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PPG Industries, Inc.

Fourth Quarter 2006 Financial Results

January 18, 2007

**William H. Hernandez
Senior Vice President &
Chief Financial Officer**

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PPG Industries, Inc.

Forward-Looking Statements

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, 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 such rates, 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.

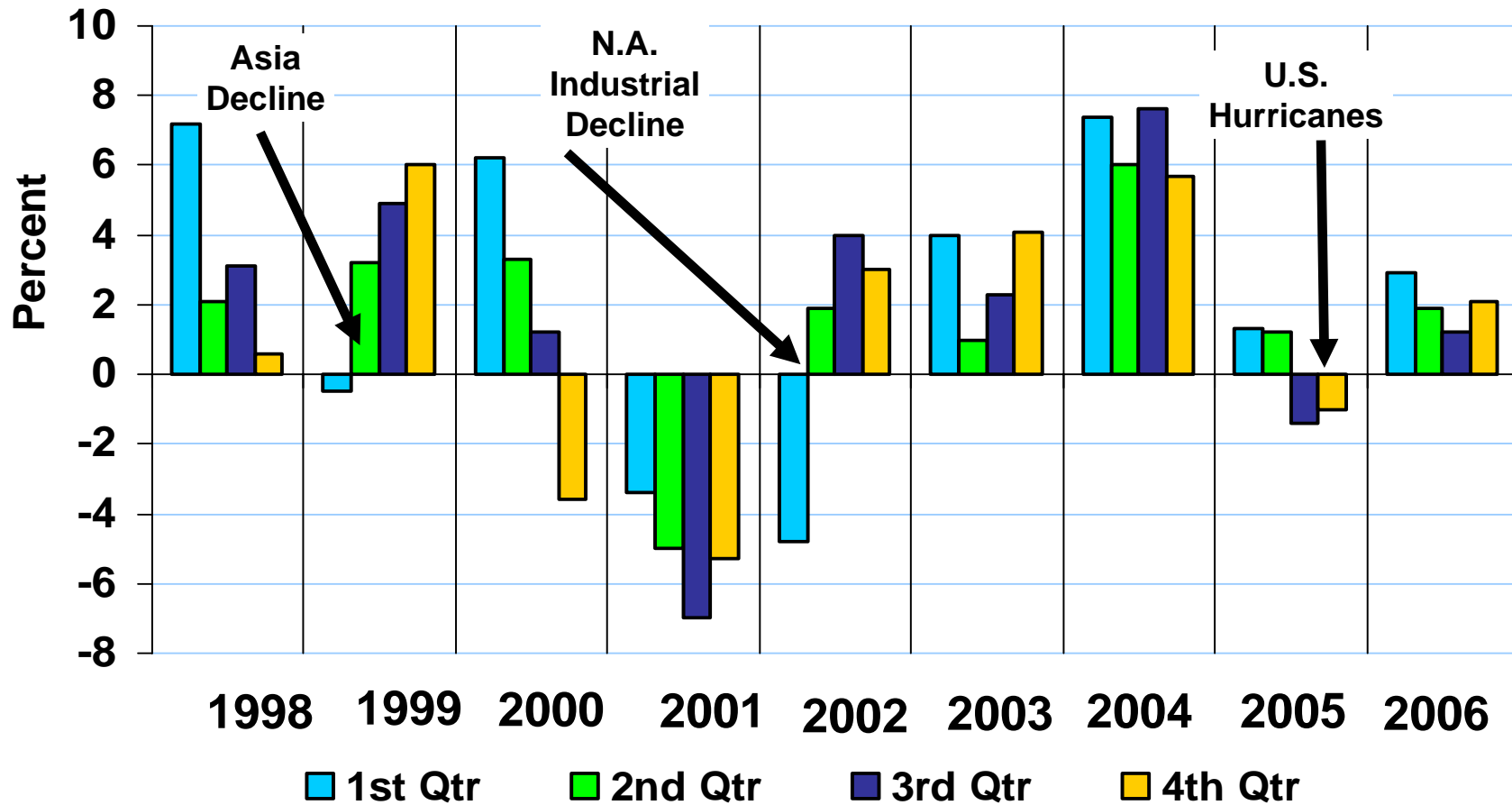
Consequences of material differences in results compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on PPG's consolidated financial condition, operations or liquidity.

Business Segment Sales

	4th Quarter			Year-to-Date		
	<u>2006</u>	<u>2005</u>	<u>%</u> <u>Change</u>	<u>2006</u>	<u>2005</u>	<u>%</u> <u>Change</u>
Sales						
Coatings	\$1,675	\$1,388	21%	\$ 6,299	\$ 5,566	13%
Chemicals	585	569	3%	2,485	2,398	4%
Glass	513	548	-6%	2,253	2,237	1%
Total PPG	\$2,773	\$2,505	11%	\$ 11,037	\$ 10,201	8%

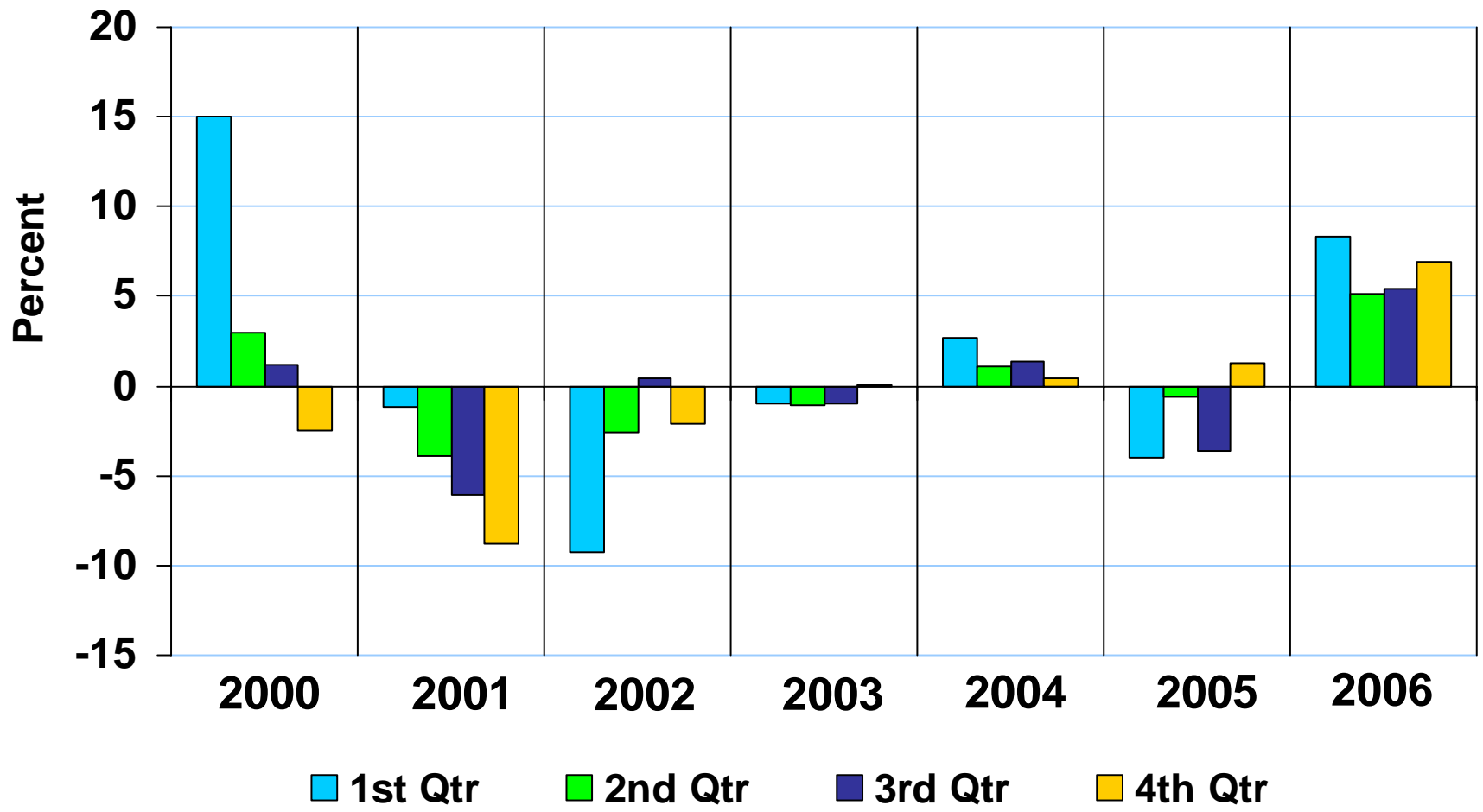
Quarterly Volume Change – Total PPG

From Prior Year Quarter



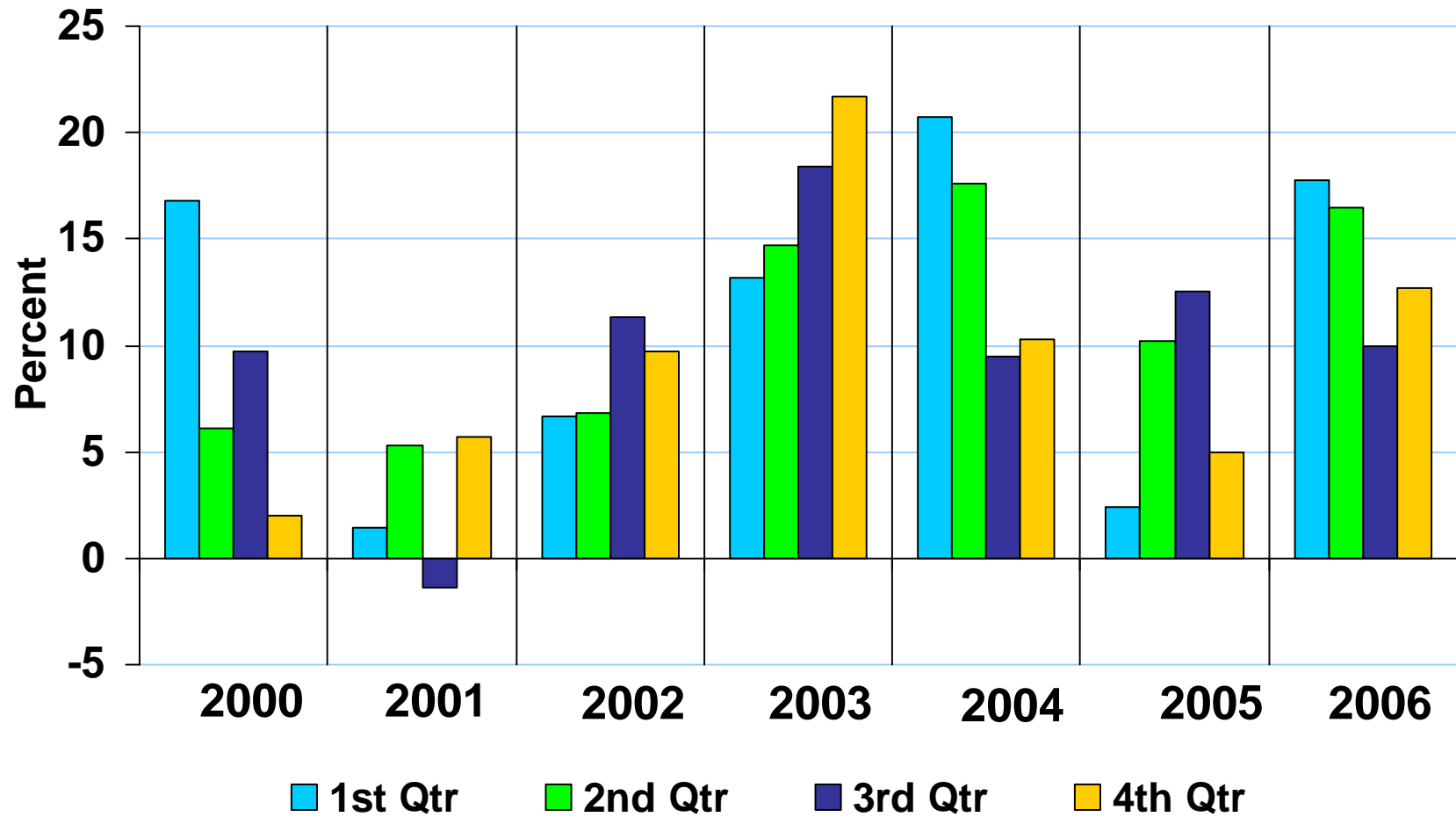
Quarterly Volume Change – Europe

From Prior Year Quarter



Quarterly Volume Change – Asia

From Prior Year Quarter



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Fourth Quarter Comparisons

	2006		2005	
	<u>Million</u>	<u>EPS</u>	<u>Million</u>	<u>EPS</u>
Net Income As Reported	\$ 157	\$ 0.94	\$ 113	\$ 0.68
Net Income Includes the Following Charges:				
Asbestos Settlement - Net	3	0.02	3	0.02
Non-Cash Asset Impairments	-	-	17	0.10
Direct Hurricane Costs	-	-	10	0.06
Adjusted	<u>\$ 160</u>	<u>\$ 0.96</u>	<u>\$ 143</u>	<u>\$ 0.86</u>



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Full Year Comparisons

	2006		2005	
	<u>Million</u>	<u>EPS</u>	<u>Million</u>	<u>EPS</u>
Net Income As Reported	\$ 711	\$ 4.27	\$ 596	\$ 3.49
Net Income Includes the Following Charges:				
Asbestos Settlement - Net	17	0.10	13	0.08
Legal Settlements	26	0.15	128	0.74
Insurance Recoveries	(24)	(0.14)	(11)	(0.06)
Environmental Remediation	106	0.64	-	-
Business Restructuring	23	0.14	-	-
Debt Refinancing Costs	-	-	12	0.07
Non Cash Asset Impairment	-	-	17	0.10
Direct Hurricane Costs	-	-	21	0.12
Adjusted	<u>\$ 859</u>	<u>\$ 5.16</u>	<u>\$ 776</u>	<u>\$ 4.54</u>

Economic Indicators

	<u>4Q 2006</u> (change from 4Q 2005)	<u>Year 2006</u> (change from 2005)
U.S. Real GDP*	2.7%	3.2%
U.S. Industrial Production*	4.1%	4.3%
EEC Real GDP*	2.9%	2.7%
China Real GDP*	10%	10%
N.A. Vehicle Production	-7.6%	-2.9%
N.A. Light Vehicle Sales	-1.1%	-2.6%
Western Europe Auto Production*	1%	-2%
Western Europe, New Registrations	2%	1%
U.S. Housing Starts*	-28%	-13%
U.S. Commercial Const. (Real Inv.)*	12%	9%

****Estimates***

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Key Topics

- Economy
- Energy & Raw Materials
- Legacy Issues
- Business Performance

Business Segment Earnings

	4th Quarter			Year-to-Date		
	<u>2006</u>	<u>2005</u>	<u>Change</u>	<u>2006</u>	<u>2005</u>	<u>Change</u>
<u>Operating Earnings</u>						
Coatings	\$ 205	\$ 180	\$ 25	\$ 829	\$ 609	\$ 220
Chemicals	79	23 ⁽¹⁾	56	314	451	(137)
Glass	20	(1)	21	140	56	84
	<u>\$ 304</u>	<u>\$ 202 ⁽¹⁾</u>	<u>\$ 102</u>	<u>\$ 1,283</u>	<u>\$ 1,116</u>	<u>\$ 167</u>

- (1) Includes charges of \$27 million for asset impairment.
Includes charges of \$16 million for direct costs related to hurricanes.

Approx. Trends in Outside Sales - Total PPG

4Q 2006

(change from 4Q 2005)

<u>Sales</u>	<u>Volume/Mix</u>	<u>Price</u>	<u>Curr.</u>	<u>Acq./Other</u>
11%	2%	-1%	3%	7%

Year 2006

(change from 2005)

<u>Sales</u>	<u>Volume/Mix</u>	<u>Price</u>	<u>Curr.</u>	<u>Acq./Other</u>
8%	2%	2%	0%	4%

Approx. Trends in Outside Sales - Glass

4Q 2006

(change from 4Q 2005)

	<u>Sales</u>	<u>Volume/Mix</u>	<u>Price</u>	<u>Curr.</u>	<u>Acq./Other</u>
GLASS	-6%	-7%	-1%	1%	1%
Automotive OEM	-12%	-11%			
Automotive ARG	-2%	-9%			
Insurance & Services	-22%	-22%			
Fiber Glass	-4%	-5%			
Performance Glazings	-3%	-1%			

Year 2006

(change from 2005)

	<u>Sales</u>	<u>Volume/Mix</u>	<u>Price</u>	<u>Curr.</u>	<u>Acq./Other</u>
GLASS	1%	0%	-1%	1%	1%
Automotive OEM	-6%	-5%			
Automotive ARG	4%	-1%			
Insurance & Services	-10%	-10%			
Fiber Glass	0%	1%			
Performance Glazings	8%	5%			

Approx. Trends in Outside Sales - Chemicals

4Q 2006

(chg. from 4Q 2005)

	<u>Sales</u>	<u>Volume/Mix</u>	<u>Price</u>	<u>Curr.</u>	<u>Acq./Other</u>
CHEMICALS	3%	9%	-10%	1%	3%
Chlor-Alkali/Commodity	-5%	11%			
Specialty	15%	6%			

Year 2006

(chg. from 2005)

	<u>Sales</u>	<u>Volume/Mix</u>	<u>Price</u>	<u>Curr.</u>	<u>Acq./Other</u>
CHEMICALS	4%	1%	1%	0%	2%
Chlor-Alkali/Commodity	-3%	-4%			
Specialty	15%	10%			

Approx. Trends in Outside Sales - Coatings

4Q 2006

(change from 4Q 2005)

	<u>Sales</u>	<u>Volume/Mix</u>	<u>Price</u>	<u>Curr.</u>	<u>Acq./Other</u>
COATINGS	21%	3%	3%	4%	11%
Automotive OEM	18%	5%			
Refinish	20%	3%			
Industrial	15%	-3%			
Aerospace	38%	14%			
Architectural	27%	-2%			
Packaging	19%	11%			

Year 2006

(change from 2005)

	<u>Sales</u>	<u>Volume/Mix</u>	<u>Price</u>	<u>Curr.</u>	<u>Acq./Other</u>
COATINGS	13%	3%	3%	1%	6%
Automotive OEM	9%	3%			
Refinish	10%	0%			
Industrial	13%	2%			
Aerospace	17%	10%			
Architectural	24%	5%			
Packaging	12%	9%			

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Uses of Cash

- Prudently Fund Businesses
- Dividends
- Debt
 - Pensions
- Acquisitions
- Stock Repurchase

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For More Information

Thank you for your interest in PPG Industries, Inc.

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