



PPG Industries

PPG Industries, Inc.
One PPG Place
Pittsburgh, Pennsylvania 15272 USA
www.ppg.com

Contact:
Betsy Mallison Bialosky
412-434-3046
bialosky@ppg.com

Investors:
Vince Morales
412-434-3740
vmorales@ppg.com

News

PPG again posts record sales for any quarter

Second quarter sales surpass \$3 billion, year-over-year sales grow 12 percent

PITTSBURGH, July 19, 2007 – PPG Industries (NYSE:PPG) today reported record sales for the second quarter – or any quarter in the company’s history – of \$3.2 billion, surpassing the record performance set just last quarter. Year over year, second quarter sales were up 12 percent. Second quarter net income was \$249 million, or \$1.50 per share. Net income includes an aftertax charge of \$6 million, or 3 cents a share, to reflect the net increase in the current value of the company’s obligation under its proposed asbestos settlement agreement reported in May 2002, which is subject to pending court proceedings. The company’s tax rate for the quarter was 31.3 percent.

That compares with second quarter 2006 net income of \$280 million, or \$1.68 a share, which included aftertax earnings of \$12 million, or 7 cents a share, for net legal and insurance matters and an aftertax charge of \$4 million, or 3 cents a share, to reflect the net increase in the value of the company’s obligation under its asbestos settlement agreement. Sales were \$2.8 billion. The company’s second quarter 2006 tax rate was 26.4 percent.

For the first six months of 2007, PPG recorded net income of \$443 million, or \$2.67 a share, which includes aftertax charges of \$11 million, or 6 cents a share, to reflect the net increase in the value of the company’s obligation under its asbestos settlement agreement. Sales for the first half of 2007 were \$6.1 billion. The company’s first half 2007 tax rate was 28.4 percent.

For the first six months of 2006, PPG recorded net income of \$464 million, or \$2.79 a share, which included aftertax earnings of \$12 million, or 7 cents a share, for net legal and insurance matters and aftertax charges of \$23 million, or 14 cents a share, for business restructuring and \$10 million, or 6 cents a share, to reflect the net increase in the value of the company’s obligation under its asbestos settlement agreement. Sales for the first half of 2006 were \$5.5 billion. The company’s first half 2006 tax rate was 25.7 percent.

“PPG’s excellent performance this quarter is a result of our strongest organic volume growth in three years,” said Charles E. Bunch, PPG chairman and chief executive officer. “This has been driven by our well-balanced geographic footprint and ongoing market penetration in both of our coatings segments and our Optical and Specialty Materials segment. Also supplementing our organic results is our continuing success in integrating last year’s acquisitions, which not only are aiding our sales growth but also delivered double-digit operating margins this quarter.

“Our record-setting overall performance was achieved despite transitory operating issues in our commodity chemicals business that hindered our ability to sell into a strong chlor-alkali market,” Bunch continued. “We also did well despite difficult conditions in several other North American end-use markets.

“Looking ahead, we anticipate generally similar economic conditions in most markets and geographic regions,” he said. “We have produced strong financial results in both the second quarter and year-to-date under these conditions, and we expect to continue to do so the rest of the year. As has been our long-standing tradition, we will execute our strategies with a focus on delivering superior value to both customers and shareholders.”

Bunch noted that the company is progressing on its business portfolio transformation and expects to have tangible results within the next few months.

Performance and Applied Coatings segment sales for the quarter increased \$200 million, or 26 percent, as a result of increased sales from acquisitions, improved sales volumes, the positive impact of stronger foreign currencies and increased selling prices. Segment earnings grew by \$14 million, or 10 percent, due to higher sales volumes and the positive impact of acquisitions, partially offset by increased overhead costs to support growth.

Industrial Coatings segment sales for the quarter increased \$132 million, or 16 percent, as a result of increased sales from acquisitions, the positive impact of stronger foreign currencies and improved volumes. Segment earnings improved by \$5 million as a result of higher sales volumes and the impact of acquisitions. The earnings impact was partially offset by the negative impact of inflation, including higher raw materials costs.

Optical and Specialty Materials segment sales for the quarter increased \$34 million, or 13 percent, as a result of improved volumes, particularly in the optical products business, and the positive impact of stronger foreign currencies. Segment earnings were up \$10 million due to the impact of the higher sales volumes.

Commodity Chemicals segment sales for the quarter increased \$8 million, or 2 percent, due to improved volumes, which were partially offset by lower year-over-year pricing. Segment earnings declined by \$29 million primarily due to lower pricing, and higher manufacturing and natural gas costs.

Glass segment sales decreased \$25 million, or 4 percent, due to lower volumes and selling prices, offset slightly by the positive impact of stronger foreign currencies. Segment earnings were down \$3 million due to the negative impact of inflation and lower pricing. These were substantially offset by other income, including higher equity earnings.

About PPG

Pittsburgh-based PPG is a global supplier of paints, coatings, chemicals, optical products, specialty materials, glass and fiber glass. The company employs more than 34,000 people and has 125 manufacturing facilities and equity affiliates in more than 25 countries. Sales in 2006 were \$11 billion. PPG shares are traded on the New York and Philadelphia stock exchanges (symbol: PPG). For more information, visit www.ppg.com.

Additional Information

Financial commentary from William H. Hernandez, senior vice president and chief financial officer, regarding second quarter 2007 results may be heard by telephone at 412-434-2816 until 5 p.m. ET on Friday, July 27. The commentary will also be available on PPG's Web site (www.ppg.com) at Investor Center, 2nd Qtr Financial Commentary. The commentary may

include forward-looking statements or other material information. Additional information, including historical performance, is also available at Investor Center on PPG's Web site.

Forward-Looking Statements

Statements in this news release relating to matters that are not historical facts are forward-looking statements reflecting the company's current view with respect to future events or objectives and financial or operational performance or results. These matters involve risks and uncertainties as discussed in PPG Industries' periodic reports on Form 10-K and Form 10-Q, and its current reports on Form 8-K, filed with the Securities and Exchange Commission. Accordingly, many factors could cause actual results to differ materially from the company's forward-looking statements.

Among these factors are increasing price and product competition by foreign and domestic competitors, fluctuations in cost and availability of raw materials and energy, the ability to maintain favorable supplier relationships and arrangements, economic and political conditions in international markets, foreign exchange rates and fluctuations in such rates, the impact of environmental regulations, unexpected business disruptions and the unpredictability of possible future litigation, including litigation that could result if the asbestos settlement discussed in PPG's filings with the SEC 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 as 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, operations or liquidity.