PPG Industries, Inc. First Quarter 2007 Financial Results

April 19, 2007 Recorded Comments as presented by Vince Morales, Director Investor Relations

First, thank you for your time and interest in PPG. In the next few minutes, I'll review our first quarter 2007 performance and comment on various industry and economic trends underlying our performance. Before getting into all the details, let me quickly characterize the quarter for you.

- Before we start, let me remind everyone that we have changed the composition of our reportable business segment information. This new segmentation reflects management's view of our company and provides further clarity concerning our financial performance. This information will help our shareholders to measure our success as we deliver on our strategic plans.

- Speaking of delivering, PPG's first quarter sales grew to $2.9 billion, representing an 11 percent increase versus the first quarter 2006. This is a new all-time quarterly sales figure for PPG for any quarter, topping our prior mark set in the second quarter of last year. We have consistently delivered top line growth as this marks the sixteenth consecutive quarter in which we have delivered a year-over-year quarterly sales record.

- Leading this excellent sales performance were our strongest operating margin businesses. Our Performance and Applied Coatings segment grew sales over 25 percent. Also our Optical and Specialty Materials segment grew 21 percent.

- Also, the company's volumes grew by 3 percent, led by continued excellent volume growth in both Asia and Europe which I will discuss further in detail later. In North America we also posted positive volume growth, but the level was tempered by weaker economic conditions.

- Our first quarter earnings-per-share were $1.17 which includes a reduction of $0.03 per share for our proposed asbestos settlement. Last year earnings-per-share were $1.11 and included per share reductions of $0.14 for restructuring and $0.03 for the asbestos settlement. Earnings in both years benefited favorably by about $0.10 per share from favorable one-time tax items.

- Our business segment earnings improved in both Coatings segments and our Optical and Specialty Materials segment. Earnings declined in both Commodity Chemicals and Glass. I will discuss the specifics on all these segments a bit later.

- During the quarter, we completed the acquisition of the architectural and industrial coatings businesses of Renner Sayerlack S.A., which substantially expands and strengthens our Latin American coatings presence.

- Lastly, in January, our quarterly dividend was raised to $0.50 per share. Also, during the quarter we repurchased over $55 million of PPG stock, and near the end of the quarter our stock set a new 52-week high.

Now let me just expand a bit on some of the key points:

- In the quarter, our 11 percent sales increase was driven by both of our Coatings segments and our Optical and Specialty Material segment, which each grew by double-digit percentages. As we have said many times, these are the business segments we have targeted for growth and our results certainly demonstrate the successful execution of our growth strategies.

- That being said, our growth strategies would not be successful without the accompanying earnings impact, and collectively the two Coatings segments and the Optical and Specialty Materials segment contributed about $30 million of operating earnings versus the first quarter of 2006.

- The results in these segments were due to both organic growth, particularly outside the U.S. and Canada, and from the acquisitions we have made since the beginning of 2006.

- With respect to both acquisition sales and earnings, as per our prior commitment, we are beginning to deliver from these acquisitions. We indicated last quarter that we expected acquisitions to add full year 2007 sales of between $700 to $800 million dollars and produce industry level margins. In the first quarter, our acquisitions added about $190 million in sales and about $11 million in earnings.

  Moving ahead, as we begin to reach the various one-year anniversary dates on these acquisitions, it will be more difficult for those externally to visually track our progress. However, we will provide periodic updates on progress against the benchmarks noted.

- Regarding uses of cash, we once again deployed cash in a balanced manner with the dual focus of rewarding shareholders today and building for the future. In the quarter, we spent about $135 million on dividends and share buybacks, and around $150 million on acquisitions. Additionally, we made a $100 million voluntary pension contribution.

To quickly summarize our excellent first quarter performance, we once again delivered on our growth commitments and did so despite overall slower growth in North America and significant declines in several major end-use markets. We accomplished this excellent performance through our global reach, excellent customer profile and our leading technologies and services.

Business Segment Sales

	1st Quarter		
Sales	2007	2006	% Change
Performance & Applied Coatings	$ 855	$ 678	26%
Industrial Coatings	869	768	13%
Optical & Specialty Materials	280	232	21%
Commodity Chemicals	371	401	-7%
Glass	542	559	-3%
Total PPG	$ 2,917	$ 2,638	11%

Now let's review the details.

First Quarter Sales Comparisons

Our first quarter sales results are illustrated on slide number 3.

For the overall quarter, sales increased 11 percent with volume growth of 3 percent and acquisitions adding 7 percent. A stronger Euro drove favorable currency impacts of 3 percent, which slightly outpaced reduced sales due to lower pricing of

2 percent. Once again, our quarterly sales performance was an all-time PPG record for the first quarter or any quarter in PPG history.

Our Performance and Applied Coatings segment delivered sales growth of 26 percent, as all three businesses Aerospace, Architectural Coatings and Automotive Refinish delivered sales growth over 20 percent. Naturally, given this level of growth, each of these businesses achieved a new all-time quarterly sales record.

The Industrial Coatings segment also realized double-digit percentage growth, posting a 13 percent year-over-year gain. Our Automotive OEM Coatings and Packaging Coatings businesses led the way with top-line growth of 14 percent and 22 percent respectively. Our Industrial Coatings business grew a respectable 9 percent on the strength of robust sales growth in Asia and Europe.

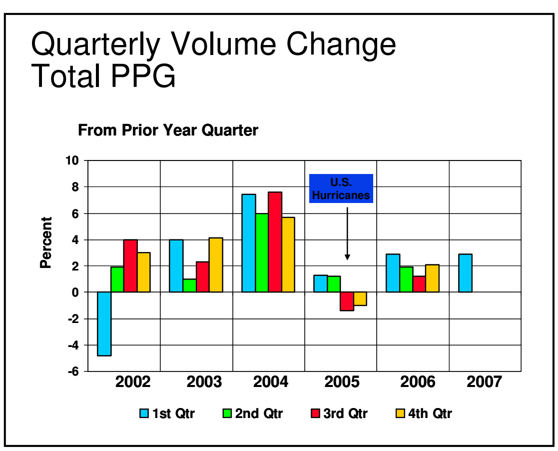
Sales in our Optical and Specialty Materials segment improved by 21 percent as both our Optical Products and Fine Chemicals businesses posted solid sales increases of greater than 15 percent.

Our Glass segment sales declined by 3 percent driven largely by the impact of lower production levels of the U.S. domestic auto manufacturers and weaker residential construction. Also, as we mentioned would occur at the outset of the quarter, pricing in our Performance Glazings business fell by nearly $8 million versus last year due to a reduction in an energy surcharge relating to lower natural gas prices.

Our Commodity Chemical segment sales were down 7 percent reflecting the decline in market prices for chlorine and caustic soda from all-time high levels in the first quarter of 2006. This price decline was, in part, a reflection of lower natural gas prices.

In aggregate, stronger foreign currencies, primarily the Euro, contributed about $75 million to our sales and added about $12 million to our earnings.

To summarize our record sales performance, for the past several years we have consistently delivered excellent sales growth despite varying global economic conditions. Our global presence, results from our disciplined acquisitions, continued strength in industries such as Optical Products and Aerospace, and the dedicated efforts of our people in focusing on our customers' needs were all contributing factors to our exceptional performance. Looking ahead, our strategies remain focused on driving continued and profitable growth.



I will discuss our results in some of our business units later. Now let's take a look at our overall sales growth trends.

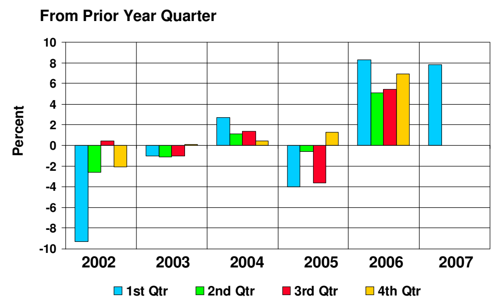
Quarterly Volume Change – Total PPG
As slide number 4 clearly illustrates, our volume growth in the quarter was exceptional, especially in light of the slowing growth in the North American economy. This performance was achieved despite

being negatively impacted by several large U.S. customers who took significant downtime, primarily in the first six to eight weeks of the year.

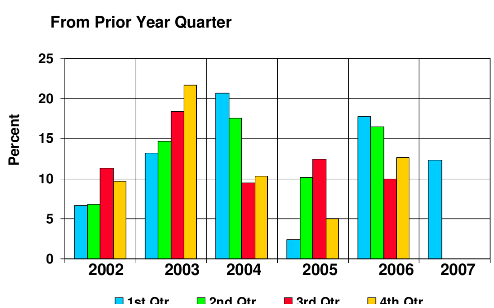
Despite these headwinds, and a difficult comparison period, we posted a 3 percent year-over-year volume gain during the quarter which, as is visible on the graph, was one of our best year-over-year volume gains over the past several years. An important element of this growth performance is the strength of our markets outside the U.S. and Canada, and the results we are garnering from our investments in these parts of the world.

Now let's review our results in those regions.

Quarterly Volume Change
Europe



Quarterly Volume Change
Asia



First Quarter Comparisons

	2007		2006	
	Million	EPS	Million	EPS
Net Income As Reported	$ 194	$ 1.17	$ 184	$ 1.11
Net Income Includes the Following Charges:				
Asbestos Settlement - Net	$ 5	$ 0.03	$ 6	$ 0.03
Business Restructuring	-	-	23	0.14

Quarterly Volume Change – Europe
The next slide depicts our European volumes where this past quarter we continued a very positive trend which began over a year ago. As a matter of fact, our volume growth actually accelerated this past quarter to about 8 percent, easily one of our best quarters in Europe in over five years.

The overall factors driving this performance trend were market share growth by PPG in the region and a continued solid European economic environment.

Quarterly Volume Trends Asia
Moving to the slide depicting our Asian markets, our organic growth in this region continues. Economic growth in this region remains very strong, especially in terms of industrial production and infrastructure development which are some of the key markets we serve.

While not depicted on this slide, during the quarter our total Asian sales grew by over 70 percent year-over-year, as our strong volume growth was supplemented by sales from our prior year acquisitions.

We continue to expect our organic growth prospects in this region to remain robust, supporting continued high economic activity in the region.

Now let's move to our earnings performance.

First Quarter Earnings Comparison
As depicted on slide number 7, we reported first quarter earnings-per-share of $1.17 in the quarter that included a reduction of five million dollars after-tax, or $0.03 a share related to our proposed asbestos settlement.

Last year our reported earnings-per-share were $1.11. This figure included charges of $0.03 a share for our asbestos settlement and $0.14 a share relating to restructuring costs.

Our first quarter 2007 tax rate was about 24.3 percent. The rate was lowered as we adjusted a portion of our net operating losses or NOL carryforwards in Europe. This was done in reflection of improved profitability in that region. This lower tax rate added about $0.10 per share to our first quarter earnings per share. Without this adjustment our tax rate would have been in sync with our prior estimate of about 31.5 percent, which remains the tax rate we expect for the remainder of this year.

The tax rate in the first quarter of 2006 was about 24.5 percent, as we recognized a one time benefit from favorable resolution of a prior year tax appeal and also the impact of the 2006 restructuring charges. In 2006, the benefit of the lower tax rate also added about $0.10 per share to that quarter's EPS.

Our first quarter earnings performance was one of our best on record, which is something we are very proud of given the economic backdrop, and was driven by strong performance by both of our Coatings segments and our Optical and Specialty Materials segment.

However, compared with the first quarter of 2006, the Commodity Chemical segment earnings declined by about $40 million due to both, the decline in pricing I cited earlier and by several large customer outages during the first six to eight weeks of the year. Our first quarter Glass segment earnings were down by about $15 million compared with a year ago as a result of the energy surcharge I mentioned earlier, and a $10 million loss on asset write-offs associated with ongoing efforts to improve the profitability of our Fiber Glass business.

Looking ahead, let me quickly comment that customers who had outages during the quarter returned to a reasonable and consistent ordering pattern in the latter part of the first quarter. I will provide some additional outlook as I review each of our business segments in a few minutes.

Economic Indicators

	1Q 2007 (change from 1Q 2006)
U.S. Real GDP*	2%
U.S. Industrial Production*	3%
EEC Real GDP*	3%
China Real GDP*	9%
N.A. Vehicle Production	-7%
N.A. Light Vehicle Sales	-1%
Western Europe Auto Production*	2%
Western Europe, New Registrations	-1%
U.S. Housing Starts*	-25%
U.S. Commercial Const. (Real Inv.)*	12%

*Estimates

Economic Indicators

The next slide provides an overview of either our or Global Insight's current estimates of the relevant historic economic statistics. I will briefly discuss these and how they relate to our business performance, and I will also comment on our economic outlook.

First with respect to automotive production, as we have stated many times, global automotive production continues to expand. Due to the overemphasis placed on continuing issues faced by the U.S. domestic automakers, we continue to believe the ongoing global expansion in the auto market is both misunderstood and undervalued by the equity market.

Global Insight estimates that global vehicle builds grew by 4 percent last year and about 12.5 percent over the past three years. This is consistent growth and is driven by substantial growth in emerging regions, while production in mature regions has varied only slightly, either up or down.

In the first quarter, North American light vehicle production is expected to have been down by about 7 percent. Meanwhile, Western European vehicle production grew 2 percent, while Eastern European and Asian production grew by high single digits.

The volumes in our Automotive Coatings business have continued to perform at or above the overall market with 3 percent global volume growth. Meanwhile, our North American Automotive Glass business performed below the North American market with a 12 percent volume drop. I will explain the reasons for these diverse performances when I review each of our business segments.

As we said entering the year, we expect North American softness from the second half of last year to continue in the early part of this year, followed by an upward tick later in the year. We expect modest growth in Western Europe and high single digit growth in Eastern Europe. Lastly, we believe the emerging regions will continue to grow rapidly. Overall, our view remains very positive on growth in the overall global automotive market, with global growth rates being in sync with recent history.

Moving to industrial production, we continue to see robust industrial growth occurring in emerging regions, offsetting lower or even negative growth in some of the more mature regions. We have been focusing our investments in growth, both acquisitions and expansions of existing businesses, in these emerging economies.

North American industrial production is estimated to have improved by about 3 percent year-over-year, in the first quarter, with Western Europe also producing a positive figure. Industrial activity continued to flourish in the emerging regions such as China, where growth rates remained in the mid-teens.

Industrial production remains the one metric that most closely correlates to PPG volumes. During the quarter, our volumes in the U.S. and Canada were up about 1 percent, up 8 percent in Europe, and improved 12 percent in Asia.

Looking ahead, we expect high rates of growth in industrial production in emerging regions to continue as these regions displace products from more mature regions.

High labor content products remain the focal point, while products with much lower labor content, such as coatings, where labor content is typically less than 10 percent of the cost, will remain more regional with transportation costs acting as a sturdy barrier to globalization.

Finally on the construction markets, we have continued to see the U.S. commercial and U.S. residential construction markets move in opposite directions.

The dramatic slowdown in residential construction which began in mid-2006 has continued into 2007, with a contraction of housing starts resulting in an estimated year-over-year 25 percent decline. Conversely, commercial construction has grown about 12 percent over the same period.

As we reiterated many times, our Performance Glazings, architectural glass business with its value-added product focus, is more highly correlated to commercial construction. During the quarter we recognized volume growth in Performance Glazings, and only a slight 2 percent volume decline in our North American Architectural Paints business.

Looking at the remainder of the year, we don't expect to see any substantive recovery in the residential construction market until at least the third quarter. Meanwhile with respect to commercial construction, the life cycle of the average size commercial construction project is about 14 months. Therefore, we fully expect the recent activity increases to carry forward well into 2007 for the products that we supply.

Now let's discuss our overall economic outlook and several other key topics.

Key Topics

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

Key Topics and Outlook

In North America, we expect GDP growth to remain fairly stable with the first quarter. Housing will continue to act as a notable drag on the overall economy, and although we expect U.S. automobile production to slightly improve, it will still be down year-over-year. These same factors will continue to have somewhat similar impacts on our volumes in the businesses that supply these sectors.

Meanwhile other market sectors, such as aerospace and commercial construction, will continue to experience high activity levels and we will benefit from our leading products in these markets.

Many other economic statistics will also remain fairly steady. We anticipate corporate profit growth to slow, but corporate balance sheets to remain sound and, as we anticipated, the export market did and will likely continue to expand given lower U.S. energy costs and the current foreign exchange environment.

As we said at the outset of the year, we believe the overall economy is on sound footing. We said then and reiterate now, that employment figures are good and fairly stable, inflation is in check, and consumer spending remains consistent. Any downturn in these statistics would give us reason for concern, but the most recent data indicates these statistics are stable.

Moving to Europe we expected several headwinds to slow the growth rates versus 2006. These headwinds are a change in taxation, a stronger Euro which changes import/export economics, higher interest rates, and slower first half growth in the North American economy which will impact the European export market.

While some of these headwinds were present, Europe continued to grow rapidly in the first quarter. The difference versus our projection was that business spending improved, as did employment. Employment and productivity improved due, in part, to the gradual relaxation of labor laws. These two economic factors are very positive as they move Europe from an export driven focus to an internal focus.

While we believe the headwinds I previously mentioned will eventually impact the growth rate, we now believe the higher activity levels within Europe will result in a consistent annual growth rate when compared with 2006. Also, we continue to expect growth in Eastern Europe to outperform Western Europe by roughly two-to-one.

With respect to Asia, once again, and simply put, we expect the very high growth we have evidenced to continue. As I have already discussed, our volume performance in both Europe and Asia for at least the past year has been excellent.

Overall, we expect global GDP growth to continue to be in the range of about 4 percent, with both the North American and Western European rate at about 2.5 percent. We expect China GDP growth to be in the 8 percent - 10 percent range.

I will conclude my economic discussion by stating that our current expectation of stable economic conditions gives us continued optimism regarding the prospects for our businesses. We have stated many times that our preference is to operate in markets with a disciplined growth rate where leading technologies and services act to differentiate companies. Our continued volume growth over the past year, which, once again, actually accelerated this quarter, provides true indication of our abilities to thrive in these stable economic times.

Now let's shift our discussion to energy costs and raw materials.

In the quarter, our primary energy cost, natural gas, declined markedly versus the first quarter of 2006. I will remind you that the 2006 first quarter costs were elevated following the two U.S. hurricanes, Katrina and Rita, which occurred in late 2005. Our first quarter 2007 unit cost for natural gas was about $7.50. In the first quarter of 2006, our natural gas cost was about $10.00.

For those of you who may not know us well, we use 60 to 70 trillion BTUs 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 unit costs change by one dollar per million BTU, our pre-tax costs change by about 60 to 70 million dollars on an annual basis. In the first quarter, our year-over-year natural gas costs declined by about $40 million.

In addition to natural gas, we have been experiencing increases related to coatings raw material costs. The cost of materials, which includes petroleum-based materials, is the largest component of production costs for coatings. These costs remained stubbornly high as a result of, among many other things, consistently high oil prices.

We expected these costs to increase in 2007, but very modestly. During the quarter, our coatings raw material costs increased but just about 1 percent, driven primarily by shortages of a few raw materials.

Moving ahead and as recent history has indicated, we believe that we will continue to see price volatility in the energy markets as shifts occur in global supply and demand. We also believe geopolitical issues and speculation will remain prevalent factors in pricing.

Regarding natural gas costs, we have hedged the cost of about one-third of our second quarter 2007 natural gas purchases at a unit price of about $7.50.

With respect to coatings raw materials, the pricing environment remains fragile from a supplier perspective. Recent oil price trends have kept pricing intact, however, supply and demand factors are tilting toward a buyer's market. We still stand behind our original 2007 forecast that as a worst-case scenario, we expect only slight raw material escalation for 2007. However, we have experienced higher transportation costs and we expect the higher level of cost to remain.

Now before I review our business results in more detail, I typically provide an update on our proposed asbestos settlement. As we said in our previous update, we are analyzing a variety of options which may include plan modifications, and reconsideration or appeals of the bankruptcy court opinion. Given the overall complexity of the issue, we are not able to offer any time line upon which any next step will be taken. For those not familiar with the details of the proposed settlement, please refer to page 53 of our 2006 Annual Report and Form 10-K and our first quarter 2007 Form 10-Q which will be filed shortly.

Now let's discuss our businesses performance.

Business Performance –
Performance &
Applied Coatings

	1st Quarter			
	2007	2006	$ Change	% Change
Sales	$ 855	$ 678	$ 177	26%
Segment Earnings	$ 121	$ 105	$ 16	15%

	Yr. To Yr. % Change - Sales				
	Sales	Volume	Price	Currency	Acq./Other
Total Performance & Applied Coatings	26%	2%	2%	3%	19%
Aerospace	36%	12%			
Architectural Finishes	26%	-2%			
Automotive Refinish	23%	3%			

Business Segment Performance – Performance and Applied Coatings

Slide number 10 details our excellent results in our Performance and Applied Coatings segment. In the quarter sales grew by $177 million or 26 percent. This substantial increase resulted in achievement of both a first quarter and all-time sales record. Acquisitions added just under 20 percent growth with price, volume and currency also contributing to the sales gains. Also, all regions contributed at least 15 percent sales growth each.

Our earnings grew $16 million, or about 15 percent, reflecting our volume growth and incremental acquisition earnings. Regarding the acquisition earnings, as I indicated earlier, we expect last year's acquisitions to deliver industry type margins in the year 2007. However, we did not and do not expect these acquisitions to achieve our industry leading margins this year. So while we are delivering as expected, when combined with our ongoing businesses, they will still have the effect of tempering down our operating margins.

Our Architectural business sales grew 26 percent, supported by acquisitions, and we also achieved a new first quarter and all-time quarterly sale records. The growth results are on top of 25 percent growth last year.

Volumes were down slightly, about 2 percent, as lower volumes in our professional channels, both our stores and distributors, were partially offset by slightly higher volumes in our national accounts channel.

Looking ahead, our acquisitions will continue to provide an excellent growth base, however we don't expect any immediate improvement in the U.S. housing market which has hampered our overall volume growth.

In Aerospace, our excellent double-digit growth continued with sales improving by 36 percent, supported by both volume growth and acquisition growth. This resulted in establishment of a new first quarter and all-time quarterly sales record. The growth was also very broad geographically with each region posting fairly similar growth rates. We have now achieved double-digit growth in 8 of the last 10 quarters.

Our future growth prospects also appear very bright as we significantly grew our sales content on the new Boeing 787 Dreamliner, for which significant production ramp-up has not yet begun.

Our Automotive Refinish business also posted excellent results this quarter growing 23 percent, with about one-half attributed to acquisitions. A strong Euro also benefited sales. Our volumes grew in both of our primary markets, the U.S. and Europe. Meanwhile, our Asian sales were up 50 percent, supported by acquisitions and reflecting our growth focus in that region.

In summary, our Performance and Applied Coatings segment has delivered on both organic growth, as well as successfully integrating our acquisitions. Our expectations are for a continuation of this successful execution.

Business Performance – Industrial Coatings

	1st Quarter 2007	1st Quarter 2006	1st Quarter $ Change	1st Quarter % Change
Sales	$ 869	$ 768	$ 101	13%
Segment Earnings	$ 95	$ 91	$ 4	4%

	Yr. To Yr. % Change - Sales: Sales	Volume	Price	Currency	Acq./Other
Total Industrial Coatings	13%	1%	1%	4%	7%
Automotive OEM	14%	3%			
Industrial	9%	-4%			
Packaging	22%	14%			

Business Segment Performance – Industrial Coatings

Moving to the next slide illustrating our Industrial Coatings segment, our sales rose by $100 million dollars or 13 percent and we set a new first quarter and all-time quarterly sales record. Acquisitions contributed 7 percent, currency added 4 percent, while volume and price added 1 percent each.

This remains one of our most global business segments with nearly 20 percent of our sales from the segment coming from Asia and no geographic region accounting for more than 40 percent of the total segment. This geographic diversity and our acquisitions have aided this business in weathering slowing in several U.S. end-markets. Our Asian sales grew by 80 percent versus last year, supported by both volume growth and our acquisitions. In Europe, our sales grew by just below 20 percent.

Earnings in the segment improved modestly, as higher raw materials and other inflation was not fully offset by our pricing initiatives. Contributing to earnings were improved volumes and earnings from acquisitions.

Let me comment just briefly on each of our Industrial Coatings segment businesses.

First let me discuss our Packaging Coatings, where we also set a new first quarter and all-time quarterly sales record. Our sales volumes grew by 13 percent with double-digit percentage volume growth in each region of the world. This is on top of high single digit volume growth in the first quarter of 2006 and is a reflection of our continuing market share gains in this business. Currency contributed 6 percent.

We expect our strengthening market position to contribute once again in the second quarter.

Industrial Coatings business sales improved by 9 percent to a new first quarter record. Negative volumes were more than offset by acquisitions and currency gains. Our North American volumes were down due to lower industrial customer sales into automotive parts and accessories and other domestic end-markets. Our European and Asian volumes both grew by high single digit percents.

Asia is now our second largest region in this business and sales grew by over 70 percent year-over-year, assisted by our prior year acquisitions.

Looking ahead, we expect an equally challenging North American market in the second quarter, but also anticipate an equally robust European and Asian market.

Next, our Automotive OEM Coatings business grew by 14 percent and also achieved a new first quarter and all-time quarterly sales record. Volumes grew 3 percent while acquisitions and currency added 7 percent and 5 percent respectively. Pricing was down, but just slightly.

We delivered positive volume growth, once again, in North America despite the overall industry light vehicle production figures falling nearly 7 percent. This is due to our strong customer profile in North America servicing both the “old domestics” and the transplant manufacturers. Also, Europe continued to post very positive volume gains partially due to market share gains.

As I discussed earlier, we expect the North American automotive market to only slightly improve in the second quarter. We expect the other regional markets to also be stable in comparison with the first quarter.

In summary, we gained market share in several businesses in our Industrial Coatings segment, and our acquisitions are beginning to deliver to the bottom line. However, we were also negatively impacted by several industrial customers supporting U.S. end-markets that remain very challenged.

Looking ahead, these U.S. end-market challenges are expected to exist further into 2007, and we continue to expect this segment to deliver by relying on our technologies, services and business leadership positions.

Business Performance – Optical & Specialty

	1st Quarter			
	2007	2006	$ Change	% Change
Sales	$ 280	$ 232	$ 48	21%
Segment Earnings	$ 67	$ 56	$ 11	20%

		Yr. To Yr. % Change - Sales			
	Sales	Volume	Price	Currency	Acq./Other
Total Optical & Specialty Materials	21%	12%	0%	4%	5%
Optical	19%				
Specialty Materials	27%				

Business Segment Performance – Optical Products and Specialty Materials

As detailed on slide number 12, our Optical and Specialty Materials segment also generated top-line growth of over 20 percent driven by excellent volume performance. Acquisitions and currency also benefited sales and assisted us in establishing a new first quarter and all-time quarterly sales record.

Earnings for the quarter were also a first quarter and all-time record, growing 20 percent, as strong volume gains more than offset higher, growth focused, advertising costs.

Optical Products sales grew by 19 percent which included strong growth rates in emerging regions, where we have been focused on improving our penetration rates. Acquisitions added to our sales and, just as important, broadened our product offering.

Our heritage of growth in this business is well known with compounded annual sales growth of around 15 percent since the year 1992. We certainly expect a continuation of this growth trend, supported by our expected level of higher advertising spending.

Our Silicas business recognized modest growth of about 3 percent primarily on higher pricing, as the business continues to work to offset the multi-year rise that occurred in natural gas pricing. Volumes were down slightly in recognition of the North American auto market, while currency aided sales.

Our Fine Chemicals business grew sales significantly, reflecting sales of an active pharmaceutical intermediate for the Tamiflu vaccine. As we have mentioned in the past, this business tends to be “lumpy” due to order and ship patterns, but we are pleased with the improved performance.

Our Optical and Specialty Materials segment grew nicely and produced excellent financial returns on the growth this quarter. This segment remains poised to continue to lead our growth initiatives as we move ahead.

Business Performance –
Commodity Chemicals

	1st Quarter			
	2007	2006	$ Change	% Change
Sales	$ 371	$ 401	$ (30)	-7%
Segment Earnings	$ 44	$ 87	$ (43)	-49%

	Yr. To Yr. % Change - Sales				
	Sales	Volume	Price	Currency	Acq./Other
Total Commodity Chemicals	-7%	9%	-16%	0%	0%

Business Segment Performance – Commodity Chemicals

Shifting to the next slide detailing our Commodity Chemicals segment, year-over-year sales declined by nearly 8 percent as pricing was down notably from the prior year’s all-time record high levels reflecting, in part, considerably lower natural gas input costs.

Our year-over-year volumes improved despite the customer outages which I referenced earlier, however our production facility utilization and product mix were not optimal. The customer outages occurred in the first six to eight weeks of this quarter and in the latter stages of the quarter customer orders returned to a reasonable and consistent level.

Earnings were down primarily as a result of lower pricing, higher maintenance costs and the less optimal manufacturing mix, but were partially offset by lower natural gas costs.

Looking ahead, the current level of customer orders, low inventories and announced price increases on both chlorine and caustic soda all bode well for our second quarter in comparison with our first quarter performance this year.

Business Performance –
Glass

	1st Quarter			
	2007	2006	$ Change	% Change
Sales	$ 542	$ 559	$ (17)	-3%
Segment Earnings	$ 20	$ 35	$ (15)	-43%

	Yr. To Yr. % Change - Sales				
	Sales	Volume	Price	Currency	Acq./Other
Total Glass	-3%	-3%	-1%	1%	0%
Automotive Glass	-13%	-12%			
ARG & Service	1%	-1%			
Performance Glazings	-5%	1%			
Fiber Glass	7%	3%			

Business Segment Performance - Glass
As detailed on slide number 14, Glass segment sales dropped 3 percent in the first quarter, primarily on lower volumes. Currency favorability was offset by slightly lower pricing.

Looking at earnings, Glass segment results fell by $15 million in the quarter, due largely to a $10 million write-off of our investment in a Fiber Glass joint venture. As we have mentioned before, we are well into a multi-year action plan focused on transforming our Fiber Glass business's supply chain and improving profitability. These efforts have included, from time-to-time, non-core asset disposals or write-offs. Our write-off this quarter resulted from our conclusion that we are not be able to recover the book value amount of our joint venture investment.

In addition to this write-off, and as we mentioned last quarter would occur, segment earnings were negatively impacted by about $8 million dollars due to a negative year-over-year delta associated with the timing of our Performance Glazing's energy surcharge in the first quarter of 2006. Our energy surcharge is on a quarter lag and the beneficial first quarter 2006 surcharge reflected the all-time high PPG energy costs in the fourth quarter of 2005.

From an operations basis, we performed very well and offset the shortfall in sales with improved product mix, manufacturing performance and lower overhead costs.

Now let's look individually at our Glass business units.

Automotive OEM Glass volumes dropped by a notable 12 percent, in sync with production declines at our domestic U.S. automotive customers. Both Daimler-Chrysler and General Motors took notable production downtime during the quarter. Also, during the quarter we placed a strong focus on cost management that resulted in minimizing the earnings impact of the sales shortfall. The production schedule for our U.S. customer base looks improved during the second quarter, but only slightly.

Automotive Replacement Glass and Services sales grew slightly during the quarter, as positive pricing offset a small drop in volumes. This business also achieved cost reductions. As I have stated many times, this market remains highly competitive and price sensitive.

Fiber Glass sales grew by 7 percent as good European volume growth was coupled with beneficial currency. U.S. volumes were lower partially due to the U.S. auto and housing markets. Of importance, our global sourcing strategies are beginning to yield earnings benefits and our Asian joint ventures continue to deliver positive results.

Next, Performance Glazings sales declined 5 percent during the quarter due largely to the absence of the energy surcharge which we mentioned previously. Volume growth was positive as we continued to see the growth in sales of our value added products into the commercial construction market which, once again, more than offset the negative volume impact of slower residential construction. As we stated many times, this business is much more closely aligned to commercial construction and our results, in the wake of a serious housing downturn, certainly confirm our assertion.

In summary for the Glass Segment, we remain keenly focused on improving results and continue to recognize that despite our interim improvement this year. To date, several of our glass businesses still need to substantially improve their full year financial performance to meet our corporate objectives.

Now let's move to our cash uses during the quarter.

Uses of Cash

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

Use of Cash
Slide number 15 details our prioritized cash uses, which most of you have heard us discuss for some time. Our overriding goals for our cash deployment are to strengthen our businesses and provide for sustainable benefits to shareholders.

First is prudently funding our businesses through organic capital spending necessary to keep the businesses healthy and competitive. Our capital spending, excluding acquisitions, in the first quarter was right around $100 million. Our annual target is about 3 percent - 4 percent of our sales.

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 over 100 years. Our Board of Directors increased the quarterly dividend to $0.50 per share at our January board meeting, our second dividend increase in twelve months.

Regarding debt, our debt-to-capital is about 30 percent which is within our desired range of 30 percent to 40 percent.

With respect to pensions, we mentioned last quarter that we have no mandatory funding requirements until at least 2009 to our U.S. pension fund, however we may make voluntary contributions this year of up to $200 million. During the first quarter, we made a $100 million voluntary contribution.

Next on our list are acquisitions, and as mentioned earlier we acquired the architectural and industrial coatings business of Renner Sayerlack S.A. during the first quarter. We continue to evaluate appropriate acquisitions.

Regarding our last prioritized use of cash, share repurchases, we spent about $50 million during the quarter, repurchasing just under 835 thousand shares of PPG stock. We currently have about 6.8 million shares remaining on our current board authorized share repurchase program.

Let me conclude our discussion on cash by just saying that we have an excellent legacy of cash generation, and an equally excellent and important legacy of using that cash to reward our shareholders.

Conclusion
In conclusion, let me summarize the quarter for our company:

- We have delivered all-time record quarterly sales and our earnings-per-share were one of our best first quarters on record,
- Both of our Coatings segments and our Optical and Specialty Materials segment, delivered double-digit sales growth
- We have continued to more than weather a significant U.S. downturn in residential construction and also lower North American automotive production,
- We posted strong organic growth results in both Europe and Asia
- We are successfully executing our integration strategies and delivering on our financial commitments relating to our acquisitions,
- We continued our penetration into emerging regions, either organically or through acquisition, with over 70 percent sales growth in Asia and 30 percent growth in Latin America,
- We made a $100 million voluntary contribution to our U.S. pension fund,
- And, as has been our long standing heritage, we once again rewarded our shareholders with higher dividends and also repurchased over $50 million in PPG stock.

As we look into next quarter, we see a similar economic backdrop. We do expect quarter-over-quarter improvement in certain businesses, such as Commodity Chemicals where our outlook is more positive. However, the challenges faced by several U.S. economic sectors, such as housing and autos, are expected to remain a moderating influence.

We will continue to explore strategic options related to our Automotive OEM Glass, Automotive Replacement Glass and Services and Fine Chemicals businesses. Additionally, we will continue to evaluate appropriate acquisitions with the goal of strengthening our portfolio.

In conclusion, we are very pleased with both our growth in sales and earnings this quarter. These results provide measurable proof that we are properly delivering on our growth strategies, and that our globalization provides us with the ability to minimize economic downturns in a single region.

We remain committed to executing our strategies and to growing our company, which will allow us to provide sustainable returns to our shareholders.

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

	Net Sales		Segment Income	
	2007	2006	2007	2006
INDUSTRIAL COATINGS	$ 869	$ 768	$ 95	$ 91
PERFORMANCE and APPLIED COATINGS	855	678	121	105
OPTICAL and SPECIALTY MATERIALS	280	232	67	56
COMMODITY CHEMICALS	371	401	44	87
GLASS	542	559	20	35
SUBTOTAL	**$ 2,917**	**$ 2,638**	**$ 347**	**$ 374**
LEGACY COSTS (NOTE A)			(5)	(12)
ASBESTOS SETTLEMENT - NET			(9)	(9)
INTEREST - NET			(19)	(17)
RESTRUCTURING			-	(35)
UNALLOCATED STOCK BASED COMPENSATION (NOTE B)			(9)	(8)
OTHER UNALLOCATED CORP. EXPENSE - NET			(25)	(24)
INCOME BEFORE INCOME TAXES, AND MINORITY INTEREST			**$ 280**	**$ 269**

Note A:

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 which are considered to be unusual or non-recurring.

Note B:

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.

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

	3 Months Ended March 31, 2007	3 Months Ended March 31, 2006	% Change
Net Sales	**$ 2,917**	**$ 2,638**	**10.6**
Cost of Sales	1,885	1,691	
Selling and Other	622	535	16.3
Depreciation	87	82	6.1
Interest	22	20	
Amortization	14	9	55.6
Asbestos Settlement - Net	9	9	
Business Restructuring	-	35	
Other - Net	(2)	(12)	
Income Before Income Taxes and Minority Interest	280	269	
Income Tax Expense	68	66	3.0
Minority Interest	18	19	
Net Income	**$ 194**	**$ 184**	5.4
Earnings per common share	**$ 1.18**	**$ 1.11**	6.3
Earnings per common share -- assuming dilution	**$ 1.17**	**$ 1.11**	5.4
Average shares outstanding	**164.6**	**165.4**	(0.5)
Average shares outstanding -- assuming dilution	**165.9**	**166.5**	(0.4)

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, 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 19, 2007, and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information.