



## First Quarter Financial Results

**William H. Hernandez**

**Sr. Vice President, Finance,  
and Chief Financial Officer**

**Information current as of**

**April 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 April 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.

# Financial Highlights – Q1, 2008



## ❖ All-time record sales

- Acquisition growth
- Solid volume growth in difficult economic conditions
- Largest selling price increase since 2006

## ❖ SigmaKalon acquisition

- Integration going very well
- Low- to mid-single-digit percentage growth

## ❖ 2008 EPS includes net unfavorable \$0.07 versus 2007 due to non-recurring tax items

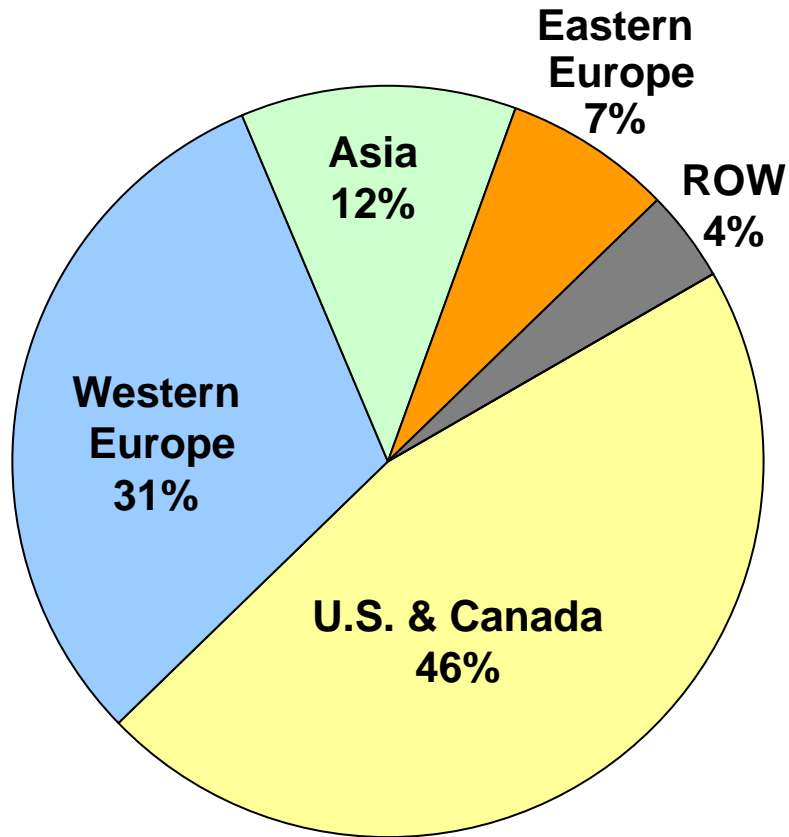
## ❖ 17% growth in segment earnings

## ❖ Cash from operations increased ~\$150MM over 1Q07

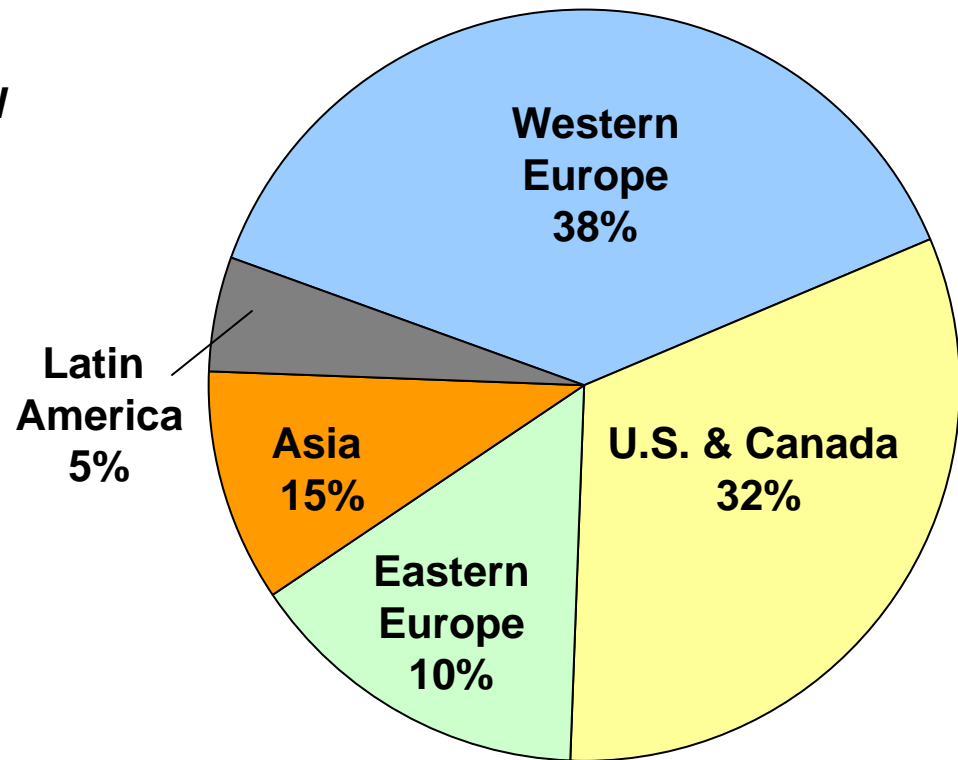
# Sales by Geography – Q1, 2008



### PPG Total



### Total PPG Coatings

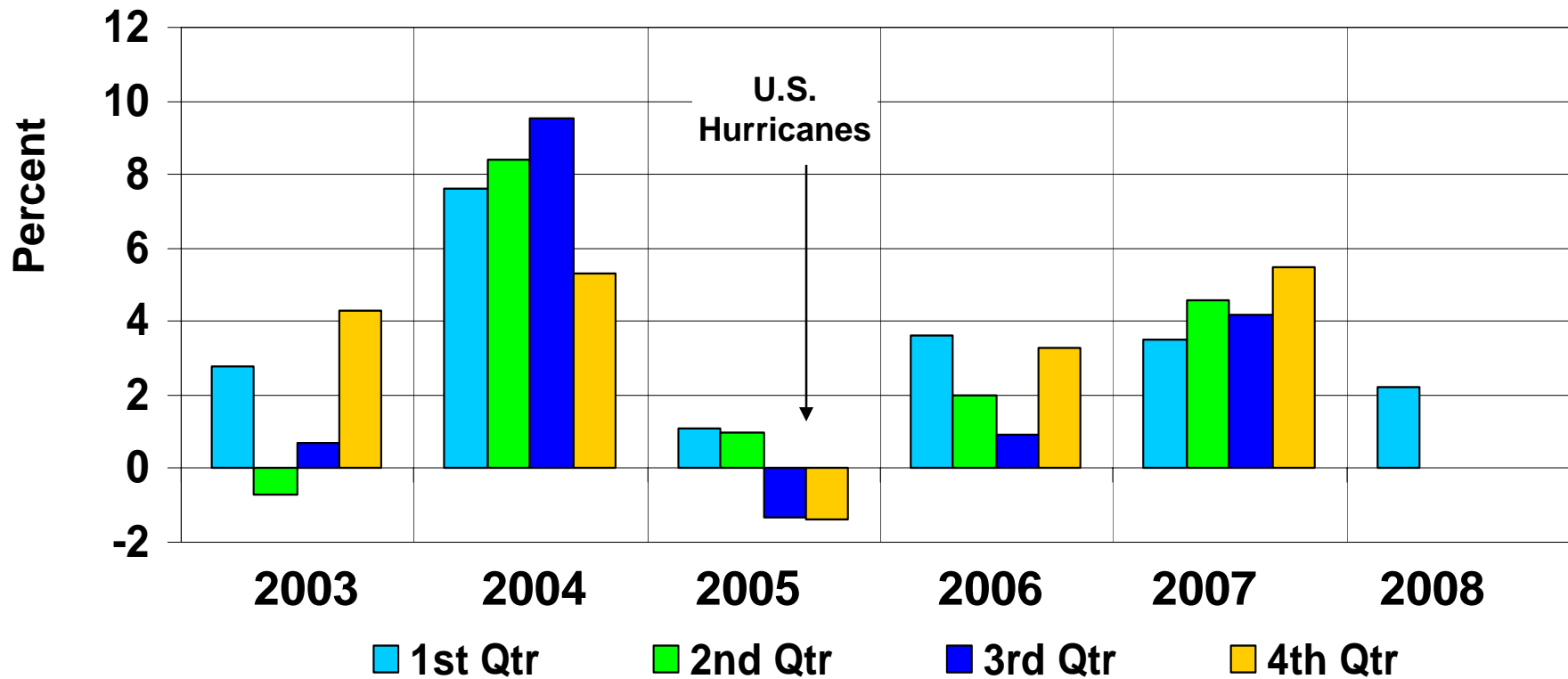


**Diverse Geographic Sales Mix**

# Quarterly Volume Change – PPG



From Prior Year Quarter

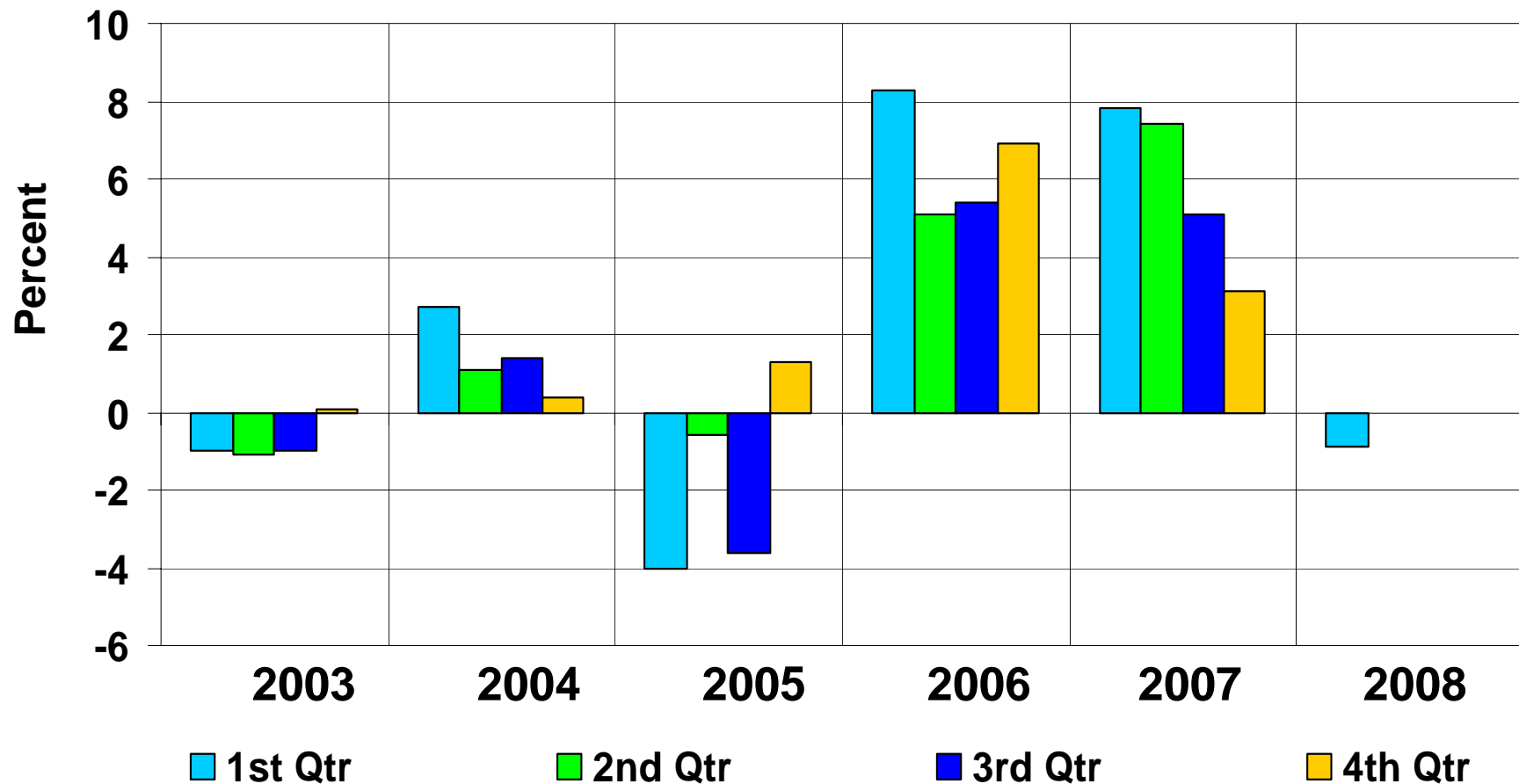


**Nine Consecutive Quarters of Solid Organic Growth**

# Quarterly Volume Change – Europe



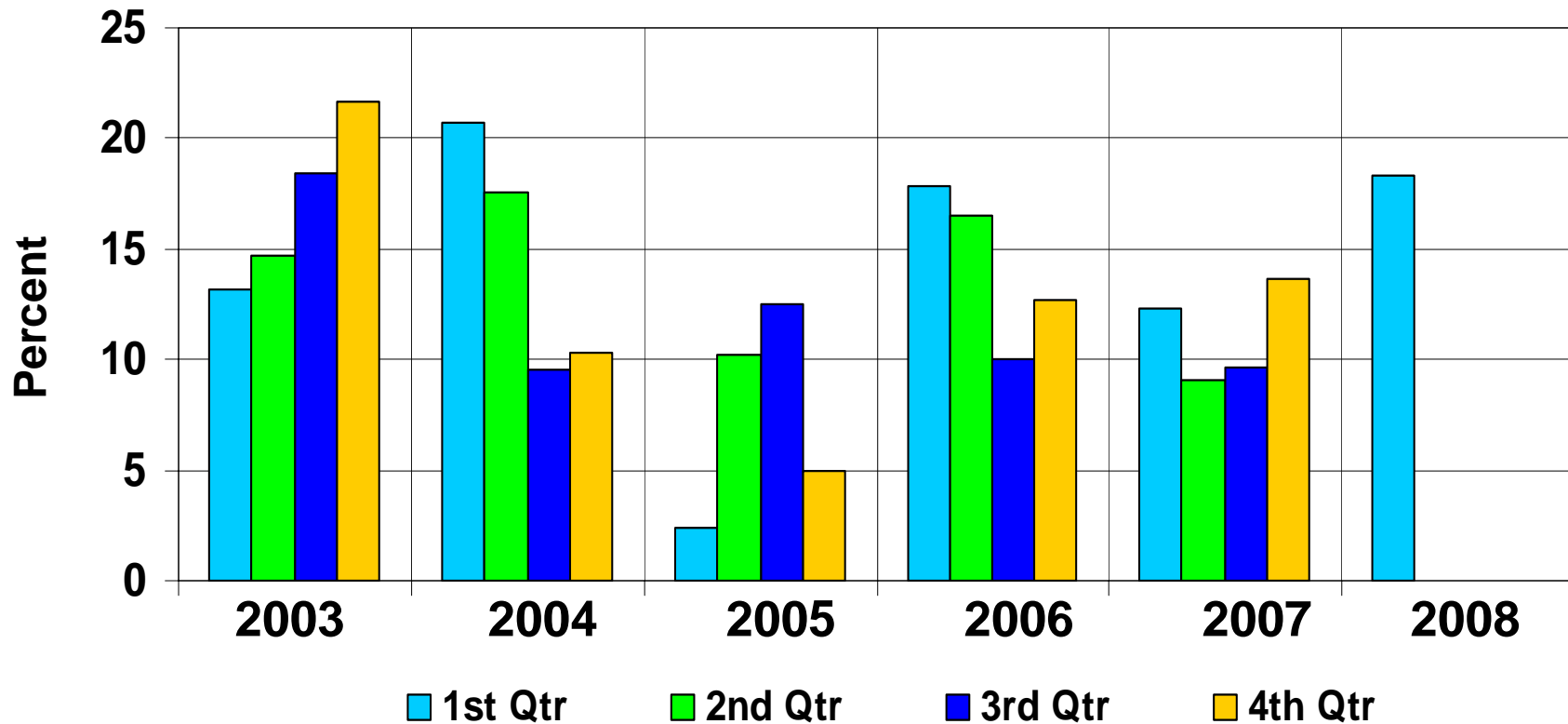
From Prior Year Quarter



# Quarterly Volume Change – Asia



From Prior Year Quarter



**Double-Digit Growth Despite Strong Comparable**

# Business Segment Results



## First Quarter

\$MM (USD)

	Sales			Earnings		
	<u>2008</u>	<u>2007</u>	<u>Chg.</u>	<u>2008</u>	<u>2007</u>	<u>Chg.</u>
Performance Coatings	\$ 1,114	\$ 855	30%	\$ 120	\$ 121	-1%
Industrial Coatings	1,058	869	22%	95	95	-
Architectural Coatings EMEA	536	-	-	9	-	-
Optical & Specialty Mtls.	295	251	18%	74	63	17%
Commodity Chemicals	423	371	14%	68	44	55%
Glass	294	286	3%	19	6	216%
<b>Total PPG</b>	<b>\$ 3,720</b>	<b>\$2,632</b>	<b>41%</b>	<b>\$ 385</b>	<b>\$ 329</b>	<b>17%</b>

**Solid Organic Growth Supplemented by Acquisitions**

# First Quarter Comparisons



Regulation G Reconciliation - (Results from Operations)	2008		2007	
	<u>Million</u>	<u>EPS</u>	<u>Million</u>	<u>EPS</u>
Income from continuing operations, as reported	\$ 87	\$ 0.53	\$ 176	\$ 1.06
Net income includes the following charges:				
Acquisition - related costs	\$ 89	\$ 0.54	-	-
Asbestos settlement - net	-	-	\$ 5	\$ 0.03
Adjusted income from continuing operations	<u>\$ 176</u>	<u>\$ 1.07</u>	<u>\$ 181</u>	<u>\$ 1.09</u>
<i>Memo: Tax Rate</i>	30%		23%	

	2008		2007	
	<u>Million</u>	<u>EPS</u>	<u>Million</u>	<u>EPS</u>
Income from continuing operations, as reported	\$ 87	\$ 0.53	\$ 176	\$ 1.06
Income from discontinued operations, as reported	\$ 13	\$ 0.08	\$ 18	\$ 0.11
Net income, as reported	<u>\$ 100</u>	<u>\$ 0.61</u>	<u>\$ 194</u>	<u>\$ 1.17</u>

All amounts: US\$

# Economic Indicators



	<u>1Q 2008</u> <u>(change from 1Q 2007)</u>
U.S. Real GDP*	2%
EEC Real GDP*	
Western Europe	2%
Emerging Europe	6%
China Real GDP*	11%
N.A. Vehicle Production	-6%
Western Europe Auto Production*	-2%
Eastern Europe Auto Production*	16%
China Auto Production*	21%
U.S. Industrial Production*	1%
U.S. Housing Starts*	-30%
U.S. Commercial Const. (Real Inv.)*	12%

\*Estimates

# Key Topics

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- ❖ Energy / Natural Gas
- ❖ Coatings Raw Materials
- ❖ Freight
- ❖ Asbestos

# Performance Coatings



## First Quarter 2008

- ✓ Difficult U.S. Architectural market
- ✓ Volume growth ↑1%
- ✓ Aerospace volumes ↑
- ✓ Protective & Marine volumes ↑

\$MM (USD)	Q108	Q107	Chg	%
<b>Sales</b>	<b>1,114</b>	<b>855</b>	<b>259</b>	<b>30%</b>
<b>Earnings</b>	<b>120</b>	<b>121</b>	<b>-1</b>	<b>-1%</b>

	<u>Sales</u>	<u>Yr. To Yr. % Change - Sales</u>			
		<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Acq./Other</u>
Total Performance Coatings	30%	1%	2%	6%	21%
Architectural (Americas & Asia)	16%	-4%			
Aerospace	12%	7%			
Automotive Refinish	14%	-1%			
Protective & Marine	196%	11%			

# Industrial Coatings



## First Quarter 2008

- ✓ Strong global growth more than offset slower U.S. economy
- ✓ Diverse, expanding global footprint
- ✓ Auto OEM volumes ↑ outperform industry

\$MM (USD)	Q108	Q107	Chg	%
<b>Sales</b>	<b>1,058</b>	<b>869</b>	<b>189</b>	<b>22%</b>
<b>Earnings</b>	<b>95</b>	<b>95</b>	<b>-</b>	<b>-</b>

	<u>Yr. To Yr. % Change - Sales</u>				
	<u>Sales</u>	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Acq./Other</u>
Total Industrial Coatings	22%	3%	0%	9%	10%
Automotive OEM	13%	4%			
Industrial	41%	1%			
Packaging	14%	2%			

# Architectural Coatings EMEA



## First Quarter 2008

- ✓ Seasonally slow quarter
- ✓ Low- to mid-single-digit percentage growth versus 2007
- ✓ Earnings include non-cash intangible amortization

\$MM (USD)	Q108	Q107	Chg	%
<b>Sales</b>	<b>536</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Earnings</b>	<b>9</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

## Acquisition Update

- ✓ Integration underway, going well
- ✓ Final financing in place
- ✓ On pace for annual cost synergy targets

# Optical & Specialty Materials



## First Quarter 2008

- ✓ Successful launch of new Transitions Optical product
- ✓ Double-digit volume growth
- ✓ 17% earnings growth

\$MM (USD)	Q108	Q107	Chg	%
<b>Sales</b>	<b>295</b>	<b>251</b>	<b>44</b>	<b>18%</b>
<b>Earnings</b>	<b>74</b>	<b>63</b>	<b>11</b>	<b>17%</b>

## Yr. To Yr. % Change - Sales

	<u>Sales</u>	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Acq./Other</u>
Total Optical & Specialty Materials	18%	10%	1%	6%	1%

# Commodity Chemicals



## First Quarter 2008

- ✓ 55% earnings improvement
- ✓ Increased selling prices
- ✓ Higher input costs

\$MM (USD)	Q108	Q107	Chg	%
<b>Sales</b>	<b>423</b>	<b>371</b>	<b>52</b>	<b>14%</b>
<b>Earnings</b>	<b>68</b>	<b>44</b>	<b>24</b>	<b>55%</b>

	<u>Yr. To Yr. % Change - Sales</u>				
	<u>Sales</u>	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Acq./Other</u>
Total Commodity Chemicals	14%	1%	12%	1%	0%

# Glass



## First Quarter 2008

- ✓ Improved Fiber Glass results
- ✓ Higher input costs
- ✓ Difficult external market conditions likely to remain

\$MM (USD)	Q108	Q107	Chg	%
<b>Sales</b>	<b>294</b>	<b>286</b>	<b>8</b>	<b>3%</b>
<b>Earnings</b>	<b>19</b>	<b>6</b>	<b>13</b>	<b>216%</b>

## Yr. To Yr. % Change - Sales

	<u>Sales</u>	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Acq./Other</u>
Total Glass	3%	-2%	1%	4%	0%
Performance Glazings	5%	2%			
Fiber Glass	1%	-5%			

# Prioritized Cash Uses

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- ❖ Capital Spending
- ❖ Dividends
- ❖ Debt / Pension
- ❖ Acquisitions
- ❖ Share Repurchases

# For More Information

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Thank you for your interest in PPG Industries, Inc.

## **Investors**

Vince Morales (412) 434-3740

## **Media**

Jack Maurer (412) 434-2181