



PPG Industries, Inc. Second Quarter 2013 Financial Results

Earnings Brief – July 18, 2013

Second Quarter Financial Recap

- Demand trends remained fairly consistent; mixed by region and end-use market
 - Ongoing U.S. demand growth, higher volumes in all Asian coatings end-use markets except marine new-build, sluggish activity across Europe continues
 - Normal seasonal improvement experienced in most businesses and regions versus 1Q'13
 - Global automotive OEM, refinish and aerospace sales growth offset by end-market weakness in marine new-build and European architectural coatings
- Excellent earnings growth driven by strong operating performance
 - Growth of ~25 percent in aggregate coatings earnings driven by operational performance and aided by earnings from cash deployed for acquisitions. Modest Optical & Specialty Materials segment earnings growth was outpaced by weaker Glass earnings.
- Acquisition of AkzoNobel's North American Architectural Coatings business
 - Acquired business added ~\$475MM of sales during the quarter and mid single-digit EBIT margins (note: 2Q is typically seasonal peak quarter)
- Ending cash-on-hand and short-term investments totaled \$1.8 billion
- Restructuring charge of \$102 million approved by Board of Directors (charge will be included in third quarter 2013 financial results)

Second Quarter Financial Recap

PPG second quarter 2013 sales from continuing operations were a record \$4.1 billion, up 16 percent versus the prior year due primarily to sales from businesses acquired within the past 12 months. Overall demand trends were fairly consistent with the first quarter of the year, adjusted for seasonal trends. The second quarter is traditionally the strongest seasonal quarter in many of the company's businesses, and the company generally experienced normal seasonal trends in most businesses.

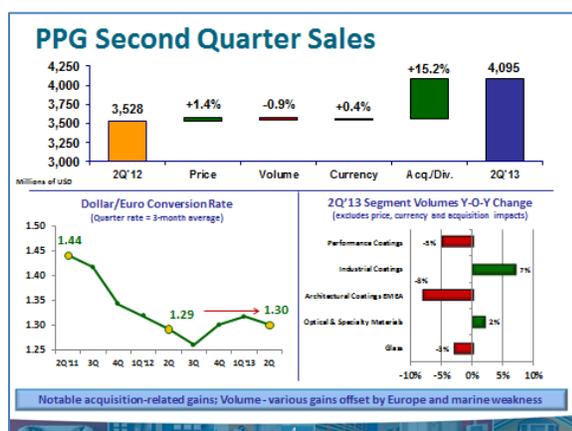
As with several recent quarters, demand remained mixed by region. We experienced consistent, modest growth in most end-use markets in the United States and Canada. Solid growth also continued in many end-use markets in Asia Pacific, with the exception of the marine new-build market. European demand remained weak, with several businesses experiencing lower demand, partly offset by volume growth in a few businesses. Although European demand remained weak, the overall pace of business was fairly steady with the first quarter, adjusted for seasonal factors. Sales trends were also varied by end-use market as will be detailed in the reportable segment overviews.

Overall segment earnings grew 17 percent versus the prior year. This performance was led by a 25 percent gain in aggregate coatings earnings, with earnings growth of at least 8 percent in all major global regions despite disparate demand conditions. Lower costs, including savings stemming from the restructuring program announced in 2012, remained a key driver of the improved earnings performance. Another important factor was the addition of earnings from cash deployed on recent coatings acquisitions.

On April 1, PPG completed the acquisition of AkzoNobel's North American architectural coatings business. The acquired business results are included in the Performance Coatings segment, along with PPG's legacy companion North American architectural coatings business. In the quarter, the acquired architectural business had sales of approximately \$475 million, similar to the prior year, and achieved a mid-single-digit percentage earnings return on sales, pacing slightly ahead of company targets. The acquired business's earnings were break-even in the prior year.

PPG's Board of Directors recently approved a new \$102 million restructuring program primarily focused on achieving the previously announced \$200 million of annual synergies targeted from this acquisition. Additional actions were approved that are being targeted at select businesses experiencing challenging market conditions including protective and marine and several European businesses including architectural coatings and fiber glass. The recently approved restructuring charge will be included in PPG's third quarter 2013 financial results.

PPG ended the quarter with \$1.8 billion cash and short-term investments, up from \$1.2 billion from June 30, 2012.



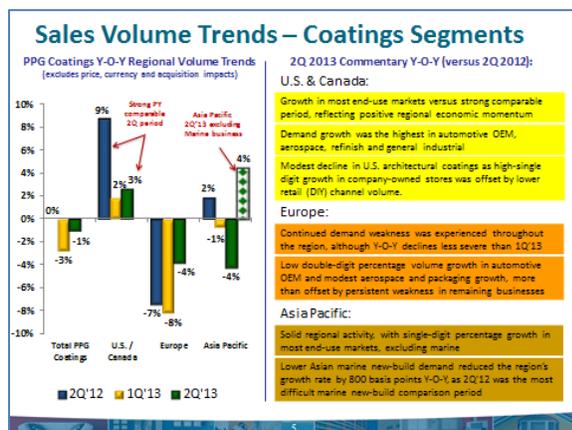
PPG Quarterly Sales

Reviewing quarterly sales trends, total second quarter sales were \$4.1 billion establishing a new all-time record for the Company. Modest sales gains due to pricing and from currency translation offset slightly lower volumes.

Acquisitions added 15 percent to sales, with the AkzoNobel North American architectural coatings acquisition accounting for the vast majority of the increase. The acquisition sales total also includes sales from Spraylat, Deft and an Indian joint venture over which PPG now has management control.

Currency impacts were negligible for the quarter reflecting, in part, a consistent Dollar-to-Euro conversion rate versus the prior year. Pricing improved modestly as certain businesses attempt to counter moderate inflation, including the net effect of changes in raw material and energy pricing, along with some transportation and general inflation.

Volumes grew in the Industrial Coatings and Optical and Specialty Materials segments, but fell in the remaining segments, resulting in an overall one percent volume decline. The second quarter is traditionally the strongest seasonally in many PPG businesses, and the company generally experienced normal seasonal sales trends in most businesses during the quarter. The company anticipates normal seasonal sales trends to continue in the third quarter.



PPG Sales Volume Trends (Coatings Segments)

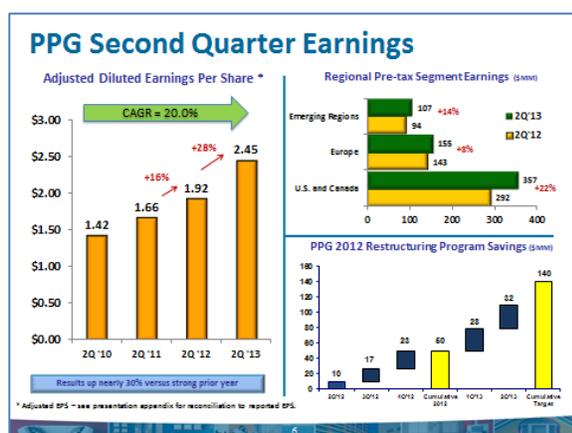
Regional volume trends for the aggregate coatings segments remained mixed, with overall results declining one percent compared to a 3 percent decline in the first quarter of 2013.

Positive volume trends continued in the United States and Canada despite a strong prior year comparable period. Volumes grew 3 percent, fairly similar to the first quarter, as positive economic momentum continued in

the region and business conditions in most end-use markets remained solid. The Industrial Coatings segment produced the largest gains driven principally by improvements in automotive OEM and general industrial activity. In Performance Coatings, aerospace and refinish volumes grew, while U.S. architectural coatings volumes, excluding the recently acquired AkzoNobel business, declined modestly as high-single-digit growth in company-owned stores was offset by lower national retail (DIY) volumes.

Year-over-year European results fell 4 percent year-over-year, which was an improvement versus the first quarter decline of 8 percent, reflecting a somewhat easier comparison period. The overall pace of business remains weak across most of the European region, as volumes remained negative across most businesses, although automotive OEM, aerospace and packaging coatings achieved higher volumes.

For nearly all of our businesses, volume grew in Asia Pacific with demand in most businesses growing mid-single digit percentages. However, continued weakness in marine new-build activity more than offset improvements in the other businesses within the region. The weakness in the long-cycle marine new-build business, with most of the global industry production occurring in Asia, reduced PPG's overall Asia Pacific volume performance in the quarter by over 8 percentage points versus the second quarter of 2012. Excluding the marine impact, Asian volumes grew more than 4 percent. The second quarter of 2012 was the peak sales period for the marine business, resulting in the most difficult sales comparison. Marine activity levels rapidly declined in the second half of 2012.



PPG Second Quarter Earnings

Second quarter adjusted diluted earnings per share were \$2.45, up 53 cents, or 28 percent, versus strong prior year performance. This is an all-time record quarterly figure, and results in a compounded annual growth rate of 20 percent since 2010.

Second quarter reported earnings per share were \$2.35, and included 10 cents of nonrecurring acquisition-related charges. A reconciliation of the reported to adjusted earnings per share figures is included in the presentation appendix.

By region, the United States and Canadian region posted the largest year-over-year earnings improvement of 22 percent, reflecting continuing regional momentum and the earnings benefit of the newly acquired architectural coatings business. Earnings in emerging regions also advanced double-digit percentages, reflecting growth in many Asian markets and lower costs.

European earnings also advanced, growing 8 percent, due to primarily to lower costs, which offset lower regional sales impacts. A major factor in the lower cost base was the continued implementation of PPG's previously announced restructuring program which was approved in early 2012 and included a variety of actions in Europe. Cumulative program savings from that program have exceeded \$100 million, including more than \$30 million in the second quarter, with further savings expected in each quarter of 2013.

For the quarter, the company's tax rate on ongoing earnings was 24 percent, excluding the tax impact of nonrecurring charges. The 2012 tax rate on ongoing earnings was 23 percent.

Performance Coatings				
MM (USD)	2Q13	2Q12	Chg	%
Sales	1,688	1,241	447	36%
Earnings	255	204	51	25%
Margin %	15.1%	16.4%	--	--
Select Sales Detail	Total	Volume	Currency	
Quarter Y-o-Y Change	36%	-5%	0%	

Acquired Architectural Brands	
United States	Canada
	

Second Quarter (Y-O-Y):

- Continued aerospace growth vs. hard comp.
- Solid refinish growth globally, net of lower European demand
- Weaker marine new-build - primarily Asia
- U.S. architectural coatings:
 - Higher volumes in company-owned stores offset by national accounts (DIY)
 - Acquisition added ~38% to segment sales
 - Acquired business mid-single digit ROS slightly ahead of targets (peak season)
- Strong cost management actions continue to contribute to earnings growth

3Q, 2013 Outlook:

- Aerospace end-market growth prospects continue
- U.S. architectural coatings market conditions remain positive
- Lower U.S. architectural coatings sales sequentially (vs. 2Q) due to seasonality - related smaller positive acquisition impact on earnings
- Marine activity levels remain weak, but somewhat easier prior-year comparable
- More modest benefits from 2012 PPG restructuring program - anniversary of some actions implemented in prior-year 3Q

Performance Coatings

Reviewing the reporting segment results for the quarter, Performance Coatings sales were \$1.7 billion, up about \$450 million, or 36 percent, versus the prior year. The increased sales were driven largely by acquisitions coupled with modest price gains, partly offset by a 5 percent volume decline. Currency translation impacts were minor.

Despite continually higher prior year comparisons, growth continued in aerospace as market conditions and PPG technologies

continue to support higher customer demand. Refinish volumes also grew, with improvement achieved in all regions except Europe. The highest refinish growth rates were realized in emerging regions.

Marine new-build declined notably year-over-year as overall industry activity remains subdued. Notwithstanding this decline, PPG's second quarter 2013 marine sales were constant with the first quarter 2013 level. Also of note is that the second quarter of 2012 represented the highest PPG marine sales quarter in the past two years, thus the most difficult comparison period. Activity in subsequent quarters in 2012 declined rapidly.

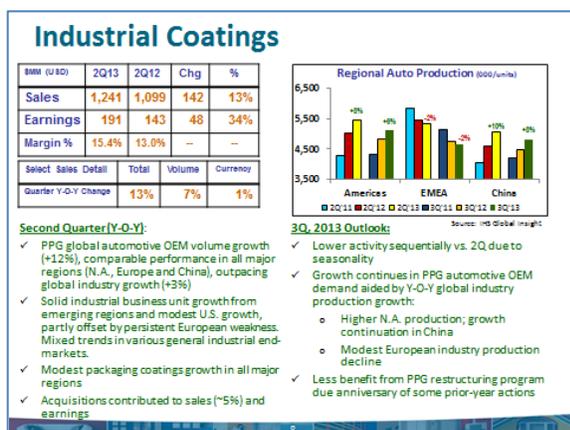
U.S. architectural coatings sales, excluding acquired business sales, declined by low-single-digit percentages. Same store sales growth of high-single-digit percentages in company-owned stores was offset by lower sales to a national retail (DIY) customer due to previously disclosed changes in products sold.

The acquired North American architectural coatings business added about \$475 million to segment sales in the quarter, and delivered a mid-single digit percentage return on sales, in what is typically the seasonal peak for the business.

Quarterly net sales results, excluding acquisitions and currency, varied by region with growth in the Americas and overall declines in Europe. The largest sales decline was in Asia Pacific driven exclusively by the lower marine results. Net sales in all other businesses in Asia grew.

Segment earnings were \$255 million, up \$51 million, or 25 percent, year-over-year. The most significant factors in the improvement were strong operating performance, including achievement of lower costs, and the additional earnings stemming from acquired businesses.

Looking ahead, the third quarter is traditionally a slower quarter seasonally for the segment and most notably for architectural coatings, however, U.S. architectural coatings market conditions are expected to remain positive. Demand patterns in the longer cycle aerospace and marine businesses are less seasonal. Also, the acquired businesses will remain a large influence on segment financial results. Lastly, we anticipate a more modest year-over-year cost benefit as some of the 2012 restructuring program actions were implemented last year and are reaching their anniversary date.



Industrial Coatings

Industrial Coatings segment sales for the fourth quarter were \$1.2 billion, up \$142 million, or 13 percent, in comparison with the prior year, aided by strong volume gains of 7 percent and acquisition-related gains of 5 percent.

For the quarter, PPG's global automotive OEM volumes grew 12 percent, with comparable growth rates in each major region. Results well outpaced global industry growth of 3 percent, reflecting continued

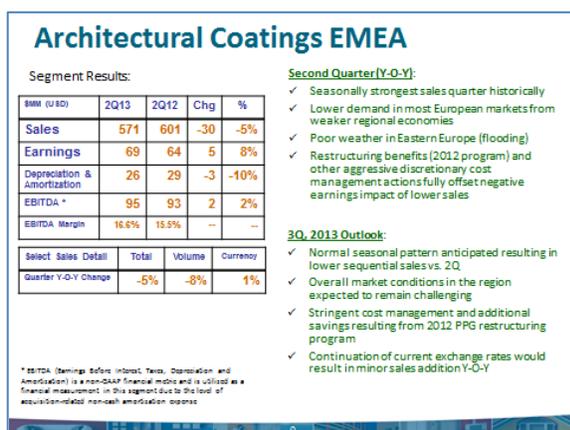
adoption of PPG's technologies and our high customer service focus.

The industrial coatings business unit grew globally aided by strong emerging region growth and low-single-digit percentage growth in the U.S. Volumes receded in Europe. Overall global results by general industrial end-use market remained mixed.

Packaging coatings volumes advanced low-single digit percentages globally and in each major region.

Second quarter earnings of \$191 million were up \$48 million, or 34 percent, versus the prior year. Gains resulted from higher sales combined with lower costs stemming from our ongoing operational focus.

Looking ahead to the third quarter, segment activity levels are typically lower seasonally in comparison with the second quarter. Global automotive OEM industry production growth is expected to continue year-over-year, but at a lower growth rate versus the second quarter due to a more difficult third quarter 2012 comparable period. Segment earnings are expected to benefit less from restructuring-related savings due the anniversary of certain prior year actions.



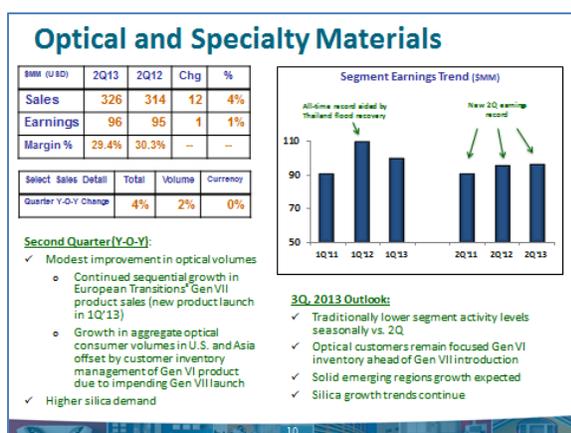
Architectural Coatings – EMEA

Architectural Coatings – EMEA (Europe, Middle East and Africa) segment sales in the second quarter of \$571 million were down \$30 million, or 5 percent, in what is traditionally the strongest seasonal sales quarter for the segment. The sales decline stems from volume declines, down 8 percent, as broad weakness continued in most of the European regional economies. Additionally, poor weather and flooding occurred in Eastern Europe, contributing modestly to the negative segment volume performance. Currency translation added slightly to sales.

Despite the volume weakness, segment earnings of \$69 million were up \$5 million, and EBITDA margins improved by 110 basis points. The improvement in earnings is a

result of restructuring savings from the program approved in 2012 and aggressive discretionary cost management, which more than offset the negative sales impact.

Looking ahead, overall market conditions are expected to remain challenging in the region. We expect normal seasonal patterns, as the third quarter activity is traditionally lower sequentially versus the second quarter. Stringent cost management remains a focus, and some further benefit is expected to be realized from the prior year restructuring program. The segment is also heavily exposed to foreign currency translation as none of the sales are in U.S. dollars. However, based on current exchange rates in comparison with the third quarter of 2012, currency translation impacts are expected to remain minimal.



Optical and Specialty Materials

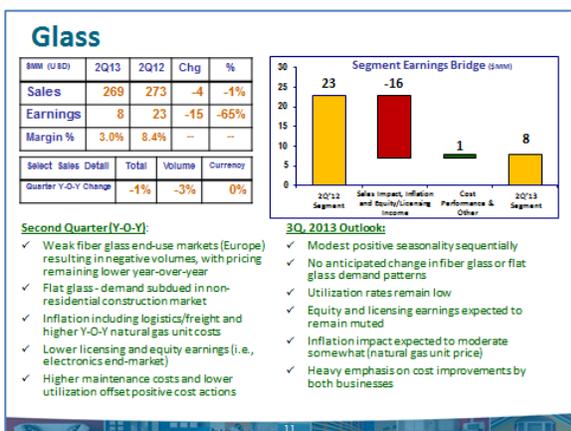
Second quarter sales for the Optical and Specialty Materials segment were \$326 million, up \$12 million, or 4 percent, versus a solid prior year comparison period. Volumes advanced 2 percent, with gains realized in both businesses. Segment earnings in the quarter were \$96 million, up \$1 million versus the prior year second quarter record level.

The successful new product launch of Generation VII Transitions® lenses in Europe continued, with new product sales in the

quarter exceeding excellent first quarter results. In the U.S. and Asian markets, growth continued for optical products sold to end-consumers. However, customer inventory management of the Generation VI Transitions® product ahead of the impending Generation VII launch in these regions, tempered growth.

Silica demand improved in both the U.S. and Europe.

Looking ahead, segment sales traditionally decline seasonally from the second to the third quarter. In optical products, solid emerging region growth is expected to continue, and optical customers are expected to remain focused on Generation VI product inventory levels ahead of the Generation VII introduction. Positive Silica trends remain.



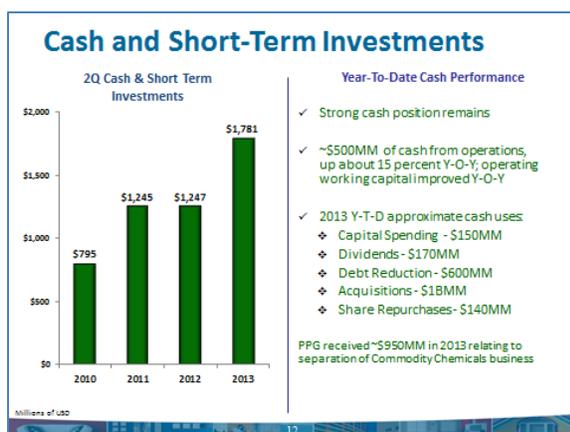
Glass

Second quarter sales for the Glass segment were \$269 million, down \$4 million, or 1 percent, versus the prior year. Segment volumes declined by 3 percent. Weak end-use market conditions remained in fiber glass, primarily in Europe, and fiber glass pricing remained lower than prior year. Flat glass volumes also declined as the non-

residential construction market, a key market for PPG, remained subdued, while other markets, including the solar panel market, declined.

Earnings in the quarter of \$8 million were \$15 million lower than the prior quarter. In addition to lower sales, the segment experienced input cost inflation, including higher transportation and natural gas unit costs. Equity and licensing earnings were also lower for the segment, including the impact of weaker consumer electronics activity on fiber glass joint venture results. Higher maintenance and repair costs and lower manufacturing utilization offset other positive cost actions.

Looking ahead to the third quarter, the segment typically experiences modestly positive seasonal gains versus the second quarter. However, overall demand patterns in both businesses are expected to continue, resulting in low utilization rates. Inflation is expected to remain a factor, but moderate somewhat based on current natural gas unit pricing. Equity earnings are expected to remain at lower levels based on weak consumer electronics demand. Both businesses have a heavy emphasis on improving cost performance.



Cash

PPG ended the second quarter with a strong cash position of about \$1.8 billion cash and short-term investments, up over \$500 million versus the prior year second quarter. Aiding this higher cash level was \$500 million in year-to-date cash from operations from continuing operations, up about 15 percent versus the prior year. A reduction in operating working capital as a percentage of sales contributed somewhat to the improved cash generation results.

A few notable year-to-date cash uses were:

Year-to-date capital expenditures were about \$150 million and anticipated full year 2013 capital spending remains in the range of 2.0 -to- 3.0 percent of sales. Dividends paid year-to-date totaled over \$170 million, and the June per share dividend payment of 61 cents included a 2 cent per share dividend increase. In the first quarter, \$600 million of long-term debt matured and was retired, with no further long-term maturities this year. Stock repurchases totaled \$140 million, and the company anticipates cash allocated for repurchases will be in the range of \$500 -to- \$750 million for the full year. The company spent about one billion dollars on acquisitions, most prominent was the AkzoNobel North American architectural coatings acquisition.

Also of note relating to cash, is that PPG received about \$950 million cash stemming from the commodity chemicals separation transaction that was completed in the first quarter.

Summary

Second Quarter Financial Results:

- Regional differences remain; N.A. and Asia solid and weak Europe
- Record adjusted earnings per share improved 28 percent
- Continued strong coatings earnings growth:
 - ▶ Global growth in automotive OEM, aerospace and refinish
 - ▶ Aggressive cost management coupled with 2012 restructuring program benefits
 - ▶ Earnings benefit from cash deployed for recent acquisitions

Other Notable Items:

- Closed on AkzoNobel North American architectural coatings acquisition
- PPG's board of directors approves \$102 million restructuring program focused on acquisition synergy achievement and select businesses experiencing challenging market conditions

Strong Balance Sheet Remains:

- Cash and short-term investments of \$1.8 billion at quarter-end; improved year-over-year working capital metrics

Summary

In summary, despite demand results that remained mixed by region, PPG delivered 28 percent growth in adjusted earnings per diluted share from continuing operations, led by continued strong coatings earnings growth. The major factors in the approved performance were continued strength of several end-use markets, including automotive OEM, aerospace and automotive refinish, coupled with benefits from our 2012 restructuring program. Additionally, cash

deployed on recent acquisitions added to earnings.

We closed on the AkzoNobel North American architectural coatings on April 1, and initial earnings results are slightly ahead of company targets. PPG's board of directors recently approved a \$102 million restructuring program focused on capturing the previously outlined acquisition synergies, along with other actions in select businesses that continue to experience weak business conditions.

Our balance sheet remains strong, as we ended the second quarter with \$1.8 billion of cash and short-term investments, including year-to-date improvements in working capital metrics.

Looking ahead the third quarter is traditionally a slower quarter seasonally, however, we anticipate many of the same factors that led to our earnings growth year-to-date will remain. Finally, we are working to capitalize on our strong balance sheet as we continue to analyze opportunities to increase earnings through prudent cash deployment.

Adjusted EPS Reconciliation

2nd Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPO	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Year 2012						
Net Income(Loss) Attributable to PPO as Reported	\$ 341	\$ 2.35	\$ --	\$ --	\$ 341	\$ 2.35
Acquisition-related costs	15	0.10	--	--	15	0.10
Adjusted Net Income(Loss) Attributable to PPO	\$ 356	\$ 2.45	\$ --	\$ --	\$ 356	\$ 2.45
Year 2011						
Net Income(Loss) Attributable to PPO as Reported	\$ 297	\$ 1.92	\$ 65	\$ 0.42	\$ 362	\$ 2.34
Business separation costs	--	--	3	0.02	3	0.02
Adjusted Net Income(Loss) Attributable to PPO	\$ 297	\$ 1.92	\$ 68	\$ 0.44	\$ 365	\$ 2.36
Year 2010						
Net Income(Loss) Attributable to PPO as Reported	\$ 268	\$ 1.86	\$ 74	\$ 0.46	\$ 340	\$ 2.12
No adjustments	--	--	--	--	--	--
Adjusted Net Income(Loss) Attributable to PPO	\$ 268	\$ 1.86	\$ 74	\$ 0.46	\$ 340	\$ 2.12
Year 2009						
Net Income(Loss) Attributable to PPO as Reported	\$ 237	\$ 1.42	\$ 35	\$ 0.21	\$ 272	\$ 1.63
No adjustments	--	--	--	--	--	--
Adjusted Net Income(Loss) Attributable to PPO	\$ 237	\$ 1.42	\$ 35	\$ 0.21	\$ 272	\$ 1.63
Year 2008						
Net Income(Loss) Attributable to PPO as Reported	\$ 119	\$ 0.75	\$ 27	\$ 0.16	\$ 146	\$ 0.89
No adjustments	--	--	--	--	--	--
Adjusted Net Income(Loss) Attributable to PPO	\$ 119	\$ 0.75	\$ 27	\$ 0.16	\$ 146	\$ 0.89
Year 2007						
Net Income(Loss) Attributable to PPO as Reported	\$ 209	\$ 1.28	\$ 41	\$ 0.25	\$ 250	\$ 1.51
Auto-Claw and Bonus Repatriation and Benefit costs	23	0.14	--	--	23	0.14
Adjusted Net Income(Loss) Attributable to PPO	\$ 232	\$ 1.42	\$ 41	\$ 0.25	\$ 273	\$ 1.65

Amounts in Millions of USD except EPS

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 within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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 Exchange Act, and the rules and regulations promulgated thereunder. Accordingly, many factors could 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, the ability to maintain favorable supplier relationships and arrangements, the realization of anticipated cost savings from restructuring initiatives, difficulties in integrating acquired businesses and achieving expected synergies therefrom, economic and political conditions in international markets, the ability to penetrate existing, developing and emerging foreign and domestic markets, foreign exchange rates and fluctuations in such rates, fluctuations in tax rates, the impact of future legislation, 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. Many factors could cause actual results to differ materially from the company's forward-looking statements including any unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses and future prospects; business and management strategies for the management, expansion and growth of PPG's operations; and PPG's ability to integrate the North American architectural coatings business of AkzoNobel and to achieve anticipated synergies. However, it is not possible to predict or identify all such factors. Consequently, while the list of factors presented here and in PPG's Form 10-K for the year ended December 31, 2012 are 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, results of operations or liquidity. All information in this presentation speaks only as of July 18, 2013, and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information. PPG undertakes no obligation to update any forward-looking statement, except as otherwise required by applicable law.