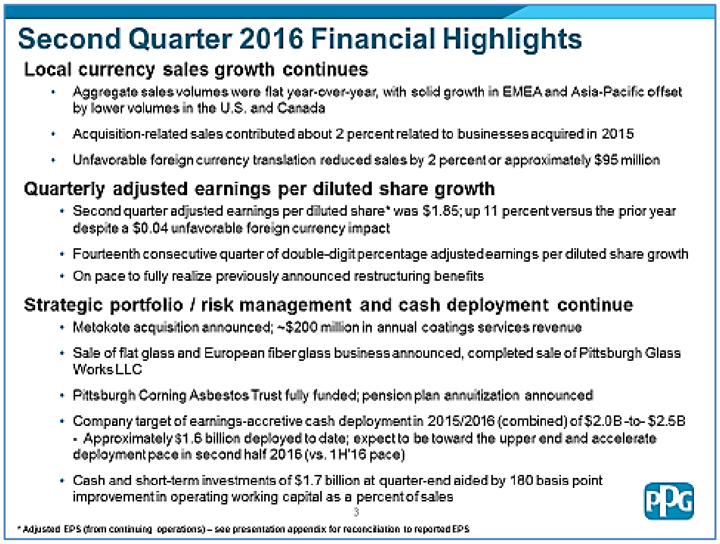
PPG Industries, Inc. Second 2016 Financial Results

Earnings Brief – July 21, 2016



Second Quarter 2016 Financial Highlights

PPG net sales for the second quarter 2016 were $4.1 billion, down less than one percent versus the prior year period. Year-over-year sales in local currencies grew more than 1 percent, or about $60 million. Acquisition-related sales added more than one percent, while sales volumes and pricing were flat. Foreign currency translation reduced net sales by approximately $95 million, or about 2 percent. More detailed sales comparisons for the company and each reportable business segment are included on subsequent presentation slides.

Year-over-year adjusted earnings per diluted share increased 11 percent to $1.85, including unfavorable impacts from foreign currency translation. This represents the 14th consecutive quarter of double-digit percentage adjusted earnings per diluted share growth.

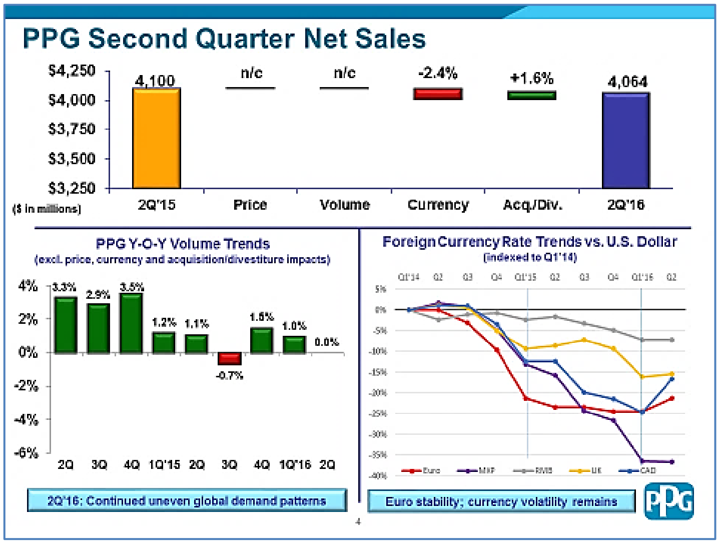
Segment income in local currencies grew by 10 percent year-over-year driven by segment income leverage on regional sales volume gains, acquisition-related income primarily from 2015 acquisitions of Le Joint François (LJF), IVC Industrial Coatings, and Cuming Microwave, and lower costs, including increasing realization of targeted benefits from business restructuring actions. Unfavorable foreign currency translation impacted segment income by approximately $15 million, or $0.04 per share.

PPG continued to execute on its strategic objectives in the second quarter 2016. Portfolio transformation actions continued with the announcements of the flat glass and the European fiber glass business sales and the finalization of the sale of the company's minority ownership interest in Pittsburgh Glass Works LLC, along with the acquisition of MetoKote Corporation, a leading coatings services provider with annual revenue of approximately $200 million.

In addition, the company fully funded its portion of the Pittsburgh Corning Asbestos Settlement Trust, including the prepayment of all future obligations at a 5.5% per annum discount rate, and announced the annuitization of a sizable portion of its U.S. pension obligations. These actions mitigate financial risk and reduce future earnings volatility.

The company continues to have excellent financial flexibility with cash and short-term investments of $1.7 billion at quarter end. Operating working capital as a percentage of annualized sales improved by 180 basis points year-over-year.

The company continues to target cash deployment in the range of $2.0 -to- $2.5 billion on earnings-accretive acquisitions and share repurchases in the combined 2015 to 2016 time period, and expects an acceleration of cash deployment in second half 2016 to reach the upper-end of the range. The company has deployed $1.6 billion against the target to date, including the MetoKote Corporation acquisition which closed July 1, 2016.

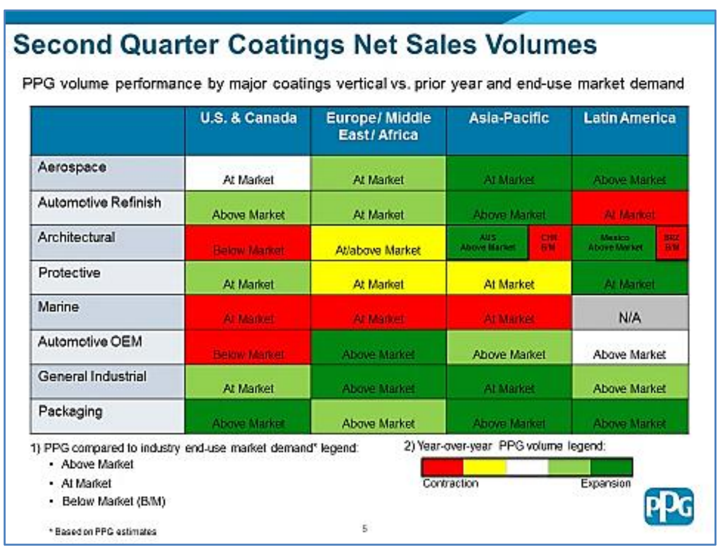


PPG Second Quarter Net Sales

PPG net sales for the second quarter were $4.06 billion, down modestly versus the prior year. Year-over-year sales volumes were in line with prior year, reflecting low growth rates in the major regional economies. Acquisition-related sales added more than 1 percent and aggregate pricing was consistent with prior year.

Foreign currency translation reduced sales by over 2 percent as many currencies weakened versus the U.S. dollar, including a 15 percent decline in the Mexican Peso, along with year-over-year weakness in the Canadian Dollar, Chinese Yuan, and other emerging region currencies. These were partly offset by modest strengthening of the Euro versus the U.S. dollar.

Given current exchange rates and lower anticipated quarterly sales due to normal business seasonal patterns, the impact of foreign currency translation on PPG's third quarter 2016 sales is expected to remain significant.



	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 / CHI 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

Second Quarter Coatings Net Sales Volumes

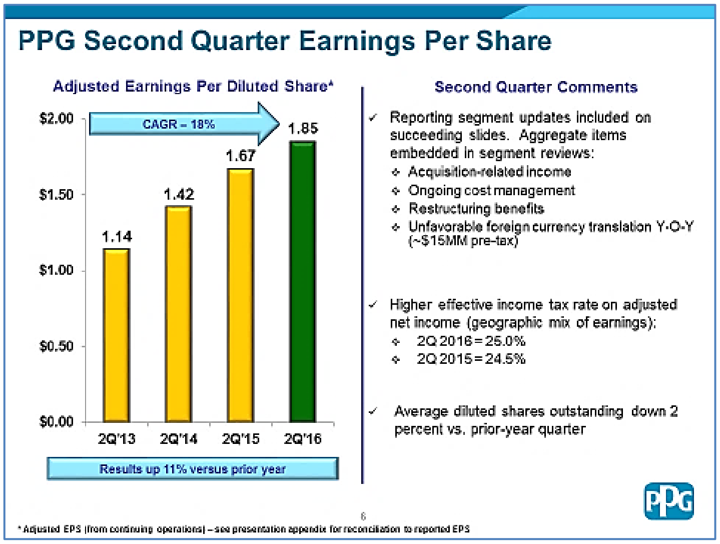
In the second quarter, aggregate coatings sales volumes were in line with prior year. Results varied by region and end-use market. The vast majority of PPG's regional coatings businesses experienced sales volume growth in the quarter, with many businesses performing at or above end-use industry market demand. Detailed commentary on individual business performance is included on subsequent slides.

In the U.S. and Canada, sales volumes declined reversing an improving trend over the prior 3 sequential quarters. Results were mixed by business unit with growth in packaging, general industrial, and automotive refinish coatings offset by declines in architectural coatings and automotive OEM.

Broad-based sales volume growth continued for the 6th consecutive quarter in the Europe, Middle East, Africa (EMEA) region, led by strong growth in automotive OEM, general industrial, packaging, and aerospace coatings. Architectural coatings EMEA experienced modest volume declines, primarily due to unfavorable weather patterns and flooding across portions of Western Europe.

Sales volume growth in Asia-Pacific accelerated in comparison to first quarter 2016 year-over-year results, with solid volume gains in most businesses including automotive OEM and refinish, general industrial and packaging coatings. From a country perspective, China, India, and Australia grew sales volumes versus the prior year, with Korean volumes declining primarily due to lower marine shipbuilding activity.

In Latin and South America, sales volumes grew in aggregate led by architectural and packaging coatings. Within the region, sales volumes continued to grow in Mexico and Central America and declined in Brazil due to weak overall economic conditions.



PPG Second Quarter Earnings per Share

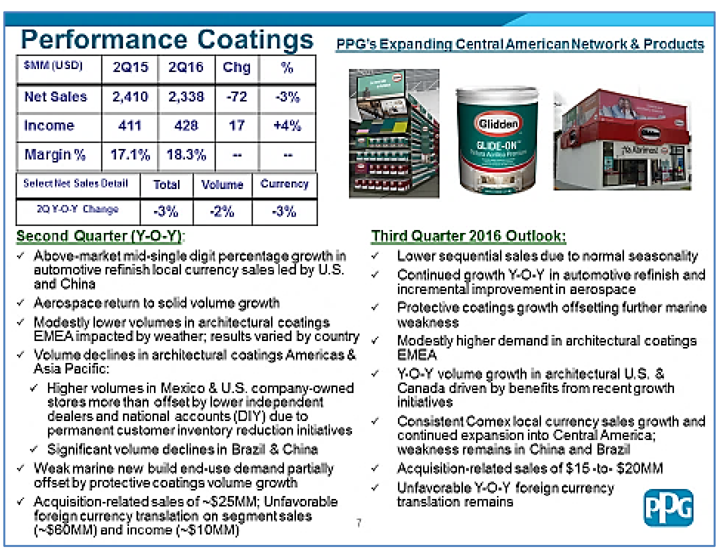
Second quarter adjusted earnings per diluted share of $1.85 increased by $0.18, or 11 percent, versus the prior year period. Second quarter adjusted earnings per diluted share have grown at an 18 percent compound annual growth rate over the past 3 years.

The financial results from each reportable business segment are provided in subsequent portions of the presentation materials. A summary of several noteworthy items from the reportable segments is as follows:

- Acquisition-related income, primarily from IVC Industrial Coatings, Le Joint Français (LJF), and Cuming Microwave supplemented segment income. These acquisitions provide new platforms for future growth and further opportunities for margin expansion.
- Earnings per diluted share growth from prior and ongoing cost management actions, including realizing targeted benefits from our previously announced restructuring program.
- Year-over-year unfavorable foreign currency translation impacted segment income by about $15 million, or about $0.04 per share.

The adjusted effective tax rate for the second quarter 2016 was 25.0 percent, up from a comparable rate of 24.5 percent in the previous year. This increase is primarily due to the geographic mix of earnings and is consistent with company guidance provided in January 2016.

As a result of previous share repurchases, the average diluted share count was approximately 2 percent lower versus the prior year.



Performance Coatings

Performance Coatings segment net sales were $2.34 billion, down $72 million, or 3 percent, versus the prior year. Sales in local currencies were down less than one percent. Acquisition-related sales of approximately one percent, or about $25 million, and improved pricing were more than offset by lower sales volumes of about 2 percent and unfavorable foreign currency translation of more than 2 percent, or approximately $60 million.

From a business unit perspective, automotive refinish coatings local currency sales grew at a mid-single digit percentage rate, outperforming end-use market demand levels in the U.S. and Canada and the Asia-Pacific region. We expect similar trends to continue in the third quarter led by sustained high adoption levels of PPG's leading waterborne technologies and higher aggregate global end-use market demand.

Aerospace coatings returned to sales volume growth in the second quarter, increasing by a low-to-mid-single digit percentage versus the prior year. Regionally, sales volumes gains were largest in Europe and Asia Pacific. We anticipate a continuation of year-over-year volume improvement in the third quarter.

Architectural coatings Europe Middle East and Africa (EMEA) sales volumes declined a low-single digit percentage after achieving improved volumes over the prior three sequential quarters. The modest decline in the quarter is primarily due to unfavorable weather patterns, including flooding, across portions of Western Europe. Sales volumes remained mixed across the region and by month. We expect positive sales volume growth to return in the third quarter, but remain uneven by country.

Architectural coatings Americas and Asia Pacific sales volumes decreased a mid-single digit percentage in the second quarter versus the prior year. Sales volumes declined considerably in Brazil and China, with both countries declining more than 20 percent, reflecting regional end-use market weakness.

In the U.S. and Canada, company-owned store volumes increased modestly but were more than offset by contraction in the independent dealer channel. In aggregate, national retail accounts (DIY) volumes were lower year-over-year due to comparison with solid volume growth in second quarter 2015, along with current year initiatives by DIY customers to structurally and permanently lower inventory balances. Overall sales of PPG products to DIY end-consumers, or "out-the-door" sales were positive year-over-year.

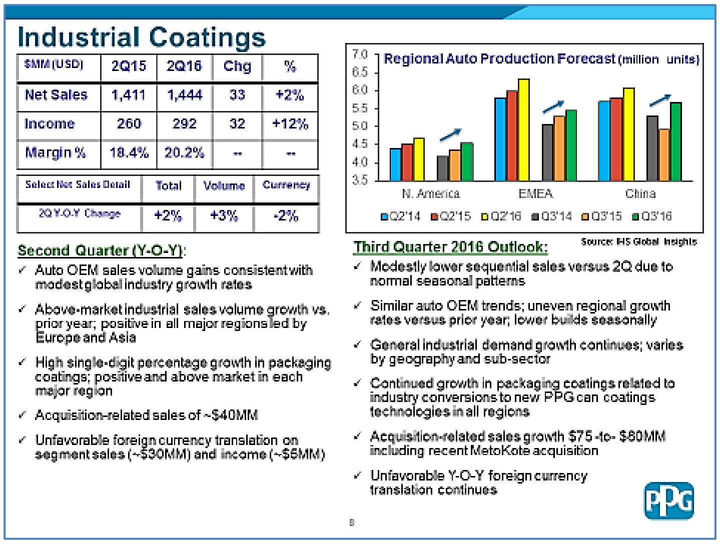
Local currency architectural coatings sales growth in Mexico exceeded the expected rate of double Mexican GDP due to continued market penetration and over 100 new store openings year-to-date. Additionally, architectural sales continued to expand in Central America, up a high-double digit percentage, as the company leverages the Comex and Consorcio LatinAmericano acquisitions and is successfully establishing a presence in the region.

We expect year-over-year architectural coatings business unit sales volumes to improve notably in the U.S. and Canada region in the third quarter, as various growth initiatives which have been underway for the past year begin to provide tangible results. Above market performance is expected to continue in Mexico and Central America.

Protective and marine coatings sales volumes declined a low-single digit percentage in the second quarter, primarily driven by lower new ship-building activity and the ongoing impact of decreased capital investment and maintenance in the oil and gas sector. Sales volumes declined in all regions except Latin America which improved primarily due to acquisition-related sales synergies of legacy PPG products through the Comex concessionaire network. Looking ahead, we anticipate a return to very modest overall growth led by a stabilization of protective coatings demand due to leveling of oil and gas sector activity, partly offset by further weakness in marine new build coatings.

Performance Coatings segment income for the second quarter 2016 was $428 million, up $17 million or 4 percent, versus prior year, including a $10 million unfavorable impact from foreign currency translation. Factors benefiting year-over-year segment income included continued strong cost management and related, additional business restructuring benefits, and acquisition-related income.

Looking forward, we anticipate lower quarterly sales sequentially due to normal seasonal business patterns, as the second quarter is historically the strongest period of the year in most business units. We expect acquisition sales to be $15-to-$20 million, primarily related to the Le Joint Français (LJF) acquisition. Unfavorable foreign currency translation impacts will remain sizable year-over-year.



Industrial Coatings

Industrial Coatings segment net sales for the second quarter were $1.44 billion, up $33 million, or 2 percent, compared to the previous year. Segment net sales in local currencies were up over 4 percent. Sales volumes increased 3 percent led by growth in Europe and Asia Pacific.

Acquisition-related sales added 3 percent, or approximately $40 million, primarily due to IVC Industrial Coatings and Le Joint Français (LJF). Unfavorable foreign currency translation reduced sales by over 2 percent, or about $30 million.

Automotive OEM coatings sales volumes increased by a low-single digit percentage, consistent with industry rates, reflecting moderate global automotive industry production growth. We anticipate aggregate sales volumes to increase modestly in the third quarter versus prior year. Growth will remain varied by region, with the highest year-over-year industry build growth in Asia, where Chinese industry volumes declined in the prior year period. Overall global automotive industry production is seasonally lower in the third quarter versus the second quarter.

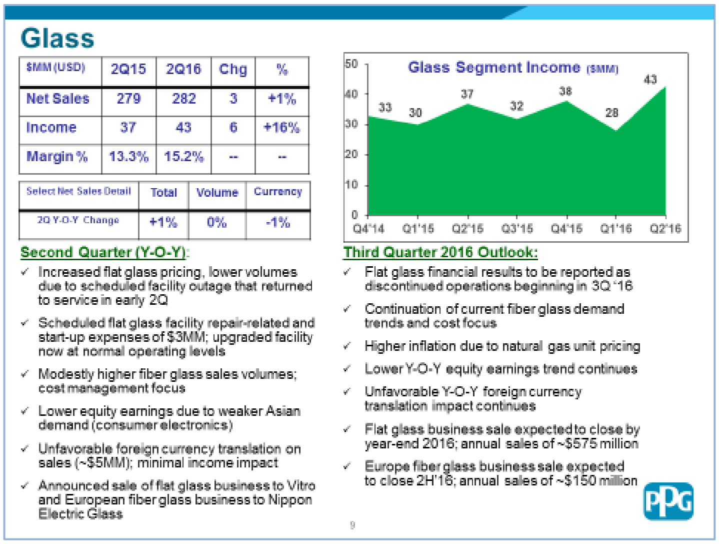
Global industrial and specialty coatings and materials sales volumes grew a low-to-mid single digit percentage, outpacing global industrial production, and continued to improve on positive growth trends in the prior two sequential quarters led by expansion in Europe and Asia Pacific.

By end-use market, demand levels remained mixed. Volume growth continued in automotive parts and accessories and coil and extrusion but remained weak in heavy duty equipment. We expect overall growth trends to continue in the third quarter 2016.

Packaging coatings delivered well above-market high single-digit percentage sales volume growth, including growth in all regions. Strong sales growth momentum related to the adoption of new PPG can coatings technologies continued to drive volume growth. We anticipate this trend to continue in all regions for the remainder of 2016, however year-over-year growth comparisons will become more challenging given the strong growth rates achieved by the business in the second half of 2015.

Second quarter segment income of $292 million was up $32 million, or 12 percent, versus the prior year period, primarily due to segment income leverage from higher sales volumes, acquisition-related income, and disciplined cost management, including business restructuring benefits, partially offset by $5 million of unfavorable foreign currency translation.

Looking forward, we expect 2016 third quarter net sales to be modestly lower sequentially versus the second quarter due to normal business seasonality. We anticipate that acquisition-related sales will total $75 -to- $80 million, higher than the second quarter due to the MetoKote Corporation acquisition which was completed in early July 2016. Additionally, we will anniversary a portion of our restructuring benefit realized in the prior year quarter. Based on current exchange rates, we expect foreign currency translation to remain unfavorable year-over-year.



Glass

Second quarter net sales for the Glass segment were $282 million up $3 million, or one percent, year-over-year primarily due to higher selling prices partially offset by unfavorable foreign currency translation and flat sales volumes.

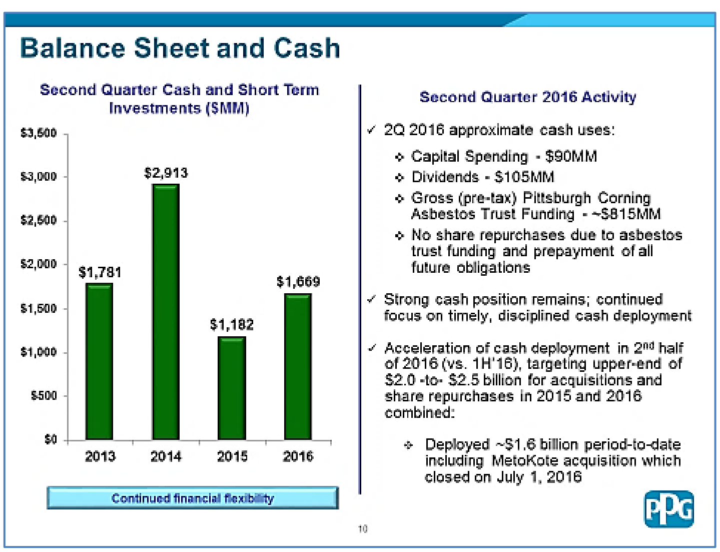
Flat glass sales volumes declined a low-single digit percentage but were more than offset by higher selling prices. The sales volume decline reflected the impact of a facility outage at the company's Fresno, California facility which returned to normal operation early in the second quarter following a major first quarter scheduled maintenance outage. Sales also declined year-over-year due to the prior year sale of remaining finished goods inventory from a previously divested flat glass manufacturing facility. Despite the lower sales volumes, underlying flat glass end-use market demand remained solid. Looking forward, we expect higher flat glass demand seasonally and year-over-year, driven by a return to full system-wide production capability for the third quarter and solid end-market demand. We anticipate higher selling prices will counter increasing natural gas costs.

Fiber glass sales volumes increased modestly year-over-year in the second quarter, as higher demand for automotive components in the U.S. and Europe was partly offset by lower demand in certain U.S. energy-related end-use markets. Looking ahead, we anticipate a similar demand trend for fiber glass.

Segment income for the quarter was $43 million, up $6 million year-over-year, primarily due to improved net sales and a strong cost management focus partly offset by $3 million of remaining repair-related and start-up costs stemming from the Fresno facility outage, and lower equity earnings related to weaker consumer electronics demand in Asia.

Based on current exchange rates, we anticipate foreign currency translation to remain unfavorable year-over-year in the third quarter.

As a result of PPG's July 21st announcement to sell its flat glass business, with annual revenues of about $575 million, the company will begin reporting flat glass financial results as discontinued operations in the third quarter. In the second quarter, PPG announced the sale of its European fiber glass business with annual revenues of approximately $150 million. Both transactions are expected to close by year-end 2016.



Balance Sheet and Cash

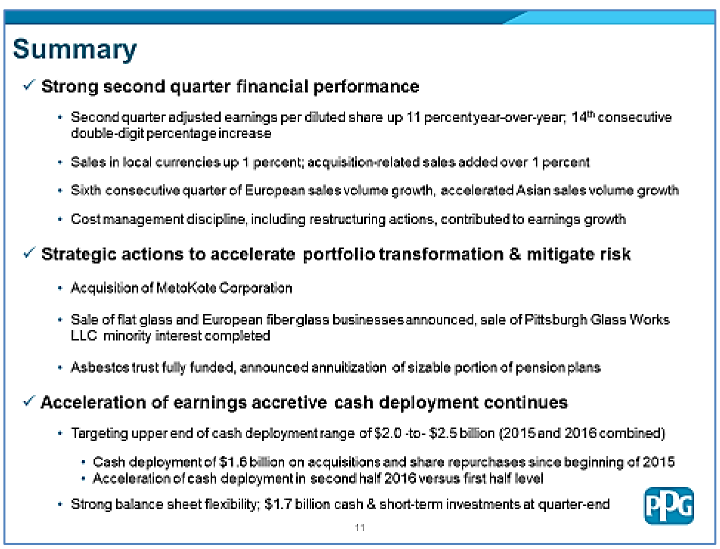
PPG ended the first quarter with approximately $1.7 billion in cash and short-term investments. This compares with a second quarter 2015 of about $1.2 billion. The company maintains a strong cash position and will continue to focus on timely and disciplined cash deployment actions that create shareholder value.

Operating working capital as a percentage of annualized sales improved by 180 basis points versus the prior year quarter.

Approximate uses of cash for the second quarter were as follows:

- Capital expenditures were about $90 million. Anticipated 2016 capital spending remains in the range of 3.0 -to- 3.5 percent of sales.
- Dividends paid were approximately $105 million. Increased dividend spending versus prior quarters reflects the previously announced 11 percent increase in the quarterly per share dividend.
- PPG utilized about $815 million (pre-tax) to fully fund its portion of the Pittsburgh Corning Asbestos Settlement Trust, including a prepayment of about $270 million of future liabilities at an attractive 5.5% per annum discount rate.
- PPG did not repurchase stock in the quarter reflecting the asbestos trust funding obligation. The company has about $770 million remaining under its current share repurchase authorization as of quarter-end.

The company remains committed to earnings-accretive cash deployment and anticipates an acceleration in the pace of cash deployment in the second half of 2016 to reach the upper-end of the stated range of $2.0 -to- $2.5 billion for spending on acquisitions and share repurchases in years 2015 and 2016 combined. Lastly, based on business seasonality PPG typically generates the majority of its annual cash from operations in the second half of the year.



Second Quarter Summary

In summary, the company achieved strong adjusted earnings per diluted share for the second quarter despite unfavorable foreign currency translation. The 11 percent increase year-over-year was the 14^{th} consecutive quarter of double-digit percentage increases in adjusted earnings per diluted share. This performance was due to earnings leverage on sales volume gains, acquisition-related income, and a disciplined focus on costs including benefits from restructuring actions.

Regionally, Europe delivered its 6^{th} consecutive quarter of sales volume growth while Asia-Pacific accelerated sales volume growth sequentially and versus prior year. From a business unit perspective, packaging, automotive refinish, and general industrial coatings delivered above-market volume growth rates globally.

The company continued its portfolio transformation actions. This included acquiring MetoKote Corporation, a global leader is coatings services with annual revenue of about $200 million. The company also announced the sale of its flat glass and European fiber glass businesses and completed the sale of its minority interest in Pittsburgh Glass Works LLC.

In addition, PPG took further strategic actions to reduce financial risk and address long-term legacy liabilities. In the second quarter, the company fully funded its obligations related to the Pittsburgh Corning Asbestos Settlement Trust. PPG also announced the annuitization of a sizable portion of its pension obligations.

The company reiterated its cash deployment target of $2.0 -to- $2.5 billion for acquisitions and share repurchases for the combined years of 2015 to 2016, and stated intentions to accelerate cash deployment in the second half of 2016 to finish toward the upper end of this range. Period-to-date, PPG has deployed about $1.6 billion for share repurchases and acquisitions, including the July acquisition of MetoKote Corporation. PPG continues to have a solid balance sheet and financial flexibility. At quarter-end, cash and short-term investments totaled $1.7 billion.

Additional Materials and Appendix

Thank you for your interest in PPG Industries, Inc.
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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	0.05
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%

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. This presentation contains 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 timing of and 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. Consequently, while the list of factors presented here and under Item 1A of PPG's 2015 Form 10-K is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in the results compared with those anticipated in the forward-looking statements could include, among other things, lower sales or earnings, business disruption, operational problems, financial loss, legal liability to third parties, other factors set forth in Item 1A of PPG's 2015 Form 10-K and similar risks, any of which could have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity.

All of this information speaks only as of July 21, 2016, and any distribution of this release after that date is not intended and will not be construed as updating or confirming such information. PPG undertakes no obligation to update any forward-looking statement, except as otherwise required by applicable law.