

PPG Industries, Inc.



Second Quarter Financial Results

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**Sr. Vice President, Finance,
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Information current as of

July 17, 2008

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 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 July 17, 2008, and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information.

Highlights – Q2, 2008



❖ Strong financial performance

- Double-digit-percent growth in sales and segment earnings
- Adjusted earnings per share up 12 percent
- One of the largest selling price increases in years
- Year-to-date cash generation >\$125 million ahead of prior year

❖ Past strategic actions paying dividends

- Portfolio shift minimizing impacts of weak regional end-markets
- Enhanced global presence aiding results
- SigmaKalon acquisition ahead of targets

❖ Automotive Glass and Services business sale

- Deal reached, closing pending

Business Segment Results



Second Quarter

\$MM (USD)

	Sales			Segment Earnings		
	2008	2007	Chg.	2008	2007	Chg.
Performance Coatings	\$ 1,269	\$ 974	30%	\$ 171	\$ 159	8%
Industrial Coatings	1,152	943	22%	109	109	0%
Architectural Coatings EMEA	667	-	-	71	-	-
Optical & Specialty Mtls.	310	278	12%	76	71	7%
Commodity Chemicals	495	380	30%	68	57	19%
Sub-Total	\$ 3,893	\$ 2,575	51%	\$ 495	\$ 396	25%
Glass						
Fiber Glass & P/Glazings	\$ 328	\$ 302	9%	\$ 20	\$ 28	-29%
Auto Glass & Services	253	278	-9%	10	22	-55%
Grand-Total	\$ 4,474	\$ 3,155	42%	\$ 525	\$ 446	18%

Double-digit-percent growth in sales and segment earnings

Adjusted Financial Results



Adjusted Q2 Results **	2008	2007	Change
Sales	4,221	2,877	47%
Segment income	515	424	21%
Net income	269	242	11%
Earnings per share, assuming dilution	1.62	1.45	12%

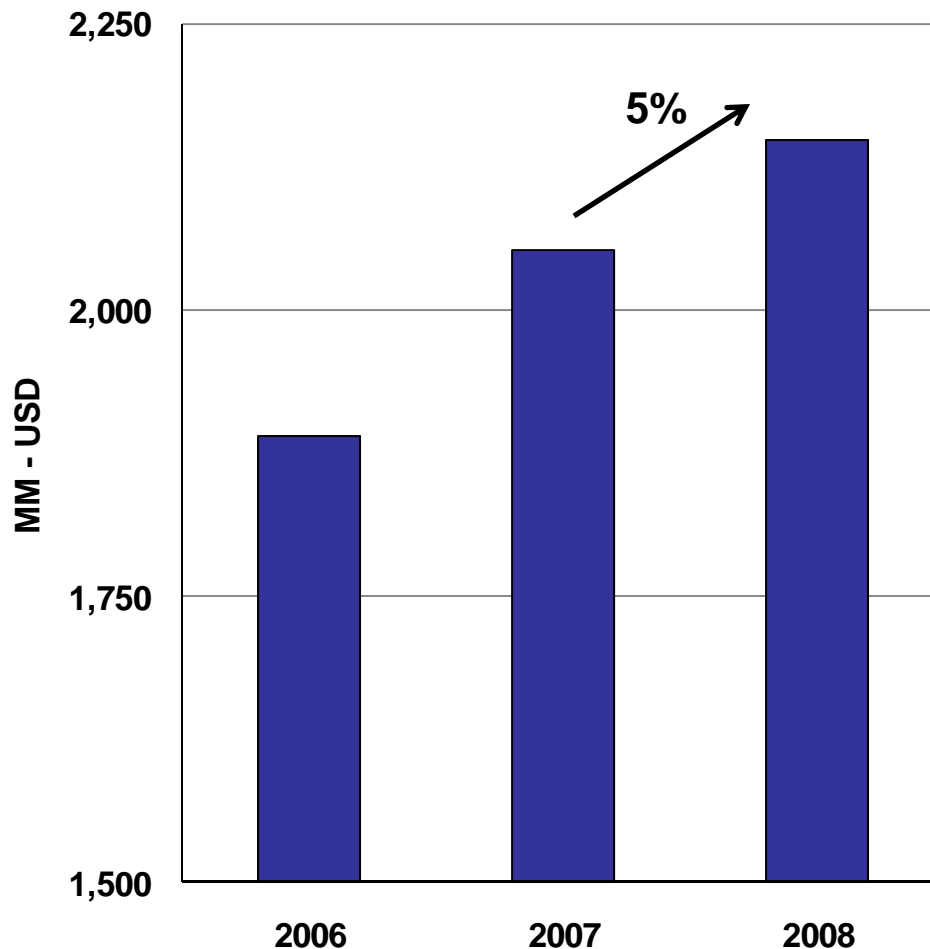
** Excludes operating results of Automotive Glass and Services business and unusual/one-time charges.

Please refer to the presentation appendix for reconciliation details.

Sales – United States & Canada

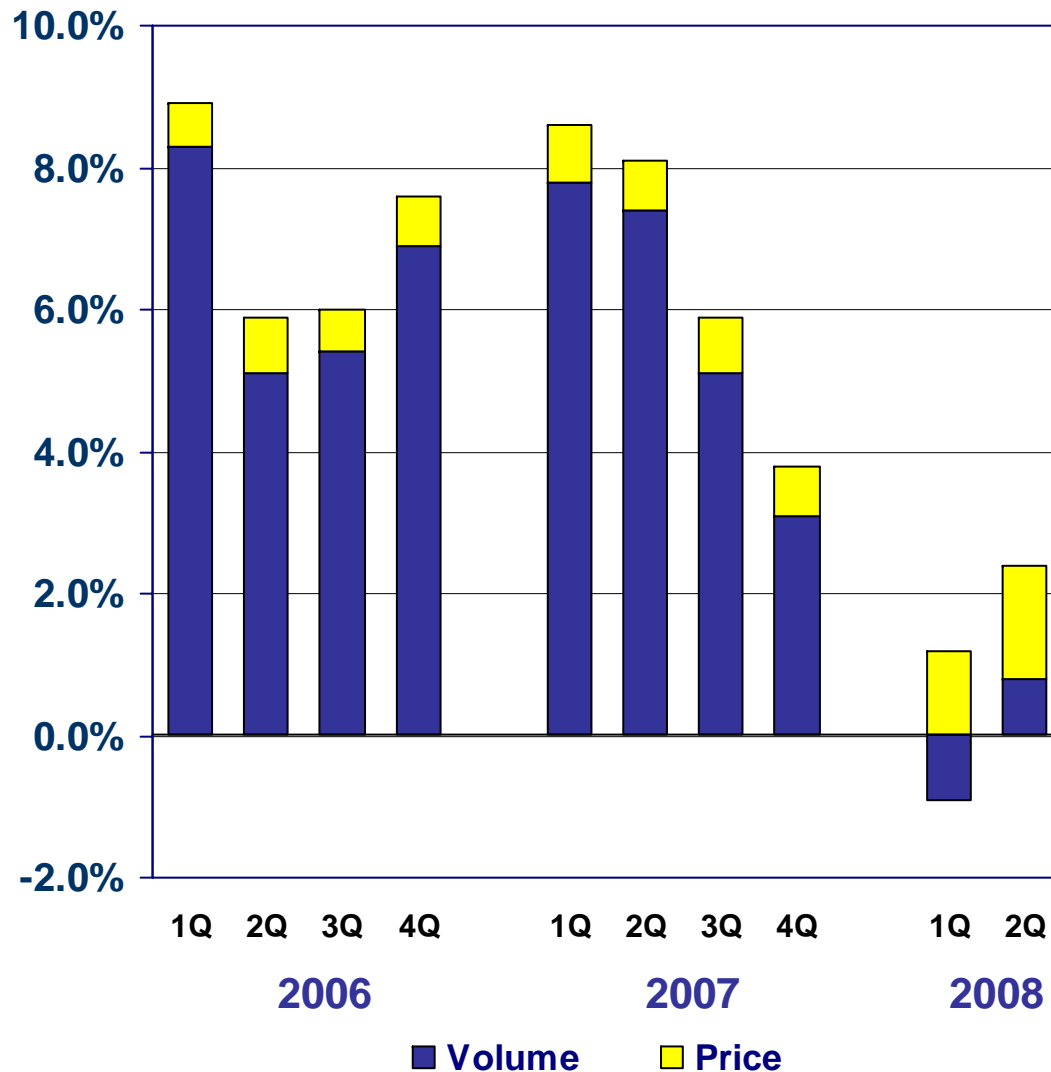


Q2 PPG Sales – U.S. & Canada



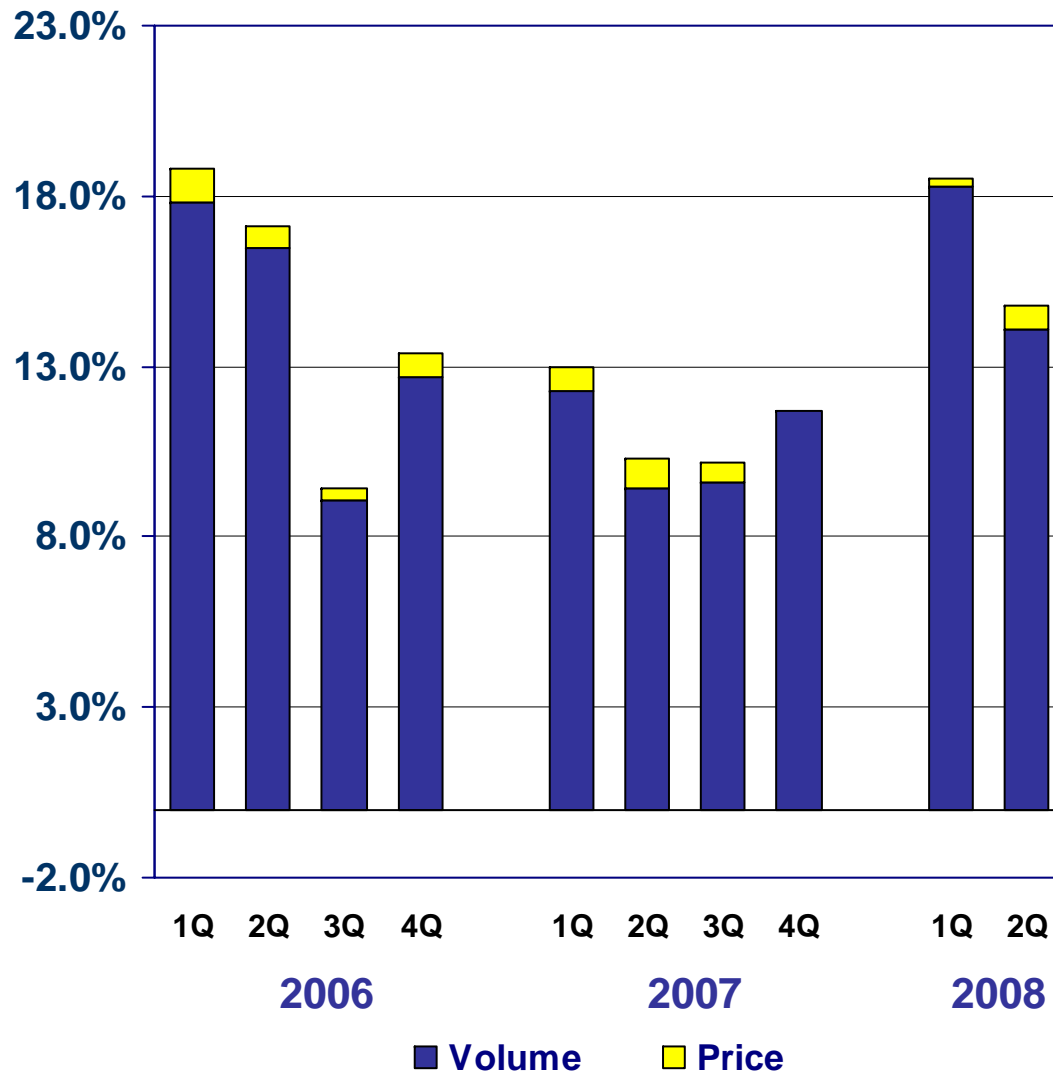
- ✓ Growth continues
- ✓ Solid price gains; flat volumes despite challenged end-markets
- ✓ Significant declines in U.S. Auto OEM & U.S. Residential Construction
- ✓ Strong volume gains in Optical, Commodity Chemicals
- ✓ Q3 pricing actions underway

Organic Growth – Europe



- ✓ Solid organic growth on top of difficult “comps” the past two years
- ✓ Overall European sales up \$1B (140%) versus last year – SigmaKalon acquisition
- ✓ Stable organic growth from SigmaKalon
- ✓ Q3 pricing actions underway

Organic Growth – Asia



- ✓ Double-digit-percent (15%) organic growth
- ✓ Achieved half-billion-dollar mark in quarterly sales
- ✓ Region has one of PPG's best operating margins
- ✓ Broad growth across all Coatings businesses
- ✓ Strong outlook continues

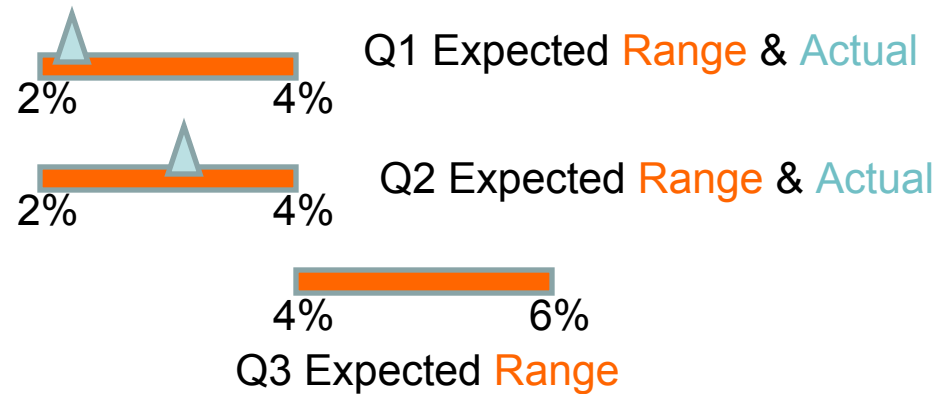
Macro Topics



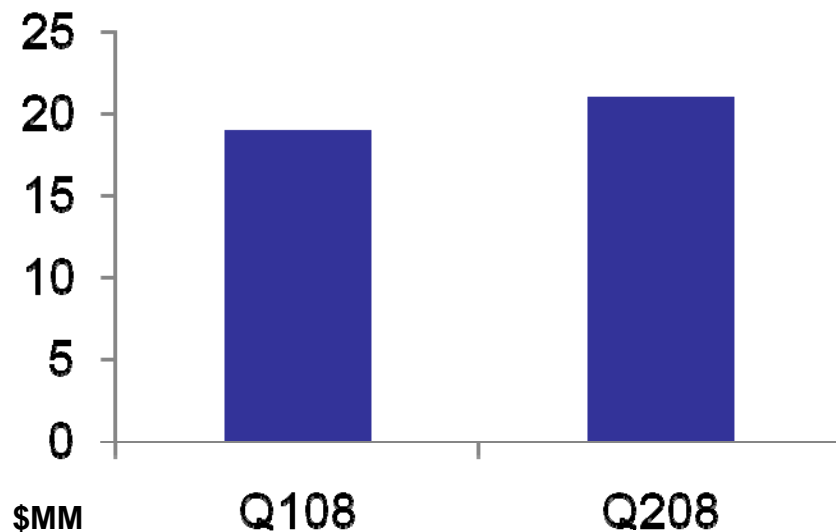
Natural Gas

Q2, 2008 - \$10.50/MMBTU
 Q1, 2008 - \$8.50
 Q2, 2007 - \$7.75
 Q3, 2008 - 1/3 of needs hedged @ \$8.50

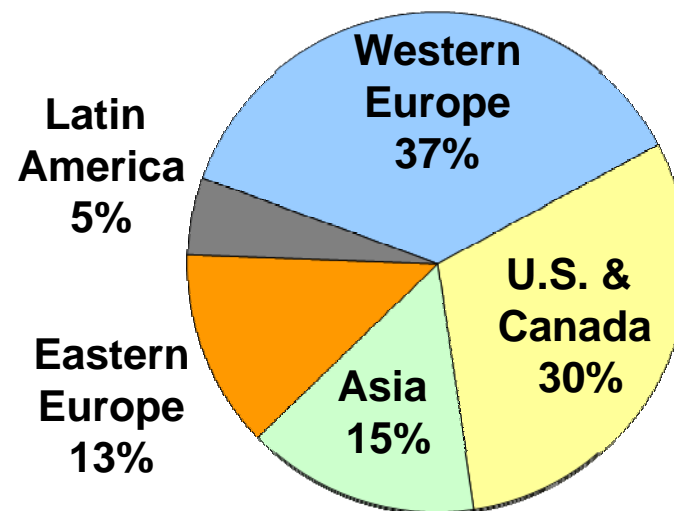
Coatings Raw Materials Inflation Percentage – 2008 (year over year)



Incremental Transportation Costs



PPG Coatings Sales - 2008



Performance Coatings



Second Quarter 2008

- ✓ Very difficult U.S. Architectural market continues
- ✓ Offset with Aerospace, Asia and Protective & Marine volumes ↑
- ✓ Double-digit organic growth in acquired SigmaKalon business

\$MM (USD)	Q208	Q207	Chg	%
Sales	1,269	974	295	30%
Earnings	171	159	12	8%

Yr. To Yr. % Change - Sales

	<u>Sales</u>	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Acq./Other</u>
Total Performance Coatings	30%	-2%	2%	6%	24%
Architectural (Americas & Asia)	9%	-11%			
Aerospace	11%	6%			
Automotive Refinish	17%	2%			
Protective & Marine	192%	6%			(Volume growth excludes SigmaKalon acquired business)

Industrial Coatings



Second Quarter 2008

- ✓ Diverse, expanding global footprint offsetting U.S. weakness
- ✓ Auto OEM volumes ↑
- ✓ SigmaKalon nicely accretive

\$MM (USD)	Q208	Q207	Chg	%
Sales	1,152	943	209	22%
Earnings	109	109	0	0%

Yr. To Yr. % Change - Sales

	<u>Sales</u>	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Acq./Other</u>
Total Industrial Coatings	22%	2%	0%	8%	12%
Automotive OEM	11%	3%			
Industrial	44%	0%			
Packaging	15%	2%			

Architectural Coatings EMEA



Second Quarter 2008

- ✓ Low- to mid-single-digit organic growth versus 2007
- ✓ Earnings include ~\$20MM of non-cash intangible amortization and ~\$20MM of depreciation

\$MM (USD)	Q208	Q207	Chg	%
Sales	667	n/a	n/a	n/a
Earnings	71	n/a	n/a	n/a

Overall SigmaKalon Acquisition Update

- ✓ Ahead of PPG mid-year financial expectations
- ✓ Solid, stable growth
- ✓ On pace for annual cost synergy targets
- ✓ Core element of PPG financial results and growth potential

Optical & Specialty Materials



Second Quarter 2008

- ✓ Strong Optical volume growth
- ✓ 25% segment operating margins
- ✓ European launch of new Transitions product accelerated from 2009 to Q4, 2008

\$MM (USD)	Q208	Q207	Chg	%
Sales	310	278	32	12%
Earnings	76	71	5	7%

Yr. To Yr. % Change - Sales

Sales Volume Price Currency Acq./Other

Total Optical &
Specialty Materials

12% 5% 1% 6% 0%

Commodity Chemicals



Second Quarter 2008

- ✓ ~20% earnings improvement
- ✓ Increased selling prices in Q2, 2008 and announced for Q3, 2008
- ✓ Low inventory position

\$MM (USD)	Q208	Q207	Chg	%
Sales	495	380	115	30%
Earnings	68	57	11	19%

Yr. To Yr. % Change - Sales

	<u>Sales</u>	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Acq./Other</u>
Total Commodity Chemicals	30%	15%	14%	1%	0%

Glass



Second Quarter 2008

- ✓ Higher input costs
- ✓ Difficult external market conditions likely to remain

\$MM (USD)	Q208	Q207	Chg	%
Sales	581	580	1	0
Earnings	30	50	-20	-40%

Yr. To Yr. % Change - Sales

	<u>Sales</u>	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Acq./Other</u>
Total Glass	0%	-3%	0%	3%	0%
Performance Glazings	9%	6%			
Fiber Glass	5%	-3%			
Automotive Glass & Svcs.	-7%	-7%			

Cash Generation and Cash Uses



Cash From Operations:

- ❖ Solid Q2 and YTD performance
- ❖ YTD cash from operations >\$350MM
- ❖ 2008 YTD results ~60% higher than 2007

YTD Cash Uses:

- ❖ Continued to fund businesses, reward shareholders
- ❖ Debt repayment proceeding

For More Information



Thank you for your interest in PPG Industries, Inc.

Investors

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Media

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PPG Second Quarter Financial Results Regulation G Reconciliation

Adjusted Q2, 2008 Results



Regulation G Reconciliation - Results from Operations	Total PPG (as Reported)	+	Plus: One-Time Charges (including asbestos)	-	Less: Automotive Glass and Services Operating Results*	=	Adjusted PPG Total
Sales	\$ 4,474		\$ -		\$ 253		\$ 4,221
Segment Income	525		-		10		515
Net Income	250		25	A	6		269
Earnings per common share – assuming dilution	1.51		0.15	A	0.04		1.62

All amounts are reported in millions of dollars, except per-share amounts. See notes.

Adjusted Q2, 2007 Results



Regulation G Reconciliation - Results from Operations	Total PPG (as Reported)	+	Plus: One-Time Charges (including asbestos)	-	Less: Automotive Glass and Services Operating Results*	=	Adjusted PPG Total
Sales	\$ 3,155		\$ -		\$ 278		\$ 2,877
Segment Income	446		-		22		424
Net Income	249		6	B	13		242
Earnings per common share – assuming dilution	1.50		0.03	B	0.08		1.45

All amounts are reported in millions of dollars, except per-share amounts. See notes.

Notes



* For purposes of comparing the current and historical operating results of the automotive glass and services (AG&S) business, the tables reflect adjustment for the entire AG&S business. However, as noted above, upon closing of the AG&S divestiture transaction, PPG will retain a minority ownership of approximately 40 percent of this business, and this interest will be presented in PPG's future financial statements in accordance with GAAP.

A – Income from continuing operations, net of tax, and Earnings per common share – assuming dilution include one-time aftertax charges related to the pending sale of PPG's AG&S business of \$11 million, or 7 cents per share, to reflect a catch-up of depreciation expense, which was suspended when the business was classified previously as a discontinued operation, and \$12 million, or 7 cents per share, relating to the impact of benefit changes including accelerated vesting negotiated as part of the sale. In addition, the company recorded an aftertax charge of \$2 million, or 1 cent per share, to reflect the net increase to current value of the company's obligation under its proposed asbestos settlement agreement reported in May 2002, which is subject to pending court proceedings.

B – Income from continuing operations, net of tax, and Earnings per common share – assuming dilution include an aftertax charge of \$6 million, or 3 cents per share, to reflect the net increase in the value of the company's obligation under its proposed asbestos settlement agreement.