

PPG – Second Quarter 2016 Financial Results

Michael H. McGarry, President and Chief Executive Officer

Frank S. Sklarsky, Executive Vice President and Chief Financial Officer

Vincent J. Morales, Vice President Finance

Scott A. Minder, Director Investor Relations



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Second Quarter 2016 Financial Highlights

Local currency sales growth continues

- Aggregate sales volumes were flat year-over-year, with solid growth in EMEA and Asia-Pacific offset by lower volumes in the U.S. and Canada
- Acquisition-related sales contributed about 2 percent related to businesses acquired in 2015
- Unfavorable foreign currency translation reduced sales by 2 percent or approximately \$95 million

Quarterly adjusted earnings per diluted share growth

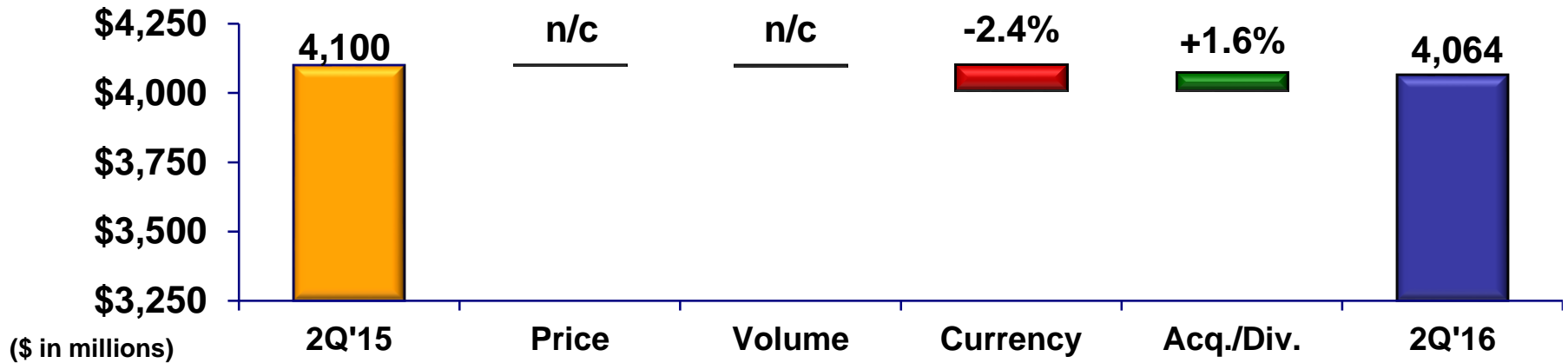
- Second quarter adjusted earnings per diluted share* was \$1.85; up 11 percent versus the prior year despite a \$0.04 unfavorable foreign currency impact
- Fourteenth consecutive quarter of double-digit percentage adjusted earnings per diluted share growth
- On pace to fully realize previously announced restructuring benefits

Strategic portfolio / risk management and cash deployment continue

- Metokote acquisition announced; ~\$200 million in annual coatings services revenue
- Sale of flat glass and European fiber glass business announced, completed sale of Pittsburgh Glass Works LLC
- Pittsburgh Corning Asbestos Trust fully funded; pension plan annuitization announced
- Company target of earnings-accretive cash deployment in 2015/2016 (combined) of \$2.0B -to- \$2.5B
- Approximately \$1.6 billion deployed to date; expect to be toward the upper end and accelerate deployment pace in second half 2016 (vs. 1H'16 pace)
- Cash and short-term investments of \$1.7 billion at quarter-end aided by 180 basis point improvement in operating working capital as a percent of sales

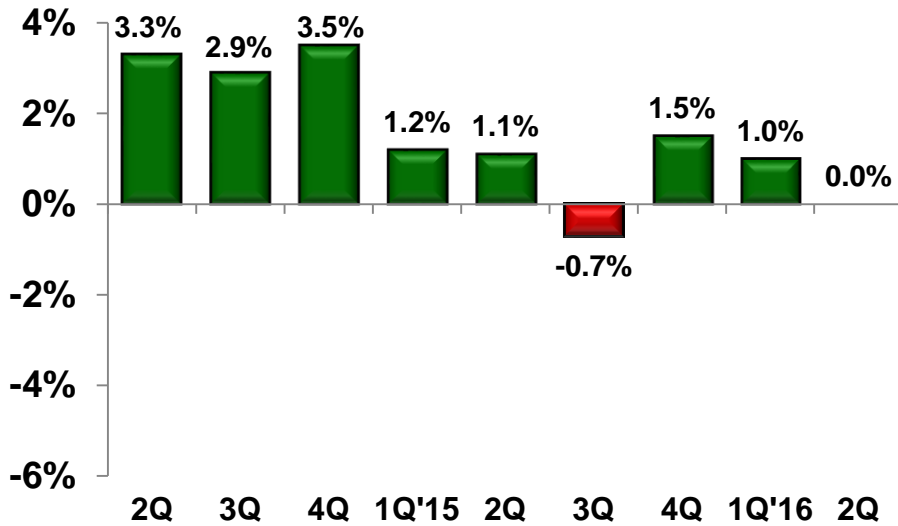


PPG Second Quarter Net Sales

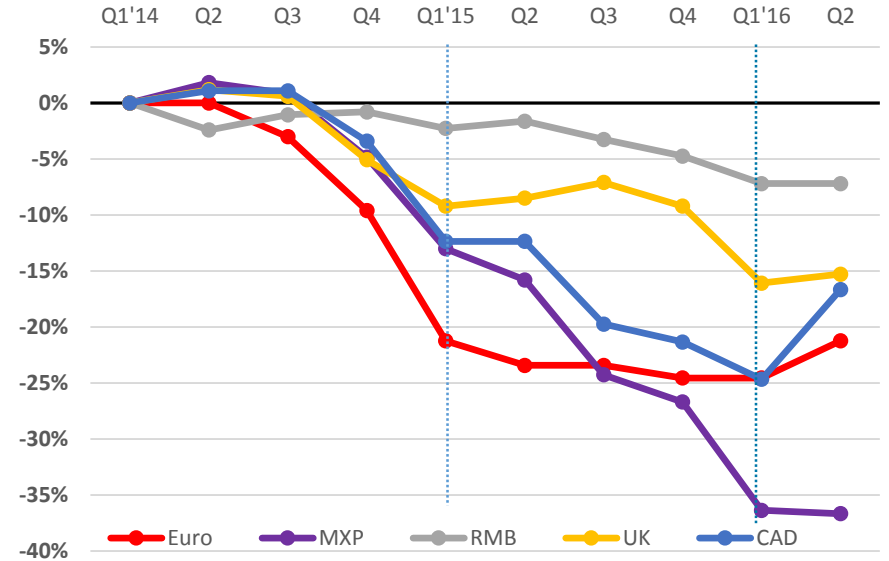


PPG Y-O-Y Volume Trends

(excl. price, currency and acquisition/divestiture impacts)



Foreign Currency Rate Trends vs. U.S. Dollar (indexed to Q1'14)



2Q'16: Continued uneven global demand patterns

Euro stability; currency volatility remains



Second Quarter Coatings Net Sales Volumes

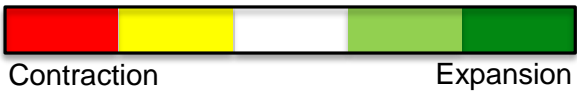
PPG volume performance by major coatings vertical vs. prior year and end-use market demand

	U.S. & Canada	Europe / Middle East / Africa	Asia-Pacific		Latin America
Aerospace	At Market	At Market	At Market		Above Market
Automotive Refinish	Above Market	At Market	Above Market		At Market
Architectural	Below Market	At/above Market	AUS Above Market	CHN B/M	Mexico Above Market BRZ B/M
Protective	At Market	At Market	At Market		At Market
Marine	At Market	At Market	At Market		N/A
Automotive OEM	Below Market	Above Market	Above Market		Above Market
General Industrial	At Market	Above Market	At Market		Above Market
Packaging	Above Market	Above Market	Above Market		Above Market

1) PPG compared to industry end-use market demand* legend:

- Above Market
- At Market
- Below Market (B/M)

2) Year-over-year PPG volume legend:

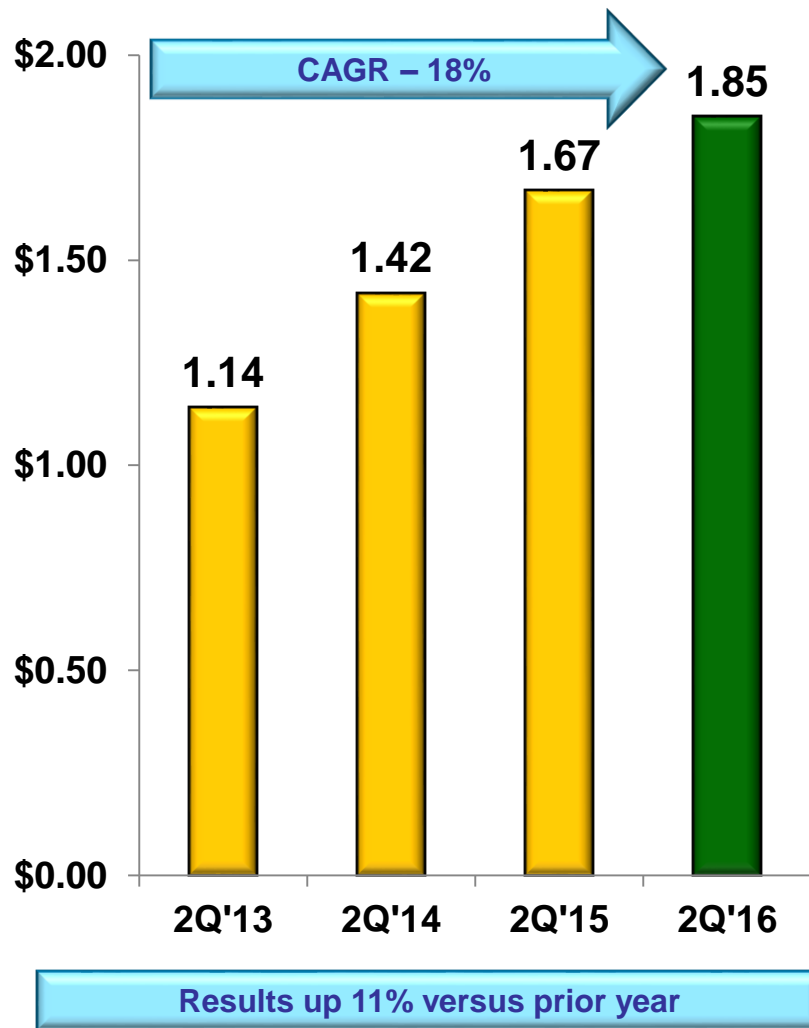


* Based on PPG estimates



PPG Second Quarter Earnings Per Share

Adjusted Earnings Per Diluted Share*



Second Quarter Comments

- ✓ Reporting segment updates included on succeeding slides. Aggregate items embedded in segment reviews:
 - ❖ Acquisition-related income
 - ❖ Ongoing cost management
 - ❖ Restructuring benefits
 - ❖ Unfavorable foreign currency translation Y-O-Y (~\$15MM pre-tax)
- ✓ Higher effective income tax rate on adjusted net income (geographic mix of earnings):
 - ❖ 2Q 2016 = 25.0%
 - ❖ 2Q 2015 = 24.5%
- ✓ Average diluted shares outstanding down 2 percent vs. prior-year quarter

Performance Coatings

PPG's Expanding Central American Network & Products

\$MM (USD)	2Q15	2Q16	Chg	%
Net Sales	2,410	2,338	-72	-3%
Income	411	428	17	+4%
Margin %	17.1%	18.3%	--	--
Select Net Sales Detail	Total	Volume	Currency	
2Q Y-O-Y Change	-3%	-2%	-3%	



Second Quarter (Y-O-Y):

- ✓ Above-market mid-single digit percentage growth in automotive refinish local currency sales led by U.S. and China
- ✓ Aerospace return to solid volume growth
- ✓ Modestly lower volumes in architectural coatings EMEA impacted by weather; results varied by country
- ✓ Volume declines in architectural coatings Americas & Asia Pacific:
 - ✓ Higher volumes in Mexico & U.S. company-owned stores more than offset by lower independent dealers and national accounts (DIY) due to permanent customer inventory reduction initiatives
 - ✓ Significant volume declines in Brazil & China
- ✓ Weak marine new build end-use demand partially offset by protective coatings volume growth
- ✓ Acquisition-related sales of ~\$25MM; Unfavorable foreign currency translation on segment sales (~\$60MM) and income (~\$10MM)

Third Quarter 2016 Outlook:

- ✓ Lower sequential sales due to normal seasonality
- ✓ Continued growth Y-O-Y in automotive refinish and incremental improvement in aerospace
- ✓ Protective coatings growth offsetting further marine weakness
- ✓ Modestly higher demand in architectural coatings EMEA
- ✓ Y-O-Y volume growth in architectural U.S. & Canada driven by benefits from recent growth initiatives
- ✓ Consistent Comex local currency sales growth and continued expansion into Central America; weakness remains in China and Brazil
- ✓ Acquisition-related sales of \$15 -to- \$20MM
- ✓ Unfavorable Y-O-Y foreign currency translation remains



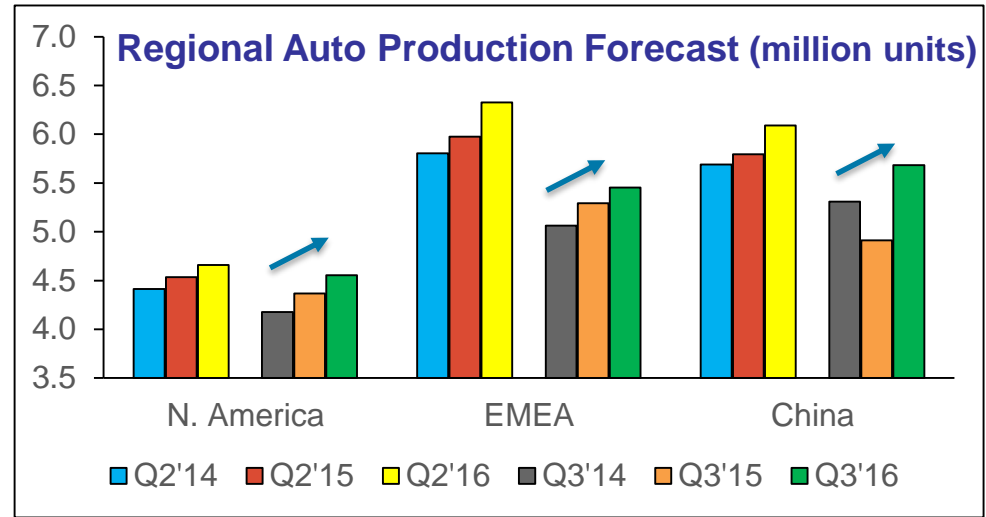
Industrial Coatings

\$MM (USD)	2Q15	2Q16	Chg	%
Net Sales	1,411	1,444	33	+2%
Income	260	292	32	+12%
Margin %	18.4%	20.2%	--	--

Select Net Sales Detail	Total	Volume	Currency
2Q Y-O-Y Change	+2%	+3%	-2%

Second Quarter (Y-O-Y):

- ✓ Auto OEM sales volume gains consistent with modest global industry growth rates
- ✓ Above-market industrial sales volume growth vs. prior year; positive in all major regions led by Europe and Asia
- ✓ High single-digit percentage growth in packaging coatings; positive and above market in each major region
- ✓ Acquisition-related sales of ~\$40MM
- ✓ Unfavorable foreign currency translation on segment sales (~\$30MM) and income (~\$5MM)



Third Quarter 2016 Outlook:

- ✓ Modestly lower sequential sales versus 2Q due to normal seasonal patterns
- ✓ Similar auto OEM trends; uneven regional growth rates versus prior year; lower builds seasonally
- ✓ General industrial demand growth continues; varies by geography and sub-sector
- ✓ Continued growth in packaging coatings related to industry conversions to new PPG can coatings technologies in all regions
- ✓ Acquisition-related sales growth \$75 -to- \$80MM including recent MetoKote acquisition
- ✓ Unfavorable Y-O-Y foreign currency translation continues



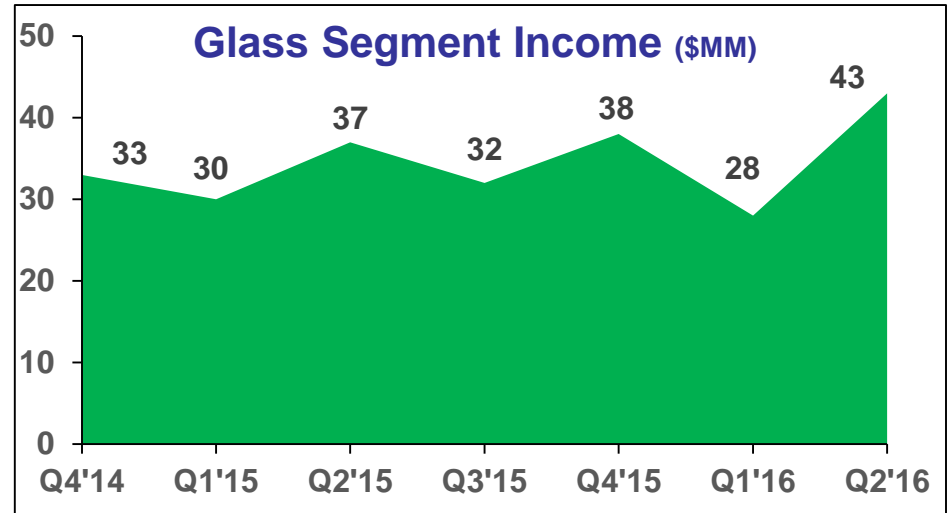
Glass

\$MM (USD)	2Q15	2Q16	Chg	%
Net Sales	279	282	3	+1%
Income	37	43	6	+16%
Margin %	13.3%	15.2%	--	--

Select Net Sales Detail	Total	Volume	Currency
2Q Y-O-Y Change	+1%	0%	-1%

Second Quarter (Y-O-Y):

- ✓ Increased flat glass pricing, lower volumes due to scheduled facility outage that returned to service in early 2Q
- ✓ Scheduled flat glass facility repair-related and start-up expenses of \$3MM; upgraded facility now at normal operating levels
- ✓ Modestly higher fiber glass sales volumes; cost management focus
- ✓ Lower equity earnings due to weaker Asian demand (consumer electronics)
- ✓ Unfavorable foreign currency translation on sales (~\$5MM); minimal income impact
- ✓ Announced sale of flat glass business to Vitro and European fiber glass business to Nippon Electric Glass



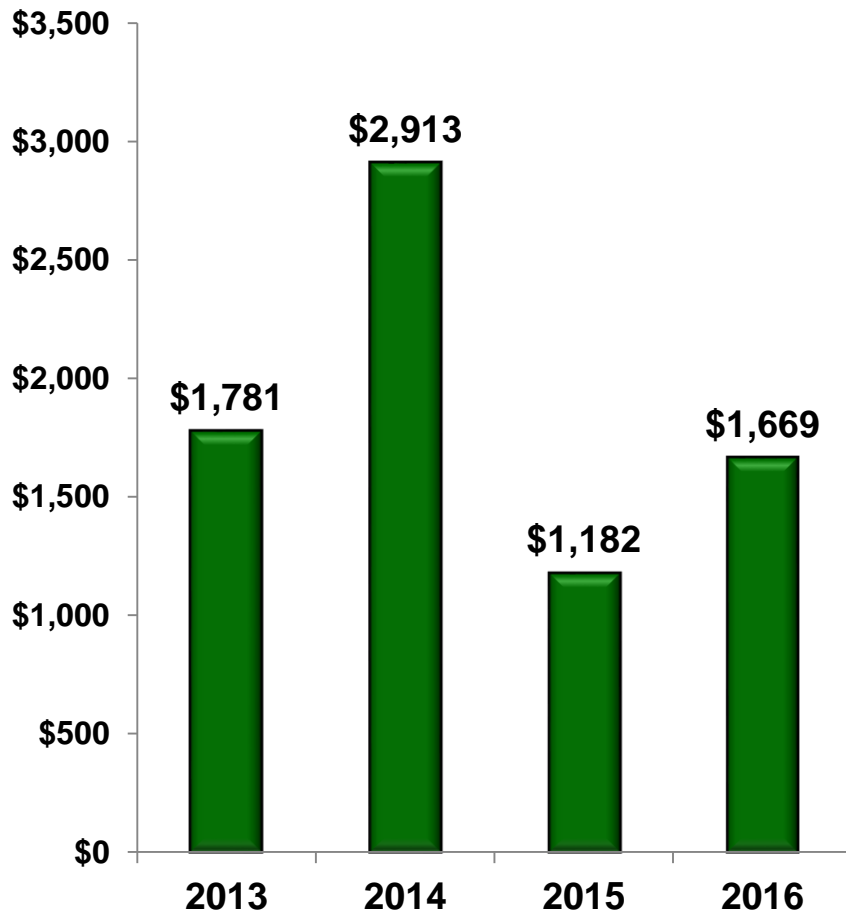
Third Quarter 2016 Outlook:

- ✓ Flat glass financial results to be reported as discontinued operations beginning in 3Q '16
- ✓ Continuation of current fiber glass demand trends and cost focus
- ✓ Higher inflation due to natural gas unit pricing
- ✓ Lower Y-O-Y equity earnings trend continues
- ✓ Unfavorable Y-O-Y foreign currency translation impact continues
- ✓ Flat glass business sale expected to close by year-end 2016; annual sales of ~\$575 million
- ✓ Europe fiber glass business sale expected to close 2H'16; annual sales of ~\$150 million



Balance Sheet and Cash

Second Quarter Cash and Short Term Investments (\$MM)



Continued financial flexibility

Second Quarter 2016 Activity

- ✓ 2Q 2016 approximate cash uses:
 - ❖ Capital Spending - \$90MM
 - ❖ Dividends - \$105MM
 - ❖ Gross (pre-tax) Pittsburgh Corning Asbestos Trust Funding - ~\$815MM
 - ❖ No share repurchases due to asbestos trust funding and prepayment of all future obligations
- ✓ Strong cash position remains; continued focus on timely, disciplined cash deployment
- ✓ Acceleration of cash deployment in 2nd half of 2016 (vs. 1H'16), targeting upper-end of \$2.0 -to- \$2.5 billion for acquisitions and share repurchases in 2015 and 2016 combined:
 - ❖ Deployed ~\$1.6 billion period-to-date including MetoKote acquisition which closed on July 1, 2016



Summary

✓ Strong second quarter financial performance

- Second quarter adjusted earnings per diluted share up 11 percent year-over-year; 14th consecutive double-digit percentage increase
- Sales in local currencies up 1 percent; acquisition-related sales added over 1 percent
- Sixth consecutive quarter of European sales volume growth, accelerated Asian sales volume growth
- Cost management discipline, including restructuring actions, contributed to earnings growth

✓ Strategic actions to accelerate portfolio transformation & mitigate risk

- Acquisition of MetoKote Corporation
- Sale of flat glass and European fiber glass businesses announced, sale of Pittsburgh Glass Works LLC minority interest completed
- Asbestos trust fully funded, announced annuitization of sizable portion of pension plans

✓ Acceleration of earnings accretive cash deployment continues

- Targeting upper end of cash deployment range of \$2.0 -to- \$2.5 billion (2015 and 2016 combined)
 - Cash deployment of \$1.6 billion on acquisitions and share repurchases since beginning of 2015
 - Acceleration of cash deployment in second half 2016 versus first half level
- Strong balance sheet flexibility; \$1.7 billion cash & short-term investments at quarter-end



Additional Materials and Appendix

Thank you for your interest in PPG Industries, Inc.

Contact Information:

Investors:

Scott Minder - (412) 434-3466

Media:

Mark Silvey - (412) 434-3046



Adjusted EPS Reconciliation

2nd Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Year 2016						
Net Income/(Loss) Attributable to PPG as Reported	\$ 370	\$ 1.37	--	--	\$ 370	\$ 1.37
Transaction-related costs	5	0.02	--	--	5	0.02
Asset write-downs	8	0.03	--	--	8	0.03
Gain on sale of equity affiliate	(13)	(0.05)	--	--	(13)	(0.05)
Net tax effect of asbestos settlement funding	128	0.48	--	--	128	0.48
Adjusted Net Income/(Loss) Attributable to PPG	\$ 498	\$ 1.85	--	--	\$ 498	\$ 1.85
Year 2015						
Net Income/(Loss) Attributable to PPG as Reported	\$ 337	\$ 1.23	--	--	\$ 337	\$ 1.23
Transaction-related costs	15	0.05	--	--	15	0.05
Business restructuring	106	0.39	--	--	106	0.39
Adjusted Net Income/(Loss) Attributable to PPG	\$ 458	\$ 1.67	--	--	\$ 458	\$ 1.67
Year 2014						
Net Income/(Loss) Attributable to PPG as Reported	\$ 393	\$ 1.40	\$ (7)	\$ (0.02)	\$ 386	\$ 1.38
Pension settlement charge	3	0.01	--	--	3	0.01
Transaction-related costs	2	0.01	--	--	2	0.01
Adjusted Net Income/(Loss) Attributable to PPG	\$ 398	\$ 1.42	\$ (7)	\$ (0.02)	\$ 391	\$ 1.40
Year 2013						
Net Income/(Loss) Attributable to PPG as Reported	\$ 318	\$ 1.09	\$ 23	\$ 0.08	\$ 341	\$ 1.17
Transaction-related costs	13	0.05	2	0.01	15	0.06
Adjusted Net Income/(Loss) Attributable to PPG	\$ 331	\$ 1.14	\$ 25	\$ 0.09	\$ 356	\$ 1.23

Amounts in Millions of USD except EPS



Regulation G Reconciliation

2nd Quarter Reporting Period

Three Months Ended June 30, 2016	Income Before Income Taxes	Tax Expense	Effective Tax Rate
Effective tax rate, continuing operations	\$673	\$297	44.1%
Transaction-related costs	7	2	37.6%
Asset write-downs	10	3	25.0%
Gain from sale of equity affiliate	(20)	(7)	37.6%
Net tax effect of asbestos settlement funding	-	(128)	N/A
Adjusted effective tax rate, continuing operations	\$670	\$167	25.0%

Three Months Ended June 30, 2015	Income Before Income Taxes	Tax Expense	Effective Tax Rate
Effective tax rate, continuing operations	\$452	\$110	24.3%
Transaction-related costs	21	6	28.6%
Business restructuring	140	34	24.3%
Adjusted effective tax rate, continuing operations	\$613	\$150	24.5%