



PPG Industries, Inc. Fourth Quarter 2013 Financial Results

Earnings Brief – January 16, 2014

Fourth Quarter 2013 Financial Summary

- **Continued, strong earnings growth**
 - Record earnings per diluted share up 45 percent year-over-year; 14th consecutive quarter with an adjusted earnings per share record
 - Aggregate segment earnings up 19 percent; each major region grew earnings at least 14 percent
- **Improving volume trend**
 - Flat European coatings volumes (following 9 consecutive quarters of decline); volume trends in North America and emerging regions consistent with prior quarters
- **Acquisition integration and restructuring efforts continue**
 - Acquired North American architectural business added ~\$300 million of net sales (the slowest quarter seasonally); realized synergies remain slightly ahead of target
 - Actions for 2012 restructuring plan are substantially complete – annual run-rate savings target of ~\$140 million achieved
 - Restructuring actions are underway for plan approved in 3Q '13; primary focus is remaining synergy capture for the acquired architectural coatings business
- **Improved working capital**
 - Improved operating working capital efficiency, with results 160 basis points better vs. prior year

Fourth Quarter Financial Summary

PPG net sales for the fourth quarter increased to \$3.7 billion, up 14 percent versus the prior year. Fourth quarter adjusted earnings per share were a record \$1.81, exceeding the prior-year record by 45 percent, marking the 14th consecutive quarter with an adjusted earnings per share record.

Highlights for the quarter included:

- Aggregate segment earnings growth of 19 percent versus the prior year with improved earnings in each reporting segment.
- Each major region delivered earnings growth of at least 14 percent, including Europe where earnings improvement accelerated throughout the year.
- Volumes grew 2 percent in the fourth quarter, the highest growth rate of the year. Volume trends in North America and emerging regions were similar with previous quarters. Coatings volumes in Europe were flat, following 9 consecutive quarters of decline.
- Earnings continued to be aided by aggressive cost management, including additional restructuring-related cost improvements. The 2012 restructuring program is substantially complete, including achievement of the targeted annual cost savings run-rate of \$140 million.
- Acquisition integration continues for the acquired North American architectural coatings business. Realized synergy achievement in 2013 was slightly ahead of targets.
- Restructuring actions were initiated for the program approved in the third quarter of 2013. The primary focus of this program is further synergy capture on the architectural coatings acquisition.
- Operating working capital efficiency improved, with ending operating working capital as a percent of sales of 18.1 percent versus 19.7 percent the previous year, a 160 basis point improvement.

Full Year 2013 Financial Summary

- **Strategic actions contributing to record sales and earnings**
 - Completed separation of commodity chemical business (January, 2013) - ~11MM share reduction from exchange transaction
 - Acquired North American architectural coatings business – added partial year net sales of about ~\$1.2 billion; first year cost synergy target exceeded
- **Volume trends improved throughout the year**
 - Solid North America growth and stronger performance in most Asian end-use markets. European coatings volumes were negative for the full year, but were flat in the last quarter
- **Continued, strong earnings growth driven by coatings**
 - Aggregate earnings for the coatings segments grew ~20 percent aided by aggressive cost management, including restructuring, coupled with acquisition-related earnings and synergies
 - Earnings growth accelerated through the year and higher earnings were achieved in all regions
- **Excellent cash generation and balanced cash deployment**
 - Cash from operations of \$1.8 billion, up about 15 percent versus prior year
 - Balanced cash deployment - \$1.5 billion used on capital spending and business acquisitions, and \$1.35 billion deployed on share repurchases and cash dividends
 - Year-end cash and short-term investments of \$1.75 billion

Full Year 2013 Financial Summary

Reviewing full year results, net sales and earnings were all-time records for the company, and benefited from several strategic actions that were finalized during the year including:

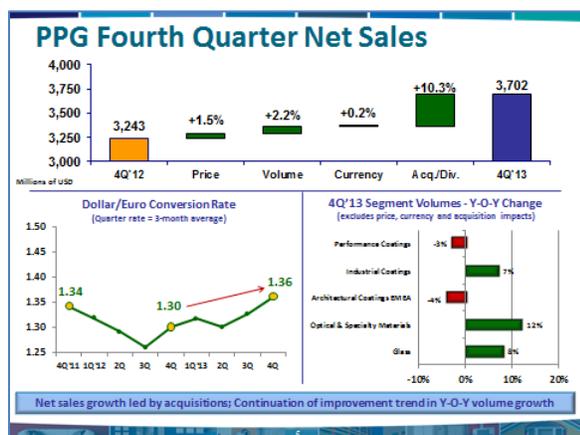
- The late January, 2013 separation of the commodity chemicals business and included exchange transaction which reduced PPG's diluted share count by approximately 11 million shares.

- The acquisition of a large North American architectural coatings business completed on April 1, added partial year net sales of about \$1.2 billion. The acquired business contributed to earnings with a mid-single digit earnings return on sales percentage, including the achievement of acquisition cost synergies, which exceeded first year synergy targets.

Overall company sales volumes were flat for the year with solid North America and Asian growth, offset by weakness in European demand. While European volumes were negative for the full year, results improved throughout the year, including flat year-over-year coatings performance in the fourth quarter.

Despite the flat full year volumes, higher earnings were achieved in all major geographies, including Europe, which posted full-year earnings growth of 8 percent. The improved regional performance aided full-year adjusted earnings per share which grew 29 percent, with the rate of earnings growth accelerating throughout the year.

Cash generation of \$1.8 billion was also a record, up 15 percent versus the prior year. Cash uses remained balanced with \$1.5 billion spent on capital spending and business acquisitions focused on growing the company, and \$1.35 billion returned to shareholders in the form of share repurchases and cash dividends. Strong financial flexibility remains with year-end cash and short-term investments totaling \$1.75 billion.

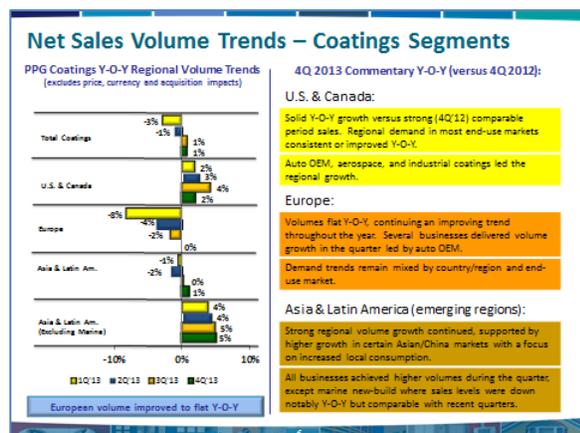


PPG Fourth Quarterly Net Sales

Total fourth quarter net sales of \$3.7 billion were up 14 percent versus 2012. Incremental net sales from acquired businesses exceeded \$325 million, with the North American architectural coatings acquisition accounting for approximately \$300 million of the increase and the acquired Deft and Spraylat businesses representing the remainder.

Currency was a slight positive, but results were mixed by region. Versus the prior year, the Euro strengthened against the U.S. dollar, but that impact was muted by several emerging region currencies which weakened against the dollar.

The fourth quarter is typically the lowest sales quarter for the company due to the seasonality of certain businesses, most notably architectural coatings. Year-over-year volumes grew by 2 percent, maintaining the improving trend which began in the second quarter. Segment performance varied, as will be reviewed in the reporting segment overviews.



Net Sales Volume Trends - Coatings Segments

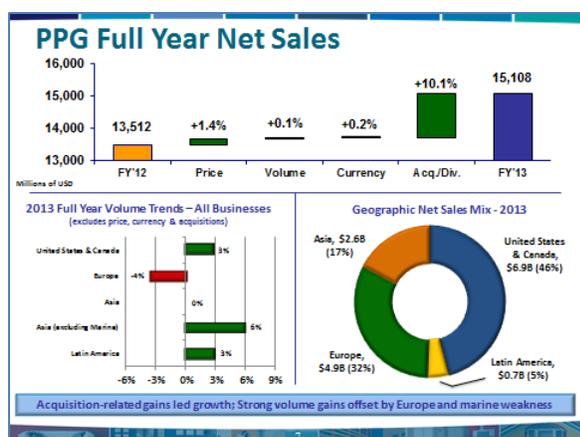
Regional volume trends for the aggregate coatings segments were uneven, as overall coatings volumes improved 1 percent, matching the prior quarter and representing an improvement in comparison with the first half of 2013.

Volumes advanced 2 percent in the United States and Canada in comparison with strong

prior year results. Most businesses delivered higher volumes in the region, supported by higher growth in industrial markets. PPG's broad mix of businesses and strong technology and service orientation continued to prove beneficial, as our automotive OEM and aerospace businesses outpaced strong end-use market growth rates.

Year-over-year European results were flat, following significantly negative performance earlier in the year. Volume results were mixed by end-use market and country/region, although automotive OEM delivered our highest growth in the region outpacing positive year-over-year industry production.

Emerging-region volume performance grew slightly, up 1 percent. Variation by country, end-use market and business continued. Persistent weakness in the long-cycle marine new-build business continued to temper regional results; however, PPG's marine new-build sales have been fairly constant for 3 consecutive quarters indicating some stability in the market. Emerging region volume excluding the marine new-build business grew by 5 percent, consistent with the other quarters in the year.

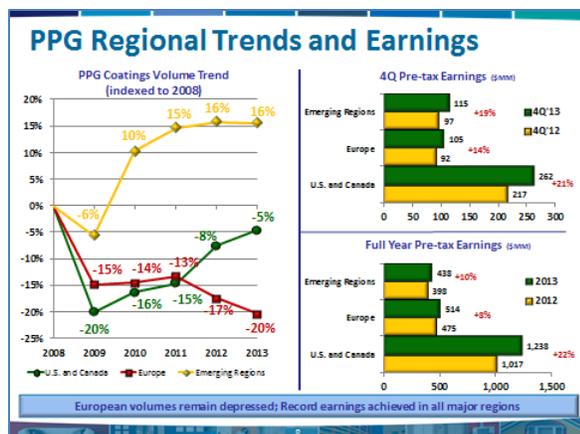


PPG Full Year Net Sales

Full year 2013 PPG net sales from continuing operations were \$15.1 billion, up 12 percent versus 2012. Acquisitions represented 10 percentage points of the increase. This is the final quarter for Spraylat results to be classified as acquisition-related, as we have reached the one-year anniversary of that acquisition. The AkzoNobel and Deft businesses were acquired in the second quarter of 2013, and will continue to be classified as acquisition-related until their one-year anniversary.

Net currency translation was flat for the year, although results were mixed by currency. Selling prices improved modestly, in an effort to offset cost inflation.

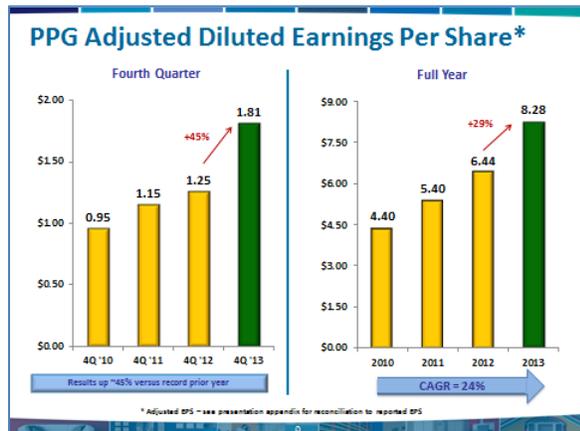
Volumes on a full-year basis were flat and, as noted previously, volume performance varied by reporting segment and business unit. Europe was the only region that experienced a volume decline, down 4 percent, offsetting gains in other regions. Europe remains a very large region for PPG, representing about one-third of the company's sales.



PPG Regional Trends and Earnings

The 4 percent volume decline in Europe in 2013 continued a multi-year trend. Aggregate PPG coatings volumes in that region have declined over 20 percent versus pre-recession levels. Combined PPG coatings volumes in the remaining regions are now higher in comparison to pre-recession levels, aided by growth in emerging regions of 16 percent, offsetting a 5 percent decline in the recovering U.S. and Canada region.

Despite the lower volumes, European regional earnings advanced 14 percent in the fourth quarter and 8 percent for the full year 2013. Earnings for the U.S. and Canada and emerging regions were up 10 percent or more for the quarter and full-year.



PPG Adjusted Diluted Earnings Per Share

Reported fourth quarter adjusted diluted earnings per share of \$1.81, was up 56 cents, or 45 percent, versus the prior year record. The 2013 and 2012 adjusted figures exclude after-tax charges totaling 3 cents and 2 cents per share, respectively, for acquisition-related costs.

Full year adjusted diluted per share results were up 29 percent versus the company's record 2012 performance. The 2013 results are 88 percent higher than 2010, representing a compounded annual growth rate of 24 percent. As noted

previously, this performance has been achieved despite challenging economic conditions and negative volumes in the European region, which represents one-third of the company's sales.

Performance Coatings

BMM (USD)	4Q13	4Q12	Chg	%	Year 2013	Year 2012	Chg	%
Net Sales	1,441	1,151	290	25%	5,872	4,752	1,120	24%
Earnings	179	177	2	1%	858	744	114	15%
Margin %	12.4%	15.4%	--	--	14.6%	15.7%	--	--

Selected Net Sales Detail	Total	Volume	Currency	Selected Net Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	25%	-3%	-1%	2013 Y-O-Y Change	24%	-4%	-1%

Fourth Quarter (Y-O-Y):

- Continued aerospace growth
- Refinish sales grew in all regions, led by strong emerging region growth
- Weak marine new-build activity continued, but market exhibited further signs of stabilizing growth in protective coatings
- N.A. architectural coatings:
 - Normal seasonality experienced (4Q is typically the slowest quarter of the year)
 - Acquisition added ~25% to segment net sales with limited earnings impact due to seasonality
- PPG volume trends by distribution channel generally consistent with previous quarters

1Q 2014 Outlook:

- Solid aerospace industry growth continues
- Modest refinish growth, including improved European demand and continued growth in emerging regions
- Marine new-build demand remains slightly negative versus earlier prior-year comparable
- N.A. architectural coatings industry market conditions remain positive; mid-single-digit percentage price increase implemented in PPG company-owned stores
- Architectural coatings acquisition update:
 - Final quarter for classification of acquisition-related impact (acquisition closed April 1, 2013)
 - First quarter typically slightly higher sales sequentially (vs. 4Q)
- Continued growth in acquisition synergies

Performance Coatings

Reviewing the reporting segment results for the fourth quarter, Performance Coatings net sales for the quarter were \$1.4 billion, up 25 percent versus the prior year. The net sales increase was primarily acquisition-related, stemming mainly from the North American architectural coatings business acquisition completed in April, 2013 and aided modestly by the Deft aerospace acquisition completed in May, 2013. Segment volumes, excluding acquisitions, reduced net sales by 3 percent and currency translation was a negative 1 percent, partly offset by higher pricing.

The businesses experienced normal seasonal trends resulting in the customary decline in segment results sequentially from the third to the fourth quarter. However, the sequential seasonal impact was much larger than in prior years due to the size and seasonal nature of the acquired North American architectural coatings business.

On a fourth quarter year-over-year basis, aerospace net sales continued to grow, aided by strong end-use market demand growth and continued adoption of PPG's technologies. Automotive refinish sales grew in all major regions of the world, including ongoing volume gains in emerging regions and a return to growth in Europe.

Excluding the positive acquisition-related impacts, North American architectural coatings net sales results were generally similar by channel with previous quarters, including company-owned store sales growth above 10 percent and lower sales in the national retail channel due to previously disclosed changes in products sold to a large retail customer. Protective coatings net sales grew, including sales synergies stemming from selling PPG protective coatings products through the acquired architectural stores, but these gains were more than offset by continued weakness in Asian marine new-build activity. Worth noting is the overall marine new-build market continues to exhibit signs of stabilizing, and our marine sales level has been fairly consistent for the past few quarters.

Fourth quarter earnings were \$179 million, up \$2 million year-over-year driven primarily by the net sales impacts, partly offset by higher growth-related expenses in aerospace and automotive refinish. The acquired architectural business had a minimal impact on fourth quarter earnings due to its lower seasonal sales pattern.

For the full-year 2013, segment net sales improved 24 percent, to \$5.9 billion, aided by acquisition-related sales. Higher net sales were realized in aerospace, automotive refinish and architectural coatings, partly offset by lower protective and marine sales. Full-year earnings grew to \$858 million, a 15 percent increase, primarily due to the earnings benefit from the higher sales, including acquisition-related earnings gains, and lower costs stemming from aggressive cost management and completed restructuring actions.

Looking ahead to the first quarter 2014, aerospace sales growth is expected to continue despite more difficult comparisons due to several consecutive years of solid growth. Global refinish sales growth is also anticipated as initial European demand recovery will supplement growth in emerging regions. Marine new-build demand is expected to remain weak, but less negative year-over-year in comparison with prior quarters due to an easier comparison period.

North American architectural coatings industry market conditions remain solid, and we expect growth in all three distribution channels. At the outset of 2014, PPG implemented mid-single-digit percentage price increases in company-owned stores. Normal architectural coatings seasonality is anticipated which would result in higher first quarter sales versus the recently completed fourth quarter. Also, the first quarter will be the final quarter that the sales and earnings of the acquired architectural coatings business will be classified as acquisition-related. First quarter results are expected to benefit from acquired-business sales and earnings, including an increased level of synergies versus prior quarters.

Industrial Coatings								
BMW (USD)	4Q13	4Q12	Chg	%	Year 2013	Year 2012	Chg	%
Net Sales	1,222	1,114	108	10%	4,045	4,379	466	11%
Earnings	174	144	30	21%	724	590	134	23%
Margin %	14.2%	12.9%	--	--	14.9%	13.5%	--	--
Select Net Sales Detail	Total	Volume	Currency		Select Net Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	10%	7%	0%		2013 Y-O-Y Change	11%	6%	0%

Fourth Quarter (Y-O-Y): <ul style="list-style-type: none"> ✓ PPG global automotive OEM volume growth exceeded 10 percent: <ul style="list-style-type: none"> ○ Comparable PPG growth achieved in all major regions led by Europe and N.A. ○ Continued to outpace global industry growth of ~3% ✓ Higher industrial business unit volumes with growth in most regions and European demand now flat with prior year ✓ Strong emerging region packaging coatings growth offset by lower volumes in Europe 	1Q, 2014 Outlook: <ul style="list-style-type: none"> ✓ Continued growth trend expected in PPG automotive OEM: <ul style="list-style-type: none"> ○ European auto OEM industry production forecasted to grow 4% to 5% Y-O-Y ○ Ongoing auto OEM industry growth in N.A. and China ○ Anticipate PPG will outpace industry ✓ Improved European general industrial demand versus weak 1Q'13 ✓ Continued solid but uneven emerging regions growth anticipated in all businesses
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Industrial Coatings

Industrial Coatings segment net sales for the fourth quarter were \$1.2 billion, up \$108 million in comparison with the prior year's quarter, resulting primarily from 7 percent volume growth. Acquisitions added another 3 percent to sales. Currency translation impacts were negligible to sales and earnings.

PPG's global automotive OEM business remained a strong growth driver, as volume growth accelerated to over 10 percent year-over-year, with growth rates generally comparable

across all major regions. Company results continued to outpace industry growth of about 3 percent in the quarter. For reference, regional quarterly and annual automotive OEM industry production comparisons are included in the appendix of the presentation materials.

The industrial coatings business unit achieved solid global growth, although regional differences remained. The largest and broadest end-use market gains were achieved in the United States, with similar Asian growth rates despite lower demand from the electronics end-use market. Demand in Europe stabilized, and volumes were flat year-over-year, which is a noticeable improvement versus prior quarters. Excellent packaging coatings growth was achieved in emerging regions offset by European weakness.

Fourth quarter segment earnings of \$174 million were up 21 percent year-over-year due to the higher sales volumes.

Full year segment net sales advanced to \$4.8 billion, up 11 percent, with higher volumes accounting for about one-half of the gain and acquisitions the other main contributor. Overall sales trends for the full year were generally similar each quarter, except segment volume trends improved gradually throughout the year in Europe. Full-year earnings of \$724 million grew \$134 million, or 23 percent, versus strong prior year results, aided by higher volumes and lower costs, including benefits stemming from completed restructuring actions.

Looking ahead to the first quarter of 2014, global growth in general industrial activity is expected to continue, including solid North American growth, ongoing growth in emerging regions and higher European demand. Similarly, global production growth rates in the automotive OEM industry are expected to be consistent with recent quarters, with forecasted improvements in all major regions. We expect above-market growth to continue for PPG's automotive OEM business.

Architectural Coatings EMEA										
\$MM (USD)	4Q13	4Q12	Chg	%	Year 2013	Year 2012	Chg	%		
Net Sales	466	465	1	0%	2,062	2,147	-85	-4%		
Earnings	22	9	13	144%	184	145	39	26%		
Depreciation & Amortization					105	115	-10	-9%		
EBITDA					289	260	29	11%		
EBITDA Margin					14.0%	12.1%	--	--		
Selected Net Sales Detail				Total	Volume	Currency	Selected Net Sales Detail			
4Q Y-O-Y Change				0%	-4%	3%	2013 Y-O-Y Change			
							-4%	-7%	2%	

Note: EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-GAAP financial metric and is utilized as a financial measurement in this segment due to the level of accelerated research amortization expense.

<p>Fourth Quarter (Y-O-Y):</p> <ul style="list-style-type: none"> ✓ Volumes remained negative, however improved trend in comparison with 1H'13 declines; Positive volumes achieved in a few regions/countries ✓ Normal seasonality (seasonally slowest quarter) ✓ Lower cost structure, including benefits from completed restructuring actions, offset negative impacts from lower volumes ✓ Currency translation contributed to net sales (+\$15MM) with no meaningful earnings impact 	<p>1Q, 2014 Outlook:</p> <ul style="list-style-type: none"> ✓ Slight increase sequentially (vs. 4Q'13) due to typical seasonal trends ✓ Overall market conditions likely to remain modestly negative Y-O-Y, with continued stability ✓ Reduced incremental benefit from 2012 restructuring program, as most actions were completed/in place in prior year period (1Q'13) ✓ Continuation of current exchange rates would result in modest net sales translation benefit Y-O-Y
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Architectural Coatings – EMEA

Architectural Coatings – EMEA (Europe, Middle East and Africa) segment net sales in the fourth quarter of \$466 million were up \$1 million. The fourth quarter is seasonally the slowest quarter of the year for segment sales. Volumes declined 4 percent year-over-year, as market demand remained weaker than prior year. However, the year-over-year volume trend matched the prior quarter and has improved versus the first half of 2013 when declines averaged about 10 percent. Market demand stabilized somewhat but remained mixed across the region, with improved

volumes realized in a few countries such as the United Kingdom, while others remained weak including portions of Eastern Europe. Currency translation aided year-over-year net sales by about 3 percent.

Fourth quarter segment earnings were \$22 million, up \$13 million, as strict cost management and benefits from PPG's restructuring actions offset the negative volume impact.

Full-year segment net sales declined 4 percent, or \$85 million, on 7 percent lower volumes partly offset by favorable currency translation. Despite the lower net sales, full-year segment earnings increased by \$39 million, to \$184 million, reflecting the benefit from lower costs.

Looking ahead, year-over-year earnings results for 2013 were greatly aided by cost savings stemming from restructuring actions that are already completed. Accordingly, 2014 results will be more dependent on the pace of regional volume demand. Normal seasonal architectural coatings sales improvement is anticipated in the first quarter sequentially. Overall year-over-year market conditions are anticipated to remain mixed and slightly negative, with further regional demand stability expected to occur. Based on current exchange rates, currency translation will aid first quarter net sales but remain inconsequential to earnings.

Optical and Specialty Materials										
MM (USD)	4Q13	4Q12	Chg	%	Year 2013	Year 2012	Chg	%		
Net Sales	309	272	37	14%	1,262	1,202	60	5%		
Earnings	85	68	17	25%	368	348	20	6%		
Margin %	27.4%	25.0%	--	--	29.2%	29.0%	--	--		
Selected Net Sales Detail				Total	Volume	Currency	Selected Net Sales Detail			
4Q Y-o-Y Change				14%	12%	0%	2013 Y-o-Y Change			
				5%	3%	0%				
Fourth Quarter (Y-Q-Y):					1Q, 2014 Outlook:					
<ul style="list-style-type: none"> ✓ Improved optical volumes: <ul style="list-style-type: none"> ○ Transitions' end-market demand growth particularly in North America and emerging regions ○ PPG outpaced industry growth aided by customer inventory build for 2014 Transitions' new product launch in N.A. and other regions ✓ Slightly higher selling costs to support higher demand and product launch ✓ Higher silica demand despite lower European volumes 					<ul style="list-style-type: none"> ✓ Seasonally higher demand (vs. 4Q) in both businesses ✓ Transitions' new product launch update: <ul style="list-style-type: none"> ○ Product launched in Europe in prior year (1Q'13); North America launched in January, 2014 ○ Modest increase in selling costs to support new product launch (only impacts 1H'14) ✓ Solid silica market demand remains 					

Optical and Specialty Materials

Fourth quarter sales for the Optical and Specialty Materials segment were \$309 million, up \$37 million, or 14 percent, on solid volume growth in optical products and silicas.

Volumes improved due to higher global Transitions® demand coupled with strong customer inventory build in anticipation of the January, 2014 new product launch of Generation VII Transitions® lenses in North America.

Silica volumes improved in the U.S., which outpaced a slight European decline in

comparison to strong prior year growth in that region.

Segment earnings in the quarter grew to \$85 million, up 25 percent, on the benefit of the volume gains partly offset by slightly higher selling costs to support the higher demand and product launch.

Full-year segment sales of \$1.3 billion increased 5 percent, and full-year earnings grew by \$20 million, to \$368 million, primarily due to higher volumes.

Looking ahead, optical demand is typically better seasonally during the first quarter. The new Transitions® product was launched last year in Europe, and is now available commercially in North America. The new product will be launched in the major emerging regions throughout the first half of the year. The first quarter will likely include modestly higher selling costs, including support for the product launch. Silica demand growth is expected to continue.

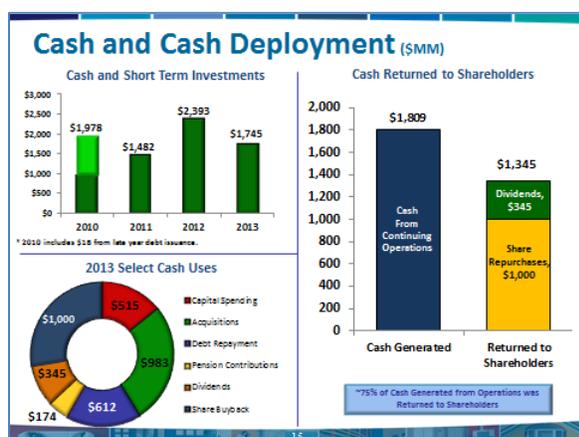
Glass										
MM (USD)	4Q13	4Q12	Chg	%	Year 2013	Year 2012	Chg	%		
Net Sales	264	241	23	10%	1,067	1,032	35	3%		
Earnings	22	8	14	175%	56	63	-7	-11%		
Margin %	8.3%	3.3%	--	--	5.2%	6.1%	--	--		
Selected Net Sales Detail				Total	Volume	Currency	Selected Net Sales Detail			
4Q Y-o-Y Change				10%	8%	0%	2013 Y-o-Y Change			
				3%	2%	0%				
Fourth Quarter (Y-Q-Y):					1Q, 2014 Outlook:					
<ul style="list-style-type: none"> ✓ Volume growth in both businesses: <ul style="list-style-type: none"> ○ Flat glass—higher non-residential (commercial) construction demand ○ Fiber glass—growth in both U.S. and Europe versus weak prior year ✓ Improved flat glass pricing coupled with manufacturing cost improvements and increased facility utilization ✓ Cost inflation including logistics/freight and higher natural gas cost 					<ul style="list-style-type: none"> ✓ Improving demand in both businesses <ul style="list-style-type: none"> ○ Non-residential—flat glass ○ Global demand—fiber glass ✓ Increased pricing announced in N.A. flat glass varied based on product and end-use market ✓ Large scheduled flat glass tank repair/maintenance project will negatively impact first quarter earnings by ~\$10MM (only impacts 1Q'14) ✓ Higher natural gas cost based on current market price 					

Glass

Fourth-quarter net sales for the Glass segment were \$264 million, up \$23 million versus fourth quarter 2012. Volumes improved 8 percent, aided by increased North American commercial construction-related flat glass demand and higher global fiber glass demand versus a weak prior year comparable. Currency translation impacts were minimal. Earnings in the quarter grew to \$22 million, up \$14 million, as the improved net sales impact was coupled with manufacturing cost improvements.

Full-year net sales were \$1.1 billion, up 3 percent on higher fiber glass volumes. Full-year earnings of \$56 million declined \$7 million, as the rising costs of logistics and natural gas and lower equity earnings more than offset the positive sales impacts and lower manufacturing and administrative costs.

Looking ahead to the first quarter 2014, market demand for fiber glass and flat glass is expected to improve versus weak prior year results. Flat glass price increases have been announced and are being implemented. A large scheduled flat glass tank repair and maintenance project is underway, with an anticipated first quarter negative earnings impact of about \$10 million, with no impact expected in future quarters. Also, natural gas and transportation costs are expected to be higher year-over-year, based on current market pricing.



Cash and Cash Deployment

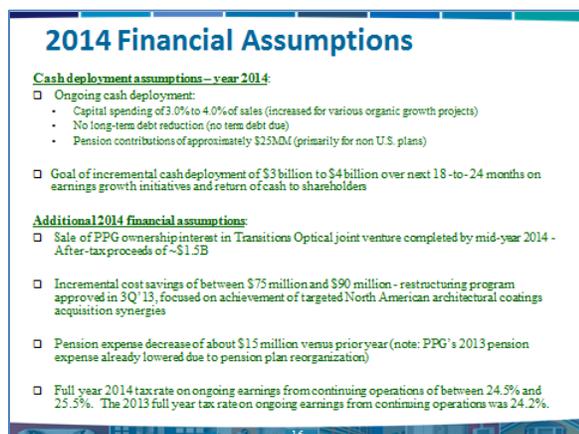
PPG ended 2013 with \$1.75 billion in cash and short-term investments. Full year 2013 cash generation from continuing operations was \$1.8 billion, an increase of 15 percent versus the prior year. Cash and short-term investments as of year-end 2012 were \$2.4 billion.

Uses of cash during 2013 were as follows:

- Capital expenditures were about \$515 million for the year, or 3.4 percent of sales. Anticipated 2014 capital spending is in the range of 3.0 -to- 4.0 percent of sales.
- Acquisition cash spending for the year totaled about \$1.0 billion, including the North American architectural coatings acquisition and the Deft aerospace business.
- PPG repaid about \$600 million of long-term debt which matured toward the end of the first quarter, 2013. There is no long-term debt maturing in 2014.
- Pension contributions for the year were about \$175 million and were primarily voluntary. The company anticipates 2014 pension contributions of about \$25 million.
- Dividends paid for the year were \$345 million, including an increase in the per-share dividend to 61 cents in April, 2013. PPG has increased its annual dividend payout for 42 consecutive years.
- PPG stock repurchases totaled \$1.0 billion for the year, or about 5.7 million shares. The company still has about 2.2 million shares remaining under its current share repurchase authorization.

Overall cash deployment remained consistent with our prior ten year average, with about 55 percent, or \$1.5 billion, of cash deployed to grow the businesses via capital spending and acquisitions, and about 45 percent, or \$1.35 billion, returned to shareholders through dividends and share repurchases.

Over the next 18-to-24 months, the company anticipates deploying between \$3.0 billion and \$4.0 billion of cash in a disciplined manner on incremental earnings growth initiatives and return of cash to shareholders.



2014 Financial Assumptions

A recap is included of the cash deployment assumptions that were previously provided. In addition, the company is providing several additional financial assumptions for 2014:

- The company anticipates the sale of PPG's ownership interest in the Transitions Optical joint venture will be completed by mid-year 2014. The company will continue to report the joint venture's results of operation as continuing operations until all transaction regulatory approvals are received. As

previously communicated, the transaction will result in after-tax proceeds for PPG of about \$1.5 billion.

- Targeted acquisition-related cost synergy achievement in 2013 for the North American architectural coatings acquisition was slightly ahead of schedule. Actions are underway from an approved third quarter 2013 restructuring program focused on achieving the remainder of the targeted synergies, with expected 2014 incremental cost savings of \$75 million -to- \$90 million.
- Initial pension expense projections for 2014 are for a \$15 million reduction versus 2013. As reported in PPG's third quarter 2013 earnings release, PPG's pension expense for 2013 was reduced due to a reorganization of certain company pension plans which occurred as a part of the completed separation activities of the former commodity chemicals business.
- PPG full year 2014 tax rate on ongoing earnings from continuing operations is expected to be between 24.5 percent and 25.5 percent. This compares with a 2013 full year figure of 24.2 percent.

Summary
<p>Fourth Quarter Financial Results:</p> <ul style="list-style-type: none"> • Record earnings per share up 45 percent • Improving volume trend; European coatings volumes stabilizing (flat year-over-year) • Strong segment earnings growth continues: <ul style="list-style-type: none"> ▶ Continued benefit from aggressive cost management and 2012 restructuring program ▶ Higher earnings in each major geography <p>Other Notable Items:</p> <ul style="list-style-type: none"> • Several strategic actions announced/completed • Synergy capture for the N.A. architectural coatings acquisition remains ahead of target • Restructuring program (approved in 3Q'13) actions underway to capture remaining acquisition synergies <p>Strong Balance Sheet Remains:</p> <ul style="list-style-type: none"> • Improved operating working capital metrics • Cash generation of \$1.8 billion for 2013, up 15 percent versus prior year • Share repurchase total of \$1.0 billion for 2013 • Cash and short-term investments of \$1.75 billion at year-end

Summary

In conclusion, record fourth quarter financial performance caps off one of the most successful years in the company's history, both financially and strategically. Fourth quarter earnings increased 45 percent versus the previous year, with higher earnings in each region. The quarterly improvement marks 14 consecutive quarters of record adjusted earnings, illustrating the benefits of the company's strong coatings portfolio, broad global footprint, prudent cash deployment and measurable results from the strategic initiatives.

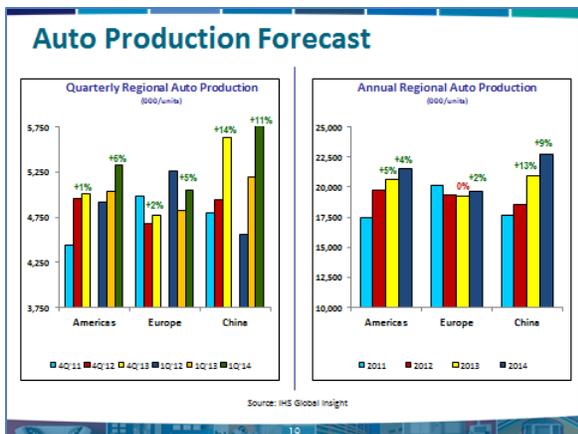
Fourth quarter results were aided by higher earnings from continuing operating and cost discipline, combined with a higher level of organic sales growth. Fourth quarter volume growth was 2 percent, an improvement versus recent quarters, as the company continued to outpace industry growth in aerospace and automotive OEM. Also, European demand continued to stabilize with year-over-year PPG coatings volumes in that region flat in the quarter following 9 consecutive quarters of decline.

Throughout the year, the company announced several considerable strategic actions to shift to a more consistent and higher growth business portfolio. This includes the completion of the commodity chemical business separation in January, 2013, and the pending agreement, announced in July 2013, to sell PPG's ownership interest in the Transitions Optical joint venture.

Additionally, the North American architectural coatings acquisition closed in April, 2013. The acquired business added approximately \$1.2 billion in partial year sales and achieved a mid-single digit earnings return on sales percentage, as acquisition-related costs synergy achievement was slightly ahead of target for the year. A restructuring program was approved in the third quarter of 2013, focused on achieving the remaining cost synergies with actions underway.

Full year 2013 adjusted earnings per share were an all-time record, as the company fully replaced the earnings from the separated commodity chemical business. Continued strong operating performance and earnings growth from cash deployment were main contributors to the year-over-year earnings growth.

During 2013, strong cash generation continued, with cash from operations improving to \$1.8 billion, up 15 percent versus the prior year and aided by improved operating working capital efficiency for the company. The company maintained a balanced use of cash with cash deployment of \$1.5 billion on acquisitions and capital spending focused on growing the company and \$1.35 billion in dividends and stock repurchases. The company maintained strong financial flexibility ending the year with a solid balance sheet, including cash and short-term investments of \$1.75 billion.



Adjusted EPS Reconciliation

4th Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPO	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Year 2013						
Net Income(Loss) Attributable to PPO as Reported	\$ 254	\$ 1.79	\$ -	\$ -	\$ 254	\$ 1.79
Acquisition-related costs	4	0.03	-	-	4	0.03
Adjusted Net Income(Loss) Attributable to PPO	\$ 258	\$ 1.82	\$ -	\$ -	\$ 258	\$ 1.82
Year 2012						
Net Income(Loss) Attributable to PPO as Reported	\$ 191	\$ 1.23	\$ 36	\$ 0.23	\$ 227	\$ 1.46
Business separation costs	-	-	\$ 0.03	-	\$ 0.03	-
Acquisition-related costs	4	0.03	-	-	4	0.03
Adjusted Net Income(Loss) Attributable to PPO	\$ 194	\$ 1.26	\$ 44	\$ 0.23	\$ 238	\$ 1.53
Year 2011						
Net Income(Loss) Attributable to PPO as Reported	\$ 172	\$ 1.16	\$ 30	\$ 0.20	\$ 202	\$ 1.36
No adjustments	-	-	-	-	-	-
Adjusted Net Income(Loss) Attributable to PPO	\$ 172	\$ 1.16	\$ 30	\$ 0.20	\$ 202	\$ 1.36
Year 2010						
Net Income(Loss) Attributable to PPO as Reported	\$ 157	\$ 0.99	\$ 48	\$ 0.29	\$ 205	\$ 1.28
No adjustments	-	-	-	-	-	-
Adjusted Net Income(Loss) Attributable to PPO	\$ 157	\$ 0.99	\$ 48	\$ 0.29	\$ 205	\$ 1.28

Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation

3rd Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPO	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Year 2013						
Net Income(Loss) Attributable to PPO as Reported	\$ 240	\$ 1.69	\$ -	\$ 0.04	\$ 240	\$ 1.69
Business restructuring	73	0.52	-	-	73	0.52
Increase in legacy environmental reserves	55	0.39	-	-	55	0.39
Acquisition-related costs	4	0.03	-	-	4	0.03
Adjusted Net Income(Loss) Attributable to PPO	\$ 372	\$ 2.63	\$ 0.04	\$ -	\$ 376	\$ 2.66
Year 2012						
Net Income(Loss) Attributable to PPO as Reported	\$ 233	\$ 1.58	\$ 81	\$ 0.30	\$ 314	\$ 2.18
Business separation costs	-	-	\$ 0.06	-	\$ 0.06	-
Adjusted Net Income(Loss) Attributable to PPO	\$ 233	\$ 1.58	\$ 80	\$ 0.30	\$ 313	\$ 2.18
Year 2011 (no adjustments)						
Net Income(Loss) Attributable to PPO as Reported	\$ 247	\$ 1.59	\$ 64	\$ 0.40	\$ 311	\$ 1.99
Year 2010 (no adjustments)						
Net Income(Loss) Attributable to PPO as Reported	\$ 222	\$ 1.34	\$ 40	\$ 0.24	\$ 262	\$ 1.58

Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation

2nd Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPO	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Year 2013						
Net Income(Loss) Attributable to PPO as Reported	\$ 341	\$ 2.36	\$ -	\$ -	\$ 341	\$ 2.36
Acquisition-related costs	15	0.10	-	-	15	0.10
Adjusted Net Income(Loss) Attributable to PPO	\$ 356	\$ 2.46	\$ -	\$ -	\$ 356	\$ 2.46
Year 2012						
Net Income(Loss) Attributable to PPO as Reported	\$ 297	\$ 1.92	\$ 65	\$ 0.42	\$ 362	\$ 2.34
Business separation costs	-	-	\$ 0.02	-	\$ 0.02	-
Adjusted Net Income(Loss) Attributable to PPO	\$ 297	\$ 1.92	\$ 67	\$ 0.44	\$ 364	\$ 2.38
Year 2011						
Net Income(Loss) Attributable to PPO as Reported	\$ 266	\$ 1.86	\$ 74	\$ 0.46	\$ 340	\$ 2.12
No adjustments	-	-	-	-	-	-
Adjusted Net Income(Loss) Attributable to PPO	\$ 266	\$ 1.86	\$ 74	\$ 0.46	\$ 340	\$ 2.12
Year 2010						
Net Income(Loss) Attributable to PPO as Reported	\$ 227	\$ 1.42	\$ 35	\$ 0.21	\$ 262	\$ 1.63
No adjustments	-	-	-	-	-	-
Adjusted Net Income(Loss) Attributable to PPO	\$ 227	\$ 1.42	\$ 35	\$ 0.21	\$ 262	\$ 1.63

Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation

1st Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPO	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Year 2013						
Net Income(Loss) Attributable to PPO as Reported	\$ 210	\$ 1.48	\$ 2,191	\$ 14.83	\$ 2,401	\$ 16.31
Legacy provision and environmental costs	21	0.14	-	-	21	0.14
Acquisition-related costs	5	0.03	-	-	5	0.03
U.S. tax law change enacted in 2013	(10)	(0.07)	-	-	(10)	(0.07)
Adjusted Net Income(Loss) Attributable to PPO	\$ 226	\$ 1.58	\$ 2,191	\$ 14.83	\$ 2,417	\$ 16.41
Year 2012						
Net Income(Loss) Attributable to PPO as Reported	\$ (50)	\$ (0.32)	\$ 83	\$ 0.40	\$ 33	\$ 0.08
Business restructuring	182	1.06	-	-	182	1.06
Environmental remediation costs	99	0.64	-	-	99	0.64
Acquisition-related costs	4	0.03	-	-	4	0.03
Adjusted Net Income(Loss) Attributable to PPO	\$ 235	\$ 1.41	\$ 83	\$ 0.40	\$ 318	\$ 1.81
Year 2011						
Net Income(Loss) Attributable to PPO as Reported	\$ 167	\$ 1.03	\$ 41	\$ 0.27	\$ 208	\$ 1.40
No adjustments	-	-	-	-	-	-
Adjusted Net Income(Loss) Attributable to PPO	\$ 167	\$ 1.03	\$ 41	\$ 0.27	\$ 208	\$ 1.40
Year 2010						
Net Income(Loss) Attributable to PPO as Reported	\$ 40	\$ 0.25	\$ (2)	\$ (0.01)	\$ 38	\$ 0.24
Change in U.S. Tax Law	15	0.10	12	0.07	27	0.17
Adjusted Net Income(Loss) Attributable to PPO	\$ 55	\$ 0.35	\$ 10	\$ 0.06	\$ 65	\$ 0.41

Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation

Full Year

	Continuing Operations		Discontinued Operations		Total PPO	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Year 2013						
Adjusted Net Income(Loss) Attributable to PPO						
First Quarter	\$ 226	\$ 1.58	\$ 2,191	\$ 14.83	\$ 2,417	\$ 16.41
Second Quarter	356	2.46	-	-	356	2.46
Third Quarter	353	2.44	\$ 0.04	\$ -	359	2.48
Fourth Quarter	258	1.81	-	-	258	1.81
Adjusted Net Income(Loss) Attributable to PPO	\$1,202	\$ 8.23	\$ 2,197	\$ 15.14 (a)	\$ 3,399	\$ 23.42 (a)
Year 2012						
Adjusted Net Income(Loss) Attributable to PPO						
First Quarter	\$ 235	\$ 1.41	\$ 83	\$ 0.40	\$ 318	\$ 1.81
Second Quarter	297	1.92	\$ 0.04	\$ -	301	2.06
Third Quarter	266	1.86	\$ 0.38	\$ 0.24	304	2.14
Fourth Quarter	194	1.25	44	0.23	238	1.53
Adjusted Net Income(Loss) Attributable to PPO	\$ 992	\$ 6.44	\$ 235	\$ 1.50	\$ 1,227	\$ 7.94

(a) The sum of the quarters does not equal the total for 2013 due to the reduction of approximately 11 million shares related to PPO's separation of the commodity chemical business.

Refer to individual quarterly reconciliations for adjustment details
Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation

Full Year

	Continuing Operations		Discontinued Operations		Total PPO	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Year 2021						
Adjusted Net Income(Loss) Attributable to PPO						
First Quarter	\$ 167	\$ 1.03	\$ 61	\$ 0.37	\$ 228	\$ 1.40
Second Quarter	268	1.66	74	0.46	340	2.12
Third Quarter	247	1.56	84	0.49	331	1.96
Fourth Quarter	172	1.15	38	0.24	210	1.39
Adjusted Net Income(Loss) Attributable to PPO	\$ 854	\$ 5.40	\$ 257	\$ 1.47	\$ 1,098	\$ 6.07
Year 2020						
Adjusted Net Income(Loss) Attributable to PPO						
First Quarter	\$ 116	\$ 0.69	\$ -	\$ -	\$ 116	\$ 0.69
Second Quarter	227	1.42	36	0.21	272	1.63
Third Quarter	222	1.34	40	0.24	262	1.58
Fourth Quarter	187	0.95	48	0.29	235	1.24
Adjusted Net Income(Loss) Attributable to PPO	\$ 752	\$ 4.40	\$ 124	\$ 0.74	\$ 854	\$ 5.14

*for to individual quarterly reconciliations for adjustment details
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, PPG's ability to integrate the North American architectural coatings business of AkzoNobel and to achieve anticipated synergies, 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. This presentation also contains statements about PPG's agreement to divest its Transitions Optical joint venture interest. Many factors could cause actual results to differ materially from the company's forward-looking statements with respect to the Transitions Optical joint venture divestment, including, the parties' ability to satisfy the conditions to the closing the transaction; the parties' ability to complete the transaction on anticipated terms and schedule, risks relating to the ability of the parties to obtain regulatory approvals for the transaction, any unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses and future prospects of the Transitions Optical business. However, it is not possible to predict or identify all such factors. Consequently, while the list of factors presented here and in PPG's 2012 Form 10-K 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 January 16, 2014, 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.