
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

**QUARTERLY REPORT UNDER SECTION 13 or 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For Quarter Ended March 31, 2014

Commission File Number 1-1687

PPG INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of
incorporation or organization)

25-0730780

(I.R.S. Employer
Identification No.)

One PPG Place, Pittsburgh, Pennsylvania

(Address of principal executive offices)

15272

(Zip Code)

(412) 434-3131

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of March 31, 2014, 138,260,149 shares of the Registrant's common stock, par value \$1.66-2/3 per share, were outstanding.

[Table of Contents](#)

PPG INDUSTRIES, INC. AND SUBSIDIARIES

INDEX

	PAGE(S)
Part I. Financial Information	
Item 1.	Financial Statements (Unaudited):
	Condensed Consolidated Statement of Income 2
	Condensed Consolidated Statement of Comprehensive Income 3
	Condensed Consolidated Balance Sheet 4
	Condensed Consolidated Statement of Cash Flows 5
	Notes to Condensed Consolidated Financial Statements 6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations 32
Item 3.	Quantitative and Qualitative Disclosures About Market Risk 38
Item 4.	Controls and Procedures 38
Part II. Other Information	
Item 1.	Legal Proceedings 39
Item 1A.	Risk Factors 39
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds 39
Item 6.	Exhibits 40
Signature	41

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PPG INDUSTRIES, INC. AND SUBSIDIARIES

Condensed Consolidated Statement of Income (Unaudited)

(\$ in millions, except per share amounts)

	Three Months Ended March 31	
	2014	2013
Net sales	\$ 3,636	\$ 3,108
Cost of sales, exclusive of depreciation and amortization	2,091	1,862
Selling, general and administrative	900	746
Depreciation	89	75
Amortization	30	26
Research and development, net	120	109
Interest expense	47	53
Interest income	(12)	(10)
Asbestos settlement – net	3	3
Other charges	21	25
Other income	(25)	(22)
Income before income taxes	372	241
Income tax expense	89	44
Income from continuing operations	283	197
Income from discontinued operations, net of tax	1,018	2,248
Net income attributable to the controlling and noncontrolling interests	1,301	2,445
Less: Net income attributable to noncontrolling interests	(39)	(35)
Net income (attributable to PPG)	<u>\$ 1,262</u>	<u>\$ 2,410</u>
Amounts attributable to PPG:		
Income from continuing operations, net of tax	\$ 277	\$ 191
Income from discontinued operations, net of tax	985	2,219
Net income (attributable to PPG)	<u>\$ 1,262</u>	<u>\$ 2,410</u>
Earnings per common share:		
Income from continuing operations, net of tax	\$ 1.99	\$ 1.31
Income from discontinued operations, net of tax	7.08	15.18
Net income (attributable to PPG)	<u>\$ 9.07</u>	<u>\$ 16.49</u>
Earnings per common share – assuming dilution:		
Income from continuing operations, net of tax	\$ 1.97	\$ 1.29
Income from discontinued operations, net of tax	7.00	15.02
Net income (attributable to PPG)	<u>\$ 8.97</u>	<u>\$ 16.31</u>
Dividends per common share	<u>\$ 0.61</u>	<u>\$ 0.59</u>

The accompanying notes to the condensed consolidated financial statements are an integral part of this condensed consolidated statement.

[Table of Contents](#)**PPG INDUSTRIES, INC. AND SUBSIDIARIES****Condensed Consolidated Statement of Comprehensive Income (Unaudited)**

(\$ in millions)

	Three Months Ended March 31	
	2014	2013
Net income attributable to the controlling and noncontrolling interests	\$ 1,301	\$ 2,445
Other comprehensive income, net of tax:		
Defined benefit pension and other postretirement benefits	11	181
Unrealized foreign currency translation adjustment	17	(131)
Net change – derivative financial instruments	3	5
Other comprehensive income, net of tax	\$ 31	\$ 55
Total comprehensive income	1,332	2,500
Less: amounts attributable to noncontrolling interests:		
Net income	(39)	(35)
Unrealized foreign currency translation adjustment	(1)	3
Comprehensive income attributable to PPG	\$ 1,292	\$ 2,468

The accompanying notes to the condensed consolidated financial statements are an integral part of this condensed consolidated statement.

[Table of Contents](#)

PPG INDUSTRIES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheet (Unaudited)
(\$ in millions)

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,559	\$ 1,116
Short-term investments	480	629
Receivables (less allowance for doubtful accounts of \$73 and \$74)	3,016	2,736
Inventories	1,929	1,824
Deferred income taxes	433	425
Other	471	484
Total current assets	8,888	7,214
Property, plant and equipment (net of accumulated depreciation of \$4,696 and \$4,805)	2,724	2,876
Goodwill	2,969	3,008
Identifiable intangible assets, net	1,326	1,339
Deferred income taxes	270	491
Investments	380	393
Other assets	560	542
Total	\$ 17,117	\$ 15,863
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,712	\$ 3,265
Asbestos settlement	769	763
Restructuring reserves	66	73
Short-term debt and current portion of long-term debt	19	34
Total current liabilities	4,566	4,135
Long-term debt	3,373	3,372
Accrued pensions	718	728
Other postretirement benefits	1,006	1,007
Asbestos settlement	249	245
Deferred income taxes	281	249
Other liabilities	835	929
Total liabilities	11,028	10,665
Commitments and contingent liabilities (Note 16)		
Shareholders' equity:		
Common stock	484	484
Additional paid-in capital	989	953
Retained earnings	13,934	12,757
Treasury stock, at cost	(8,185)	(8,002)
Accumulated other comprehensive loss	(1,230)	(1,260)
Total PPG shareholders' equity	5,992	4,932
Noncontrolling interests	97	266
Total shareholders' equity	6,089	5,198
Total	\$ 17,117	\$ 15,863

The accompanying notes to the condensed consolidated financial statements are an integral part of this condensed consolidated statement.

[Table of Contents](#)

PPG INDUSTRIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statement of Cash Flows (Unaudited)
(\$ in millions)

	Three Months Ended March 31	
	2014	2013
Operating activities:		
Net income attributable to controlling and noncontrolling interests	\$ 1,301	\$ 2,445
Less: Income from discontinued operations	(1,018)	(2,248)
Income from continuing operations	283	197
Adjustments to reconcile to cash from operations:		
Depreciation and amortization	119	101
Pension expense	18	31
Environmental remediation charge	—	12
Canadian pension settlement charge	—	18
Stock-based compensation expense	18	15
Equity affiliate losses, net of dividends	7	6
Deferred income taxes	(1)	(66)
Cash contributions to pension plans	(5)	(15)
Restructuring cash spending	(20)	(22)
Change in certain asset and liability accounts (net of acquisitions):		
Receivables	(363)	(273)
Inventories	(178)	(109)
Other current assets	(33)	(33)
Accounts payable and accrued liabilities	235	(39)
Noncurrent assets	(24)	(45)
Noncurrent liabilities	(29)	14
Taxes and interest payable	91	74
Other	12	2
Cash from (used for) operating activities - continuing operations	130	(132)
Cash from operating activities - discontinued operations	33	43
Cash from (used for) operating activities	163	(89)
Investing activities:		
Capital expenditures	(103)	(63)
Business acquisitions, net of cash balances acquired	(22)	—
Proceeds from separation and merger of commodity chemicals business, net	—	940
Proceeds from the disposition of PPG's interest in the Transitions Optical joint venture and sunlens businesses (proceeds of \$1,735, net of \$110 cash divested)	1,625	—
Proceeds from maturity of short-term investments	250	987
Purchase of short-term investments	(132)	(225)
Payments on cross currency swap contracts	(45)	(42)
Proceeds from cross currency swap contracts	19	19
Other	4	—
Cash from investing activities - continuing operations	1,596	1,616
Cash used for investing activities - discontinued operations	(1)	(2)
Cash from investing activities	1,595	1,614
Financing activities:		
Net change in borrowing with maturities of three months or less	(10)	6
Proceeds from the issuance of debt	2	—
Repayment of debt	(2)	(600)
Settlement of forward starting swaps	—	(1)
Purchase of treasury stock	(200)	(140)
Issuance of treasury stock	35	32
Dividends paid on PPG common stock	(85)	(84)
Other	(3)	4
Cash used for financing activities - continuing operations	(263)	(783)
Cash used for financing activities - discontinued operations	(40)	(17)

Cash used for financing activities	(303)	(800)
Effect of currency exchange rate changes on cash and cash equivalents	(12)	(10)
Net increase in cash and cash equivalents	1,443	715
Cash and cash equivalents, beginning of period	1,116	1,306
Cash and cash equivalents, end of period	\$ 2,559	\$ 2,021
Supplemental disclosures of cash flow information:		
Interest paid, net of amount capitalized	\$ 53	\$ 66
Taxes paid, net of refunds	\$ 59	\$ 57

The accompanying notes to the condensed consolidated financial statements are an integral part of this condensed consolidated statement.

PPG INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation

The condensed consolidated financial statements included herein are unaudited and have been prepared following the requirements of the Securities and Exchange Commission and accounting principles generally accepted in the United States of America for interim reporting. Under these rules, certain footnotes and other financial information that are normally required for annual financial statements can be condensed or omitted. These statements include all adjustments, consisting only of normal, recurring adjustments, necessary for a fair presentation of the financial position of PPG Industries, Inc. and its subsidiaries (the "Company" or "PPG") as of March 31, 2014, and the results of their operations for the three months ended March 31, 2014 and 2013 and their cash flows for the three months then ended. All intercompany balances and transactions have been eliminated. Material subsequent events are evaluated through the report issuance date and disclosed where applicable. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in PPG's Annual Report on Form 10-K for the year ended December 31, 2013.

Revenues, expenses, assets and liabilities can vary during each quarter of the year. Accordingly, the results of operations for the three months ended March 31, 2014 and the trends in these unaudited condensed consolidated financial statements may not necessarily be indicative of the results to be expected for the full year.

On March 31, 2014, PPG completed the sale to Essilor International (Compagnie Generale D'Optique) SA ("Essilor") of its 51% ownership interest in its Transitions Optical joint venture and 100% of its wholly-owned sunlens business. Essilor held a 49% interest in the venture. The Company concluded that the accounting requirements for reporting the results of operations and cash flows of these divested businesses as discontinued operations were met when all regulatory approvals were completed in March 2014. The accompanying condensed consolidated statements of income and cash flows for the three months ended March 31, 2013 and the amounts in these notes to the condensed consolidated financial statements related to 2013 have been recast to reflect the presentation of the results of operations and cash flows of the former Transitions Optical and sunlens businesses as discontinued operations. Refer to Note 4, "Discontinued Operations", for additional information regarding this transaction.

Certain prior period amounts have been reclassified to conform to the current period presentation, including the information presented for our reportable segments (See Note 17). These reclassifications had no impact on our previously reported net income, total assets, cash flows or shareholders' equity.

2. New Accounting Standards

On April 10, 2014, the Financial Accounting Standards Board (the "FASB") issued an Accounting Standards Update ("ASU") that changes the criteria for determining which disposals can be presented as discontinued operations and modifies related disclosure requirements. Under the new guidance, a discontinued operation is defined as a disposal of a component or group of components that is disposed of or is classified as held for sale and represents a strategic shift that has or will have a major effect on an entity's operations and financial results. The new standard is effective in annual periods beginning on or after December 15, 2014 with early adoption permitted. The guidance applies prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. Upon adoption of the ASU, PPG will assess discontinued operations using the new criteria and may have to provide expanded disclosure for disposals; however, this ASU will not affect PPG's consolidated financial position, results of operations or cash flows.

On July 18, 2013, the FASB issued an ASU that changes how certain unrecognized tax benefits are to be presented on the consolidated balance sheet. This ASU clarified existing guidance to require that an unrecognized tax benefit or a portion thereof be presented in the consolidated balance sheet as a reduction to a deferred tax asset for a net operating loss ("NOL") carryforward, similar tax loss, or a tax credit carryforward except when an NOL carryforward, similar tax loss, or tax credit carryforward is not available under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position. In such a case, the unrecognized tax benefit would be presented in the consolidated balance sheet as a liability. PPG adopted this standard in the first quarter of 2014 and it did not have a significant effect on PPG's consolidated financial position, results of operations or cash flows.

[Table of Contents](#)

3. Acquisitions

On March 3, 2014, PPG completed the acquisition of substantially all of the assets of Hi-Temp Coatings Technology Co., Inc., a privately-owned supplier of high-temperature-resistant and insulative coatings, based in Boxborough, Massachusetts. The acquisition enhances the product portfolio of PPG's protective and marine coatings business, adding coatings that withstand extreme temperatures to protect both carbon steel and stainless steel substrates. The coatings are used widely in refineries, petrochemical plants, pulp and paper mills, and power plants. The purchase price of this acquisition, and the fair value of the assets and liabilities acquired, were not significant.

On April 1, 2013, PPG finalized the acquisition of the North American architectural coatings business of Akzo Nobel N.V., Amsterdam, the Netherlands ("North American architectural coatings acquisition") for \$954 million, net of cash acquired of \$14 million, and including a working capital adjustment. The acquisition further extends PPG's architectural coatings business in the United States, Canada and the Caribbean. With this acquisition, PPG has expanded its reach in all three major North American architectural coatings distribution channels, including home centers, independent paint dealers and company-owned paint stores. Since April 1, 2013, the results of this acquired business have been included in the results of the architectural coatings - Americas and Asia Pacific operating segment, within the Performance Coatings reportable segment. Net sales reported by PPG from the date of acquisition from this acquired business were approximately \$1.2 billion for the year ended December 31, 2013 and approximately \$350 million for the three month period ended March 31, 2014. Income from this acquisition was in the mid single digit percentage return on sales for the first quarter 2014.

The following table summarizes the fair value of assets acquired and liabilities assumed as reflected in the purchase price allocation for the North American architectural coatings acquisition.

(\$ in millions)	
Current assets	\$ 558
Property, plant, and equipment	184
Trademarks with indefinite lives	174
Identifiable intangible assets with finite lives	196
Goodwill	228
Other non-current assets	49
Total assets	\$ 1,389
Current liabilities	(322)
Accrued pensions	(29)
Other post-retirement benefits	(40)
Other long-term liabilities	(44)
Total liabilities	\$ (435)
Total purchase price, net of cash acquired	\$ 954

The following information reflects the net sales of PPG for the three months ended March 31, 2013 on a pro forma basis as if the North American architectural coatings acquisition had been completed on January 1, 2013.

Condensed Consolidated Pro Forma information (unaudited)

(\$ in millions)	Three months ended
	March 31, 2013
Net sales	\$3,480

The pro forma impact on PPG's results of operations, including the pro forma effect of events that are directly attributable to the acquisition, was not significant. While calculating this impact, no cost savings or operating synergies that may result from the acquisition were included.

[Table of Contents](#)

4. Discontinued Operations

On March 31, 2014, the Company completed the sale of its 51% ownership interest in its Transitions Optical joint venture and 100% of its optical sunlens business to Essilor. PPG received cash at closing of \$1.735 billion pre-tax or approximately \$1.5 billion after-tax. The cash consideration is subject to certain post-closing adjustments and transaction costs. The sale of these businesses, which were previously reported in the former Optical and Specialty Materials segment, resulted in a \$1,468 million pre-tax gain (\$946 million after-tax) reported in discontinued operations for the quarter ended March 31, 2014. The Company recognized \$522 million of tax expense on the sale, of which \$262 million is deferred U.S. income tax on the foreign earnings of the sale, as PPG does not consider these earnings to be reinvested for an indefinite period of time. The pre-tax gain on this sale reflects the excess of the sum of the cash proceeds received over the net book value of the net assets of PPG's former Transitions Optical and sunlens businesses. The Company also incurred \$55 million of pre-tax expense, primarily for professional services related to the sale, post-closing adjustments, costs and other contingencies under the terms of the agreements. The net gain on the sale includes these related losses and expenses.

The results of operations and cash flows of these businesses for the quarter ended March 31, 2014, and the net gain on the sale, are reported as results from discontinued operations for the quarter ending March 31, 2014. In prior periods presented, the results of operations and cash flows of these businesses were reclassified from continuing operations and presented as results from discontinued operations.

Essilor has also entered into multi-year agreements with PPG for the continued supply of photochromic materials and for research and development services for a period of 5 years, subject to renewal. PPG considered the significance of the revenues associated with the agreements compared to total operating revenues of the disposed businesses and determined that they were not significant.

Net sales and earnings from discontinued operations related to the Transitions Optical and sunlens transaction are presented in the table below for the three months ended March 31, 2014 and 2013:

(\$ in millions)	Three Months Ended March 31	
	2014	2013
Net sales	\$ 247	\$ 231
Income from operations	\$ 104	\$ 77
Net gain from divestiture of the Transitions Optical and sunlens businesses	1,468	—
Income tax expense	(554)	(20)
Income from discontinued operations, net of tax	\$ 1,018	\$ 57
Less: Net income attributable to non-controlling interests, discontinued operations	(33)	(29)
Net income from discontinued operations (attributable to PPG)	\$ 985	\$ 28

Table of Contents

The major classes of assets and liabilities of the Transitions Optical and sunlens businesses included in the PPG balance sheet at December 31, 2013 were as follows:

	December 31,
	2013
(\$ in millions)	
Cash	\$ 154
Receivables	225
Inventory	68
Other current assets	13
Property, plant, and equipment	158
Goodwill	47
Other non-current assets	3
Total assets	\$ 668
Accounts payable and accrued liabilities	(199)
Short-term debt and current portion of long-term debt	(24)
Accrued pensions	(1)
Other long-term liabilities	(10)
Noncontrolling interests	\$ (167)
Net assets	\$ 267

On January 28, 2013, the Company completed the previously announced separation of its commodity chemicals business and merger of its wholly-owned subsidiary, Eagle Spinco Inc., with a subsidiary of Georgia Gulf Corporation in a tax efficient Reverse Morris Trust transaction (the "Transaction"). Pursuant to the merger, Eagle Spinco, the entity holding PPG's former commodity chemicals business, became a wholly-owned subsidiary of Georgia Gulf. The closing of the merger followed the expiration of the related exchange offer and the satisfaction of certain other conditions. The combined company formed by uniting Georgia Gulf with PPG's former commodity chemicals business is now named Axiall Corporation ("Axiall"). PPG holds no ownership interest in Axiall. PPG received the necessary ruling from the Internal Revenue Service and as a result this Transaction was generally tax free to PPG and its shareholders.

Under the terms of the exchange offer, 35,249,104 shares of Eagle Spinco common stock were available for distribution in exchange for shares of PPG common stock accepted in the offer. Following the merger, each share of Eagle Spinco common stock automatically converted into the right to receive one share of Axiall Corporation common stock. Accordingly, PPG shareholders who tendered their shares of PPG common stock as part of this offer received 3.2562 shares of Axiall common stock for each share of PPG common stock accepted for exchange. PPG was able to accept the maximum of 10,825,227 shares of PPG common stock for exchange in the offer, and thereby, reduced its outstanding shares by approximately 7%. The completion of this exchange offer was a non-cash financing transaction, which resulted in an increase in "Treasury stock" at a cost of \$1.562 billion based on the PPG closing stock price on January 25, 2013.

Under the terms of the Transaction, PPG received \$900 million of cash and 35.2 million shares of Axiall common stock (market value of \$1.8 billion on January 25, 2013) which was distributed to PPG shareholders by the exchange offer as described above. In addition, PPG received \$67 million in cash for a preliminary post-closing working capital adjustment under the terms of the Transaction agreements. The net assets transferred to Axiall included \$27 million of cash on the books of the business transferred. In the Transaction, PPG transferred environmental remediation liabilities, defined benefit pension plan assets and liabilities and other post-employment benefit liabilities related to the commodity chemicals business to Axiall.

During the first quarter of 2013, PPG recorded a gain of \$2.2 billion on the Transaction reflecting the excess of the sum of the cash proceeds received and the cost (closing stock price on January 25, 2013) of the PPG shares tendered and accepted in the exchange for the 35.2 million shares of Axiall common stock over the net book value of the net assets of PPG's former commodity chemicals business. The Transaction resulted in a net partial settlement loss of \$33 million associated with the spin out and termination of defined benefit pension liabilities and the transfer of other post-retirement benefit liabilities under the terms of the Transaction. The Company also incurred \$14 million of pre-tax expense, primarily for professional services related to the Transaction during the first quarter 2013 as well as

Table of Contents

approximately \$2 million of net expense related to certain retained obligations and post closing adjustments under the terms of the Transaction agreements. The net gain on the Transaction includes these related losses and expenses.

The results of operations and cash flows of PPG's former commodity chemicals business for January 2013 and the net gain on the Transaction are reported as results from discontinued operations for the quarter ended March 31, 2013.

PPG will continue to provide Axiall with certain transition services for up to 24 months following the closing date of the Transaction. These services include logistics, purchasing, finance, information technology, human resources, tax and payroll processing.

Net sales and earnings from discontinued operations are presented in the table below for the three months ended March 31, 2013:

	Three Months Ended March 31	
(\$ in millions)	2013	
Net sales	\$	108
Income from operations	\$	—
Net gain from separation and merger of commodity chemicals business		2,192
Income tax expense		(1)
Income from discontinued operations, net of tax	\$	2,191
Less: Net income attributable to non-controlling interests, discontinued operations		—
Net income from discontinued operations (attributable to PPG)	\$	2,191

5. Inventories

Inventories include:

	March 31, 2014		December 31, 2013	
(\$ in millions)				
Finished products	\$	1,245	\$	1,156
Work in process		168		160
Raw materials		454		440
Supplies		62		68
Total	\$	1,929	\$	1,824

Most U.S. inventories are valued using the last-in, first-out method. These inventories represented approximately 38% of total inventories at March 31, 2014 and December 31, 2013. If the first-in, first-out method of inventory valuation had been used, inventories would have been \$186 million and \$195 million higher as of March 31, 2014 and December 31, 2013, respectively.

[Table of Contents](#)

6. Goodwill and Other Identifiable Intangible Assets

The change in the carrying amount of goodwill attributable to each reportable segment for the three months ended March 31, 2014 was as follows:

	Performance Coatings	Industrial Coatings	Glass	Total
(\$ in millions)				
Balance, December 31, 2013	\$ 2,381	\$ 575	\$ 52	\$ 3,008
Acquisitions	3	—	—	3
Divestitures	—	(47)	—	(47)
Currency	4	(2)	3	5
Balance, March 31, 2014	<u>\$ 2,388</u>	<u>\$ 526</u>	<u>\$ 55</u>	<u>\$ 2,969</u>

The carrying amount of acquired trademarks with indefinite lives as of March 31, 2014 and December 31, 2013 totaled \$498 million and \$499 million, respectively.

The Company's identifiable intangible assets with finite lives are being amortized over their estimated useful lives and are detailed below:

	March 31, 2014			December 31, 2013		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
(\$ in millions)						
Acquired technology	\$ 527	\$ (379)	\$ 148	\$ 522	\$ (372)	\$ 150
Customer-related intangibles	1,172	(565)	607	1,177	(557)	620
Trade names	127	(61)	66	127	(61)	66
Other	31	(24)	7	30	(26)	4
Balance	<u>\$ 1,857</u>	<u>\$ (1,029)</u>	<u>\$ 828</u>	<u>\$ 1,856</u>	<u>\$ (1,016)</u>	<u>\$ 840</u>

Aggregate amortization expense related to these identifiable intangible assets for the three months ended March 31, 2014 and 2013 was \$30 million and \$26 million, respectively. As of March 31, 2014, estimated future amortization expense of identifiable intangible assets is as follows: \$90 million for the remaining nine months of 2014 and approximately \$120 million in 2015, \$100 million in 2016, and \$90 million in 2017, 2018 and 2019, respectively.

[Table of Contents](#)

7. Business Restructuring

The Company records restructuring liabilities that represent charges incurred in connection with consolidations of certain operations, including operations from acquisitions, as well as headcount reduction programs. These charges consist primarily of severance and asset write-downs. The following table summarizes the 2013 restructuring charge and the reserve activity since inception and through the quarter ended March 31, 2014:

(\$ in millions, except no. of employees)	Severance and Other Costs	Asset Write-offs	Total Reserve	Employees Impacted
Performance Coatings	\$ 74	\$ 5	\$ 79	1,253
Industrial Coatings	14	—	14	165
Glass	4	—	4	14
Corporate	1	—	1	4
Total third quarter 2013 restructuring charge	\$ 93	\$ 5	\$ 98	1,436
2013 activity	(27)	(5)	(32)	(645)
Foreign currency impact	4	—	4	—
Balance as of December 31, 2013	\$ 70	\$ —	\$ 70	791
2014 activity to date	(15)	—	(15)	(147)
Foreign currency impact	1	—	1	—
Balance as of March 31, 2014	\$ 56	\$ —	\$ 56	644

All actions in the 2013 restructuring plan are expected to be completed by the end of 2015. At March 31, 2014 and December 31, 2013 there was a remaining reserve of \$10 million and \$15 million, respectively, related to the 2012 restructuring plan. All remaining accrued amounts for the 2012 restructuring plan are expected to be paid prior to December 31, 2014.

8. Earnings Per Common Share

The following table presents the effect of dilutive securities on the weighted average common shares outstanding included in the calculation of earnings per common share for the three months ended March 31, 2014 and 2013.

(\$ in millions, except per share amounts)	Three Months Ended March 31	
	2014	2013
Weighted average common shares outstanding	139.1	146.1
Effect of dilutive securities:		
Stock options	0.8	0.9
Other stock compensation plans	0.8	0.7
Potentially dilutive common shares	1.6	1.6
Adjusted weighted average common shares outstanding	140.7	147.7

There were no antidilutive outstanding stock options for the three month periods ended March 31, 2014 and 2013.

[Table of Contents](#)

9. Income Taxes

	Three Months Ended March 31,	
	2014	2013
Effective tax rate	24%	18%

The effective tax rate on pre-tax income from continuing operations for the three months ended March 31, 2014 was approximately 24% compared to an effective tax rate of approximately 18% for the first three months of 2013. The effective tax rate on pre-tax income from continuing operations for the three months ended March 31, 2014 includes tax benefits of \$1 million on certain acquisition-related costs.

The effective tax rate on pre-tax earnings from continuing operations for the quarter ended March 31, 2013 included tax benefits of \$ 4 million for estimated environmental remediation costs; \$ 5 million for the settlement loss related to certain legacy pension plans; and \$ 1 million for acquisition-related costs. The quarter also included an after-tax benefit of \$10 million for the retroactive impact of U.S. tax law changes that were enacted in early 2013.

The effective tax rate for each period presented is lower than the U.S. federal statutory rate primarily due to earnings in foreign jurisdictions which are taxed at rates lower than the U.S. statutory rate, the U.S. tax benefit on foreign dividends paid and the impact of certain U.S. tax incentives.

The Company files federal, state and local income tax returns in numerous domestic and foreign jurisdictions. In most tax jurisdictions, returns are subject to examination by the relevant tax authorities for a number of years after the returns have been filed. The Company is no longer subject to examinations by tax authorities in any major tax jurisdiction for years before 2006. Additionally, the Internal Revenue Service ("IRS") has completed its examination of the Company's U.S. federal income tax returns filed for years through 2011. The IRS is currently conducting its examination of the Company's U.S. federal income tax return for 2012.

10. Pensions and Other Postretirement Benefits

Net periodic benefit cost is included in "Cost of sales, exclusive of depreciation and amortization", "Selling, general and administrative" and "Research and development" in the accompanying condensed consolidated statement of income. The net periodic benefit costs for the three months ended March 31, 2014 and 2013 were as follows:

	Pensions		Other Postretirement Benefits	
	Three Months Ended March 31		Three Months Ended March 31	
	2014	2013	2014	2013
(\$ in millions)				
Service cost	\$ 13	\$ 15	\$ 4	\$ 5
Interest cost	59	52	12	12
Expected return on plan assets	(74)	(64)	—	—
Amortization of prior service credit	—	—	(2)	(2)
Amortization of actuarial losses	20	28	4	7
Settlement losses	—	18	—	—
Net periodic pension cost	\$ 18	\$ 49	\$ 18	\$ 22

PPG does not have a mandatory contribution to make to its U.S. defined benefit pension plans in 2014. PPG expects to make mandatory contributions to its non-U.S. plans in the range of \$10 million to \$25 million in 2014, of which \$5 million was made as of March 31, 2014. PPG expects the net periodic benefit cost for the full year 2014 for pension and other postretirement benefits to be approximately \$73 million and \$72 million, respectively.

[Table of Contents](#)

Separation and Merger

On January 28, 2013, PPG completed the separation of its commodity chemicals business and the merger of the subsidiary holding the PPG commodity chemicals business with a subsidiary of Georgia Gulf (see Note 4). PPG transferred the defined benefit pension plan and other postretirement benefit liabilities for the affected employees in the U.S., Canada, and Taiwan resulting in a net partial settlement loss of \$33 million that was recorded in the first quarter of 2013 in "Income from discontinued operations". This transaction lowered the projected benefit obligation of PPG's defined benefit pension plans by approximately \$550 million and the accumulated benefit obligation of the other postretirement benefit plans by approximately \$165 million. PPG has transferred to Axiall pension assets of \$421 million and expects to transfer an additional \$75 million upon the completion of the calculation of the total amount required to be transferred under ERISA.

Legacy Canadian settlement charges

As part of a restructuring plan announced by PPG in September 2008, PPG closed its glass manufacturing facility in Owen Sound, Ont., Canada. Under Canadian pension regulations, this plant closure resulted in a full windup of the pension plan for the former hourly employees of this plant. The settlement charge is recorded following the approval of the windup by the Canadian pension authorities and when all of the related cash contributions are completed. Cash contributions are made to plans based on estimated cash requirements and must be completed by the end of the five year period from the effective date of the windup. The full windup of the Owen Sound plan was previously approved by the Canadian pension authorities and the Company made the final contributions to this plan in the first quarter of 2013. As a result, the Company recorded a settlement charge in the amount of \$16 million related to the net unrecognized actuarial losses associated with the pension plan. There will be additional windup charges of \$55-\$70 million related to this plant closure, another Canadian location closed by PPG in 2009, and Canadian plant closures for which PPG has retained certain liabilities for pension and post-employment benefits which are expected to be incurred in 2015 and 2016. The cash contributions related to these windups is expected to total \$10-\$20 million from 2014 to 2016.

11. Shareholders' Equity

The following tables present the change in total shareholders' equity for the three months ended March 31, 2014 and 2013, respectively:

(\$ in millions)	Total PPG Shareholders' Equity	Non- controlling Interests	Total
Balance, January 1, 2014	\$ 4,932	\$ 266	\$ 5,198
Net income	1,262	39	1,301
Other comprehensive income, net of tax	30	1	31
Cash dividends	(85)	—	(85)
Issuance of treasury stock	46	—	46
Stock repurchase program	(200)	—	(200)
Stock-based compensation activity	7	—	7
Reduction in non-controlling interests (Note 4)	—	(169)	(169)
Distribution to noncontrolling interests	—	(40)	(40)
Balance, March 31, 2014	\$ 5,992	\$ 97	\$ 6,089

Table of Contents

(\$ in millions)	Total PPG Shareholders' Equity	Non- controlling Interests	Total
Balance, January 1, 2013	\$ 4,063	\$ 259	\$ 4,322
Net income	2,410	35	2,445
Other comprehensive income, net of tax	58	(3)	55
Cash dividends	(84)	—	(84)
Issuance of treasury stock	44	—	44
Stock repurchase program	(140)	—	(140)
Stock-based compensation activity	(2)	—	(2)
Increase in treasury stock (Note 4)	(1,562)	—	(1,562)
Reduction in noncontrolling interests (Note 4)	—	(19)	(19)
Distribution to noncontrolling interests	—	(18)	(18)
Balance, March 31, 2013	\$ 4,787	\$ 254	\$ 5,041

12. Accumulated Other Comprehensive Loss

(\$ in millions)	Unrealized Foreign Currency Translation Adjustments	Pension and Other Postretirement Benefit Adjustments, net of tax	Unrealized Gain (Loss) on Derivatives, net of tax	Accumulated Other Comprehensive (Loss) Income
Balance, January 1, 2013	\$ 6	\$ (1,597)	\$ (75)	\$ (1,666)
Current year deferrals to AOCI	36	—	—	36
Current year deferrals to AOCI, tax effected	(80)	330	19	269
Separation & Merger Transaction	—	33	4	37
Reclassifications from AOCI to net income	—	77	(13)	64
Net change	(44)	440	10	406
Balance, December 31, 2013	\$ (38)	\$ (1,157)	\$ (65)	\$ (1,260)
Current year deferrals to AOCI	(17) ^(a)	—	—	(17)
Current year deferrals to AOCI, tax effected	33 ^(b)	(4) ^(c)	4 ^(d)	33
Reclassifications from AOCI to net income	—	15 ^(c)	(1) ^(d)	14
Net change	16	11	3	30
Balance, March 31, 2014	\$ (22)	\$ (1,146)	\$ (62)	\$ (1,230)

(a) - Unrealized foreign currency translation adjustments related to translation of foreign denominated balance sheets are not presented net of tax given that no deferred U.S. income taxes have been provided on the undistributed earnings of non-U.S. subsidiaries because they are deemed to be reinvested for an indefinite period of time.

(b) - The tax benefit related to unrealized foreign currency translation adjustments on tax inter-branch transactions and net investment hedges for the period ended March 31, 2014 was \$40 million.

(c) - The tax cost related to the adjustment for pension and other postretirement benefits for the period ended March 31, 2014 was insignificant. Reclassifications from AOCI are included in the computation of net periodic pension cost (See Note 10, "Pension and Other Postretirement Benefits").

(d) - The tax cost related to the change in the unrealized gain on derivatives for the period ended March 31, 2014 was insignificant. Reclassifications from AOCI are included in the gain or loss recognized on cash flow hedges (See Note 14, "Financial Instruments and Hedging Activities").

13. Fair Value Measurement

The Company follows a fair value measurement hierarchy to measure its assets and liabilities. The Company's financial assets and liabilities are measured using inputs from the following three levels.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date. Level 1 inputs are considered to be the most reliable evidence

[Table of Contents](#)

of fair value as they are based on unadjusted quoted market prices from various financial information service providers and securities exchanges.

Level 2 inputs are directly or indirectly observable prices that are not quoted on active exchanges, which include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means. The fair values of these derivative instruments reflect the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including forward curves.

Level 3 inputs are unobservable inputs employed for measuring the fair value of assets or liabilities. The Company does not have any recurring financial assets or liabilities that are recorded in its consolidated balance sheets as of March 31, 2014 and December 31, 2013 that are classified as Level 3 inputs.

Included in PPG's financial instrument portfolio are cash and cash equivalents, short-term investments, cash held in escrow, marketable equity securities, company-owned life insurance and short and long-term debt instruments. The fair values of these financial instruments approximated their carrying values at March 31, 2014 and December 31, 2013, in the aggregate, except for long-term debt.

Long-term debt (excluding capital lease obligations) had carrying and fair values totaling \$3,344 million and \$3,726 million, respectively, as of March 31, 2014. Long-term debt (excluding capital lease obligations) had carrying and fair values totaling \$3,346 million and \$3,683 million, respectively, as of December 31, 2013. The fair values of the debt instruments were based on discounted cash flows and interest rates then currently available to the Company for instruments of the same remaining maturities and were measured using level 2 inputs.

[Table of Contents](#)

Assets and liabilities reported at fair value on a recurring basis:

(\$ in Millions)	March 31, 2014		
	Level 1	Level 2	Level 3
Assets:			
Short-term investments:			
Marketable equity securities	\$ 5	\$ —	\$ —
Other current assets:			
Foreign currency forward contracts	—	3	—
Equity forward arrangement	—	214	—
Investments:			
Marketable equity securities	73	—	—
Liabilities:			
Accounts payable and accrued liabilities:			
Foreign currency forward contracts	—	9	—
Other liabilities:			
Cross currency swaps	—	101	—
Foreign currency forward contracts	—	10	—

(\$ in Millions)	December 31, 2013		
	Level 1	Level 2	Level 3
Assets:			
Short-term investments:			
Commercial paper and certificates of deposit	\$ —	\$ 50	\$ —
Other current assets:			
Marketable equity securities	5	—	—
Foreign currency forward contracts	—	25	—
Equity forward arrangement	—	207	—
Investments:			
Marketable equity securities	70	—	—
Other assets:			
Foreign currency forward contracts	—	2	—
Liabilities:			
Accounts payable and accrued liabilities:			
Foreign currency forward contracts	—	7	—
Other liabilities:			
Cross currency swaps	—	120	—
Foreign currency forward contracts	—	11	—

Assets and liabilities reported at fair value on a nonrecurring basis:

There were no significant adjustments to the fair value of nonmonetary assets or liabilities during the three months ended March 31, 2014, or for the year ended December 31, 2013.

14. Financial Instruments and Hedging Activities

The Company has exposure to market risk from changes in foreign currency rates, PPG's stock price and interest rates. As a result, certain derivative financial instruments may be used when available on a cost effective basis to hedge the underlying economic exposure. Certain of these instruments qualify as cash flow, fair value and net investment hedges upon meeting the requisite criteria, including effectiveness of offsetting hedge exposures. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in income from continuing operations in the period incurred.

Table of Contents

PPG's policies do not permit speculative use of derivative financial instruments. PPG enters into derivative financial instruments with high credit quality counterparties and diversifies its positions among such counterparties in order to reduce its exposure to credit losses. The Company did not realize a credit loss on derivatives during the three-month periods ended March 31, 2014 or 2013.

All of PPG's outstanding derivative instruments are subject to accelerated settlement in the event of PPG's failure to meet its debt or payment obligations under the terms of the instruments' contractual provisions. In addition, should the Company be acquired and its payment obligations under the derivative instruments' contractual arrangements not be assumed by the acquirer, or should PPG enter into bankruptcy, receivership or reorganization proceedings, the instruments would also be subject to accelerated settlement.

No derivative instrument initially designated as a hedge instrument was undesignated or discontinued as a hedging instrument during the three-month periods ended March 31, 2014 and March 31, 2013. Additionally, no amounts deferred in AOCI were reclassified to income from continuing operations during the three-month periods ended March 31, 2014 or 2013 related to hedges of anticipated transactions that were no longer expected to occur.

Refer to Note 13, "Fair Value Measurement," for additional disclosures related to the Company's derivative instruments outstanding as of March 31, 2014 and December 31, 2013.

Fair Value Hedges:

PPG has entered into renewable equity forward arrangements to hedge the impact to PPG's income from continuing operations for changes in the fair value of 1,388,889 shares of PPG stock that are to be contributed to the asbestos settlement trust as discussed in Note 16, "Commitments and Contingent Liabilities." This financial instrument is recorded at fair value as an asset or liability and changes in the fair value of this financial instrument are reflected in the "Asbestos settlement – net" caption of the accompanying condensed consolidated statement of income. The total principal amount payable for these shares is \$62 million. PPG will pay to the counterparty interest based on the principal amount and the counterparty will pay to PPG an amount equal to the dividends paid on these shares during the period this financial instrument is outstanding. The difference between the principal amount and any amounts related to unpaid interest or dividends and the current market price for these shares, adjusted for credit risk, represents the fair value of the financial instrument as well as the amount that PPG would pay or receive if the counterparty chose to net settle the financial instrument. Alternatively, the bank may, at its option, require PPG to purchase the shares covered by the arrangement at the principal amount adjusted for unpaid interest and dividends as of the date of settlement. As of March 31, 2014 and December 31, 2013, the fair value of this contract was an asset of \$214 million and \$207 million, respectively.

Cash Flow Hedges:

PPG designates certain foreign currency forward contracts and forward starting swaps as cash flow hedges of the Company's exposure to variability in exchange rates on intercompany and third party transactions denominated in foreign currencies and interest rates. In March of 2014, PPG entered into \$152 million of foreign currency forward contracts to hedge its exposure to certain foreign denominated transactions. As of March 31, 2014 and December 31 2013, the fair value of all foreign currency forward contracts designated as cash flow hedges was a net liability of \$17 million and a net asset of \$8 million, respectively.

The Company entered into forward starting swaps in 2009 and 2010 to effectively lock-in a fixed interest rate for future debt refinancings with an anticipated term of ten years based on the ten year swap rate, to which was added a corporate spread. The swaps had a total notional amount of \$400 million and were settled on July 30, 2012, resulting in a cash payment of \$121 million, which is being amortized to interest expense over the remaining term of the ten-year debt. As of March 31, 2014, the amount of loss recorded in AOCI was \$101 million.

Net Investment Hedges:

PPG uses cross currency swaps, foreign currency forward contracts and euro-denominated debt to hedge a portion of its net investment in its European coatings operations. In 2008, PPG entered into U.S. dollar to euro cross currency swap contracts with a total notional amount of \$1.16 billion, of which \$600 million were to settle on March 15, 2013 and \$560 million were to settle on March 15, 2018. In June 2012, \$600 million of swaps, with a settlement date of March 15, 2013, were settled with PPG receiving \$1 million in cash. On settlement of the remaining outstanding contracts, PPG will receive \$560 million U.S. dollars and pay euros to the counterparties to the

[Table of Contents](#)

contracts. During the term of these contracts, PPG will receive semiannual payments in March and September of each year based on U.S. dollar, long-term fixed interest rates, and PPG will make annual payments in March of each year to the counterparties based on euro, long-term fixed interest rates. As of March 31, 2014 and December 31, 2013, the fair value of these contracts was a net liability of \$101 million and \$120 million, respectively.

On March 31, 2014, PPG entered into approximately \$940 million of foreign currency forward contracts to hedge an additional portion of its net investment in its European coatings operations. The fair value of these instruments was \$0 as of March 31, 2014. Also, as of March 31, 2014 and December 31, 2013, PPG had €300 million of euro-denominated borrowings designated as a net investment hedge. As of March 31, 2014 and December 31, 2013, the Company had accumulated pre-tax unrealized translation losses in AOCI of \$42 million and \$35 million, respectively, related to both the euro-denominated borrowings and the cross currency swaps.

The following table provides details for the quarter ended March 31, 2014 related to PPG's hedging activities. All dollar amounts are shown on a pre-tax basis.

Hedge Type	Gain (Loss) Deferred in OCI	March 31, 2014	
		Gain (Loss) Recognized	
		Amount	Caption
(\$ in Millions)			
Fair Value			
Foreign currency forward contracts	Not applicable	\$ —	Sales
Equity forward arrangements	Not applicable	7	Asbestos - net
Total Fair Value		\$ 7	
Cash Flow			
Forward starting swaps	—	\$ (3)	Interest expense
Foreign currency forward contracts	5	5	Other charges
Total Cash Flow	\$ 5	\$ 2	
Net Investment			
Cross currency swaps	\$ (6)	\$ —	Other charges
Foreign denominated debt	(1)	Not applicable	
Total Net Investment	\$ (7)		

The following table provides details for the three month period ended March 31, 2013 related to fair value, cash flow and net investment hedges by type of financial instrument. All amounts are shown on a pre-tax basis:

Hedge Type	Gain (Loss) Deferred in OCI	March 31, 2013	
		Gain (Loss) Recognized	
		Amount	Caption
(\$ in Millions)			
Fair Value			
Foreign currency forward contracts	Not applicable	—	Sales
Equity forward arrangements	Not applicable	(1)	Asbestos - net
Total Fair Value		\$ (1)	
Cash Flow			
Forward starting swaps		(3)	Interest expense
Foreign currency forward contracts	(3)	(3)	Other charges
Total Cash Flow	\$ (3)	\$ (6)	
Net Investment			
Cross currency swaps	\$ 28	\$ —	
Foreign denominated debt	11	Not applicable	
Total Net Investment	\$ 39		

15. Stock-Based Compensation

[Table of Contents](#)

The Company's stock-based compensation includes stock options, restricted stock units ("RSUs") and grants of contingent shares that are earned based on achieving targeted levels of total shareholder return. All current grants of stock options, RSUs and contingent shares are made under the PPG Industries, Inc. Amended and Restated Omnibus Incentive Plan (the "PPG Amended Omnibus Plan"), which was amended and restated effective April 21, 2011. Shares available for future grants under the PPG Amended Omnibus Plan were 6.4 million as of March 31, 2014.

Total stock-based compensation expense was \$18 million for the three months ended March 31, 2014 and \$15 million for the three months ended March 31, 2013. The total income tax benefit recognized in the accompanying condensed consolidated statement of income related to the stock-based compensation was \$6 million for the three months ended March 31, 2014, and \$5 million for the three months ended March 31, 2013.

The following are the details of recent grants of stock-based compensation:

Grant Details	Three Months Ended March 31, 2014		Three Months Ended March 31, 2013	
	Shares	Fair Value	Shares	Fair Value
Stock options	357,781	\$43.05	497,711	\$27.37
Restricted stock units	116,989	\$179.21	152,875	\$124.80
Contingent shares (a)	38,756	\$187.06	45,388	\$131.51

(a) The number of contingent shares represents the target value of the award.

Stock options are generally exercisable beginning from six to 48 months after being granted and have a maximum term of 10 years. Compensation expense for stock options is recorded over the vesting period based on the fair value on the date of grant. The fair value of the stock option grants issued in the three months ended March 31, 2014 was calculated with the following weighted average assumptions:

Weighted average exercise price	\$187.06
Risk free interest rate	2.1%
Expected life of option in years	6.5
Expected dividend yield	3.0%
Expected volatility	30.1%

The risk-free interest rate is determined by using the U.S. Treasury yield curve at the date of the grant and using a maturity equal to the expected life of the option. The expected life of options is calculated using the average of the vesting term and the maximum term, as prescribed by accounting guidance on the use of the simplified method for determining the expected term of an employee share option. This method is used as the vesting term of stock options was changed to three years in 2004 and, as a result, the historical exercise data does not provide a reasonable basis upon which to estimate the expected life of options. The expected dividend yield and volatility are based on historical stock prices and dividend amounts over past time periods equal in length to the expected life of the options.

Time-based RSUs vest over the three-year period following the date of grant, unless forfeited, and will be paid out in the form of stock, cash or a combination of both at the Company's discretion at the end of the three year vesting period. Performance-based RSUs vest based on achieving specific annual performance targets for earnings per share growth and cash flow return on capital over the three calendar year-end periods following the date of grant. Unless forfeited, the performance-based RSUs will be paid out in the form of stock, cash or a combination of both at the Company's discretion at the end of the three-year performance period if PPG meets the performance targets.

Contingent share grants (referred to as "TSR awards") are made annually and are paid out at the end of each three-year period based on the PPG's performance. Performance is measured by determining the percentile rank of the total shareholder return of PPG common stock in relation to the total shareholder return of the S&P 500 for the three-year period following the date of grant. Any payments made at the end of the award period may be in the form of stock, cash or a combination of both. The TSR awards qualify as liability awards, and compensation expense is recognized over the three-year award period based on the fair value of the awards (giving consideration to the Company's percentile rank of total shareholder return) remeasured in each reporting period until settlement of the awards.

[Table of Contents](#)

16. Commitments and Contingent Liabilities

PPG is involved in a number of lawsuits and claims, both actual and potential, including some that it has asserted against others, in which substantial monetary damages are sought. These lawsuits and claims, the most significant of which are described below, relate to contract, patent, environmental, product liability, antitrust and other matters arising out of the conduct of PPG's current and past business activities. To the extent that these lawsuits and claims involve personal injury and property damage, PPG believes it has adequate insurance; however, certain of PPG's insurers are contesting coverage with respect to some of these claims, and other insurers, as they had prior to the asbestos settlement described below, may contest coverage with respect to some of the asbestos claims if the settlement is not implemented. PPG's lawsuits and claims against others include claims against insurers and other third parties with respect to actual and contingent losses related to environmental, asbestos and other matters.

The results of any current or future litigation and claims are inherently unpredictable. However, management believes that, in the aggregate, the outcome of all lawsuits and claims involving PPG, including asbestos-related claims in the event the settlement described below does not become effective, will not have a material effect on PPG's consolidated financial position or liquidity; however, such outcome may be material to the results of operations of any particular period in which costs, if any, are recognized.

Antitrust Matters

In 2010, Transitions Optical, Inc. ("TOI"), a consolidated subsidiary of the Company, entered into a settlement agreement, without admitting liability, with the Federal Trade Commission, which had alleged that TOI violated Section 5 of the Federal Trade Commission Act. Following the announcement of the settlement with the Federal Trade Commission, 30 private putative class cases were filed against TOI, alleging that it has monopolized and/or conspired to monopolize the market for photochromic lenses. All of the federal actions have been transferred and centralized in the Middle District of Florida (the "MDL Action"). Amended complaints in the MDL Action were filed in November and December 2010. In late 2011, the court ruled on TOI's motion to dismiss and allowed the plaintiffs to file new or further amended complaints. Plaintiffs in the MDL Action include Insight Equity A.P. X, LP, d/b/a Vision-Ease Lens Worldwide, Inc., which has sued on its own behalf, and putative classes of "direct purchasers," including laboratories and retailers (the "Lab/Retailer Plaintiffs"), and "indirect purchasers," consisting of end-user consumers. Plaintiffs in the MDL Action generally allege that TOI's exclusive dealing arrangements resulted in higher prices and seek lost profits and damages determined by the price premium attributable to wrongful exclusive deals. The damages sought are subject to trebling. The Lab/Retailer Plaintiffs also allege that TOI and certain affiliates of Essilor International conspired with respect to the wrongful exclusive dealing arrangements. In March 2013, the magistrate judge issued her report and recommendation to deny the class certification motion of the Lab/Retailer Plaintiffs. In May 2013, the magistrate judge issued her report and recommendation to deny the class certification of the end-use consumer plaintiffs. On April 3, 2014, the district court judge accepted the report and recommendation of the magistrate judge and denied the class certification motion of the Lab/Retailer Plaintiffs. TOI believes it has meritorious defenses and continues to defend all of the above-described actions vigorously. Following the Company's divestiture of its 51% ownership interest in the Transitions Optical joint venture to Essilor on March 31, 2014, TOI will continue its defense of this pending legal matter under Essilor's ownership. See Note 4 for information relating to the Company's divestiture of its 51% ownership interest in its Transitions Optical joint venture.

Asbestos Matters

For over 30 years, PPG has been a defendant in lawsuits involving claims alleging personal injury from exposure to asbestos. Most of PPG's potential exposure relates to allegations by plaintiffs that PPG should be liable for injuries involving asbestos-containing thermal insulation products, known as Unibestos, manufactured and distributed by Pittsburgh Corning Corporation ("PC"). PPG and Corning Incorporated are each 50% shareholders of PC. PPG has denied responsibility for, and has defended, all claims for any injuries caused by PC products. As of the April 16, 2000 order which stayed and enjoined asbestos claims against PPG (as discussed below), PPG was one of many defendants in numerous asbestos-related lawsuits involving approximately 114,000 claims served on PPG. During the period of the stay, PPG generally has not been aware of the dispositions, if any, of these asbestos claims.

Background of PC Bankruptcy Plan of Reorganization

On April 16, 2000, PC filed for Chapter 11 Bankruptcy in the U.S. Bankruptcy Court for the Western District of Pennsylvania located in Pittsburgh, Pa. Accordingly, in the first quarter of 2000, PPG recorded an after-tax charge of \$35 million for the write-off of all of its investment in PC. As a consequence of the bankruptcy filing and various motions and orders in that proceeding, the asbestos litigation against PPG (as well as against PC) has been stayed and the

Table of Contents

filing of additional asbestos suits against them has been enjoined, until 30 days after the effective date of a confirmed plan of reorganization for PC substantially in accordance with the settlement arrangement among PPG and several other parties discussed below. By its terms, the stay may be terminated if the settlement arrangement set forth below is not likely to be consummated.

On May 14, 2002, PPG announced that it had agreed with several other parties, including certain of its insurance carriers, the official committee representing asbestos claimants in the PC bankruptcy, and the legal representatives of future asbestos claimants appointed in the PC bankruptcy, on the terms of a settlement arrangement relating to certain asbestos claims against PPG and PC (the "2002 PPG Settlement Arrangement").

On March 28, 2003, Corning Incorporated announced that it had separately reached its own arrangement with the representatives of asbestos claimants for the settlement of certain asbestos claims against Corning Incorporated and PC (the "2003 Corning Settlement Arrangement").

The terms of the 2002 PPG Settlement Arrangement and the 2003 Corning Settlement Arrangement were incorporated into a bankruptcy reorganization plan for PC along with a disclosure statement describing the plan, which PC filed with the Bankruptcy Court on April 30, 2003. Amendments to the plan and disclosure statement were subsequently filed. On November 26, 2003, after considering objections to the second amended disclosure statement and plan of reorganization, the Bankruptcy Court entered an order approving such disclosure statement and directing that it be sent to creditors, including asbestos claimants, for voting. In March 2004, the second amended PC plan of reorganization (the "second amended PC plan of reorganization") received the required votes to approve the plan with a channeling injunction for present and future asbestos claimants under §524(g) of the Bankruptcy Code. After voting results for the second amended PC plan of reorganization were received, the Bankruptcy Court judge conducted a hearing regarding the fairness of the settlement, including whether the plan would be fair with respect to present and future claimants, whether such claimants would be treated in substantially the same manner, and whether the protection provided to PPG and its participating insurers would be fair in view of the assets they would convey to the asbestos settlement trust (the "Trust") to be established as part of the second amended PC plan of reorganization. At that hearing, creditors and other parties in interest raised objections to the second amended PC plan of reorganization. Following that hearing, the Bankruptcy Court scheduled oral arguments for the contested items.

The Bankruptcy Court heard oral arguments on the contested items on November 17-18, 2004. At the conclusion of the hearing, the Bankruptcy Court agreed to consider certain post-hearing written submissions. In a further development, on February 2, 2005, the Bankruptcy Court established a briefing schedule to address whether certain aspects of a decision of the U.S. Third Circuit Court of Appeals in an unrelated case had any applicability to the second amended PC plan of reorganization. Oral arguments on these matters were subsequently held in March 2005. During an omnibus hearing on February 28, 2006, the Bankruptcy Court judge stated that she was prepared to rule on the PC plan of reorganization in the near future, provided certain amendments were made to the plan. Those amendments were filed, as directed, on March 17, 2006. After further conferences and supplemental briefings, in December 2006, the court denied confirmation of the second amended PC plan of reorganization, on the basis that the plan was too broad in the treatment of allegedly independent asbestos claims not associated with PC.

Terms of 2002 PPG Settlement Arrangement

PPG had no obligation to pay any amounts under the 2002 PPG Settlement Arrangement until 30 days after the second amended PC plan of reorganization was finally approved by an appropriate court order that was no longer subject to appellate review (the "Effective Date"). If the second amended PC plan of reorganization had been approved as proposed, PPG and certain of its insurers (along with PC) would have made payments on the Effective Date to the Trust, which would have provided the sole source of payment for all present and future asbestos bodily injury claims against PPG, its subsidiaries or PC alleged to be caused by the manufacture, distribution or sale of asbestos products by these companies. PPG would have conveyed the following assets to the Trust: (i) the stock it owns in PC and Pittsburgh Corning Europe, (ii) 1,388,889 shares of PPG's common stock and (iii) aggregate cash payments to the Trust of approximately \$998 million, payable according to a fixed payment schedule over 21 years, beginning on June 30, 2003, or, if later, the Effective Date. PPG would have had the right, in its sole discretion, to prepay these cash payments to the Trust at any time at a discount rate of 5.5% per annum as of the prepayment date. In addition to the conveyance of these assets, PPG would have paid \$30 million in legal fees and expenses on behalf of the Trust to recover proceeds from certain historical insurance assets, including policies issued by certain insurance carriers that were not participating in the settlement, the rights to which would have been assigned to the Trust by PPG.

Under the proposed 2002 PPG Settlement Arrangement, PPG's participating historical insurance carriers would have made cash payments to the Trust of approximately \$1.7 billion between the Effective Date and 2023. These payments

[Table of Contents](#)

could also have been prepaid to the Trust at any time at a discount rate of 5.5% per annum as of the prepayment date. In addition, as referenced above, PPG would have assigned to the Trust its rights, insofar as they related to the asbestos claims to have been resolved by the Trust, to the proceeds of policies issued by certain insurance carriers that were not participating in the 2002 PPG Settlement Arrangement and from the estates of insolvent insurers and state insurance guaranty funds.

Under the proposed 2002 PPG Settlement Arrangement, PPG would have granted asbestos releases to all participating insurers, subject to a coverage-in-place agreement with certain insurers for the continuing coverage of premises claims (discussed below). PPG would have granted certain participating insurers full policy releases on primary policies and full product liability releases on excess coverage policies. PPG would have also granted certain other participating excess insurers credit against their product liability coverage limits.

If the second amended PC plan of reorganization incorporating the terms of the 2002 PPG Settlement Arrangement and the 2003 Corning Settlement Arrangement had been approved by the Bankruptcy Court, the Court would have entered a channeling injunction under §524(g) and other provisions of the Bankruptcy Code, prohibiting present and future claimants from asserting bodily injury claims after the Effective Date against PPG or its subsidiaries or PC relating to the manufacture, distribution or sale of asbestos-containing products by PC or PPG or its subsidiaries. The injunction would have also prohibited codefendants in those cases from asserting claims against PPG for contribution, indemnification or other recovery. All such claims would have been filed with the Trust and only paid from the assets of the Trust.

Modified Third Amended PC Plan of Reorganization

To address the issues raised by the Bankruptcy Court in its December 2006 ruling, the interested parties engaged in extensive negotiations regarding the terms of a third amended PC plan of reorganization, including modifications to the 2002 PPG Settlement Arrangement. A modified third amended PC plan of reorganization (the "third amended PC plan of reorganization"), including a modified PPG settlement arrangement (the "2009 PPG Settlement Arrangement"), was filed with the Bankruptcy Court on January 29, 2009. The parties also filed a disclosure statement describing the third amended PC plan of reorganization with the court. The third amended PC plan of reorganization also includes a modified settlement arrangement of Corning Incorporated.

Several creditors and other interested parties filed objections to the disclosure statement. Those objections were overruled by the Bankruptcy Court by order dated July 6, 2009 approving the disclosure statement. The third amended PC plan of reorganization and disclosure statement were then sent to creditors, including asbestos claimants, for voting. The report of the voting agent, filed on February 18, 2010, revealed that all voting classes, including asbestos claimants, voted overwhelmingly in favor of the third amended PC plan of reorganization, which included the 2009 PPG Settlement Arrangement. In light of the favorable vote on the third amended PC plan of reorganization, the Bankruptcy Court conducted a hearing regarding the fairness of the proposed plan, including whether (i) the plan would be fair with respect to present and future claimants, (ii) such claimants would be treated in substantially the same manner, and (iii) the protection provided to PPG and its participating insurers would be fair in view of the assets they would convey to the Trust to be established as part of the third amended PC plan of reorganization. The hearing was held in June of 2010. The remaining objecting parties (a number of objections were resolved through plan amendments and stipulations filed before the hearing) appeared at the hearing and presented their cases. At the conclusion of the hearing, the Bankruptcy Court established a briefing schedule for its consideration of confirmation of the plan and the objections to confirmation. That briefing was completed and final oral arguments held in October 2010. On June 16, 2011 the Bankruptcy Court issued a decision denying confirmation of the third amended PC plan of reorganization.

Following the June 16, 2011 ruling, the third amended PC plan of reorganization was the subject of negotiations among the parties in interest, amendments, proposed amendments and hearings. PC then filed an amended PC plan of reorganization on August 17, 2012. Objections to the plan, as amended, were filed by three entities. One set of objections was resolved by PC, and another set merely restated for appellate purposes objections filed by a party that the Bankruptcy Court previously overruled. The Bankruptcy Court heard oral argument on the one remaining set of objections filed by the remaining affiliated insurer objectors on October 10, 2012. At the conclusion of that argument, the Bankruptcy Court set forth a schedule for negotiating and filing language that would resolve some, but not all, of the objections to confirmation advanced by the insurer objectors. On October 25, 2012, PC filed a notice regarding proposed confirmation order language that resolved those specific objections. Following additional hearings and status conferences, technical amendments to the PC plan of reorganization were filed on May 15, 2013. On May 16, 2013, the Bankruptcy Court issued a memorandum opinion and interim order confirming the PC plan of reorganization, as amended, and setting forth a schedule for motions for reconsideration. Following the filing of motions for reconsideration, the Bankruptcy Court, on May 24, 2013, issued a revised memorandum opinion and final order.

Table of Contents

confirming the modified third amended plan of reorganization and issuing the asbestos permanent channeling injunction. The remaining insurer objectors filed a motion for reconsideration on June 6, 2013. On November 12, 2013 the Bankruptcy Court issued an order granting in part (by clarifying the scope of the channeling injunction in accordance with the agreement of the parties as expressed at the time of final argument on the motion for reconsideration) and otherwise denying the motion for reconsideration. Notices of appeal to the U. S. District Court for the Western District of Pennsylvania were filed by the remaining objecting parties. On March 17, 2014, the appeal of the remaining non-insurer objecting party was dismissed voluntarily, leaving only two affiliated insurance companies as appellants.

Assuming that the District Court ultimately affirms the confirmation order, the remaining objectors could appeal the order to the U.S. Third Circuit Court of Appeals and subsequently could seek review by the U.S. Supreme Court.

The 2009 PPG Settlement Arrangement will not become effective until certain conditions precedent are satisfied or waived and the amended PC plan of reorganization is finally approved by an appropriate court order that is no longer subject to appellate review, and PPG's initial contributions will not be due until 30 business days thereafter (the "Funding Effective Date").

Asbestos Claims Subject to Bankruptcy Court's Channeling Injunction

The Bankruptcy Court's channeling injunction, entered under §524(g) of the Bankruptcy Code and which will become effective after the order confirming the modified third amended plan of reorganization is no longer subject to appellate review, will prohibit present and future claimants from asserting asbestos claims against PC. With regard to PPG, the channeling injunction by its terms will prohibit present and future claimants from asserting claims against PPG that arise, in whole or in part, out of exposure to Unibestos, or any other asbestos or asbestos-containing products manufactured, sold and/or distributed by PC, or asbestos on or emanating from any PC premises. The injunction by its terms will also prohibit codefendants in these cases that are subject to the channeling injunction from asserting claims against PPG for contribution, indemnification or other recovery. Such injunction will also preclude the prosecution of claims against PPG arising from alleged exposure to asbestos or asbestos-containing products to the extent that a claimant is alleging or seeking to impose liability, directly or indirectly, for the conduct of, claims against or demands on PC by reason of PPG's: (i) ownership of a financial interest in PC; (ii) involvement in the management of PC, or service as an officer, director or employee of PC or a related party; (iii) provision of insurance to PC or a related party; or (iv) involvement in a financial transaction affecting the financial condition of PC or a related party. The foregoing PC related claims are referred to as "PC Relationship Claims" and constitute, in PPG management's opinion, the vast majority of the pending asbestos personal injury claims against PPG. All claims channeled to the Trust will be paid only from the assets of the Trust.

Asbestos Claims Retained by PPG

The channeling injunction will not extend to any claim against PPG that arises out of exposure to any asbestos or asbestos-containing products manufactured, sold and/or distributed by PPG or its subsidiaries, or for which they are otherwise alleged to be liable, that is not a PC Relationship Claim, and in this respect differs from the channeling injunction contemplated by the second amended PC plan of reorganization filed in 2003. While management believes that the vast majority of the approximately 114,000 claims against PPG alleging personal injury from exposure to asbestos relate to products manufactured, distributed or sold by PC, the potential liability for any non-PC Relationship Claims will be retained by PPG. Because a determination of whether an asbestos claim is a non-PC Relationship Claim would typically not be known until shortly before trial and because the filing and prosecution of asbestos claims (other than certain premises claims) against PPG has been enjoined since April 2000, the actual number of non-PC Relationship Claims that may be pending at the expiration of the stay or the number of additional claims that may be filed against PPG in the future cannot be determined at this time. PPG intends to defend against all such claims vigorously and their ultimate resolution in the court system is expected to occur over a period of years.

In addition, similar to what was contemplated by the second amended PC plan of reorganization, the channeling injunction will not extend to claims against PPG alleging personal injury caused by asbestos on premises owned, leased or occupied by PPG (so called "premises claims"), which generally have been subject to the stay imposed by the Bankruptcy Court, although motions to lift the stay as to individual premises claims have been granted from time to time. Historically, a small proportion of the claims against PPG and its subsidiaries have been premises claims, and based upon review and analysis, PPG believes that the number of premises claims currently comprises less than 2% of the total asbestos related claims against PPG. Beginning in late 2006, the Bankruptcy Court lifted the stay with respect to certain premises claims against PPG. As a result, PPG and its primary insurers have settled approximately

Table of Contents

540 premises claims. PPG's insurers agreed to provide insurance coverage for a major portion of the payments made in connection with the settled claims, and PPG accrued the portion of the settlement amounts not covered by insurance. Primarily as a result of motions practice in the Bankruptcy Court with respect to the application of the stay to premises claims, PPG faces approximately 360 active premises claims. PPG is currently engaged in the process of settling or otherwise resolving approximately 100 of these claims. Of the remaining 260 active premises claims, approximately 130 such claims have been initiated in lawsuits filed in various state courts, primarily in Louisiana, West Virginia, Ohio, Illinois, and Pennsylvania, and are the subjects of active litigation and are being defended by PPG. PPG believes that any financial exposure resulting from such premises claims, taking into account available insurance coverage, will not have a material adverse effect on PPG's consolidated financial position, liquidity or results of operations.

PPG's Funding Obligations

PPG has no obligation to pay any amounts under the third amended PC plan of reorganization, as amended, until the Funding Effective Date. On the Funding Effective Date, PPG will relinquish any claim to its equity interest in PC, convey the stock it owns in Pittsburgh Corning Europe and transfer 1,388,889 shares of PPG's common stock or cash equal to the fair value of such shares as defined in the 2009 PPG Settlement Arrangement. PPG will make aggregate pre-tax cash payments to the Trust of approximately \$825 million, payable according to a fixed payment schedule over a period ending in 2023. The first payment is due on the Funding Effective Date. PPG would have the right, in its sole discretion, to prepay these pre-tax cash payments to the Trust at any time at a discount rate of 5.5% per annum as of the prepayment date. PPG's historical insurance carriers participating in the third amended PC plan of reorganization will also make cash payments to the Trust of approximately \$1.7 billion between the Funding Effective Date and 2027. These payments could also be prepaid to the Trust at any time at a discount rate of 5.5% per annum as of the prepayment date. PPG will grant asbestos releases and indemnifications to all participating insurers, subject to amended coverage-in-place arrangements with certain insurers for remaining coverage of premises claims. PPG will grant certain participating insurers full policy releases on primary policies and full product liability releases on excess coverage policies. PPG will also grant certain other participating excess insurers credit against their product liability coverage limits.

PPG's obligation under the 2009 PPG Settlement Arrangement at December 31, 2008 was \$162 million less than the amount that would have been due under the 2002 PPG Settlement Arrangement. This reduction is attributable to a number of negotiated provisions in the 2009 PPG Settlement Arrangement, including the provisions relating to the channeling injunction under which PPG retains liability for any non-PC Relationship Claims. PPG will retain such amount as a reserve for asbestos-related claims that will not be channeled to the Trust, as this amount represents PPG's best estimate of its liability for these claims. PPG does not have sufficient current claim information or settlement history on which to base a better estimate of this liability, in light of the fact that the Bankruptcy Court's stay has been in effect since 2000. As a result, PPG's reserve at March 31, 2014 and December 31, 2013 for asbestos-related claims that will not be channeled to the Trust is \$162 million. This amount is included within "Other liabilities" on the accompanying consolidated balance sheets. In addition, under the 2009 PPG Settlement Arrangement, PPG will retain for its own account rights to recover proceeds from certain historical insurance assets, including policies issued by non-participating insurers. Rights to recover these proceeds would have been assigned to the Trust by PPG under the 2002 PPG Settlement Arrangement.

Following the effective date of the third amended PC plan of reorganization, as amended, and the lifting of the Bankruptcy Court stay, PPG will monitor the activity associated with asbestos claims which are not channeled to the Trust pursuant to the third amended PC plan of reorganization, and evaluate its estimated liability for such claims and related insurance assets then available to the Company as well as underlying assumptions on a periodic basis to determine whether any adjustment to its reserve for these claims is required.

Of the total obligation of \$1,018 million under the 2009 PPG Settlement Arrangement at March 31, 2014, \$769 million is reported as a current liability and \$249 million is reported as a non-current liability in the accompanying condensed consolidated balance sheet. The future accretion of the noncurrent portion of the liability will total \$91 million and be reported as expense in the condensed consolidated statement of income over the period through 2023, as follows (in millions):

Remainder of 2014	\$	10
2015		14
2016 – 2023		67
Total	\$	91

Table of Contents

The following table summarizes the impact on PPG's financial statements for the three months ended March 31, 2014 and 2013 resulting from the 2009 PPG Settlement Arrangement including the change in fair value of the stock to be transferred to the Trust and the equity forward instrument (see Note 14, "Financial Instruments and Hedging Activities") and the increase in the net present value of the future payments to be made to the Trust.

(\$ in Millions)	Three Months Ended March 31	
	2014	2013
Increase (decrease) in expense		
Change in fair value:		
PPG stock	\$ 5	\$ (2)
Equity forward instrument	(6)	2
Accretion of asbestos liability	4	3
Asbestos settlement – net expense	\$ 3	\$ 3

The fair value of the equity forward instrument is included as an "Other" current asset as of March 31, 2014 and December 31, 2013 in the accompanying condensed consolidated balance sheet. Payments under the fixed payment schedule require annual payments that are due each June. The current portion of the asbestos settlement liability included in the accompanying condensed consolidated balance sheet as of March 31, 2014 consists of all such payments required through June 2014, the fair value of PPG's common stock and the value of PPG's investment in Pittsburgh Corning Europe. The net present value of the remaining payments is included in the long-term asbestos settlement liability in the accompanying condensed consolidated balance sheet as of March 31, 2014.

Enjoined Claims

If the 2009 PPG Settlement Arrangement is not implemented, for any reason, and the Bankruptcy Court stay expires, PPG intends to defend vigorously the pending and any future asbestos claims, including PC Relationship Claims, asserted against it and its subsidiaries. PPG continues to assert that it is not responsible for any injuries caused by PC products, which it believes account for the vast majority of the pending claims against PPG. Prior to 2000, PPG had never been found liable for any PC-related claims. In numerous cases, PPG was dismissed on motions prior to trial, and in others PPG was released as part of settlements by PC. PPG was found not responsible for PC-related claims at trial in two cases. In January 2000, one jury found PPG, for the first time, partly responsible for injuries to five plaintiffs alleged to be caused by PC products. The plaintiffs holding the judgment on that verdict moved to lift the injunction as applied to their claims. Before the hearing on that motion, PPG entered into a settlement with those claimants in the second quarter of 2010 to avoid the costs and risks associated with the possible lifting of the stay and appeal of the adverse 2000 verdict. The settlement resolved both the motion to lift the injunction and the judgment against PPG. The cost of this settlement was not significant to PPG's results of operations for the second quarter of 2010 and was fully offset by prior insurance recoveries. Although PPG has successfully defended asbestos claims brought against it in the past, in view of the number of claims, and the significant verdicts that other companies have experienced in asbestos litigation, the result of any future litigation of such claims is inherently unpredictable.

Environmental Matters

It is PPG's policy to accrue expenses for environmental contingencies when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Reserves for environmental contingencies are exclusive of claims against third parties and are generally not discounted. In management's opinion, the Company operates in an environmentally sound manner and the outcome of the Company's environmental contingencies will not have a material effect on PPG's financial position or liquidity; however, any such outcome may be material to the results of operations of any particular period in which costs, if any, are recognized. Management anticipates that the resolution of the Company's environmental contingencies will occur over an extended period of time.

As of March 31, 2014 and December 31, 2013, PPG had reserves for environmental contingencies totaling \$273 million and \$310 million, respectively, of which \$105 million was classified as a current liability at both balance sheet dates. The reserve at March 31, 2014 included \$168 million for environmental contingencies associated with PPG's former chromium manufacturing plant in Jersey City, N.J. and associated sites ("New Jersey Chrome") and \$105 million for other environmental contingencies, including National Priority List sites and legacy glass and chemical manufacturing sites. The reserve at December 31, 2013 included \$204 million for environmental contingencies associated with New Jersey Chrome, \$106 million for other environmental contingencies, including National Priority List sites and legacy glass and chemical manufacturing sites.

[Table of Contents](#)

Pre-tax charges against income for environmental remediation costs totaled \$2 million and \$13 million, respectively, for the three months ended March 31, 2014 and 2013, and are included in "Other charges" in the accompanying condensed consolidated statement of income. Included in the 2013 environmental remediation expense is a charge of \$12 million for remediation costs at a legacy chemical manufacturing site in Barberton, Ohio based on an updated estimate of costs for remediation activities at this site. Cash outlays related to all environmental remediation aggregated \$39 million and \$23 million, respectively, for the three months ended March 31, 2014 and 2013.

Management expects cash outlays for environmental remediation costs to be approximately \$100 million in the remainder of 2014, approximately \$100 million in 2015 and to range from \$10 million to \$30 million annually through 2018. It is possible that technological, regulatory and enforcement developments, the results of environmental studies and other factors could alter the Company's expectations with respect to future charges against income and future cash outlays. Specifically, the level of expected future remediation costs and cash outlays is highly dependent upon activity related to New Jersey Chrome, as discussed below.

Remediation: New Jersey Chrome

Since 1990, PPG has remediated 47 of 61 residential and nonresidential sites under the 1990 Administrative Consent Order ("ACO") with the New Jersey Department of Environmental Protection ("NJDEP"). The most significant of the 14 remaining sites is the former chromium manufacturing location in Jersey City, New Jersey. The principal contaminant of concern is hexavalent chromium. The Company submitted a feasibility study work plan to the NJDEP in October 2006 that included a review of the available remediation technology alternatives for the former chromium manufacturing location. As a result of the extensive analysis undertaken in connection with the preparation and submission of that feasibility study work plan, the Company recorded a pre-tax charge of \$165 million in the third quarter of 2006. This charge included estimated costs for remediation at the 14 remaining ACO sites, including the former manufacturing site, and for the resolution of litigation filed by NJDEP in May 2005 as discussed below. The principal estimated cost elements of the third quarter 2006 charge were based on competitively derived or readily available remediation industry cost data. The major cost components of this charge were (i) transportation and disposal of excavated soil and in place soil treatment and (ii) construction services (related to soil excavation, groundwater management and site security).

In May 2005, the NJDEP filed a complaint against PPG and two other former chromium producers seeking to hold the parties responsible for a further 53 sites where the source of chromium contamination is not known and to recover costs incurred by the agency in connection with its response activities at certain of those sites. During the third quarter of 2008, the parties reached an agreement in principle on all claims relating to these 53 sites (the "Orphan Sites Settlement"). Under the terms of this Orphan Sites Settlement, PPG accepted responsibility for remediation of 6 of the 53 sites, one half of the cost for remediating ten sites where chrome ore processing residue was used as fill in connection with the installation or repair of sewer lines owned by Jersey City, reimburse the NJDEP for a portion of past costs in the amount of \$5 million and be responsible for the NJDEP's oversight costs associated with the sites for which PPG is wholly or partially responsible. This settlement was finalized and issued for public comment in June 2011. After the close of the public comment period, NJDEP determined that no changes to the settlement were necessary and a motion was filed with the court to enter the settlement as a final order. In September 2011, the court entered the Orphan Sites Settlement as a final order. PPG paid its share of past costs in October 2011. This Orphan Sites Settlement did not affect PPG's responsibilities for the 14 remaining unremediated sites covered by PPG's ACO. The investigation and remediation of the soils and sources of contamination of the ten sewer sites will occur over an extended period of time to allow for investigation and determination of impacts associated with these sites, and coordination of remediation with the maintenance and repair of the sewers by Jersey City.

A settlement agreement among PPG, NJDEP and Jersey City (which had asserted claims against PPG for lost tax revenue) has been reached and memorialized in the form of a Judicial Consent Order (the "JCO") that was entered by the court on June 26, 2009. PPG's remedial obligations under the ACO with NJDEP have been incorporated into the JCO. Pursuant to the JCO, a new process has been established for the review of the technical reports PPG must submit for the investigation and remedy selection for the 14 ACO sites and the six sites for which PPG has accepted sole responsibility under the terms of the Orphan Sites Settlement ("20 PPG sites"). The JCO also provided for the appointment of a court-approved Site Administrator who is responsible for establishing a master schedule for the remediation of the 20 PPG sites. The JCO established a goal, based on currently applicable remedial provisions, to remediate soils and sources of contamination at the 20 PPG sites as expeditiously as possible for completion at the end of 2014 in accordance with the master schedule developed by the Site Administrator. In 2013, the parties to the JCO determined that it was not feasible to complete the soil remediation by the original December 2014 cleanup goal due to the complexities associated with the remediation of the sites. Based upon current knowledge of the conditions at the sites and the experience gained over the last several years, the JCO parties established a new master schedule, which was approved by the court, and extends the goal for cleanup of soils and sources of contamination to December

Table of Contents

1, 2015. Under the JCO, NJDEP could seek to impose stipulated civil penalties if PPG fails to complete soil and source remediation of JCO sites by the new December 2015 goal or perform certain tasks under the master schedule. The JCO also resolved the claims for reparations for lost tax revenues by Jersey City with the payment of \$1.5 million over a five year time period. The JCO did not otherwise affect PPG's responsibility for the remediation of the 14 ACO sites.

Since October 2006, activities contained in the feasibility study work plan have been undertaken and remedial alternatives were assessed which included, but were not limited to, soil excavation and offsite disposal in a licensed disposal facility, in situ chemical stabilization of soil and groundwater, and in situ solidification of soils. The feasibility study work plan for the former chromium manufacturing site previously submitted in 2006 was incorporated into a remedial action work plan. PPG submitted a preliminary draft soil remedial action work plan for the former chromium manufacturing and adjacent sites to NJDEP in June 2011. PPG received commentary from the NJDEP in connection with their review. The work plans for interim remedial measures at the chromium manufacturing site, which consisted of the removal and off-site disposal of approximately 70,000 tons of chromium impacted soil and concrete foundations, was approved by NJDEP and the associated work was completed in the third quarter 2011. The submission of a final draft soil remedial action work plan for the former chromium manufacturing and adjacent sites was initially required to be submitted to NJDEP in May 2012. However, this submission has been delayed while PPG works with NJDEP and Jersey City to address issues related to PPG's proposed approach to obtaining use limitations for the properties that will be remediated. Property owners must accept use limitations before NJDEP may approve a remedial action work plan. In the meantime, NJDEP has completed a review of the technical aspects of PPG's proposed soil remedial action work plan and has expressed their support of the remediation activities identified therein which PPG continues to perform while the issues related to use limitations for these properties are being addressed. PPG has submitted a final draft remedial action work plan for one other remaining site under the ACO which has been approved by the NJDEP. Remedial activities began at this site in early 2013. In addition, during 2012 PPG completed remedial activities at three sites for which PPG has accepted sole responsibility under the terms of the Orphan Sites Settlement and has received "No Further Action" determination from the NJDEP for these sites. Soil investigation activities for all remaining sites covered by the ACO are also expected to be completed in 2014, and PPG believes the results of the work performed in connection with the preparation of the plan, as described above provides the Company with relevant information concerning remediation alternatives and estimated costs at these sites.

As work continued at all of the New Jersey Chrome sites and the final draft soil remedial action work plan for the former chromium manufacturing and adjacent sites was being developed, the estimated remediation costs were refined for all New Jersey Chrome sites and the updated information was used to compile a new estimate of the remediation costs, which resulted in a charge of \$145 million in 2012. The final draft soil remedial action work plan is based upon plans for PPG to obtain use limitations for the properties that will be remediated by various means including the purchase of certain sites. Based on our recently completed and ongoing investigations, approximately one million tons of soil may be potentially impacted for all New Jersey Chrome sites. The most significant assumptions underlying the current cost estimate are those related to the extent and concentration of chromium impacts in the soil, as these determine the quantity of soil that must be treated in place, the quantity that will have to be excavated and transported for offsite disposal, and the nature of disposal required. The charges taken for the estimated cost to remediate the New Jersey Chrome sites are exclusive of any third party indemnification, as the recovery of any such amounts is uncertain.

During the third quarter of 2013, PPG completed an assessment of costs incurred to date versus current progress, and the potential cost impacts of recently acquired information, including but not limited to the extent of impacted soils, percentage of hazardous versus non-hazardous soils, daily soil excavation rates, and engineering, administrative and other associated costs. Based on this assessment, a reserve adjustment of \$89 million was recorded in the third quarter of 2013. Principal factors impacting costs included a refinement in the estimate of the mix of hazardous to non-hazardous soils to be excavated, an overall increase in soil volumes to be excavated, enhanced water management requirements, decreased daily soil excavation rates due to site conditions and increased oversight and management costs.

The liability for remediation of the New Jersey Chrome sites totals \$168 million at March 31, 2014. The major cost components of this liability continue to be related to transportation and disposal of impacted soil as well as construction services. These components account for approximately 45% and 43% of the accrued amount, respectively, as of March 31, 2014. The accrued liability also includes estimated costs for water treatment, engineering and project management.

Table of Contents

Information will continue to be generated from the ongoing groundwater remedial investigation activities related to New Jersey Chrome and will be incorporated into a final draft remedial action work plan for groundwater expected to be submitted to NJDEP in 2014.

As described above, there are multiple future events yet to occur, including further remedy selection and design, remedy implementation and execution, the obtaining of required approvals from applicable governmental agencies or community organizations and the final draft remedial action work plan for groundwater to be submitted to NJDEP in 2014. Considerable uncertainty exists regarding the timing of these future events for the New Jersey Chrome sites. Final resolution of these events is expected to occur over the next two years. As these events occur and to the extent that the cost estimates of the environmental remediation remedies change, the existing reserve for this environmental remediation will be adjusted.

Remediation: Reasonably Possible Matters

In addition to the amounts currently reserved for environmental remediation, the Company may be subject to loss contingencies related to environmental matters estimated to be as much as \$100 million to \$200 million. Such unreserved losses are reasonably possible but are not currently considered to be probable of occurrence. These reasonably possible unreserved losses relate to environmental matters at a number of sites, including about one third each related to; i) additional costs at New Jersey Chrome ii) legacy glass sites and iii) a number of other sites, including legacy chemical manufacturing sites. The loss contingencies related to these sites include significant unresolved issues such as the nature and extent of contamination at these sites and the methods that may have to be employed to remediate them.

The status of the remediation activity at New Jersey Chrome and the factors that could result in the need for additional environmental remediation reserves at those sites are described above. Certain remedial actions are occurring at a legacy chemical manufacturing site in Barberton, Ohio, where PPG has completed a Facility Investigation and Corrective Measure Study ("CMS") under USEPA's Resource Conservation and Recycling Act ("RCRA") Corrective Action Program. PPG has been implementing the remediation alternatives recommended in the CMS using a performance-based approach with USEPA Region V oversight. However, USEPA Region V transferred its oversight authority to the Ohio Environmental Protection Agency ("OEPA") in 2010. The Barberton Corrective Action Permit was issued by OEPA on September 24, 2010. As part of this permit, PPG is responsible for filing engineering remedies for various issues at this site. Several of these remedies have not yet been filed with the OEPA. PPG has been addressing impacts from a legacy plate glass manufacturing site in Kokomo, Indiana under the Voluntary Remediation Program of the Indiana Department of Environmental Management. PPG is currently performing additional investigation activities.

With respect to certain waste sites, the financial condition of any other potentially responsible parties also contributes to the uncertainty of estimating PPG's final costs. Although contributors of waste to sites involving other potentially responsible parties may face governmental agency assertions of joint and several liability, in general, final allocations of costs are made based on the relative contributions of wastes to such sites. PPG is generally not a major contributor to such sites.

The impact of evolving programs, such as natural resource damage claims, industrial site reuse initiatives and state remediation programs, also adds to the present uncertainties with regard to the ultimate resolution of this unreserved exposure to future loss. The Company's assessment of the potential impact of these environmental contingencies is subject to considerable uncertainty due to the complex, ongoing and evolving process of investigation and remediation, if necessary, of such environmental contingencies, and the potential for technological and regulatory developments.

Separation and Merger of the Commodity Chemicals Business

As a result of the commodity chemicals business separation transaction, PPG has retained responsibility for potential environmental liabilities that may result from future Natural Resource Damage claims and any potential tort claims at the Calcasieu River Estuary associated with activities and historical operations of the Lake Charles, La. facility. PPG will additionally retain responsibility for all liabilities relating to, arising out of or resulting from sediment contamination in the Ohio River resulting from historical activities and operations at the Natrium, W.Va. facility, exclusive of remedial activities, if any, required to be performed on-site at the Natrium facility. PPG's obligations with respect to Ohio River sediment will terminate on December 30, 2017 unless within five years from December 30, 2012 PPG is required to further assess or to remediate sediment contamination caused by PPG's operation of the Natrium facility prior to the separation of the commodity chemicals business from PPG in which event PPG's obligations with respect to sediment in the Ohio River will continue for five years beyond the time that PPG is required to further assess or remediate sediment in the Ohio River.

[Table of Contents](#)

Other Matters

The Company accrues for product warranties at the time the products are sold based on historical claims experience. As of March 31, 2014 and December 31, 2013, the reserve for product warranties were \$11 million and \$10 million, respectively. Pre-tax charges against income for product warranties and the related cash outlays were not material for the three months ended March 31, 2014 and 2013.

The Company had outstanding letters of credit and surety bonds of \$109 million and guarantees of \$51 million as of March 31, 2014. The Company does not believe any loss related to such guarantees is likely.

17. Reportable Business Segment Information

In conjunction with the Company's continued strategic focus on its coatings businesses, including the Company's recently completed actions to grow its global architectural coatings business, as well as the divestiture of its 51% ownership interest in its Transitions Optical joint venture and 100% of its sunlens businesses to Essilor, the Company has realigned its segment reporting structure effective for the first quarter ended March 31, 2014. The change in the reportable segment structure reflects the manner in which the Company is currently managing its business.

Under the new segment reporting structure, the Company's reportable business segments have changed from the five segments of Performance Coatings, Industrial Coatings, Architectural Coatings-Europe, Middle East and Africa, Optical and Specialty Materials and Glass to the following three segments: Performance Coatings, Industrial Coatings and Glass. The segment financial results of the former Architectural Coatings-Europe, Middle East and Africa segment are now included in the Performance Coatings segment along with the architectural coatings - Americas and Asia Pacific businesses, and the segment financial results of the remaining former Optical and Specialty Materials segment, renamed specialty coatings and materials, are included in the Industrial Coatings segment. The operating segments have been aggregated based on economic similarities, the nature of their products, production processes, end-use markets and methods of distribution. The prior year information has been adjusted to conform to the new segment reporting structure.

The Performance Coatings reportable segment is comprised of the refinish, aerospace, architectural coatings – Americas and Asia Pacific, architectural coatings - EMEA, and protective and marine coatings operating segments. This reportable segment primarily supplies a variety of protective and decorative coatings, sealants and finishes along with paint strippers, stains and related chemicals, as well as transparencies and transparent armor.

The Industrial Coatings reportable segment is comprised of the automotive original equipment manufacturer ("OEM") coatings, industrial coatings, packaging coatings, and the specialty coatings and materials operating segments. This reportable segment primarily supplies a variety of protective and decorative coatings and finishes along with adhesives, sealants, metal pretreatment products, optical monomers and coatings, precipitated silicas and other specialty materials.

The Glass reportable segment is comprised of the flat glass and fiber glass operating segments. This reportable segment primarily supplies flat glass and continuous-strand fiber glass products.

[Table of Contents](#)

Reportable segment net sales and segment income for the three months ended March 31, 2014 and 2013 were as follows:

(\$ in Millions)	Three Months Ended March 31	
	2014	2013
Net sales:		
Performance Coatings	\$ 2,007	\$ 1,578
Industrial Coatings	1,363	1,274
Glass	266	256
Total (a)	<u>\$ 3,636</u>	<u>\$ 3,108</u>
Segment income:		
Performance Coatings	\$ 248	\$ 192
Industrial Coatings	231	198
Glass	4	5
Total	<u>483</u>	<u>395</u>
Legacy items (b)	(10)	(46)
Acquisition-related costs (c)	(3)	(6)
Interest expense, net of interest income	(35)	(43)
Other corporate expense – net	(63)	(59)
Income from continuing operations before income taxes	<u>\$ 372</u>	<u>\$ 241</u>

(a) Intersegment net sales for the three months ended March 31, 2014 and 2013 were not material.

(b) Legacy items include current costs related to former operations of the Company, including pension and other postretirement benefit costs, certain charges for legal matters and environmental remediation costs, and certain charges which are considered to be unusual or non-recurring including the earnings impact of the proposed asbestos settlement. Legacy items also include equity earnings from PPG's approximate 40% investment in the former automotive glass and services business. The expense for the three months ended March 31, 2013 includes nonrecurring environmental remediation pre-tax charges of \$12 million. The expense for the three months ended March 31, 2013 also includes a pre-tax charge of \$18 million for the settlement losses related to certain legacy Canadian glass pension plans.

(c) Includes advisory, legal, accounting, valuation and other professional or consulting fees incurred in connection with acquisition activity. In addition, for the three months ended March 31, 2013, includes the flow-through cost of sales of the step up to fair value of inventory of acquired from Spraylat of \$3 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Discontinued Operations

On March 31, 2014, the Company completed the sale of its 51% ownership interest in its Transitions Optical joint venture and 100% of its sunlens business to Essilor International (Compagnie Generale D'Optique) SA ("Essilor"). The results of operations and cash flows of these businesses for the quarter ended March 31, 2014 and the net gain on the sale are reported as results from discontinued operations for the quarter ending March 31, 2014. For prior periods presented, the results of operations and cash flows of these businesses have been reclassified from continuing operations and presented as results from discontinued operations.

On January 28, 2013, PPG completed the separation of its commodity chemicals business and the merger of the subsidiary holding the PPG commodity chemicals business with a subsidiary of the Georgia Gulf Corporation. The combined company formed by uniting Georgia Gulf with PPG's former commodity chemicals business is named Axiall Corporation. PPG holds no ownership interest in Axiall. The results of operations and cash flows of the commodity chemicals business for the month of January 2013 and the net gain from the separation are presented as results from discontinued operations.

See Note 4, "Discontinued Operations" in Item 1 - Financial Statements, for additional information relating to these transactions.

Performance in First Quarter of 2014 Compared to First Quarter of 2013

Performance Overview

Net sales increased \$528 million, or 17% from the first quarter of 2013, to \$3,636 million primarily due to sales from acquired businesses (12%), higher sales volumes (5%) and higher selling prices (1%). Total first quarter net sales from continuing operations of \$3,636 million were up 17% versus the previous year's \$3,108 million. Acquired businesses added about \$360 million, or 12%, in the quarter, related primarily to the North American architectural coatings acquisition. Year-over-year volumes grew by 5% versus the prior year's quarter. All three reportable business segments achieved higher year-over-year volumes. Pricing advanced 1% in aggregate, with a focus on countering wage, transportation and energy cost inflation. Currency translation was a slight negative, with results mixed greatly by region. Versus the prior year, the Euro strengthened against the U.S. dollar, but many other currencies, primary in emerging regions, weakened against the dollar.

Aggregate global coatings segment volumes improved 5%, representing the company's largest year-over-year volume gain in three years. Volumes in each major region continued to improve versus recent quarters. Volumes grew 7% in the United States and Canada in comparison to the prior year. Year-over-year volume trends also improved considerably in comparison with the prior sequential quarter. Despite negative weather impacts, most businesses delivered higher volumes in the region as economic conditions remain solid. Year-over-year European volume performance continued a multi-quarter improvement trend, advancing 4%, and reflecting the early stages of economic recovery in the region. The volume results were mixed by industry and country and region, with automotive OEM and architectural coatings-EMEA delivering the highest growth, the latter of which benefited from favorable painting weather in the quarter. Emerging-region volume grew by 2%. Volume results were also mixed by country and industry. Higher automotive OEM and industrial coatings demand aided performance in Asia, including China and Latin America. Asian marine new-build volumes remained negative, although the decline was modest versus previous quarters as the market is demonstrating continued signs of stability at a lower activity level. Excluding the marine new-build business, emerging region volumes grew by 4%, a pace of growth consistent with recent quarters.

Cost of sales, exclusive of depreciation and amortization, increased \$229 million, or 12% from the first quarter of 2013, to \$2,091 million primarily due to the inclusion of cost of sales from acquired businesses partially offset by lower manufacturing costs. Cost of sales as a percentage of sales decreased to 57.5% in the first quarter of 2014 from 59.9% in the first quarter of 2013.

Selling, general and administrative expenses increased \$154 million, or 21% from the first quarter of 2013, to \$900 million primarily due to the inclusion of acquired businesses and overhead cost inflation partly offset by the impact of our continued focus on increased productivity and efficiency, including impacts from restructuring actions. Selling, general and administrative expenses as a percentage of sales increased slightly to 24.8% in the first quarter of 2014 from 24.0% in the first quarter of 2013 primarily due to the addition of acquired businesses which have higher distribution related costs.

[Table of Contents](#)

The effective tax rate on pre-tax earnings from continuing operations for the quarter ended March 31, 2014 was 24% compared to 18% in the first quarter of 2013. The increase is primarily due to an after-tax benefit of \$10 million for the retroactive impact of U.S. tax law changes that were enacted in early 2013 and included in the first quarter 2013 effective tax rate. We expect our ongoing tax rate in 2014 to be in the range of 23.5% to 24.5%. Because of the differences in the tax rates in the countries in which we operate, a shift in the geographic mix of earnings will impact our overall ongoing tax rate. See the Regulation G reconciliation below for details of PPG's adjusted effective tax rate from continuing operations.

Diluted earnings-per-share for the three months ended March 31, 2014 were \$8.97, comprised of net income from continuing operations of \$1.97 and discontinued operations, net of tax of \$7.00. These diluted earnings per share from continuing operations compare to \$1.29 in the first quarter of 2013. The increase in diluted earnings-per-share from continuing operations was aided by the benefits of prior cash deployment, as the achievement of targeted synergies has combined with the implementation of our restructuring plans. Also, the Company is benefiting from shares repurchased in 2013 as well as the over one million shares of stock repurchased during the first quarter of 2014.

Looking to the second quarter, the Company anticipates global growth to continue, but it will not be uniform across geographies or industries. PPG remains well-positioned with a balanced coatings portfolio, both regionally and by industry, providing broad growth opportunities while minimizing the impact of any individual fluctuations.

Regulation G Reconciliation – Results from Operations

PPG believes investors' understanding of the Company's operating performance is enhanced by the disclosure of net income before income taxes, PPG's effective income tax rate, tax expense, net income from continuing operations and earnings per diluted share adjusted for nonrecurring charges. PPG's management considers this information useful in providing insight into the Company's ongoing operating performance because it excludes the impact of items that cannot reasonably be expected to recur on an ongoing basis. PPG's management considers this information useful in providing insight into the company's ongoing operating performance because it excludes the impact of items that cannot reasonably be expected to recur on an ongoing basis. Income before income taxes, the effective tax rate, tax expense, net income from continuing operations and earnings per diluted share adjusted for these items are not recognized financial measures determined in accordance with U.S. generally accepted accounting principles ("GAAP") and should not be considered a substitute for income before income taxes, the effective tax rate, tax expense, net income from continuing operations or earnings per diluted share or other financial measures as computed in accordance with U.S. GAAP. In addition, adjusted income before income taxes, adjusted effective tax rate, adjusted tax expense, adjusted net income from continuing operations and adjusted earnings per diluted share from continuing operations may not be comparable to similarly titled measures as reported by other companies.

The effective tax rate from continuing operations is reconciled to the adjusted effective tax rate from continuing operations below:

Three months ended March 31, 2014

(Millions, except per share amounts)	Income Before Income Taxes	Tax Expense	Effective Tax Rate
Effective tax rate, continuing operations	\$ 372	\$ 89	23.9%
Includes:			
Charges related to business acquisitions	3	1	37.6%
Adjusted effective tax rate, continuing operations, excluding certain charges	\$ 375	\$ 90	24.0%

[Table of Contents](#)

Three months ended March 31, 2013

(Millions, except per share amounts)	Income Before Income Taxes	Tax Expense	Effective Tax Rate
Effective tax rate, continuing operations	\$ 241	\$ 44	18.3%
Includes:			
Legacy pension costs	18	5	26.7%
Environmental remediation costs	12	4	37.4%
Charges related to business acquisitions	6	1	26.0%
Retroactive benefit of U.S. tax law change		10	
Adjusted effective tax rate, continuing operations, excluding certain charges	\$ 277	\$ 64	23.1%

Net income (attributable to PPG) and earnings-per-share – assuming dilution (attributable to PPG) are reconciled to adjusted net income (attributable to PPG) and adjusted earnings-per-share – assuming dilution below:

Three Months ended March 31, 2014

(Millions, except per share amounts)	Continuing Operations	
	Net Income	EPS
Net income (attributable to PPG)	\$277	\$1.97
Net income (attributable to PPG) includes:		
Acquisition-related costs	2	0.01
Adjusted net income	\$279	\$1.98

Three Months ended March 31, 2013

(Millions, except per share amounts)	Continuing Operations	
	Net Income	EPS
Net income (attributable to PPG)	\$191	\$1.29
Net income (attributable to PPG) includes:		
Legacy pension and environmental costs	21	0.14
Acquisition-related costs	5	0.03
Retroactive benefit of U.S. tax law change	(10)	(0.07)
Adjusted net income	\$207	\$1.39

Performance of Reportable Business Segments

In the first quarter of 2014, PPG changed its reportable business segment structure from the five segments of Performance Coatings, Industrial Coatings, Architectural Coatings - Europe, Middle East and Africa (EMEA), Optical and Specialty Materials and Glass to three segments. The three reportable business segments and their respective businesses are as follows:

- Performance Coatings - aerospace, architectural coatings Americas and Asia-Pacific, architectural coatings - EMEA, automotive refinish, and protective and marine coatings
- Industrial Coatings - automotive OEM coatings, industrial coatings, packaging coatings, and specialty coatings and materials
- Glass - fiber glass and flat glass

Performance Coatings

Performance Coatings net sales increased \$429 million, or 27%, from the first quarter of 2013, to \$2,007 million primarily due to net sales from the North American architectural coatings acquisition. Segment volumes, excluding acquisitions, advanced 3% as year-over-year volume trends improved in all major regions, with the largest gains achieved in Europe. Volume performance in each region also improved sequentially versus the fourth quarter. Strong segment income contributions were realized on the improved volumes, stemming from the lower cost base of the businesses.

[Table of Contents](#)

Architectural coatings EMEA was the primary contributor to higher net sales in Europe, as volumes improved mid-single digit percentages aided by partial demand recovery and favorable weather conditions, and in comparison with weak prior year levels. Despite the improvement, activity remained inconsistent within the region as demand in certain countries remained at depressed levels. End-market recovery is expected to continue in the coming quarters, but remain mixed by individual country.

The aerospace and refinish businesses both delivered higher volumes in each major region. Demand trends in the overall aerospace industry continued to remain favorable globally. Refinish growth was supported by increasing emerging region activity and partial demand recovery in Europe. Both businesses are expected to experience continued positive trends in the second quarter.

Protective and marine net sales grew in the quarter primarily due to increased sales of PPG protective coatings products which are sold through the acquired North American architectural stores. The protective coatings gains were offset by continued weakness in Asian marine new-build activity, although the marine new-build market stabilized as first quarter sales remained consistent with recent quarters.

Excluding the positive acquisition-related impacts, North American architectural coatings net sales grew modestly versus solid prior year results. Inclement weather tempered painting activity in the region, and year-over-year results were mixed by architectural distribution channel. The national retail channel improved slightly. Same store sales for company-owned stores also improved, including the benefit from a price increase that was implemented in the quarter. However, this price benefit was partly offset by lower sales to independent distributors. Overall North American architectural coatings market conditions are expected to remain favorable, despite limited evidence of a uniform recovery in non-residential construction.

The acquired North American architectural coatings business's sales were approximately \$350 million, delivering a mid-single digit percent return on sales, which is a notable improvement from the prior year pre-acquisition results. First quarter segment income increased \$56 million, or 29% from the first quarter of 2013, to \$248 million primarily due to the increase in organic net sales and income from business acquisitions. The improved segment income was a result of further realization of cost synergies, with additional synergies expected to be achieved in future quarters. PPG completed the North American architectural coatings acquisition on April 1, 2013, so the financial results of this acquisition will no longer be classified as acquisition related beginning with the second quarter 2014.

Industrial Coatings

Industrial Coatings segment net sales increased \$89 million, or 7% from the first quarter of 2013, to \$1,363 million primarily due to volume growth. First quarter segment income increased \$33 million, or 17% from the first quarter of 2013, to \$231 million also primarily due to volume growth. PPG's global automotive OEM business grew net sales by 10% year-over-year, continuing a multi-quarter trend of outperforming global industry growth which was about four percent in the quarter. PPG continues to benefit from adoption of new technologies and ongoing focus on customer service and customer process improvement initiatives. Industry growth is projected to continue in the second quarter, with more modest growth rates in Europe and North America. We anticipate our results will continue to pace ahead of the industry. Growth accelerated in the industrial coatings business versus recent quarters, aided by continued North American and emerging region strength, while European demand remained slightly negative year-over-year. Packaging coatings demand also remained weaker in Europe, but generally stable in the remaining regions. Specialty coatings and materials net sales grew year-over-year aided by improved volumes in precipitated silicas and *Teslin*®, electronics and optical materials.

Demand in the overall general industrial markets PPG supplies is expected to grow in the second quarter, including further recovery in Europe and continued emerging region gains. North American end-markets continue to exhibit the most consistent growth patterns across these businesses.

Glass

First quarter net sales for the Glass segment increased \$10 million, or 4% from the first quarter of 2013, to \$266 million primarily due to higher volumes in fiber glass, with continued demand improvement resulting in low inventories of certain products. Volumes in flat glass were mixed with higher residential-related volumes and mixed U.S. geographic results in non-residential construction, partly due to inclement weather. Flat glass pricing was higher year-over-year. Segment income decreased \$1 million, or 20% from the first quarter 2013, to \$4 million as the benefit of improved volumes was more than offset by \$12 million of higher maintenance costs stemming from scheduled projects. Higher natural gas-based energy costs were also a negative factor in the income comparison.

Looking ahead, segment sales typically improve seasonally versus the first quarter. Global fiber glass demand is expected to remain strong, including improved conditions in Europe. Flat glass demand is also anticipated to improve, contributing to increased sales from higher pricing. Remaining maintenance project costs are expected to decrease

[Table of Contents](#)

segment income by \$3 million versus the prior year. Natural gas costs are expected to moderate versus the first quarter based on current pricing, but still be higher year-over-year.

Liquidity and Capital Resources

PPG ended the quarter with cash and short-term investments of \$3.0 billion, an increase of \$1.3 billion from December 31, 2013, primarily due to the receipt of \$1.735 billion in gross cash proceeds in connection with the closing of the sale of its ownership interest the Transitions Optical and sunlens businesses (See Note 4).

Cash from continuing operating activities for the three months ended March 31, 2014 was \$130 million compared to cash used for continuing operations \$132 million for the comparable period of 2013. The change was primarily due to improved working capital and higher income from continuing operations.

Other sources and uses of cash during the three months ended March 31, 2014 included:

- Capital expenditures from continuing operations, excluding acquisitions, were \$103 million, or about 3% of sales. Anticipated 2014 capital spending is expected to be in the range of \$500 million to \$600 million.
- Cash dividends paid totaled \$85 million.
- Cash paid for share repurchases totaled \$200 million.

We believe that our cash and short term investments on hand, cash from operations and the Company's available debt capacity will continue to be sufficient to fund operating activities, capital spending, including acquisitions, dividend payments, debt service, amounts due under the proposed asbestos settlement, share repurchases and contributions to pension plans. We intend to deploy our cash in a timely, disciplined manner with a continued emphasis on incremental earnings accretion initiatives, including additional acquisitions and share repurchases. We intend to deploy between \$3.0 billion to \$4.0 billion of incremental cash over the 2014 and 2015 calendar years.

The ratio of total debt, including capital leases, to total debt and PPG shareholders' equity was 36% at March 31, 2014 and 41% at December 31, 2013.

Operating Working Capital is a subset of total working capital and represents (1) trade receivables – net of the allowance for doubtful accounts plus (2) inventories on a first-in, first-out ("FIFO") basis less (3) trade creditors' liabilities. We believe Operating Working Capital represents the key components of working capital under the operating control of our businesses. A key metric we use to measure improvement in our working capital management is Operating Working Capital as a percentage of sales (current quarter sales annualized).

(Millions, except percentages)	March 31, 2014	Dec. 31 2013	March 31, 2013
Trade Receivables, Net	\$2,669	\$2,449	\$2,594
Inventories, FIFO	2,114	2,019	1,895
Trade Creditors' Liabilities	2,029	1,790	1,652
Operating Working Capital	\$2,754	\$2,678 ^(a)	\$2,837 ^(a)
Operating Working Capital as a % of Sales	18.9%	18.1%	21.3%

(a) Inclusive of amounts related to PPG's interest in the Transitions Optical joint venture and sunlens businesses that were sold on March 31, 2014.

The increase in operating working capital elements was primarily due to an increase in trade receivables in the first quarter 2014 compared with the fourth quarter 2013 and a FIFO inventory build in our coatings businesses in advance of the summer paint season. Days sales outstanding at March 31, 2014 were 60 days, which was a five day increase from December 31, 2013 and a three day decrease over March 31, 2013 (both comparisons exclude sales and receivables of the former Transitions Optical and sunlens businesses).

Currency

From December 31, 2013 to March 31, 2014, the U.S. dollar weakened against certain of the the currencies in countries in which PPG operates while strengthening against others. As a result, consolidated net assets at March 31, 2014 increased by \$16 million compared to December 31, 2013.

[Table of Contents](#)

New Accounting Standards

See Note 2, "New Accounting Standards," to the accompanying condensed consolidated financial statements for further details on recently issued accounting guidance.

Commitments and Contingent Liabilities, including Environmental Matters

PPG is involved in a number of lawsuits and claims, both actual and potential, including some that it has asserted against others, in which substantial monetary damages are sought. See Part II, Item 1, "Legal Proceedings" of this Form 10-Q and Note 16, "Commitments and Contingent Liabilities," to the accompanying condensed consolidated financial statements for a description of certain of these lawsuits, including a description of the proposed asbestos settlement.

As discussed in Part II, Item 1 and Note 16, although the result of any future litigation of such lawsuits and claims is inherently unpredictable, management believes that, in the aggregate, the outcome of all lawsuits and claims involving PPG, including asbestos-related claims in the event the proposed asbestos settlement described in Note 16 does not become effective, will not have a material effect on PPG's consolidated financial position or liquidity; however, any such outcome may be material to the results of operations of any particular period in which costs, if any, are recognized.

As also discussed in Note 16, PPG has significant reserves for environmental contingencies. As of March 31, 2014 and December 31, 2013, PPG had reserves for environmental contingencies totaling \$273 million and \$310 million, respectively, of which \$105 million was classified as a current liability at both balance sheet dates. Pre-tax charges against income from continuing operations for environmental remediation costs totaled \$2 million and \$13 million, respectively, for the three months ended March 31, 2014 and 2013, and are included in "Other charges" in the accompanying condensed consolidated statement of income. Included in the 2013 environmental remediation expense is a charge of \$12 million for remediation costs at a legacy chemical manufacturing site. Cash outlays related to all environmental remediation aggregated \$39 million and \$23 million, respectively, for the three months ended March 31, 2014 and 2013.

The Company continues to analyze, assess and remediate the environmental issues associated with New Jersey Chrome. There are currently no amounts for groundwater remediation in our environmental reserves as of March 31, 2014. Information will continue to be generated from the ongoing groundwater remedial investigation activities related to New Jersey Chrome and will be incorporated into a final draft remedial action work plan for groundwater expected to be submitted to NJDEP in 2014.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the Company. Management's Discussion and Analysis and other sections of this Quarterly Report contain forward-looking statements that reflect the Company's current views with respect to future events and financial performance.

You can identify forward-looking statements by the fact that they do not relate strictly to current or historic facts. Forward-looking statements are identified by the use of the words "aim," "believe," "expect," "anticipate," "intend," "estimate," "project," "outlook," "forecast" and other expressions that indicate future events and trends. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward looking statement, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our reports to the Securities and Exchange Commission. Also, note the following cautionary statements.

Many factors could cause actual results to differ materially from the Company's forward-looking statements. 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 proposed asbestos settlement does not become effective. However, it is not possible to predict or identify all such factors.

[Table of Contents](#)

While the list of factors presented here and in the Company's Form 10-K for the year ended December 31, 2013 under the caption "Item 1A Risk Factors" 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 the 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, other risks set forth in "Item 1A Risk Factors" of the Company's Form 10-K for the year ended December 31, 2013 and similar risks, any of which could have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

On March 31, 2014, PPG entered into approximately \$940 million of foreign currency forward contracts to hedge an additional portion of its net investment in its European coatings operations. Although the fair value of these instruments was \$0 as of March 31, 2014, a 10% increase in the value of the euro to the U.S. dollar would have had an unfavorable effect on the fair value of these contracts by \$94 million.

Also, during the quarter, PPG entered into \$152 million of foreign currency forward contracts to hedge its exposure to certain foreign denominated transactions. An adverse change in exchange rates of 10% would decrease the fair value of these contracts by \$15 million.

There were no other material changes in the Company's exposure to market risk from December 31, 2013 to March 31, 2014. See Note 14, "Financial Instruments and Hedging Activities" for a description of our instruments subject to market risk.

Item 4. Controls and Procedures

a. Evaluation of disclosure controls and procedures. Based on their evaluation as of the end of the period covered by this Form 10-Q, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

b. Changes in internal control. There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

PPG is involved in a number of lawsuits and claims, both actual and potential, including some that it has asserted against others, in which substantial monetary damages are sought. These lawsuits and claims relate to contract, patent, environmental, product liability, antitrust and other matters arising out of the conduct of PPG's current and past business activities. To the extent that these lawsuits and claims involve personal injury and property damage, PPG believes it has adequate insurance; however, certain of PPG's insurers are contesting coverage with respect to some of these claims, and other insurers, as they had prior to the asbestos settlement described below, may contest coverage with respect to some of the asbestos claims if the settlement is not implemented. PPG's lawsuits and claims against others include claims against insurers and other third parties with respect to actual and contingent losses related to environmental, asbestos and other matters.

The results of any future litigation and claims are inherently unpredictable. However, management believes that, in the aggregate, the outcome of all lawsuits and claims involving PPG, including asbestos-related claims in the event the settlement does not become effective, will not have a material effect on PPG's consolidated financial position or liquidity; however, such outcome may be material to the results of operations of any particular period in which costs, if any, are recognized.

For over 30 years, PPG has been a defendant in lawsuits involving claims alleging personal injury from exposure to asbestos. For a description of asbestos litigation affecting the Company and the terms and status of the proposed asbestos settlement arrangement, see Note 16, "Commitments and Contingent Liabilities" to the accompanying condensed consolidated financial statements under Part I, Item 1 of this Form 10-Q.

In the past, the Company and others have been named as defendants in several cases in various jurisdictions claiming damages related to exposure to lead and remediation of lead-based coatings applications. PPG has been dismissed as a defendant from most of these lawsuits and has never been found liable in any of these cases.

Item 1A. Risk Factors

There were no material changes in the Company's risk factors from the risks disclosed in the Company's Form 10-K for the year ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Directors who are not also officers of the Company receive common stock equivalents pursuant to the PPG Industries, Inc. Deferred Compensation Plan for Directors ("PPG Deferred Compensation Plan for Directors"). Common stock equivalents are hypothetical shares of common stock having a value on any given date equal to the value of a share of common stock. Common stock equivalents earn dividend equivalents that are converted into additional common stock equivalents but carry no voting rights or other rights afforded to a holder of common stock. The common stock equivalents credited to directors under both plans are exempt from registration under Section 4(2) of the Securities Act of 1933 as private offerings made only to directors of the Company in accordance with the provisions of the plans.

Under the PPG Deferred Compensation Plan for Directors, each director may elect to defer the receipt of all or any portion of the compensation paid to such director for serving as a PPG director. All deferred payments are held in the form of common stock equivalents. Payments out of the deferred accounts are made in the form of common stock of the Company (and cash as to any fractional common stock equivalent). In the first quarter of 2014, the directors, as a group, were credited with 9,266 common stock equivalents under this plan. The value of each common stock equivalent, when credited, ranged from \$188.90 to \$197.21.

[Table of Contents](#)

Issuer Purchases of Equity Securities

The following table summarizes the Company's stock repurchase activity for the three months ended March 31, 2014:

Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs (1)	Maximum Number of Shares That May Yet Be Purchased Under the Programs
January 2014				
Repurchase program	103,708	\$ 183.55	103,708	2,139,458
February 2014				
Repurchase program	457,782	\$ 186.24	457,782	1,681,676
March 2014				
Repurchase program	490,271	\$ 196.17	490,271	1,191,405
Total quarter ended March 31, 2014				
Repurchase program	1,051,761	\$ 188.65	1,051,761	1,191,405

(1) These shares were repurchased under a 10 million share repurchase program approved in October 2011. This repurchase program has no expiration date.

Item 6. Exhibits

See the Index to Exhibits on Page 42.

[Table of Contents](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PPG INDUSTRIES, INC.

(Registrant)

Date: April 24, 2014

By

/s/ Frank S. Sklarsky

Frank S. Sklarsky
Executive Vice President and Chief Financial Officer
(Principal Financial and
Accounting Officer and
Duly Authorized Officer)

[Table of Contents](#)

PPG Industries, Inc. and Consolidated Subsidiaries

Index to Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Form 10-Q.

†10.1	Separation Agreement and Release between PPG Industries, Inc. and Richard C. Elias.
†10.2	Form of Change in Control Employment Agreement entered into with executives on or after January 1, 2014.
†12	Computation of Ratio of Earnings to Fixed Charges for the Three Months Ended March 31, 2014 and for the Five Years Ended December 31, 2013.
†31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
†31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
†32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
†32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

† Filed herewith.

* Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statement of Income for the three months ended March 31, 2014 and 2013, (ii) the Condensed Consolidated Balance Sheet at March 31, 2014 and December 31, 2013, (iii) the Condensed Consolidated Statement of Cash Flows for the three months ended March 31, 2014 and 2013, and (iv) Notes to Condensed Consolidated Financial Statements for the three months ended March 31, 2014.

CONFIDENTIAL

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("Agreement") is made and entered into by PPG Industries, Inc. (the "Company") and Richard C. Elias ("Elias"). The Company and Elias agree as follows:

1. In exchange for benefits specified in Paragraph 4 below, Elias intends both to release the Company from liability to the fullest extent the law permits and to fulfill his other promises in this Agreement.

2. Elias' employment with the Company ends, effective March 31, 2014 (the "Separation Date"). Elias shall retire from the Company, effective April 1, 2014, in accordance with the provisions of the PPG Retirement Income Salaried Pension Plan and the PPG Nonqualified Retirement Plan.

3. Elias understands and agrees that the benefits described are benefits to which Elias would not otherwise be entitled without this Agreement.

4. In exchange for Elias' promises in this Agreement, including the release in Paragraph 5 below, the Company agrees to provide the following benefits to Elias:

- Within 15 days of the Separation Date, PPG will pay Elias \$320,000.00, less applicable withholdings, which will be *in lieu* of any benefits he might otherwise be eligible to receive under PPG's Salaried Severance Plan.
 - Within 15 days of the Separation Date, Elias will receive a successful closing bonus in the amount of \$450,000.00, less applicable withholdings.
 - If Elias retires prior to becoming entitled to the awards issued to him in 2014 under the PPG Industries, Inc. Omnibus Incentive Plan, entitlement for such awards will be as follows:
 - Elias will be entitled to the same Nonqualified Stock Option Award to which he would have been entitled had his employment continued through the Vesting Date of such Award. Such Award may be exercised at any time from the Vesting Date through the Expiration Date thereof and shall otherwise remain subject to the terms of the agreement pursuant to which it was granted.
 - Elias will be entitled to the same Award of Restricted Stock Units to which he would have been entitled had his employment continued through the Vesting Date of such Award, as provided in the applicable award
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agreement, and such Restricted Stock Units shall otherwise remain subject to the agreement pursuant to which it was granted.

- Elias will be entitled to a 1/3 prorated TSR award payout. The calculation of the TSR Award shall be based upon actual performance against Award Goals, and shall otherwise remain subject to the terms of the agreement pursuant to which it was granted.

5. Elias, for himself, his heirs, and anyone else who would have the right to sue on his behalf or in his place (“successors and assigns”), fully and forever releases the Company, all affiliated companies, their shareholders, directors, officers, employees and employee benefit plans from all claims, causes of action or obligations of every nature whatsoever, whether known or unknown, arising out of or relating to Elias’ employment, termination from employment or relating to any other act, event or failure to act that has occurred before the date this Agreement is signed. Examples of the claims which Elias is giving up by signing this Agreement include, but are not limited to, claims for breach of express or implied contracts, claims of intentional wrongdoing, claims for negligent or reckless wrongdoing, and claims for violation of any federal, state or local law, including laws prohibiting employment discrimination, such as, for example, the federal Age Discrimination in Employment Act (which is referred to hereafter as the “ADEA”). By signing this Agreement, Elias does not release or give up his right to: (i) file a charge of discrimination with the U.S. Equal Employment Opportunity Commission (“EEOC”) or similar state agency, (ii) provide assistance or participate in any investigation or hearing conducted by the EEOC or similar state agency, (iii) file a lawsuit to challenge whether or not the release in this Paragraph 5 is a valid and effective as to claims of age discrimination under the ADEA, (iv) file a lawsuit to enforce this Agreement, or (v) assert claims that by law cannot be released, like workers’ compensation claims and claims for vested retirement benefits. If a charge of discrimination is filed with the EEOC, however, the release in this Paragraph 5 means that Elias will not be entitled to receive any money or other individual remedy as a result of that charge. By signing this Agreement, Elias also gives up his right to raise claims under and/or pursue relief through the Company’s dispute resolution process known as “Resolve.”

6. PPG agrees to indemnify and defend Elias in connection with Elias’ involvement in any investigation, claim, action or proceeding by virtue of his having been employed by PPG, to the extent and in the manner provided in PPG’s Bylaws. In the event that PPG fails to so indemnify Elias, then Elias shall have the right to bring a claim for coverage under PPG’s Directors and Officers Liability Insurance policy, to the extent provided in such policy.

7. (a) As used herein, the term “Competitor” means any person or organization that is engaged in or, that has plans to become engaged in, research or development, production, marketing, leasing, selling or servicing of any optical product or specialty material product, process, system or service of any person or organization other than PPG, which is the same or similar to or competes with, or has a usage allied to, a product, process, system or service upon which Elias worked at any time during the last two (2) years of his employment with PPG, including optical products and specialty materials as comprised as of the date of this Agreement. For avoidance of doubt, “Competitor” would not include optical lens manufacturers, including Essilor, Carl Zeiss Vison, HOYA, or Younger.

(b) As used herein, the term "Confidential Information" means trade secrets and other information not generally known in the relevant trade or industry, about PPG's optical products or specialty material products, equipment, processes and services, including information relating to research, development, manufacturing, purchasing, accounting, human resources, engineering, marketing, selling, pricing, customer lists, and business strategies.

(c) As used herein, the term "Intellectual Property" means any inventions, discoveries, improvements, suggestions, trademarks, trade names, copyrightable works and mask works.

(d) Elias agrees that all Intellectual Property related to the present or anticipated technological and business activities of PPG that were made or conceived by Elias, either solely or jointly with others, while in the employ of PPG, whether during working hours or not, shall be the property of PPG, whether or not patentable or registrable, and Elias will communicate promptly and does hereby assign to PPG all rights to such Intellectual Property. Elias agrees that during or at any time after his employment with PPG he will execute all documents and will assist PPG in every proper way, without compensation other than the base salary that he received while employed by PPG, but at PPG's expense, to obtain and enforce patents, trademark registrations and copyrights for such Intellectual Property in any and all countries.

(e) Elias agrees that for a period of twenty-four (24) months from the Separation Date, (i) he shall inform any new or prospective employer, prior to accepting employment, of the existence of this paragraph 7 and provide such employer with a copy of this paragraph 7; (ii) he shall not solicit for employment with a person or entity other than PPG or cause to be so solicited, directly or indirectly, any person who is employed by PPG employee or was employed by PPG as of the Separation Date; (iii) he shall not be employed by or otherwise engage in any activities or provide any services, either directly or indirectly, to or on behalf of a Competitor; and (iv) he shall not disclose to a third party or use for any purpose other than in connection with his employment with PPG any Confidential Information.

(f) Elias agrees that the provisions of this paragraph 7 are at the date of this Agreement, reasonable in duration, territory and scope of activity, and that his engaging in any service or activity proscribed under this paragraph 7 would jeopardize PPG's Confidential Information. If any one or more of the provisions contained in this paragraph 7 shall for any reason be held to be excessively broad as to duration, territory, or scope of activity by a court of competent jurisdiction by which this Agreement may be construed, Elias along with PPG hereby request such court to limit and reduce any overly broad provision, so as to make it enforceable to the extent compatible with the applicable law as it shall then appear. A holding that any one or more of the provisions contained in this paragraph 7 cannot be limited and reduced to be made valid and that such provision is invalid, illegal or unenforceable shall not affect any other provisions of this Agreement.

(g) Elias agrees that any breach or violation by him of this paragraph 7 will result in immediate and irreparable injury to PPG in amounts difficult to ascertain. Therefore, should he breach this paragraph 7, Elias agrees that PPG shall be entitled to proceed directly to court to obtain the remedies of specific performance and injunctive relief (including but not limited to temporary restraining orders, preliminary injunctions, and permanent injunctions) without the necessity of posting a bond or other undertaking therewith.

8. Elias agrees not to make disparaging statements about the Company, its officers and employees to any current, former or potential customers, contractors, vendors or employees

of PPG, or to members of the press or other media. The Company agrees not to make disparaging statements about Elias to any current, former or potential customers, contractors, vendors or employers of Elias, or to members of the press or other media. For the purposes of this Agreement, a disparaging statement is any communication which, if publicized to another, would be reasonably expected to cause or tend to cause the recipient of the communication to question the business condition, integrity, competence, good character or the quality of products of the person or entity to whom or to which the communication relates.

9. The Company's offer of benefits in exchange for a release of claims is not an admission by the Company of any liability, violation of any law or contract or any other wrongdoing. The Company specifically denies any such liability, violation or wrongdoing.

10. Except for the release of claims contained in Paragraph 5 of this Agreement, if any other provision of this Agreement is declared or determined by any court to be unenforceable, the remaining provisions will not be affected and the unenforceable provision will be deemed not to be a part of this Agreement.

11. This Agreement shall be interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

12. This Agreement is the complete agreement between Elias and the Company concerning the terms of Elias' termination from employment with the Company. As such, this Agreement supersedes any and all prior agreements or understandings, written or oral, between the Company and Elias concerning his termination, with the exception of Elias' nonqualified stock option award, restricted stock unit award and TSR award Agreements.

13. Elias acknowledges and agrees that:

- a. the Company is hereby advising Elias in writing to consider carefully the terms of this Agreement and to consult with an attorney before signing it;
- b. the Company has given Elias twenty-one (21) days from March 12, 2014 to consider whether to sign this Agreement, and no one has pressured Elias to sign it sooner than that;
- c. Elias has read and understands this Agreement, and voluntarily signs it of his own free will without coercion or duress;
- d. Elias intends to be legally bound by the terms of this Agreement; and
- e. Elias has the right to revoke and cancel the Agreement for seven (7) calendar days after signing it by providing written notice of revocation to J. Craig Jordan, Vice President, Human Resources, One PPG Place, Pittsburgh, PA 15272, and the Agreement will not be effective or enforceable until the eighth (8th) day after Elias' signing it without his revocation.

IT IS VERY IMPORTANT THAT YOU CAREFULLY READ AND UNDERSTAND ALL THE TERMS OF THIS AGREEMENT BEFORE YOU SIGN IT. YOU SHOULD CONSULT WITH A LAWYER BEFORE SIGNING.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date or dates set forth below.

PPG INDUSTRIES, INC.

/s/ Richard C. Elias
Richard C. Elias

By: /s/ J. Craig Jordan
J. Craig Jordan

Title: Vice President, Human Relations

Date: March 12, 2014

Date: March 12, 2014

**CHANGE IN CONTROL
EMPLOYMENT AGREEMENT**

AGREEMENT by and between PPG Industries, Inc., a Pennsylvania corporation (the “Company”), and _____ (the “Executive”), dated as of _____.

The Board of Directors of the Company (the “Board”), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control and to encourage the Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control, and to provide the Executive with compensation and benefits arrangements upon a Change in Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions. (a) The “Effective Date” shall mean the first date during the Change in Control Period (as defined in Section 1(b)) while the Executive is an employee of the Company on which a Change in Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs and if the Executive’s employment with the Company is terminated prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with or anticipation of a Change in Control, then for all purposes of this Agreement the “Effective Date” shall mean the date immediately prior to the date of such termination of employment.

(b) The “Change in Control Period” shall mean the period commencing on the date hereof and ending on the earlier of (i) the Executive’s date of Retirement, or (ii) the third anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the “Renewal Date”), unless previously terminated, the Change in Control Period shall be automatically extended so as to terminate the earlier of (i) the Executive’s date of Retirement, or (ii) three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to the Executive that the Change in Control Period shall not be so extended.

(c) “Retirement” shall mean the Executive’s termination of employment on or after (i) with respect to a participant in the PPG Industries, Inc. Retirement Income Plan, an Executive’s “normal retirement date” as defined in the PPG Industries, Inc. Retirement Income Plan, provided such termination is voluntary, (ii) with respect to any Executive that the Company may subject to compulsory retirement under the Age Discrimination in Employment Act (29 U.S.C. § 621 et. seq.) (ADEA) as a “bona fide executive or a high policy maker”, such Executive’s “normal retirement date”, (iii) with respect to a participant in the PPG Industries Defined Contribution Retirement Plan, the Executive’s Social Security normal retirement date, provided that such termination is voluntary, or, (iv) with respect to a participant in which the provisions in (i) through (iii) are not applicable, the Executive’s attainment of age sixty-five (65), provided the termination is voluntary.

(d) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(e) The “Compensation Multiplier” shall mean: (i) if the Executive is subject to compulsory retirement, then the number of years and fractions of years remaining (such fractions to be expressed as the number of whole months and any partial month, divided by 12) from the Executive’s Date of Termination (as defined in Section 5(e)) to his normal retirement date, not to exceed three, or, (ii) if the Executive is not subject to compulsory retirement, then the multiplier shall be three.

(f) “Specified Employee” shall mean a key employee (as defined in Section 416(i) of the Code without regard to Section 416(i)(5) of the Code) of the Company, determined in accordance with Section 409A of the Code and any regulations or other guidance thereunder.

2. Change in Control. For the purpose of this Agreement, a “Change in Control” shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”), in each case,

unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination;

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company; or

(e) A majority of the Board otherwise determines that a Change in Control shall have occurred.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the earlier of (i) the Executive's date of Retirement and (ii) the third anniversary of the Effective Date, (the "Employment Period").

4. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after

any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term “affiliated companies” shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary during the Employment Period, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the “Annual Bonus”) in cash at least equal to the Executive’s target bonus under the Company’s Incentive Compensation Plan for Key Employees, Omnibus Incentive Plan, or any comparable bonus under any predecessor or successor plan, for the fiscal year in which the Effective Date occurs. Each such Annual Bonus shall be paid no later than the fifteenth day of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120 -day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive’s family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the

Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120 -day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall retain any fringe benefits applicable to the Executive such as payment of club dues, and use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120 -day period immediately preceding the Effective Date.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120 -day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120 -day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect

generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 90th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 90 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean disability which, after the expiration of more than 52 weeks after its commencement, is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative (such agreement to acceptability not to be withheld unreasonably).

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), including a failure to follow any applicable Company policies or directives, after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) the engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of (i) of this Section 5(b), no act or failure to act, on the part of the Executive, shall be considered “willful” unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive’s action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive’s employment may be terminated during the Employment Period by the Executive for Good Reason. For purposes of this Agreement, “Good Reason” shall mean:

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive’s position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) the Company's requiring the Executive to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof;

(iv) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement; or

(v) any failure by the Company to comply with and satisfy Section 12(c) of this Agreement.

In order to qualify as a termination for "Good Reason" all of the following conditions must occur: (1) the Executive must terminate employment with the Company within a period of two (2) years following the initial existence of circumstances constituting "Good Reason" under (i) through (v) above, (2) the Executive must give notice of the circumstances constituting "Good Reason" under (i) through (v) above within ninety (90) days of the initial existence of such circumstances, and (3) the Company must have a period of thirty (30) days following receipt of the Executive's notice to remedy such circumstances.

(d) Notice of Termination. During the Employment Period, any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. “Date of Termination” means if, during the Employment Period, (i) the Executive’s employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) the Executive’s employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination and (iii) the Executive’s employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

6. Obligations of the Company upon Termination. (a) Good Reason; Other Than for Cause; Disability. If, during the Employment Period, the Company shall terminate the Executive’s employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive’s Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Executive’s Annual Bonus and (II) the Executive’s target bonus under the Company’s Incentive Compensation for Key Employees, Omnibus Incentive Plan, or any comparable bonus under any predecessor or successor plan, for the fiscal year in which the Date of Termination occurs (such higher amount being referred to as the “Highest Target Bonus”) and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the “Accrued Obligations”); and

B. the amount equal to the product of (1) the Executive’s Compensation Multiplier and (2) the sum of (x) the Executive’s Annual Base Salary and (y) the Highest Target Bonus. And

C. to the extent permitted under applicable law, the sum of:

(1) in respect of retirement benefits provided to the Executive in the form of a defined benefit plan, program or arrangement (if any), an amount equal to the difference between (x) the actuarial equivalent of all benefits under the Company's defined benefit retirement plans and arrangements (whether qualified or non-qualified and whether funded or unfunded) (the "DB Retirement Plans") in which the Executive participates (utilizing actuarial assumptions no less favourable to the Executive than those in effect immediately prior to the Effective Date) which the Executive would receive or accrue if the Executive's employment continued for a number of years (including fractional parts, if any) equal to the Executive's Compensation Multiplier after the Date of Termination, assuming for this purpose that all accrued benefits are fully vested, but not taking into account any amount of deemed compensation in such years, and (y) the actuarial equivalent of the Executive's actual benefits (paid or payable), if any, under the DB Retirement Plans as of the Date of Termination, and

(2) in respect of retirement benefits provided to the Executive in the form of a defined contribution retirement plan, program or arrangement (if any), an amount equal to the present value of any employer contributions the Executive would have received or accrued under the Company's defined contribution retirement plans and arrangements (whether qualified or non-qualified) in which the Executive participates if the Executive's employment continued for a number of years (including fractional parts, if any) equal to the Executive's Compensation Multiplier after the Date of Termination, but excluding for this purpose any salary or pay deferral contributions to such plans or arrangements that are deemed to be employer contributions under applicable law;

(ii) The amounts in Section 6(a)(i) shall be reduced by any and all amounts to which the Executive is otherwise eligible and entitled to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies, or pursuant to applicable law,

insofar as such plan, program, policy or practice or contract or agreement, or applicable law pertains to the payment of severance or other pay *in lieu* of notice.

(iii) for a number of years (including fractional parts, if any) equal to the Executive's Compensation Multiplier after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the Company's life insurance, medical and dental plans if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families, and the Executive shall pay any portion of such cost as is required to be borne by peer executives of the Company generally with respect to such benefits, provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive life insurance, medical or dental benefits under another employer provided plan, the life insurance, medical and dental benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. The Company's provision of any in-kind benefits to, or reimbursement of expenses incurred by, the Executive with respect to the benefits to be provided under this Section 6(a)(iii) shall be available only to the extent that (1) neither the provision of in-kind benefits nor the reimbursement of any expense incurred in one taxable year shall affect the amount available in another taxable year; (2) any such reimbursable expenses are actually incurred during the applicable covered period and reasonably substantiated; (3) any reimbursement shall be made no later than the end of the calendar year following the year in which such expense is incurred; and (4) the right to any in-kind benefits or reimbursement is not subject to liquidation or exchange for another benefit. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed for the number of years (including fractional parts, if any) after the Date of Termination equal to the Executive's Compensation Multiplier and to have retired on the last day of such period; and

(iv) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement

of the Company and its affiliated companies in accordance with the terms and conditions of such applicable plan, program, policy or practice or contract or agreement (such other amounts and benefits shall be hereinafter referred to as the “Other Benefits”) except as expressly modified by this agreement.

(b) Death. If the Executive’s employment is terminated by reason of the Executive’s death during the Employment Period, this Agreement shall terminate without further obligations to the Executive’s legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive’s estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive’s estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive’s estate and/or the Executive’s beneficiaries, as in effect on the date of the Executive’s death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive’s employment is terminated by reason of the Executive’s Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120 -day period immediately preceding the Effective Date or, if more favorable to the Executive

and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

(e) Compliance with Section 409A. Notwithstanding the foregoing, and solely to the extent required by Section 409A of the Code and not otherwise eligible for exclusion from the requirements of Section 409A, if the Executive is deemed to be a Specified Employee as of the date of the Executive's "separation from service" (within the meaning of Section 409A of the Code and the regulations) from the Company, no payment or other distribution required to be made to the Executive hereunder (including any payment of cash, any transfer of property and any provision of taxable benefits) as a result of the Executive's separation from service shall be made earlier than the date that is six (6) months and one day following the date on which the Employee separates from service with the Company. This Agreement is intended to comply with Section 409A of the Code, where applicable, and will be interpreted and applied in a manner consistent with that intention.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 13(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated

companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this agreement.

8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set -off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others.

9. Limitations Applicable to Certain Change in Control Payments.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties would be incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the value of any such Payments payable under this Agreement which constitute "parachute payments," as determined by the Accounting Firm (as hereinafter defined), shall be reduced by such amount (the "Payment Reduction") so that the present value of all Payments (calculated in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code and the regulations thereunder), in the aggregate, equals three (3) times the Executive's "base amount" (within the meaning of Section 280G(b)(3) of the Code), minus one dollar (\$1.00); provided, however, that no Payment Reduction shall be applied under this provision if the Accounting Firm determines that, on a net after-tax basis (including all applicable state and local taxes), the Executive would retain a greater amount of the Payments following payment of any applicable Excise Tax on the unreduced amount of such Payments than the amount of the Payments retained following reduction of the Payments as provided above.

(b) All determinations required to be made under this Section 9, including whether and when any Payments would be subject to the Excise Tax, the amount of any Payments subject to the Excise Tax, whether Payments should be reduced and the amount of the Payment Reduction pursuant

to the provisions of Section 9(a), and the assumptions to be utilized in arriving at such determinations, shall be made by Deloitte & Touche LLP or such other certified public accounting firm as may be designated by the Executive with the approval of the Company (which approval shall not be unreasonably withheld) (the “Accounting Firm”) which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. If the Accounting Firm determines that no Payments shall be subject to the Excise Tax as a result of any reduction in Payments as provided under Section 9(a), it shall furnish the Company with an opinion that the Company’s tax deduction with respect to any Payment or any portion of a Payment shall not be disallowed under Section 280G of the Code. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. The Executive shall be given an opportunity to advise as to the order in which any Payment Reduction shall be applied to Payments under this Agreement, provided that the Accounting Firm shall retain discretion to make all final determinations with respect to the order of any such reductions.

(c) If, as a result of any uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm under Section 9(a), the Accounting Firm subsequently determines that (i) a Payment Reduction should have been made and was not, or a larger Payment Reduction should have been made in accordance with Section 9(a) (an “Overpayment”), any such Overpayment, to the extent actually paid or provided to the Executive, shall be repaid by the Executive to the Company in full, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code, within thirty (30) days after the Executive receives notice of the Accounting Firm’s determination; provided, however, that the amount of the Overpayment to be repaid by the Executive to the Company shall be reduced to the extent that the Accounting Firm determines that such portion of the Overpayment to be repaid will not be offset by a corresponding reduction in any applicable Excise Tax by reason of such repayment of the Overpayment, or (ii) a Payment Reduction was made and should not have been made, or a smaller

Payment Reduction should have been made in accordance with Section 9(a) (an “Underpayment”), any such Underpayment shall be due and payable by the Company to the Executive, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code, within thirty (30) days after the Company receives notice of the Accounting Firm’s determination.

(d) Where a determination is made that no Payments would be subject to the Excise Tax, either based on the unreduced amount of the Payments or the amount of any Payments following application of the Payment Reduction, in the event of a claim by the Internal Revenue Service that, if successful, would result in any Payment being subject to the Excise Tax, the Executive and the Company agree to cooperate reasonably and in good faith in order effectively to contest any such claim.

10. Other Employment. (a) The Executive shall have no obligation to seek or accept other employment after termination of employment with the Company in mitigation of the amount of payment received from the Company pursuant to this Agreement. However, in the event that the Executive does accept other employment, he shall be required to return to the Company such part (if any) of the payment received from the Company pursuant to this Agreement as may be required by the provisions of Section 10(b).

(b) If the Executive obtains employment with another employer within the period of time after his Termination Date that is equal in years (and fractions thereof, if any) to such Executive’s Compensation Multiplier (the “Mitigation Period”), then the Executive shall remit to the Company such portion of the Executive’s lump sum payment from the Company (without interest) which is equal to the cash value of any salary and bonus payments received (or earned but deferred) from his new employer during the Mitigation Period.

11. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive’s employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the

Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

12. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

13. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Company:

PPG Industries, Inc.
One PPG Place
Pittsburgh, Pennsylvania 15272
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision hereof or any other provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, prior to the Effective Date, the Executive's employment may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement

between the parties with respect to the subject matter hereof and any such other agreement shall be null and void in its entirety and of no effect.

IN WITNESS WHEREOF and intending to be legally bound hereby, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused this Agreement to be executed in its name on its behalf, all as of the date first written above.

PPG INDUSTRIES, INC.

By:

Name: _____

Title: _____

PPG INDUSTRIES, INC. AND CONSOLIDATED SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
(Dollars in millions)

	Three Months Ended March 31	Year Ended December 31				
	2014	2013	2012	2011	2010	2009
Earnings:						
Earnings before income taxes and net earnings in equity affiliates	\$ 373	\$ 1,229	\$ 814	\$ 936	\$ 778	\$ 244
Plus:						
Fixed charges exclusive of capitalized interest	70	284	281	280	263	269
Amortization of capitalized interest	2	6	6	6	6	6
Adjustments for equity affiliates	4	9	12	19	6	11
Total	\$ 449	\$ 1,528	\$ 1,113	\$ 1,241	\$ 1,053	\$ 530
Fixed Charges:						
Interest expense incl amortization of debt discount/premium and debt expense	\$ 47	\$ 197	\$ 210	\$ 210	\$ 189	\$ 192
Rentals - portion representative of interest	23	87	71	70	74	77
Fixed charges exclusive of capitalized interest	70	284	281	280	263	269
Capitalized interest	4	10	8	9	7	9
Total	\$ 74	\$ 294	\$ 289	\$ 289	\$ 270	\$ 278
Ratio of earnings to fixed charges	6.1	5.2	3.9	4.3	3.9	1.9

Note: The financial information of all prior periods has been reclassified to reflect discontinued operations

PRINCIPAL EXECUTIVE OFFICER CERTIFICATION

I, Charles E. Bunch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPG Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2014

/s/ Charles E. Bunch

Charles E. Bunch
Chairman and Chief Executive Officer

PRINCIPAL FINANCIAL OFFICER CERTIFICATION

I, Frank S. Sklarsky, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPG Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2014

/s/ Frank S. Sklarsky

Frank S. Sklarsky
Executive Vice President and Chief Financial Officer (Principal
Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of PPG Industries, Inc. for the period ended March 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles E. Bunch, Chairman and Chief Executive Officer of PPG Industries, Inc., certify to the best of my knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of PPG Industries, Inc.

/s/ Charles E. Bunch

Charles E. Bunch
Chairman and Chief Executive Officer
April 24, 2014

A signed original of this written statement required by Section 906 has been provided to PPG Industries, Inc. and will be retained by PPG Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of PPG Industries, Inc. for the period ended March 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank S. Sklarsky, Executive Vice President and Chief Financial Officer of PPG Industries, Inc., certify to the best of my knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of PPG Industries, Inc.

/s/ Frank S. Sklarsky

Frank S. Sklarsky
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

April 24, 2014

A signed original of this written statement required by Section 906 has been provided to PPG Industries, Inc. and will be retained by PPG Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

