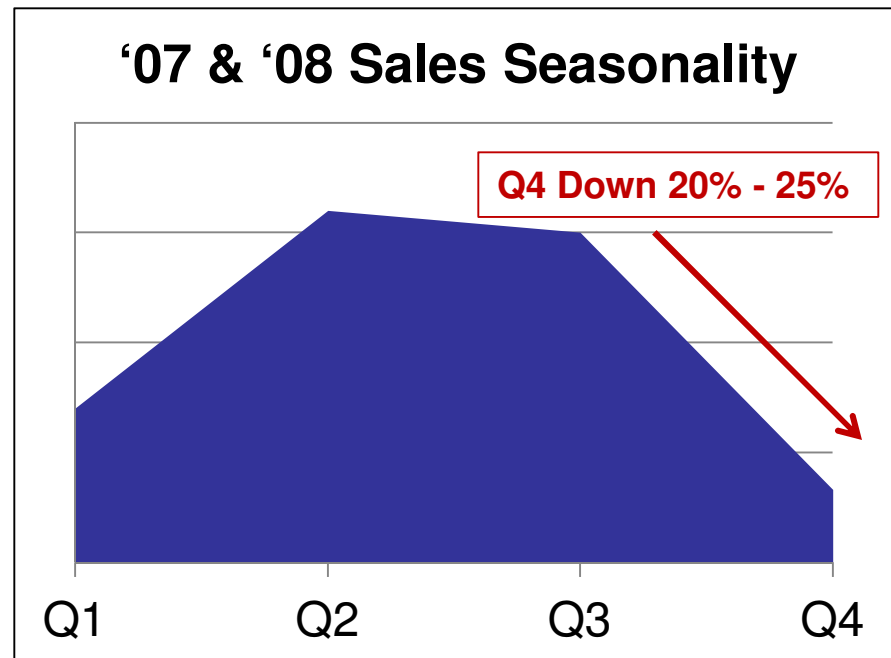
| \$MM (USD) | Q309 | Q308 | Chg | % |
|-----------------|------------|------------|------------|-------------|
| Sales | 559 | 632 | -73 | -12% |
| Earnings | 59 | 61 | -2 | -3% |

| Select Sales Detail | Total | Currency |
|----------------------|-------------|------------|
| Y-o-Y Percent Change | -12% | -9% |

- ✓ Currency impacted earnings (-\$8MM) and sales (-\$50MM)
- ✓ Volumes down low-to-mid single digit percents vs. prior year record levels
- ✓ Cost focus remains
- ✓ Traditional seasonal sales trend anticipated in Q4 (down 20%-25%)

EBITDA Reconciliation:

| \$MM (USD) | Q309 | Q308 |
|-----------------------------|--------------|--------------|
| Earnings | 59 | 61 |
| Depreciation & Amortization | 28 | 30 |
| EBITDA | 87 | 91 |
| EBITDA % of Sales | 15.6% | 14.4% |

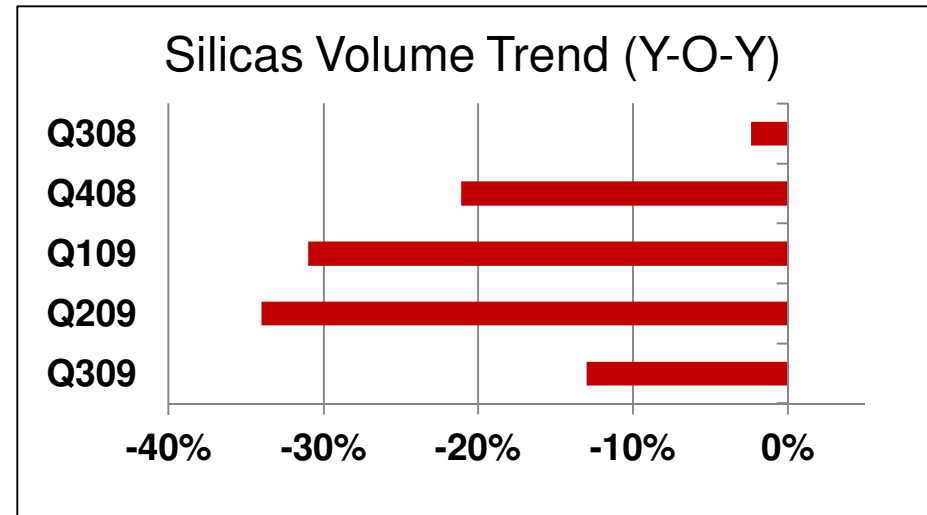


Optical & Specialty Materials

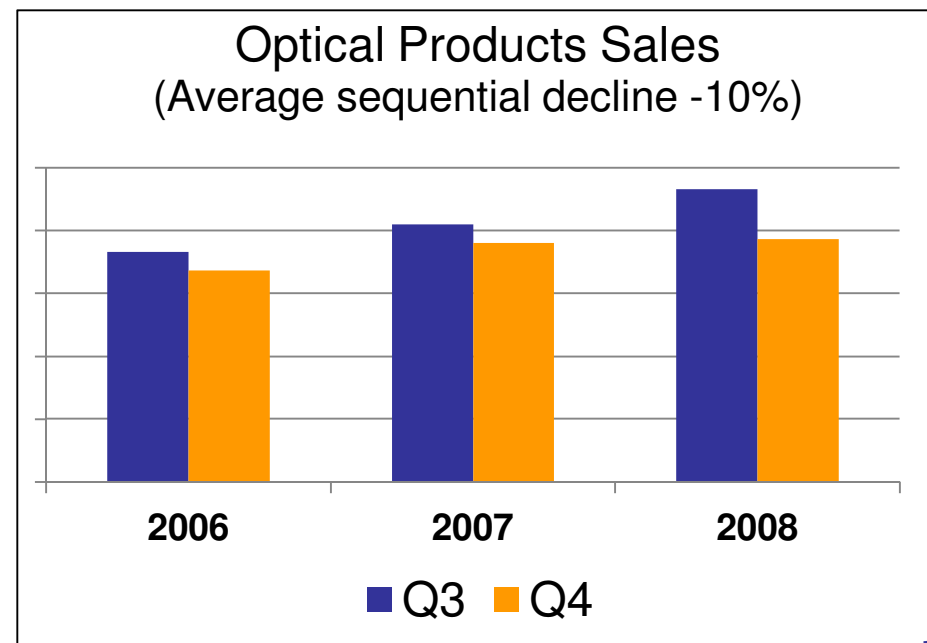


| \$MM (USD) | Q309 | Q308 | Chg | % |
|-------------------|--------------|--------------|------------|-------------|
| Sales | 257 | 290 | -33 | -11% |
| Earnings | 67 | 61 | 6 | 10% |
| Op Margins | 26.0% | 21.0% | -- | -- |

| Select Sales Detail | Total | Currency | Volume |
|----------------------|-------------|------------|------------|
| Y-o-Y Percent Change | -11% | -2% | -9% |



- ✓ Improving Silicas volumes (automotive end-market)
- ✓ Optical Products volumes down versus prior year
- ✓ Cost focus; margin improvement Y-O-Y
- ✓ Anticipate normal seasonal sales trend for Optical Products (Q4 vs. Q3)

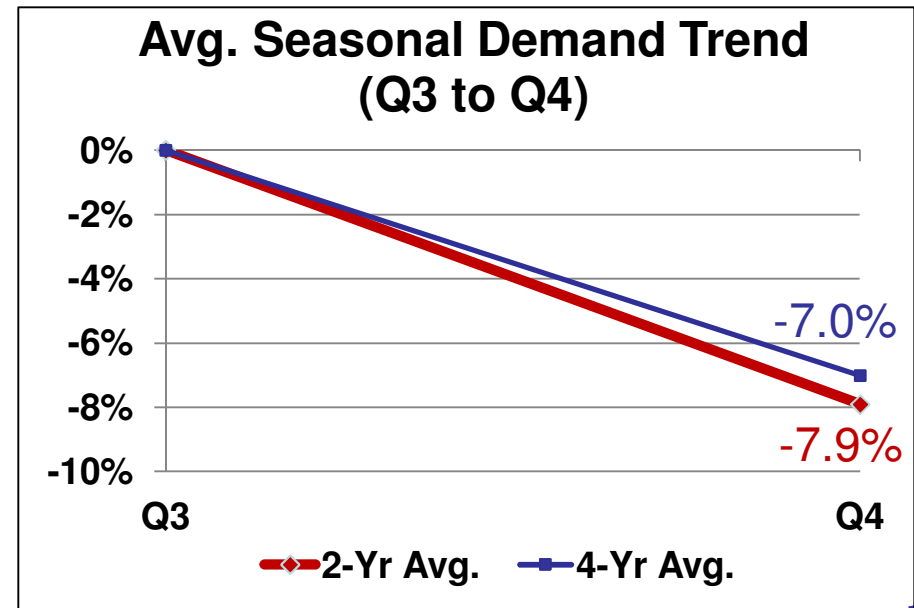
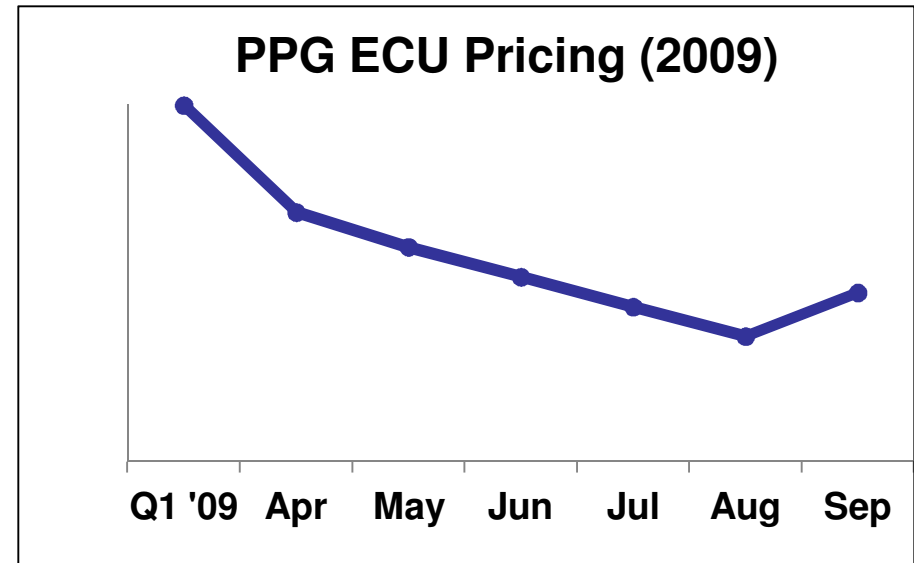


Commodity Chemicals



| \$MM (USD) | Q309 | Q308 | Chg | % |
|------------|------|------|------|------|
| Sales | 287 | 500 | -213 | -43% |
| Earnings | 19 | 116 | -97 | -84% |

- ✓ Improved demand & operating rates (vs. Q2)
- ✓ ECU price trended lower; up-tick in late Q309
- ✓ Q3 natural gas ~\$6.00 (avg. hedged & un-hedged)
- ✓ Seasonal demand trends down 7%-to-8% historically (Q3 vs. Q4)



Glass



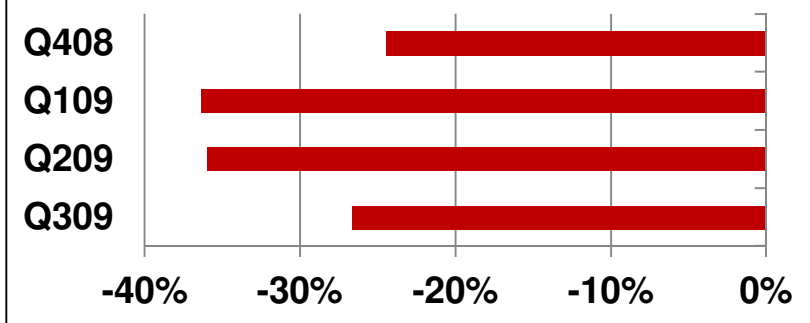
As reported (including Auto Glass in Q308)

| \$MM (USD) | Q309 | Q308 | Chg | % |
|-----------------|------|------|------|-------|
| Sales | 223 | 552 | -329 | -59% |
| Earnings | -6 | 17 | -23 | -135% |

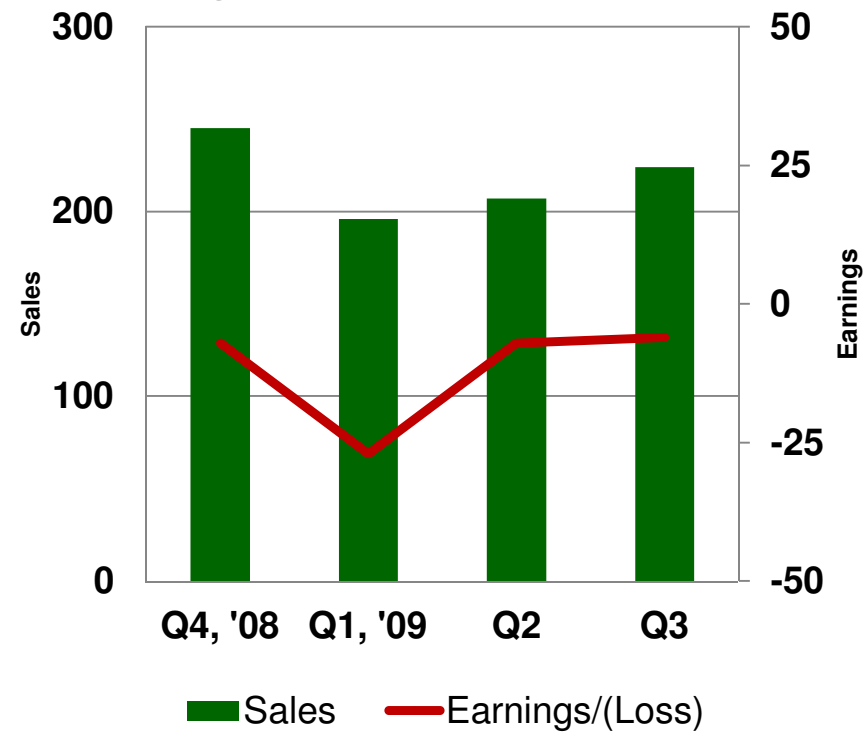
Adjusted (excluding Auto Glass)

| \$MM (USD) | Q309 | Q308 | Chg | % |
|-----------------|------|------|------|-------|
| Sales | 223 | 323 | -100 | -31% |
| Earnings | -6 | 22 | -28 | -127% |

Segment Volume Change (Y-O-Y)

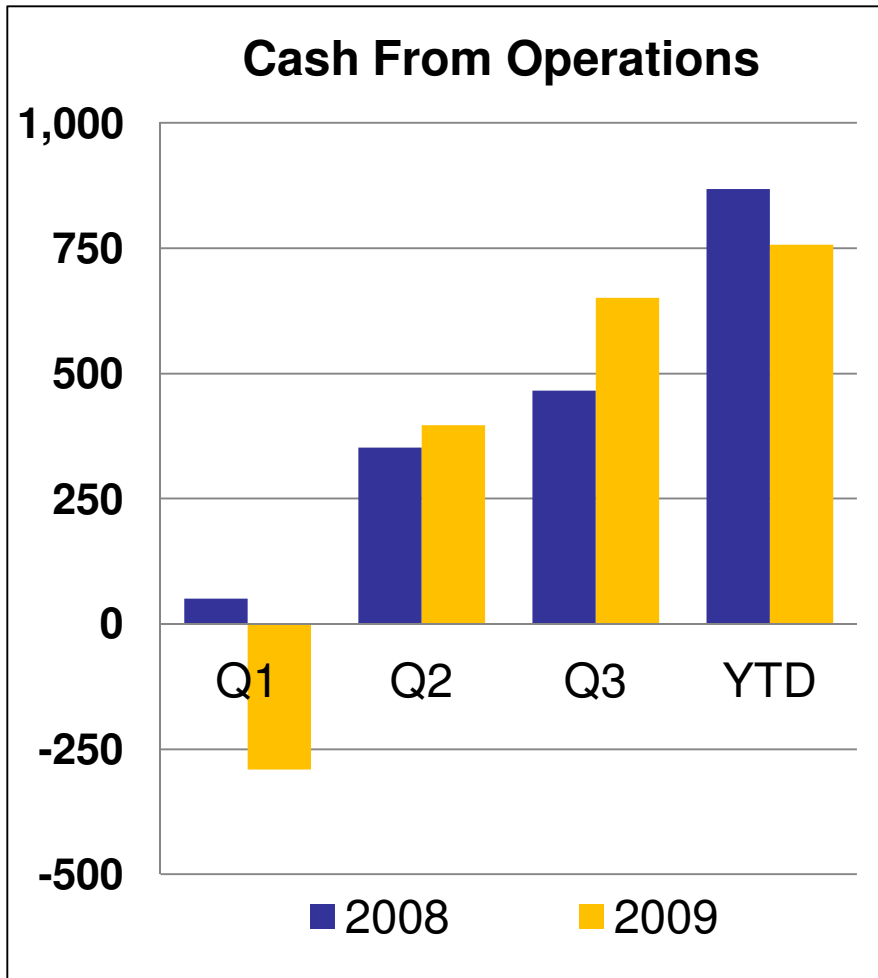


Segment Results Trend (\$MM)

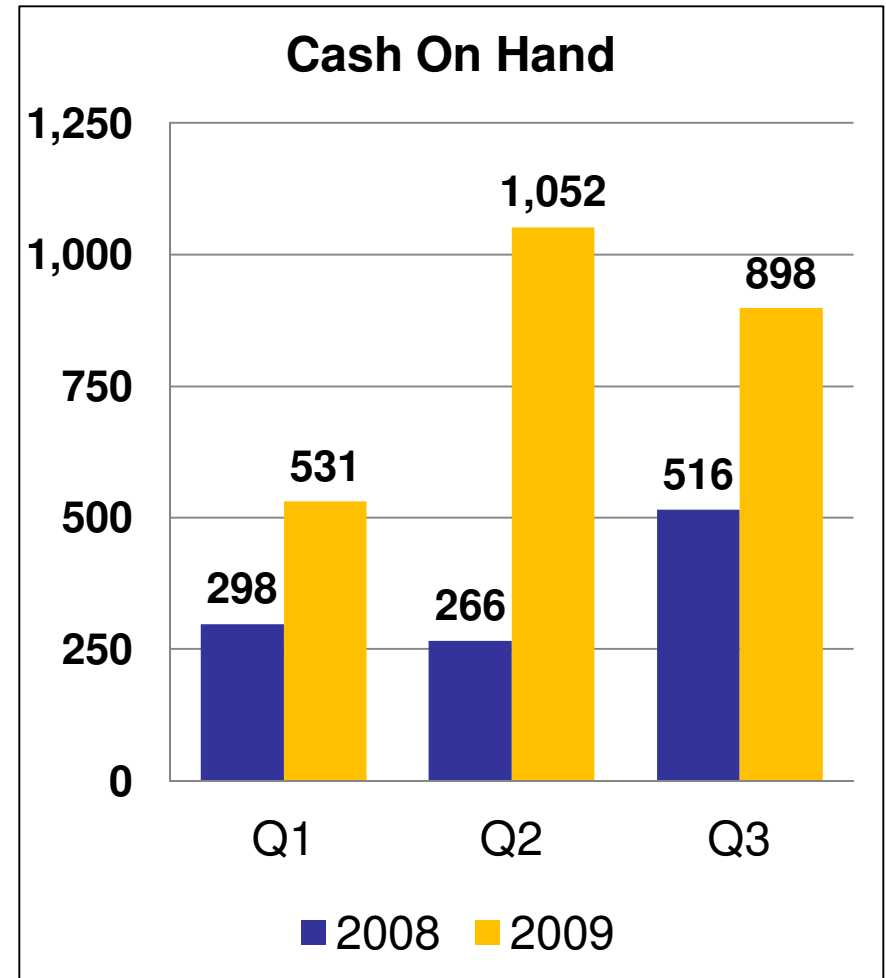


- ✓ Demand/volumes remain challenging (commercial construction weaker – later cycle)
- ✓ Y-O-Y cost improvement exceeds \$15MM

Strong Cash Performance



**Excellent Q3 and YTD performance;
Approaching record year of 2008**



**Ending cash balance of \$900MM;
Uses of cash remain on target**

Summary



- ❖ Modest demand improvement versus earlier in the year
- ❖ Strategic initiatives properly positioned company
 - Coatings and Optical & Specialty Materials
 - Geographic diversity (Asia)
- ❖ Return toward prior profitability levels
- ❖ Excellent operating leverage on slight volume recovery
- ❖ Successful execution a critical factor

For More Information



Thank you for your interest in PPG Industries, Inc.

Investors

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Media

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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 | 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> |