



PPG Industries, Inc. First Quarter 2006 Financial Results

William H. Hernandez, Senior Vice President, Finance, April 20, 2006 Recorded Comments

In the next few minutes, I'll review our strong first quarter performance for 2006. I'll also comment on various aspects underlying our performance. Before getting into all the details, let me quickly recap the quarter:

- PPG delivered all-time record first quarter sales. Also, despite a traditionally slower quarter seasonally, we nearly eclipsed our all-time quarterly sales record for any quarter. This marks twelve consecutive quarters, or three years in a row, of quarterly year-over-year sales records. Individual first quarter sales records were achieved in eight of our fifteen businesses, with several businesses posting year-over-year sales gains of well over 10%.
- Sales increases were driven by both price and volume gains. Strong volume growth was achieved in coatings with five of our six businesses posting, at least, mid-single digit volume growth, and also in optical where volumes grew over 20%. Sales gains from several business acquisitions in 2005 offset about half of the negative impacts from currency, primarily Euro related.
- Earnings-per-share of \$1.11 included \$0.14 per share related to our previously announced restructuring and \$0.03 per share for our proposed asbestos settlement. This EPS figure represents an all-time first quarter record for PPG easily surpassing any other first quarter.
- These strong earnings are despite energy costs that are still very high by historical standards. While natural gas costs abated somewhat during the quarter versus the fourth quarter of 2005, they were still 60% higher than the first quarter of 2005.
- Coatings raw material costs have continued to rise but the pace has slowed from last year. Coatings ongoing operating margins continued to improve as selling prices and cost improvements remained a priority.

Now I will discuss these items in a little more detail.

- PPG once again delivered an excellent quarter achieving all-time record first quarter sales of over \$2.6 billion. Overall sales for the quarter increased 6% year-over-year, with local currency sales up about 8%. Our first quarter sales are up over 40% since 2002 and this marks the third consecutive year we achieved a first quarter sales record. Our selling prices improved 4% and volumes improved 3%. Business acquisitions made in 2005 added 1%, while currency reduced our sales by 2%, driven primarily by the Euro.
- We had five businesses at or above 10% revenue growth led by our optical business where we delivered a 20% gain. This marks the eighth consecutive quarter of double-

digit year-over-year growth for optical, and we set a new all-time quarterly sales record for any quarter.

Record first quarter sales were also achieved in five of our six coatings businesses, led by double-digit growth in our industrial, aerospace and architectural businesses.

In glass, our architectural flat glass business, which we renamed performance glazings to better convey our value-added focus, increased sales nearly 15% to a new first quarter sales record, driven by our value-added product supplied to a robust commercial construction market.

- Our first quarter earnings were reduced by our previously announced restructuring and severance actions. The financial impact of these actions totaled about \$35 million dollars pre-tax or \$23 million after-tax and related, primarily, to severance costs in several of our businesses. These actions will result in annual savings approximately equal to the one-time costs. The pre-tax totals by business are about \$33 million in coatings and \$2 million in glass. While certain additional actions will be finalized later in 2006, we do not expect the remaining costs associated with our current restructuring plans to be significant.

Now looking at the ongoing earnings performance of our businesses:

- Versus last year, coatings ongoing operating margins, excluding restructuring in 2006 and the unfavorable legal ruling in 2005, improved by nearly 200 basis points. This was a result of selling price and volume increases, our focus on meeting customer requirements and a variety of manufacturing and overhead cost actions. During the quarter, coatings raw material costs increased about 4% year-over-year or about 20 million dollars, while our overall selling prices increased by 3%.

Since the second quarter of last year, we have continued to deliver on our commitment to restore operating margin. Our objective, however, is to restore our industry leading margins back to historic levels. Some of our coatings businesses have not yet offset the rise in raw material costs. We will continue to aggressively pursue selling price increases in all businesses, and to be ever present with our cost diligence.

- Our costs for natural gas used in our chemicals and glass businesses, while dropping from a historically high level in the fourth quarter, were nearly 60% higher than the first quarter of 2005. Our first quarter 2006 natural gas price was just about \$10.00 per MMBTU. This compares to \$12.50 per MMBTU in the fourth quarter of 2005 and about \$6.50 in the first quarter of 2005. Compared to the first quarter of 2005, our operating income was reduced due to higher gas costs by about \$60 million, pre-tax, with roughly 70% in chemicals and the rest in glass.
- In chemicals, our ECU pricing was once again at an all-time high, marking the sixth consecutive quarter where pricing hit an all-time high. These higher ECU prices assisted us in achieving a new first quarter sales record in our chlor-alkali business, and in combating high year-over-year natural gas prices and lower chlor-alkali volumes. As I stated earlier, optical product sales were up 20% in the quarter, accelerating, in part, due to the introduction of our Generation V Transitions lenses in Europe.

Also, included in our chemical earnings, were additional environmental charges relating to action plans involving several sites. Our commitment remains steadfast in working quickly to remediate any environmental sites once a remediation program is agreed upon by all necessary parties. For the full year we currently expect PPG environmental spending might possibly exceed the upper end of our historic annual range of \$10 to \$49 million, as we disclosed in our 2005 annual report.

- Year-over-year glass margins decreased slightly due to higher natural gas pricing. Partially offsetting the natural gas cost were strong selling price and volume increases in our performance glazings business as we continue moving toward a more value-added product mix which supports the expanding commercial construction market.

Also assisting our glass earnings were additional manufacturing efficiencies. Total PPG manufacturing efficiencies were about \$30 million, with about three-fourths of that total stemming from our glass business.

Last, but very important, we continue to use cash to benefit shareholders.

Now let's review our earnings per share figures.

	2006		2005	
	Million	EPS	Million	EPS
Net Income As Reported	\$ 184	\$ 1.11	\$ 95	\$ 0.55
Net Income Includes the Following Charges:				
Asbestos Settlement - Net	6	0.03	5	0.03
Restructuring/Severance Costs	23	0.14	-	-
Adverse Legal Settlement	-	-	91	0.52
Adjusted Net Income	<u>\$ 213</u>	<u>\$ 1.28</u>	<u>\$ 191</u>	<u>\$ 1.10</u>

First Quarter Comparisons

In summary, you can see on the slide titled First Quarter Comparisons, we reported EPS of \$1.11 cents which is a record first quarter for PPG.

Included in the figure was an after-tax charge of \$6 million, or \$0.03 cents a share, related to the asbestos settlement. Additionally this included \$23 million after-tax or \$0.14 cents per share relating to restructuring costs. Even more impressive is that we delivered all-time first quarter earnings-per-share even when you include reductions for these unusual charges.

Let me remind you once again that our EPS numbers have included the impact of expensing stock options since the first quarter of 2004, two years ahead of most companies.

Our tax rate in the first quarter was approximately 24.5%. The rate was reduced because of a one-time tax benefit received as a result of favorable resolution of a tax item we appealed stemming back to 1997 and the impact of the restructuring charges. Conservatively, we currently expect our ongoing tax rate for the remainder of 2006 to be between 31.0% and 32.0%.

With regard to the asbestos adjustment, as we've been reporting since mid-2002, our reported earnings include the charge or income resulting from adjusting the asbestos settlement liability to its current value. As with last quarter, I will avoid the redundancy of reciting the details of the asbestos settlement. For those who are not familiar with those details, please refer to page 47 of our 2005 form 10-K for more information.

A year ago we reported EPS of \$0.55 in the quarter that included a 3-cent reduction related to the asbestos settlement and a \$0.52 cent per share charge relating to an unfavorable settlement on a legal matter. The tax rate then was 23%, which was lower than our historic ongoing tax rate because of the tax impact of the unfavorable legal matter.

In summary, our sales growth in several key markets continued as evidenced by our twelfth consecutive quarter where we delivered a year-over-year quarterly sales record. Also our earnings-per-share was our best first quarter ever in PPG history, and this is despite both elevated natural gas costs and historically high coatings raw material costs. We were able to achieve these excellent results by delivering on our long-term commitment to leadership, technology, innovation and customer service.

Now let me talk about the overall market.

Market Indicators	
	<u>1Q 2006</u> <small>(change from 1Q 2005)</small>
U.S. Real GDP*	4.4%
U.S. Industrial Production*	3.2%
EEC Real GDP*	1.7%
China Real GDP*	9.9%
N.A. Vehicle Production	2.3%
N.A. Light Vehicle Sales	2.1%
Western Europe Auto Production*	4%
Western Europe, New Registrations*	3%
U.S. Housing Starts*	2%
U.S. Commercial Construction (Real Investment)*	6%
<small>*Estimates</small>	

Market Indicators

The slide detailing Market Indicators shows that GDP figures in North America are estimated to show first quarter growth of about 4.4% year-over-year, following 1.7% growth in the fourth quarter of last year. Industrial production in the first quarter was up 3.2%. Both indicators reflect strong growth levels coming off a reduced fourth quarter, and in our opinion part of the strength in the figures is a result of some delayed activity from the fourth quarter 2005.

In Western Europe, GDP expanded in the first quarter by 1.7%, year-over-year. This represents a modest but improving trend versus recent history. Solid results have been posted for several consecutive months and the economy appears to be gaining slight momentum.

China and India continue to show strong GDP growth. Economist's estimate first quarter growth in China of about 9.9% and India of 7.6%. In our businesses, we have seen consistently high activity throughout the quarter in these regions.

In North America, overall vehicle production was up about 2% in the quarter, consistent with our past communications that the overall automotive OEM market volumes remain stable, with the primary anxiety relating to market share shifts occurring among the major players. Production was down 3% for Ford, 1% for Toyota and 6% for both Nissan and Chrysler. Production was up 3% at General Motors and 7% at Honda.

Inventories of certain vehicle types and from a few carmakers expanded during the quarter, although this is not entirely uncommon for a first quarter. Global insight projects flat North American automotive production for the full year of 2006.

Also in the first quarter, according to Global Insight, Western European car production is estimated to be up 4% with Eastern European production up more than 6%. Germany realized gains of about 8%, while Italy rebounded from a poor first quarter of 2005 and

posted a 28% improvement. France and Spain were modestly positive, while the UK was down about 2%. Global Insight forecasts flat full year vehicle production in Western Europe, and also relatively flat vehicle sales.

Back in the U.S., housing starts while slowing, still remain about 2 million units annually, again a number that is very high versus historical standards. More important to PPG, commercial construction continues to demonstrate sustained increases.

2006 Key Topics

- Economy
- Inflation
 - Energy
 - Raw Materials

Key Topics

Referring to the slide “2006 Key Topics”; first, on the economy, as we have been discussing for over a year now and as the previous numbers bear-out, global economic expansion continues. The largest change from 2005, is that overall growth rates in two of the more significant world economies, Western Europe and Japan, have shown consistent improvement. Also, the emerging economies, including China and India, continue to post very high growth figures.

The North American economy continues to grow and, as we have been commenting on for the past several quarters, at a slow but sustainable pace, with most of the underlying fundamentals remaining solid.

As we have stated many times in the past year, in our opinion, the economic expansion will be prolonged by this sustained growth rate that is supported by good fundamentals and discipline in most markets.

A second issue is inflation. While pockets of inflation exist, primarily in commodity and energy sectors, we expect overall inflation to remain well in check. Labor costs, which are by far the largest cost component, remain fairly stable due to productivity increases, globalization, and other macro cost control factors. Energy costs, while still elevated historically, have receded somewhat from their historic highs in the fourth quarter. Finally, demand in most industries remains at steady levels, which permits producers to manage both inventory and production.

With respect to PPG, as I mentioned earlier, our natural gas costs have increased year-over-year. We use 60 to 70 trillion Btu’s of natural gas a year to generate power for the production of chlorine and caustic soda and to produce glass and fiber glass. So if natural gas costs change by a dollar per million Btu, our pre-tax costs change by about \$60 to \$70 million on an annual basis.

We have been active in our natural gas hedging program and earlier in the year hedged about 30% of our second quarter and roughly 25% of our third quarter natural gas requirements at prices between \$7.50 and \$8.25 per MMBTU. The primary goal of our hedging program has always been to moderate, over time, large price fluctuations in our natural gas purchases. Our current hedges will assist us in accomplishing this goal.

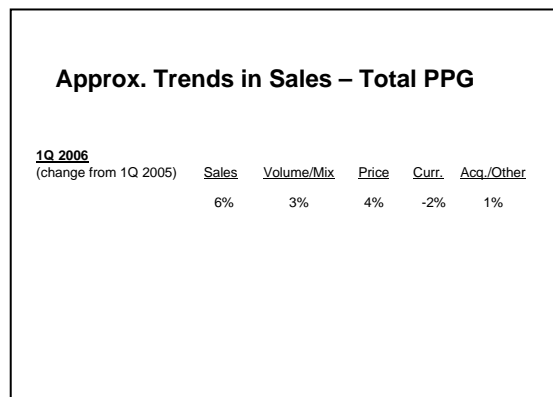
Since mid-2004, these higher energy costs have been coupled with increasing raw material costs, primarily in our coatings business. Raw materials are the largest cost component for

the coatings businesses. As I mentioned previously, this quarter our coatings raw material costs were up approximately \$20 million versus the year-ago quarter. As many of you know, last year for the full year, our coatings raw material costs increased by a quarter-of-a-billion dollars. However the costs increased in the first and second quarters last year, then plateaued. We are now “calendarizing” these previous raw material cost increases.

Looking forward, we see a sporadic raw materials environment with isolated cost increases in certain areas, coupled with cost declines occurring in certain areas/products and/or in certain geographic regions. The energy environment remains volatile.

To summarize, the economic environment as we currently see it, continues to favor well-disciplined and efficient companies such as PPG. Technology, customer service, innovation and leadership, all PPG strengths, remain key traits when economic growth is at a consistent but measured pace.

And now let me review our strong growth results from the quarter.

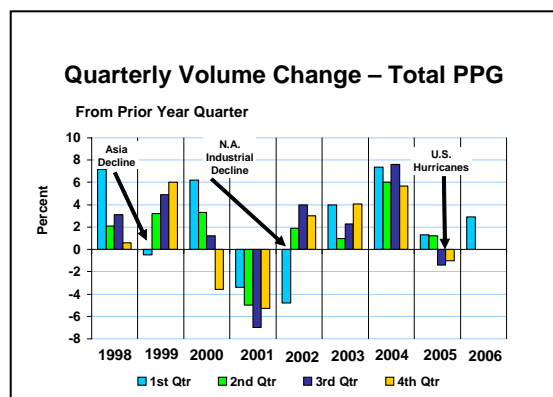


Approximate Trends in Sales – Total PPG

For the quarter, sales were up 6%, pricing grew 4%, volume was up 3%, business acquisitions contributed 1%, while currency reduced sales by about 2%. Once again, our sales performance was a first quarter record for PPG.

Sales increased in each one of our business segments with coatings sales up 8%, chemicals increasing 4% and glass growing by 2%.

Acquisitions added about \$20 million to revenues. Currency subtracted just over \$40 million from our total revenues for the quarter and about \$7 million from operating earnings.

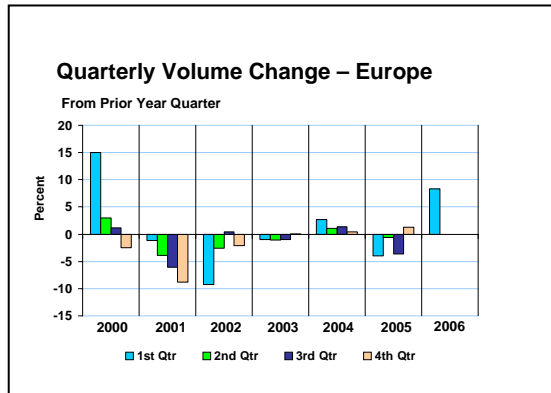


Quarterly Volume Change – Total PPG

The slide, Quarterly Volume Change – Total PPG, is one we show every quarter. Following the last two quarters which were hampered by the severe U.S. hurricanes in the third quarter of 2005, our year-over-year volumes grew by 3%. We continue to see very strong growth in several businesses and regions. These volume increases were partially offset with a decline in chlor-alkali volumes as we, and the industry as a whole, were running at an unsustainable level of near or over 100% of

capacity in the first quarter last year. Our chlor-alkali capacity utilization this year remains in sync with the overall industry.

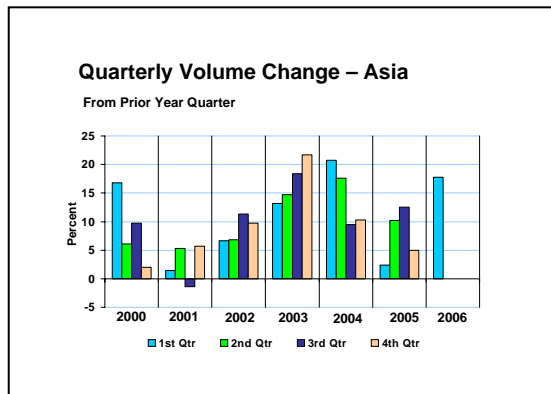
The next slide depicts our European volumes.



Quarterly Volume Change – Europe

Our volumes for the quarter in Europe were up about 8%, our largest gain in six years. This is a very noted positive shift, however, the gains need tempered as a result of the Easter holiday impact. We estimate that a little less than half of the volume gain is attributed to the fact the Easter holiday fell in the first quarter of 2005, and falls in the second quarter in 2006.

Of note and generally encouraging are the Western European economies demonstrated consistent improvement for the past several months.



Quarterly Volume Change – Asia

Moving to the Asia volume slide ... in Asia, we continued to experience extremely healthy growth as the market grows and we continue to expand our presence. We once again achieved double-digit volume growth for the entire quarter, with each month posting consistent and strong figures.

Our Asian sales have increased by about 100% since 2002, and continue to become an ever increasing portion of our total coatings sales. Even more important is that our Asian margins remain excellent and even exceed the worldwide coatings industry margins by several percentage points.

Now let me discuss our business performance.

Approx. Trends in Sales – Coatings

1Q 2006 (change from 1Q 2005)	Sales	Volume/Mix	Price	Curr.	Acq./Other
COATINGS	8%	6%	3%	-2%	1%
Automotive OEM	5%	8%			
Refinish	-3%	-5%			
Industrial	10%	6%			
Aerospace	14%	15%			
Architectural	27%	15%			
Packaging	6%	7%			

Approximate Trend in Sales – Coatings

The next slide is coatings sales trends. In the first quarter, coatings enjoyed an all-time first quarter sales record. Overall in the quarter, sales grew 8% with growth of nearly 20% in Asia. Coatings pricing increased 3%, volumes were up 6%, business acquisitions added 1%, while currency reduced sales by 2%.

Automotive OEM sales were up 5% and are an all-time first quarter record. This is despite currency negatively impacting sales by 3%. We continue to enjoy the benefits of an ever broadening customer mix. Price was flat, which is significant considering the pricing pressures within this industry. Total volumes were up 8%.

Refinish sales fell 3% as the first quarter of 2005 was the strongest first quarter on record and obviously a very strong comparison figure.

Industrial coatings sales gained 10% and were not only an all-time first quarter record but a record level for any quarter. Pricing improved 4% and currency dropped 1%.

Volumes increased 6%, including Asian volume increases of over 35% and European gains of 9%. We also added an additional 1% to our Asian sales due to our Crown Coatings acquisition in 2005.

Aerospace sales were up 14% and also an all-time record for a first quarter and a record for any quarter. Volumes were up 15%. Double-digit growth was once again realized in all geographies, led by Asia growing at over 20%. We continued to expand both our OEM and aftermarket presence in all parts of the world.

Architectural coatings sales grew 27% and were also a first quarter record. Price was up mid-single digits coupled with volume gains of over 15%. Growth was realized in all channels and our lowa paints acquisition added 5%. We now have 392 company-owned stores and we will continue to seek growth both organically or via acquisition.

Packaging coatings recognized an all-time first quarter sales record led by solid volume gains.

To summarize coatings, five of our six coatings businesses enjoyed all-time first quarter sales records, and in total we eclipsed our prior coatings first quarter sales record by over 8%, despite a 2% currency headwind. Based on our consistent and healthy quarterly growth levels for the past several years, we remain confident in our coatings growth strategies.

Approx. Trends in Sales - Glass					
1Q 2006 (change from 1Q 2005)	Sales	Volume/Mix	Price	Curr.	Acq./Other
GLASS	2%	2%	0%	-1%	1%
Automotive OEM	-1%	1%			
Automotive ARG	0%	0%			
Insurance & Services	0%	1%			
Performance Glazings	13%	6%			
Fiber Glass	-3%	2%			

Approximate Trends in Outside Sales – Glass
Moving to the glass sales trends slide, glass sales improved by 2% as a result of volume gains.

Sales in OEM Glass were down 1% with price down 1%, volumes up 1% and currency subtracting 1%. The volumes remain fairly consistent with our glass customer mix in the North American automotive industry. Looking ahead, Global Insight predicts an overall production decline in the second quarter for the Big Three automakers.

Auto replacement glass sales were flat.

Performance glazings (flat glass) sales improved 13% resulting from strong volume gains as a result of robust commercial construction. Also, our contractual fuel surcharges added pricing gains which, in part, offset historically high natural gas pricing. Our new Texas coater, which produces energy-efficient glass for the southeast portion of the United States, started production late in the quarter.

Our fiber glass sales were down 3% versus the prior year. Volume gains offset pricing. Currency was negative.

Approx. Trends in Sales – Chemicals

1Q 2006 (change from 1Q 2005)	Sales	Volume/Mix	Price	Curr.	Acq./Other
CHEMICALS	4%	-4%	8%	-1%	1%
Commodity	1%	-11%			
Specialty	11%	11%			

Approximate Trends in Outside Sales – Chemicals

Shifting to chemical sales, overall chemical sales were up 4% and in addition to being an all-time first quarter record, were a record for any quarter. We were able to more than offset chlor-alkali volume declines with continued strong ECU pricing gains and, once again, double-digit growth in optical.

In chlor-alkali, ECU prices reached another new high and were up nearly 20% from a year ago as

both chlorine and caustic prices increased. As I mentioned previously, chlor-alkali volumes declined as PPG and the industry ran at unsustainably high production levels in the first quarter of 2005. Once again, although selling prices are high, natural gas prices remain elevated.

Specialty chemical volumes were up in the quarter primarily due to continued gains in optical. The optical business experienced volume gains of 20% -- led once again by the strong performance of Transitions™. We introduced our Transitions Generation V product into Europe in the quarter. Also, at the end of the quarter, we announced a partnership with Oakley as they plan on offering a photochromic product line.

Our fine chemical sales slid about 40%, on soft volumes.

Use of Cash

- Prudently fund businesses
- Dividends
- Manage debt
- Pension & asbestos settlement
- Related acquisitions
- Repurchase stock

Use of Cash

Now turning to the slide Use of Cash. We currently have a very strong cash position with just over \$400 million of cash and short term investments on hand. Many of you know we prioritize our uses of cash. Overall, we have used and will continue to use cash to benefit shareholders.

As far as “prudently funding our businesses,” as stated previously, we believe capital spending will be between \$300 to \$400 million for the year. This

remains in the range of about 3.5% to 4.0% of sales, which we have communicated previously.

Next, we continue our tradition of rewarding shareholders with annual returns in the form of dividends as evidenced by the fact that we have paid uninterrupted dividends for 107 years. Also in 2005, we extended our annual dividend increase streak to 34 consecutive years.

Regarding debt, our debt-to-total capital is about 28% and within our target range. Also, with our refinancing of debt that we completed last year, we have only minimal amounts of debt maturing over the entire next decade.

With respect to pensions, as stated last quarter, our U.S. pension plans do not require mandatory funding until at least 2008 using conservative assumptions concerning pension fund investment returns. As you know, there is current legislative activity relating to U.S.

pension funding. Our comments relating to funding are based on the current pension rules. Naturally, given our financial flexibility, we may opt to make voluntary contributions this year. We would not expect the level of contributions to exceed \$250 million dollars.

With regard to our proposed asbestos settlement; many of you have heard us discuss this for the past several years ... our arrangement on the settlement does not require any funding until the settlement is final. If the settlement becomes effective before the end of the year, we will use cash to satisfy about \$375 million of the asbestos liability.

Next on our list for uses of cash are acquisitions – at the right price – that are related to our current businesses. We have pursued in the past and we continue to review opportunities that enhance our geographic presence, technology base or customer reach. Our current expectation is that we will have a higher level of acquisitions this year versus the past several years.

The final priority is to repurchase stock with the remaining funds. Looking back at history, we have reduced our shares outstanding by over 40% since 1984.

We will address all these uses of cash while continuing to fully support those key elements of our business strategy that provide us with a competitive advantage. These elements are technology, customer service and organic growth.

Conclusion

In conclusion, there is a wide variety of economic data and, as is normally the case during the economic cycle, some of this data is conflicting. What remains consistent is that worldwide and North American economic growth continues, and growth has been accelerating in many major regions of the world.

From our perspective, let me reiterate what I stated for the past year. That is, we expect continued overall economic growth but at a generally slower and more erratic rate. I also said that a slower, but fundamentally sound growth rate supports a prolonged expansion by avoiding “excess demand,” which historically has led to widespread inflation.

With respect to inflation, despite high energy prices, overall inflation in the first quarter has, in fact, remained well under control. Many other components have kept overall inflation low, including items that have a much larger overall impact on inflation such as wages and other retail consumer goods. Also, industry has remained disciplined in both inventory and other working capital management.

The underlying North American economic fundamentals still remain solid. Stable economic growth continues as consumer spending growth is gradually slowing, interest rates are increasing at a measured pace, higher energy costs and slowing in new home construction are being absorbed without a major economic disruption. Some offsetting factors providing support to the growth rates are high levels of commercial construction, strong business capital spending, stable labor markets, strengthening economies in Japan and Europe and well-managed business inventories.

As always, potential challenges to economic growth remain, including the FED overshooting on interest rates and disruptions to certain industries or sectors, to just name a few. Also, there always are uneven patterns of growth, both geographically and industry-by-industry. However, the offsetting economic factors I just mentioned have positioned the economy, barring any major shocks, for stability for several more periods.

Energy and worldwide industrial production are two primary macro economic factors that influence PPG. The outlook for both of these factors in the next quarter is currently favorable. In addition, many of the industries we serve in which we have experienced our most dramatic growth, such as optical, aircraft and commercial construction, are all projected to continue, at a minimum, along their recent trend lines.

Let me conclude with a reflection on our strong performance. We achieved both an all time first quarter sales record and all time high first quarter earnings-per-share at PPG this past quarter. We anticipate continued growth moving forward. Pricing actions continue in most industries we serve as many efforts remain underway to fully recover higher input costs. Naturally, our cost focus has and will remain at the forefront.

As we have demonstrated over the past several years, our focus on cost and our complimentary mix of businesses has allowed us to consistently produce cash and deliver excellent earnings results. Additionally, our sales growth over the same timeframe continues to validate the success of our various growth strategies and initiatives. We remain committed to executing all of our strategies and to our proven history of rewarding shareholders.

PPG INDUSTRIES, INC.
Condensed Statement of Operations
1st Quarter Results
(Millions of Dollars)

	3 Months Ended		
	March 31,		
	<u>2006</u>	<u>2005</u>	<u>% Change</u>
Net Sales	\$ 2,638	\$ 2,493	5.8
Cost of Sales	1,691	1,558	
Gross Profit	\$ 947	\$ 935	1.3
Other Expenses (Earnings):			
Selling and Other	535	527	1.5
Depreciation	82	87	(5.7)
Interest	20	21	
Amortization	9	8	12.5
Asbestos Settlement - Net	9	9	
Business Restructuring	35	-	
Other - Net (a)	(12)	138	
Income Before Income Taxes and Minority Interest	269	145	
Income Tax Expense	66	34	94.1
Minority Interest	19	16	
Net Income (b)	\$ 184	\$ 95	93.7
Earnings per common share	\$ 1.11	\$ 0.55	101.8
Earnings per common share -- assuming dilution	\$ 1.11	\$ 0.55	101.8
Average shares outstanding	165.4	172.5	(4.1)
Average shares outstanding -- assuming dilution	166.5	174.2	(4.4)

(a) The three months ended March 31, 2005, includes a pretax charge of \$150 million for a legal settlement.

(b) The three months ended March 31, 2005, includes an aftertax charge of \$91 million for a legal settlement.

PPG INDUSTRIES, INC.
Business Segment Information
1st Quarter Results
(Millions of Dollars)

	Net Sales		Operating Income (Loss)	
	2006	2005	2006	2005
COATINGS (a)	\$ 1,440	\$ 1,332	\$ 167	\$ 9
GLASS (b)	565	554	32	41
CHEMICALS	<u>633</u>	<u>607</u>	<u>128</u>	<u>155</u>
SUBTOTAL	<u>\$ 2,638</u>	<u>\$ 2,493</u>	<u>\$ 327</u>	<u>\$ 205</u>
INTEREST EXPENSE - NET			(17)	(17)
ASBESTOS SETTLEMENT - NET			(9)	(9)
COMPENSATION COST ASSOCIATED WITH STOCK OPTIONS			(7)	(7)
OTHER UNALLOCATED CORP. EXPENSE - NET			<u>(25)</u>	<u>(27)</u>
INCOME BEFORE INCOME TAXES, AND MINORITY INTEREST			<u>\$ 269</u>	<u>\$ 145</u>

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- (a) Operating income for the three months ended March 31, 2006, includes pretax charges of \$33 million for business restructuring, including severance costs of \$31 million and asset write-offs of \$2 million. Operating income for the three months ended March 31, 2005, includes a pretax charge of \$150 million for a legal settlement.
- (b) Operating income for the three months ended March 31, 2006, includes pretax charges of \$2 million for business restructuring, consisting of severance costs.

Forward-Looking Statement

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 and financial performance. These matters involve risks and uncertainties that affect the company's operations, as discussed in PPG Industries' reports filed with the Securities and Exchange Commission, and the implementation of the asbestos settlement discussed in PPG's reports filed with the 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, the ability to maintain favorable supplier relationships and arrangements, 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 those rates, and the unpredictability of possible future litigation, including litigation that could result if the asbestos settlement does not become effective. Further, 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 the company's consolidated financial condition, operations or liquidity.