



Comments by: Charles E. Bunch, Chairman & CEO

Agenda



- ❖ Opening Remarks
- ❖ Financial Review
- ❖ 2008 Recap & 2009 Perspectives
- ❖ Question & Answer Session

In a few minutes, Bill Hernandez will discuss our fourth quarter and full-year financial results. But before he does that, I will provide a quick recap of our businesses' performance, and I'll also review the significant progress we made in 2008 toward continuing to transform our company.

Without question the fourth quarter was a challenge. Like many other companies, PPG experienced dramatic volume declines in several of the industrial end-use markets that we serve due to the rapid deterioration in the overall global economy. Most significant were industry activity levels in automotive OEM which were down between 20-and-30 percent in each global region versus 2007, and a variety of general industrial end-use markets which experienced equivalent declines. As a result, the earnings in our Industrial Coatings and Glass reporting segments, and the Silicas business unit which is part of our Optical and Specialty Materials segment were significantly impacted. Both our Industrial Coatings and Glass segments, which collectively account for about 30 percent of our business portfolio, actually reported operating losses in the quarter.

Highlights – Fourth Quarter



- ❖ Rapid deterioration in end-use markets (30% of portfolio)
 - > Industrial end-use markets
 - > Automotive OEM
- ❖ Stable/growing results in other segments (70% of portfolio)
- ❖ Executing on restructuring program
- ❖ Strong cash performance

However the remainder of our business portfolio, representing about 70 percent of the company's sales, delivered solid performance in the quarter despite the dramatic economic slowdown. Our Commodity Chemicals segment grew earnings and Performance Coatings matched strong 2007 results. Our Optical Products business unit delivered, once again, organic volume growth. And, our Architectural Coatings EMEA segment, in what is always a slower quarter due to seasonal trends, performed slightly above our expectations.

Throughout the quarter, we have continued to implement a variety of initiatives to reduce costs in all of our businesses in response to worsening global economic conditions. These actions were in addition to the initiatives we have underway as part of the restructuring program announced in September.

Of equal importance is that we posted yet another strong quarter for cash. Bill will provide more details on our liquidity position in a few minutes, but let me simply state that we ended the year with \$1 billion of cash on hand. This gives us tremendous financial flexibility which, as all of you know, is critical in today's business climate.

Highlights – Full Year 2008



- ❖ All-time record sales
 - Sales in coatings segments up nearly 50%
 - Double-digit percent growth in Optical & Specialty Materials
- ❖ 40% increase in cash generation
- ❖ Improved liquidity; debt repayment ahead of schedule
- ❖ SigmaKalon acquisition exceeding targets
- ❖ Dividend increased for 37th consecutive year

Overall for the full year 2008, it was certainly a challenging and dynamic year for most companies. PPG was no exception. Early in the year, we experienced rapid inflation, including skyrocketing raw material, energy and freight costs. PPG reacted quickly to these increased costs and collectively our businesses achieved selling price increases that offset this inflation. Later in the year, the global economic downturn resulted in significantly lower activity levels. PPG again responded quickly. During the third quarter and well ahead of most companies, we identified the

severity of the declining volumes, and we announced restructuring actions focused on lowering our cost structure.

This ability to swiftly adapt our businesses aided our financial results. What also helped were the broadened end-use markets served by our business portfolio as well as our enhanced geographic footprint. This diversification provided some resilience despite the sudden economic shifts and recessionary conditions we experienced in the year.

Our nearly \$16 billion in sales established a new PPG record and was up 30 percent over the prior year, including nearly 50 percent growth in our combined coatings segment sales. Optical and Specialty Materials sales also grew by double-digit percentages, and our Commodity Chemicals business had one of its best years ever.

Our adjusted earnings-per-share results for 2008 were down slightly, falling by more than 10 percent, with the decline solely related to fourth quarter results. We anticipate this performance will exceed that of many companies in our peer groups.

Also, as you would expect from PPG, throughout the year we actually enhanced our financial flexibility and greatly exceeded our debt repayment commitments for the year. The company ended the year with one of its largest cash positions in recent history and we have only minimal debt maturities in both 2009 and 2010.

We have improved our liquidity through our focused effort to manage working capital and capital spending, along with the successful execution of our strategic initiatives.

Foremost among the strategic actions we have taken in this regard is our acquisition of SigmaKalon, which we completed at the beginning of 2008. This acquisition has outperformed all of our expectations, including the business's solid and stable generation of cash. As a result, the company's cash from operations for the year was a record \$1.4 billion, up nearly 40 percent from our 2007 figure.

Also in September, in a difficult M&A market, we divested a majority interest in our Automotive Glass and Services business. In addition, we have continued to grow in emerging regions, where we expect economic activity to continue to outpace the growth in mature regions. Our sales in emerging regions are approaching \$4 billion or nearly 25 percent of our existing portfolio. Finally, we have continued to grow or gain share in key end-use markets such as optical, aerospace and protective and marine coatings.

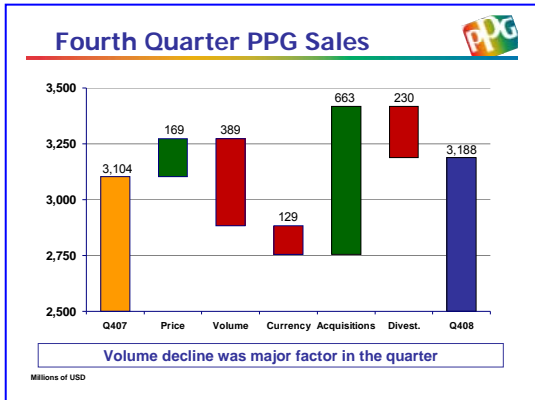
Our strategic actions have transformed PPG significantly. We are now a more focused company with stronger geographic and end-use market diversity. This has not only helped drive solid financial results in 2008, but has better positioned the company for today's economic challenges and created a positive step-change in our ability to generate cash. I believe that these accomplishments will provide PPG shareholders with benefits for years to come.

And now, Bill will review the financial details and then I will conclude our prepared remarks with a few comments on 2009.

Comments by: William H. Hernandez, Sr. Vice President Finance

Thanks Chuck.

I'll spend a few minutes covering PPG's overall financial performance, both fourth quarter and full year. I'll also provide some details by business segment and discuss some macro trends relative to the year 2009.

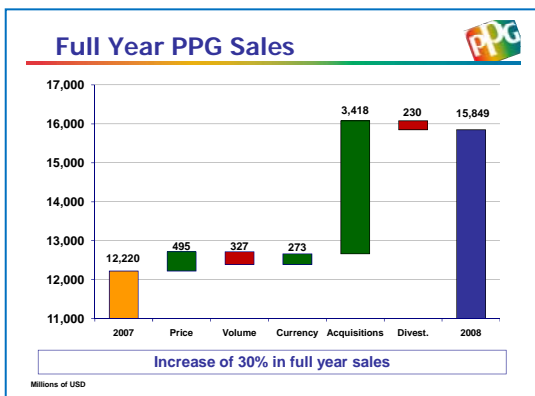


Fourth Quarter PPG Sales

Reviewing the slide detailing our fourth quarter sales, our results increased 3 percent to a new fourth quarter sales record with our SigmaKalon acquisition the main driver of the gain. However, as Chuck mentioned, the quarter was truly a global end-market demand story. We, along with most other industrial companies were heavily impacted by rapidly deteriorating volumes driven by economic weakness, including lower overall consumer demand combined with industrial customer inventory destocking. These lower activity levels were

apparent in most of our businesses which directly face industrial customers, resulting in our year-over-year volumes for the quarter declining by 12 percent or nearly \$400 million. I'll discuss this in more detail when I review each segment, but our Industrial Coatings and Glass segments were the most heavily affected as a result of lower global automotive OEM and general industrial end-market demand.

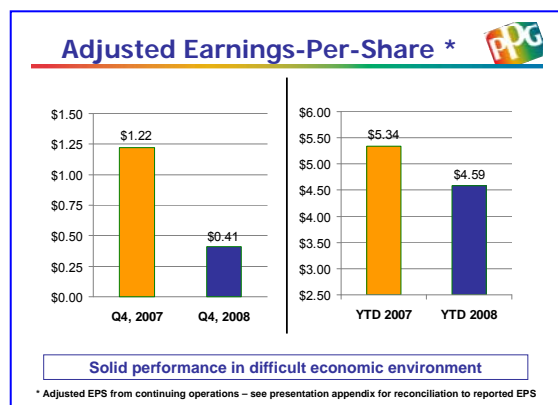
Our sales pricing continued a positive trend, as our selling price gains accelerated during the quarter despite the slower volumes. Currency served as a headwind in the quarter, and our divestiture of our Automotive Glass business reduced our sales in comparison to last year by \$230 million.



Full Year PPG Sales

The next slide details our full year results showing our sales grew to \$15.8 billion, up \$3.6 billion or 30 percent. Again, our acquisitions accounted for the majority of this growth, but we delivered one-half billion of favorable pricing gains as well. Volumes fell over 2 percent or approximately \$325 million, with the entire volume shortfall occurring in the fourth quarter, but partially offset by favorable currency.

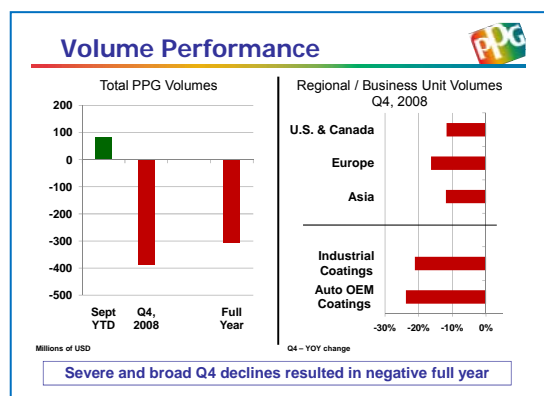
Of note is that our combined coatings sales grew by 47 percent to \$11 billion and are up over 225 percent versus just five years ago. Also sales in emerging regions now account for 25 percent of the company versus 10 percent of a much smaller base just five years ago.



Adjusted Earnings-Per-Share

From an earnings perspective, our fourth quarter adjusted earnings-per-share was \$0.41, versus \$1.22 in the prior year, with the drop primarily a result of the dramatic decline in volumes that I mentioned. Our sales price gains and lower cost structure stemming from our cost initiatives, more than offset lower equity earnings and higher inflation. Our full year tax rate increased as the fourth quarter decline in earnings resulted in a geographic shift in our earnings.

Full year adjusted earnings per share was down more than 10 percent versus 2007. Our year over year decline in earnings in the fourth quarter pushed our full year results below our year 2007 results. Our full year performance, while negative, will likely outpace similar comparisons by many other industrial companies, and our favorable comparison to our peer groups is a result of many of the actions we have taken over the past several years focused on minimizing the impacts of steep economic shifts.



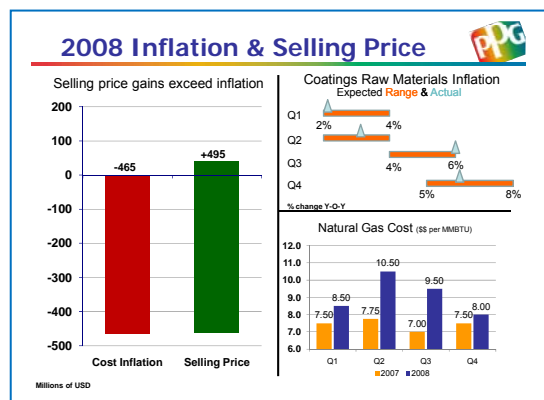
2008 Volume Performance

Let me quickly discuss two key topics on the next few slides that impacted our fourth quarter and full year results.

First and foremost was the fourth quarter decline in volumes. The nearly \$400 million dollar decline in the quarter resulted in our full year volumes turning negative. The volume drop was broad, both by end-use market and by geography. Volumes were down at least 11 percent in all of our major geographic regions.

As mentioned, the most severe declines were in the general industrial and automotive OEM markets, however, many other end-use markets were impacted but to a lesser degree.

We did deliver positive volume growth in key businesses such as Optical Products and also Aerospace despite the Boeing employee work stoppage.



2008 Inflation & Selling Price

The next slide illustrates, the rapid rise in energy costs which pushed up our inflation rates in several areas including natural gas, coatings raw materials and freight. Our total full year inflation for the company, including raw materials, energy and other general inflation totaled \$465 million. As Chuck mentioned, operationally we reacted quickly as we committed to recover the inflation impacts with selling price gains, and we were successful as our selling price increases totaled about \$500 million.

Depicted on the right side of the slide were our expected and actual inflation rates for coatings raw material costs each quarter. Many of our coatings raw materials are petroleum based and we typically lag petroleum inflation or deflation by about six months. Therefore, first half 2008 rises in petroleum costs were most impactful to PPG's results in the second half of the year.

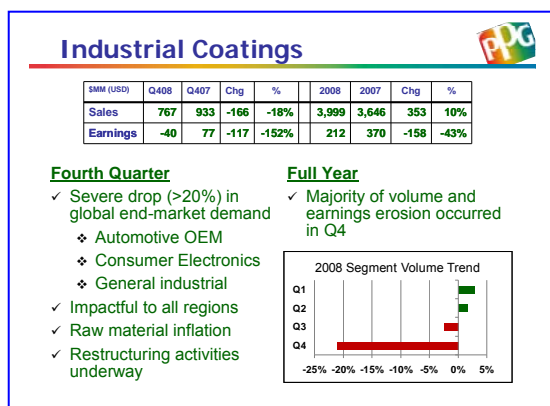
As we began the fourth quarter, we expected inflation rates to continue to accelerate, which they initially did. But toward the end of the quarter we began to see very rapid abatement in the raw material pricing which allowed us to end the fourth quarter virtually flat with the prior quarter.

We expect the rapid raw material price declines to continue in 2009 given both the second half 2008 slide in petroleum costs and the materially lower demand levels at our suppliers.

We also expect lower natural gas costs in 2009. Our full year 2008 natural gas costs averaged about \$9.00 per MMBTU which was up about \$1.50 versus 2007. We use 60 to 70 trillion BTU's of natural gas per year, so a one dollar change in our purchase price equates to \$60 to \$70 million pre-tax earnings impact.

We expect in 2009 our natural gas costs to be lower, and we have about one-half of our gas needs hedged in the first quarter at about \$8.50 per MMBTU. Based on recent market prices for the non-hedged portion, our calculated first quarter 2009 gas price would be about \$7.50 per unit versus \$8.50 in the first quarter of 2008.

I will discuss some other macro topics that impact 2009 shortly, now I will shift our discussion to our business performance.



Industrial Coatings

Our Industrial coatings segment results are detailed on the next page. We recorded an operating loss of \$40 million in the quarter versus \$77 million of earnings in 2007 as sales declined nearly 18 percent. This segment felt the full impacts of the severe declines in global industrial demand as fourth quarter segment volumes dropped by more than 20 percent in comparison with last year. The lower activity levels were across a broad section of global end-markets including consumer electronics, many general

industrial applications and the most dramatic declines being in the global automotive OEM market. Generally speaking, a 20 percent rate of decline was fairly consistent in our volumes serving these end-markets and in all geographies. In addition, our businesses were saddled with higher raw material inflation in the full quarter, even though raw material costs began to abate toward the tail-end of the quarter.


During the quarter we not only began to implement the restructuring actions that we announced in September focused on lowering our cost structure, but we also instituted a variety of additional cost reduction measures given the rapid end-market deterioration.

For the full year, segment sales grew by 10 percent reflecting the addition of the industrial coatings business we successfully integrated from our SigmaKalon acquisition, partially

offset by a 5 percent decline in volumes. Despite an economy that weakened throughout the year, the great majority of our year-over-year shortfall in both volumes and segment earnings occurred in fourth quarter when global industrial demand collapsed.

Strategically, our emerging region sales now are just slightly less than 40 percent of the total segment sales, and now represent our largest base as they exceed the sales of either the U.S. region or Western European region.

As we look at the first quarter of 2009, the outlook for global demand in our industrial end-markets shows further deterioration versus this past quarter. We will continue to manage our costs aggressively and are anticipating increasingly lower raw material cost from our suppliers.

Performance Coatings 

SMM (USD)	Q408	Q407	Chg	%	2008	2007	Chg	%
Sales	1,104	1,019	85	8%	4,716	3,811	905	24%
Earnings	143	143	0	0%	582	563	19	3%

Fourth Quarter

- ✓ Flat earnings in difficult environment
- ✓ Lower auto refinish (miles driven ↓) and architectural paint volumes
- ✓ Aerospace affected by Boeing employee strike
- ✓ Tight cost controls

Full Year

- ✓ Sales/earnings growth despite weaker economy
- ✓ Solid pricing gains
- ✓ Acquisition results exceeded targets
- ✓ Aerospace and Protective & Marine organic growth

Performance Coatings


The next slide details our Performance Coatings segment results. The fourth quarter earnings were flat. This is more impressive when considering that our aerospace business results were negatively affected by the Boeing employee strike which lasted into November. Earnings from the SigmaKalon acquisition, selling price gains and tight cost controls were key factors in our delivery of these results. Our architectural business continued to experience lower volumes which were down by mid-teen percentages.

Also, our global automotive refinish business volumes declined reflecting the fact that fewer miles are being driven.

Full year volumes were down for these same two businesses, however the Performance Coatings segment still managed to grow total sales by nearly 25 percent and segment earnings by 3 percent. A key contributor toward this growth was the acquisition and successful integration of the SigmaKalon Protective and Marine business. Additionally, sales volumes were accretive in Aerospace and our legacy Protective and Marine coatings businesses, and all businesses achieved selling price gains.

Strategically, emerging region sales nearly doubled in 2008 and now account for more than 25 percent of segment sales.

Given the global nature of this segment, in early 2009 we are anticipating some currency headwinds and a challenging demand environment in comparison to the first quarter of 2008.

Architectural EMEA 

SMM (USD)	Q408	Q407	Chg	%	2008	2007	Chg	%
Sales	414	--	--	--	2,249	--	--	--
Earnings	0	--	--	--	141	--	--	--

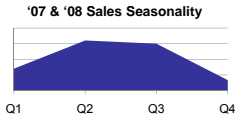
Fourth Quarter

- ✓ Q4 - seasonally slowest period
- ✓ Eastern Europe grew, Western Europe (U.K.) slowed

Full Year

- ✓ Earnings include \$120MM non-cash amortization & depreciation

'07 & '08 Sales Seasonality



SigmaKalon Acquisition

- ✓ Significant strategic milestone and success
- ✓ Exceeded financial targets
- ✓ Strong cash generation

Architectural EMEA


Our Architectural EMEA segment results are on the following slide. The segment, in what is traditionally its slowest quarter due to seasonal trends, once again met or exceeded our various performance targets.

From a business activity perspective, year-over-year sales in Eastern Europe continued to grow in the quarter, while Western European sales declined as a result of a continued sluggish United Kingdom market.

On a full year basis segment earnings were \$141 million, and include a reduction of approximately \$120 million of annual non-cash expenses relating to depreciation and acquisition related intangible amortization. The \$261 million of segment earnings before depreciation and amortization exceeded our full year targets for this business. As a reminder, the Architectural EMEA segment represents a little less than 70 percent of the total SigmaKalon acquisition.

Looking at first quarter 2009, the largest headwind we anticipate is currency versus last year's first quarter.

Now let me take a minute to reflect on the entire SigmaKalon acquisition, which was the largest acquisition in the company's history. The acquisition was a strategic milestone as it materially altered the company by both substantially expanding our coatings profile and extending our geographic diversity. Additionally, the business provides us improved access to or expands our position in several markets and regions. The performance of the entire acquisition exceeded our financial targets, including strong cash generation and overachievement versus our synergy targets. Simply put, by any measure the acquisition has been a significant strategic and financial success for PPG.

Optical & Specialty Materials 

SMM (USD)	Q408	Q407	Chg	%	2008	2007	Chg	%
Sales	239	243	-4	-2%	1,134	1,029	105	10%
Earnings	33	46	-13	-28%	244	235	9	4%

Fourth Quarter

- ✓ Optical volumes up in all regions
- ✓ Gen VI roll-out in Europe underway
- ✓ Silicas volumes down ~20% (auto end-market)

Full Year

- ✓ Continued optical sales growth in key markets
- ✓ Results confirm Gen VI roll-out successful
- ✓ Brand building and sales aided by higher selling & marketing

Optical & Specialty Materials

The Optical & Specialty Materials segment details are on the next slide. Segment sales in the quarter were down slightly, as higher optical sales were more than offset by lower sales in the Silicas business unit.

Optical sales volumes grew in all regions resulting in growth of mid single-digit percentages, despite slowing consumer spending, and were aided by our Generation VI transitions product roll out in parts of Europe. Silica volumes declined by 20 percent as the tire and battery end-markets were negatively affected

by the global slowdown in the automotive markets.

In both the quarter and full year, we remained aggressive in spending on selling and advertising to stimulate sales and to further build our Transitions brand. Full year optical sales grew, once again, by more than 10 percent. We had a very successful roll out of our Transitions Generation VI product in the United States in the first half of the year, followed by a partial introduction in Europe in the fourth quarter.

Optical remains one of our best growth platforms, although year over year growth in early 2009 will be a challenge given the very difficult comparables due to our Generation VI product roll-out in the United States in early 2008, and currency will also be a headwind.

Commodity Chemicals



\$MM (USD)	Q408	Q407	Chg	%	2008	2007	Chg	%
Sales	419	388	31	8%	1,837	1,539	298	19%
Earnings	88	53	35	66%	340	243	97	40%

Fourth Quarter

- ✓ Very solid quarter
- ✓ ECU pricing stable throughout quarter
- ✓ Industrial demand dropped each month
- ✓ Inventory levels low

Full Year

- ✓ Excellent performance
- ✓ Average natural gas costs ~\$9.00/MMBTU
- ✓ Stellar cash generation

Commodity Chemicals

Our Commodity Chemical results are displayed on the next slide. We had another very solid quarter with year over year earnings improvement. Demand was very strong at the outset of the quarter assisted by industrial end-market outages stemming from the third quarter hurricanes which severely impacted a variety of industrial activity in the U.S. Gulf Coast. Demand fell each month during the quarter reflecting pent up post-hurricane demand fulfillment along with slower U.S. economic conditions, but price remained fairly

stable all quarter. Our inventory levels remained low as we exited the year.

On a full year basis this business delivered one of its best years ever, despite higher input costs driven by natural gas costs which averaged slightly more than \$9.00 per MMBTU versus about \$7.50 per unit in 2007. This business remains a stellar cash generator for the company.

Looking ahead, we are anticipating that early 2009 demand levels will be less than the fourth quarter reflecting the absence of the post-hurricane related impacts.

Glass



	Q408	Q407	Chg	%	2008	2007	Chg	%
Sales	245	521	-276	-53%	1,914	2,195	-281	-13%
Earnings	-7	33	-40	-121%	70	138	-68	-49%
Pro-forma (excluding Auto Glass):								
Sales	245	291	-46	-16%	1,190	1,181	9	1%
Earnings	-7	28	-35	-125%	54	90	-36	-40%

Fourth Quarter

- ✓ Fiber Glass weaker due to lower industrial demand
- ✓ Performance Glazings results solid
- ✓ Restructuring actions underway

Full Year

- ✓ Auto Glass sale complete
- ✓ Earnings decline all occurred in Q4
- ✓ Manufacturing costs reduced by \$25MM

Glass

The next slide details our Glass segment results. Included are our reported results, which include our Automotive Glass and Services business that we sold in the third quarter of 2008, as well as the pro-forma results excluding this divested business. My comments will focus on the pro-forma results as we believe these are more meaningful given they reflect the segment on a going forward basis.

For the fourth quarter the segment reported a \$7 million loss as the Fiber Glass business experienced slowing general industrial demand, including weakening electronics end-market activity. This lower end-market demand had a negative impact on our Fiber Glass earnings, as did lower other earnings resulting, in part, from lower equity earnings from our Asian joint ventures. These shortfalls were only partially offset by improved year-over-year results in our Performance Glazings architectural glass business.

For the year, pro-forma earnings declined 40 percent on essentially flat sales with the entire decline occurring in the fourth quarter. We continued our relentless focus on cost in these businesses as our manufacturing costs improved by \$25 million during the year. Additionally, during the fourth quarter we accelerated execution of our announced restructuring program focused on reducing even further our cost structure.

In 2009, in addition to the recent industrial weakness, this segment will likely face a slower commercial construction market and incur higher pension costs. Needless to say we will continue to aggressively manage these businesses.

Also, from a strategic perspective in 2008, we divested our Automotive Glass and Services business in September and hold an equity interest in the new entity. Both the legacy pension and OPEB costs and the ongoing equity results from the new entity are reported in our segment earnings table in the line labeled Legacy Items.

First Quarter 2009 Key Topics



- ❖ Global demand and currency rates
- ❖ PPG tax rate
- ❖ Pension & OPEB inflation
- ❖ Lower input costs
- ❖ Benefit from PPG cost reductions

First Quarter 2009 Key Topics

The next slide details some 2009 key topics, so let me quickly summarize our 2008 business performance. Despite one of the most challenging environments in at least the past decade, many of our businesses posted good financial results. However, several of our businesses performances were severely impacted in the latter part of the year. We responded quickly and are taking considerable costs actions to minimize the impacts of the slowing external market place.

Now, as we look at early 2009 several of these headwinds remain. The most notable of which is overall global demand levels. Chuck will give you a more detailed read on our early 2009 demand in a minute, but as I mentioned in many end-use markets first quarter 2009 demand will certainly be lower than our first quarter 2008 levels.

Also, we may be faced with a higher tax rate depending upon geographic mix of earnings in 2009 and currency is currently a negative versus the prior year.

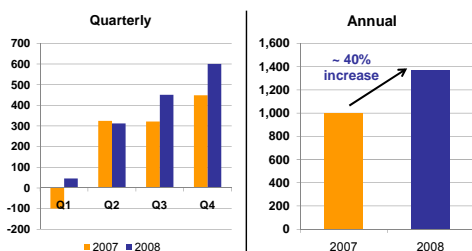
Pension and OPEB costs will inflate and we expect our first quarter 2009 impact to be in the range \$25 to \$30 million, pending final actuarial calculations.

As I mentioned earlier, we do expect some offset from these headwinds due to lower input costs stemming from the decline in energy prices and the lower global demand environment for commodities. Also, the significant cost actions we have taken and continue to implement will provide benefits as well.

This was not intended to be an all inclusive list, but does provide some of the key items for consideration for the first quarter 2009 which will be a challenging quarter.

Now let me discuss our cash generation, our cash uses and liquidity.

Cash Generation



Significant step change in cash generation

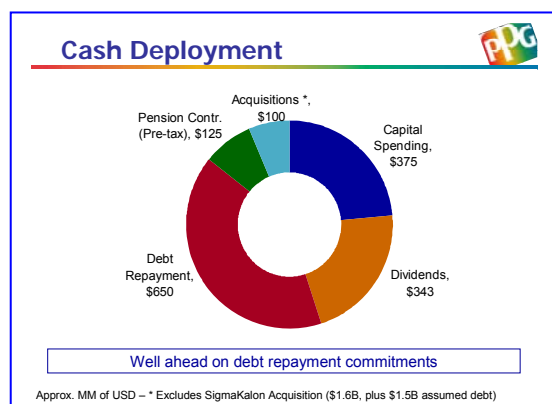
Millions of USD – Cash from operations

Cash Generation

As displayed on the graph on the following slide, our cash generation results were impressive throughout the year, including the fourth quarter despite the slipping economic environment. We generated about \$1.4 billion of cash in 2008 which exceeded our internal targets and was nearly 40 percent higher than 2007, easily establishing a new record for any year in the company's history.

Several factors influenced these results including the strong cash performance from our SigmaKalon acquisition and our Commodity Chemical segment, both of which have business models that result in high cash conversion. Also, we aggressively managed working capital during the year.

Strong and consistent cash generation are hallmarks of PPG and our positive step-change in the level of cash generation is a direct result of our recent strategic actions. This new level of cash generation has and will allow us to continue to remain flexible financially.



Cash Deployment

The next slide details our approximate 2008 deployment of cash. In the year we used about \$375 million for capital spending necessary for maintenance and organic growth needs. This is only slightly above 2007 despite a 30 percent increase in company sales, and provides additional insights into the capital light nature of our expanding core businesses.

For 2009, our capital expenditures may decline by up to 50 percent versus our 2008 figure as we tightly

control spending.

Our dividend payments were \$343 million, up 2 percent versus 2007. We increased our dividend payment once again in October of last year and 2008 marked the 37th consecutive year of increased payments.

In anticipation of closing on the SigmaKalon acquisition on January 2, 2008, we increased our debt level at the end of 2007 and in early January by a combined \$3.1 billion. During 2008 we subsequently paid down about \$650 million in debt, nearly double our original debt pay down commitment which was \$350 million per year. In addition, we made pre-tax pension contributions totaling about \$125 million, resulting in approximately \$80 million of cash outlays after-tax.

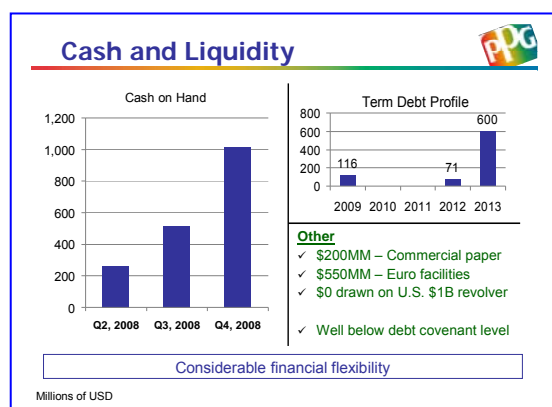
In 2009, primarily as a result of 2008 equity market performance, we will likely make pension contributions of between \$400 to \$500 million, all voluntary except in certain non-U.S. pension plans. This is a pre-tax figure, so our actual cash outlay will be closer to \$250 to \$300 million. Also, we have \$116 million of term debt due in 2009.

Therefore, despite much higher pension funding, we currently expect our combined net cash outlays for pension and debt repayments will likely be between \$375 and \$425 million, several hundred million dollars less than our 2008 figure, and we will still remain ahead of pace on our debt repayment commitments.

Regarding acquisitions, we completed our SigmaKalon acquisition during the year for \$1.6 billion plus assumed debt of \$1.5 billion. Outside of the SigmaKalon acquisition, we spent just under \$100 million of cash on a few bolt on acquisitions. While we will continue to review acquisitions opportunities in 2009, this will be a lower cash use priority and we will remain extremely selective and opportunistic from a pricing perspective.

Finally, share repurchases were negligible during the year as we focused on conserving cash, and we will do so again in 2009.

Generally speaking, our cash deployment in 2009 will remain cautious and flexible. However, the base case cash deployment assumptions I just provided along with our strong 2008 year-end cash balance, likely gives us hundreds of millions of dollars of excess cash and financial flexibility, and we will either conserve or deploy the cash based on our ongoing assessment of global economic conditions.



Cash and Liquidity

Let me conclude our cash discussion by reviewing our liquidity on the next slide. Most impressively is that we ended the year with \$1 billion of cash on hand. As the year progressed and we identified the economic slowing, we shifted to cash conservation and our results are up notably from earlier in the year including a \$500 million increase from just the end of the third quarter.

Looking at our term debt, outside of the \$116 million of term debt due in August, 2009, we have no additional long-term debt due till 2012. We also have about \$200 million of commercial paper outstanding, which we currently plan to keep rolling over and the markets have improved versus the fourth quarter.

We have just about \$550 million drawn on a variety of European banking facilities which is available to us until at least 2010, and we have never drawn on our \$1 billion dollar U.S. revolver that is due for renewal in 2011.

And, since we receive the question frequently, the only covenant we have for our debt is a debt-to-total capital ratio, and we have nearly \$4 billion of borrowing headroom before that covenant comes into the equation.

Needless to say we have extreme financial flexibility and similar ability to deploy our large cash balance in the manner which best benefits the company.

Financial Summary

So let me quickly summarize our annual financial results. We grew annual sales by 30 percent and overcame dynamic external economic issues to post one of our best adjusted earnings per share results ever. During the year we posted record cash generation, growing these results by nearly 40 percent. Our debt repayment was nearly double our original commitment and our cash on hand doubled versus 2007 levels. And, as is our legacy, we raised our dividend for the 37th consecutive year. So it was certainly a solid overall year financially, and we move into a difficult early 2009 with a prudent fiscal approach toward running the company.

Now let me turn it back over to Chuck.

Comments by: Charles E. Bunch, Chairman & CEO

Thank you, Bill.

As I mentioned at the outset of today's call, our performance this past year under intensely difficult market conditions continues to demonstrate our strengthened business portfolio and the success of our strategic direction. We delivered solid earnings and record cash generation, despite rapidly rising energy costs and substantial declines in various industrial end-use market demand levels.

Of equal importance is that we have continued to transform the company, and I believe our strategic accomplishments this past year, including our notable portfolio changes, were greater this year than in any of the 30 years I have been with PPG. The progress will prove even more beneficial as we move into 2009, including our stronger and more stable cash generation capabilities.

Regarding 2009, Bill touched on several of the issues we and many other companies are facing entering the new year. Of these, the one issue of most concern to me is the demand levels in the global end-use markets we serve. While we have made tremendous strides in diversifying the company, and while coatings and optical remain very low fixed cost businesses, if volume declines persist at the magnitude we witnessed in the late stages of 2008, it will prove to be a challenging environment for many companies, including PPG.

Our early read on 2009 is that the first quarter and possibly the first half of the year is shaping up to be an even greater challenge than this past quarter. Our immediate focus is on improving our operating margins as we will manage our businesses to cost levels that reflect the pace of the slower end-use markets.

We do expect relief in the form of lower raw material and energy costs which will help mitigate a portion of the impact of the decreased volumes, and we are considering additional, permanent cost-reduction actions on top of those we announced last September which may result in additional restructuring charges and related cost savings in 2009.

Obviously, we will remain focused on our cash position and maintaining complete financial flexibility. We have already taken prudent and proactive steps in both managing working capital and capital spending, along with many other initiatives to preserve our large cash position until we have more visibility on the credit markets or see more stability in the global economy.

Let me add that we are proud of our track record at PPG of managing through difficult economic times. We have always been able to rapidly and decisively respond to cycles and downturns. However, unlike past downturns, today we have the added benefits of a diverse set of businesses, a broader geographic base, and a stronger cash position.

My expectations are that 2009, while challenging, will ultimately prove to be another successful year for PPG. We expect most of our businesses will continue to deliver solid financial results, and for those businesses which are facing the most difficult economic conditions I assure you that we will take aggressive measures to manage those businesses to be successful.

Finally, and most importantly, we are extremely proud of our heritage of rewarding shareholders including increases in our annual dividend payments. As is well known, we are one of only a handful of U.S. companies that has paid an annual dividend since 1899, a consecutive streak of 109 years. Also, we have raised our annual dividend payment for 37 consecutive years, including an increase just a few months ago. Our portfolio transformation, our historically strong and growing cash flow and our long-standing, prudent fiscal discipline has positioned the company to continue rewarding shareholders into the future.

Thanks again for your time and interest in PPG and we will now be happy to answer any questions. Would the operator please give instructions and open the line for questions.

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

	3 Months Ended		
	Dec. 31,		
	<u>2008</u>	<u>2007</u>	<u>% Change</u>
Net Sales	\$ 3,188	\$ 3,104	2.7
Cost of Sales	2,029	2,017	
Selling and Other	857	706	21.4
Depreciation	88	82	7.3
Interest Expense	61	26	
Amortization	30	14	114.3
Asbestos Settlement - Net	(5)	2	
Other - net (Note A)	-	(48)	
Income Before Income Taxes, and Minority Interest	128	305	
Income Tax Expense	46	87	(47.1)
Minority Interest	11	17	
Income from continuing operations	71	201	
Income from discontinued operations, net of tax	-	(1)	
Net Income	\$ 71	\$ 200	(64.5)
Earnings per common share			
Income from continuing operations	\$ 0.43	\$ 1.22	
Income from discontinued operations	\$ -	\$ -	
Net Income	\$ 0.43	\$ 1.22	(64.8)
Earnings per common share -- assuming dilution			
Income from continuing operations	\$ 0.43	\$ 1.21	
Income from discontinued operations	\$ -	\$ -	
Net Income	\$ 0.43	\$ 1.21	(64.5)
Average shares outstanding	164.7	164.3	0.2
Average shares outstanding -- assuming dilution	165.5	166.0	(0.3)

Note A

The reduction in Other - net for the three months ended Dec. 31, 2008, is largely due to lower equity earnings and the absence of gains in 2008 from certain 2007 asset sales.

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

	Net Sales		Segment Income (Loss)	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
PERFORMANCE COATINGS	\$ 1,104	\$ 1,019	\$ 143	\$ 143
INDUSTRIAL COATINGS	767	933	(40)	77
ARCHITECTURAL COATINGS EMEA	414	-	-	-
OPTICAL and SPECIALTY MATERIALS	239	243	33	46
COMMODITY CHEMICALS	419	388	88	53
GLASS (NOTE A)	<u>245</u>	<u>521</u>	<u>(7)</u>	<u>33</u>
SUBTOTAL	\$ 3,188	\$ 3,104	\$ 217	\$ 352
			(17)	-
LEGACY ITEMS (NOTE B)			-	(3)
ACQUISITION RELATED COSTS (NOTE C)			5	(2)
ASBESTOS SETTLEMENT - NET			(51)	(15)
INTEREST EXPENSE, NET OF INTEREST INCOME (NOTE D)				
UNALLOCATED STOCK BASED			(6)	(15)
COMPENSATION (NOTE E)			(20)	(12)
OTHER UNALLOCATED CORP. EXPENSE - NET			<u> </u>	<u> </u>
INCOME BEFORE INCOME TAXES AND			<u> </u>	<u> </u>
MINORITY INTEREST			\$ 128	\$ 305

Note A:

Glass net sales and segment income include the results of the automotive glass and services business for the three months ended Dec. 31, 2007.

Note B:

Legacy costs include current costs related to former operations of the Company, including certain environmental remediation, pension and other postretirement benefit costs and certain charges that are considered to be unusual or non-recurring. Legacy items also include equity earnings (loss) from PPG's 40-percent investment in the former automotive glass and services business.

Note C:

Represents the flow through costs of sales of the step up to fair value of acquired inventory related to the inventory acquired in the Barloworld Coatings Australia transaction for the three months ended Dec. 31, 2007. These costs are considered to be unusual and non-recurring and will not reduce the segment earnings used to evaluate the performance of the operating segments.

Note D:

The increase in Interest expense, net of interest income, for the three months ended Dec. 31, 2008, as compared to Dec. 31, 2007, is due to increased interest costs related to the financing of the SigmaKalon acquisition.

Note E:

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

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 involve risks and uncertainties that may affect PPG's operations, as discussed in PPG's filings with the Securities and Exchange Commission pursuant to Sections 13(a), 13(c) or 15(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. Accordingly, many factors may 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 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, integration of acquisitions and achievement of expected synergies therefrom, 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, operations or liquidity. All information in this presentation speaks only as of January 16, 2009, and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information.