



PPG Industries, Inc. Third 2016 Financial Results

Earnings Brief – October 20, 2016

Third Quarter 2016 Financial Highlights

Sales increase of more than 3 percent in local currencies

- Aggregate sales volumes increased 1.6 percent year-over-year, led by solid growth in Asia-Pacific
- Acquisition-related sales contributed about 2 percent driven by MetoKote and prior year acquisitions
- Unfavorable foreign currency translation reduced sales nearly 2 percent, or approximately \$65 million

Increased adjusted earnings per share

- Third quarter adjusted earnings per share* was \$1.56; up 1 percent versus the prior year despite a \$0.04 unfavorable foreign currency impact, primarily due to weakening Mexican peso and British pound
- Higher growth-related spending to support recent new product launches and branding initiatives
- On pace to fully realize previously announced restructuring benefits, additional cost actions targeted

Strategic portfolio actions; cash deployment accelerates

- Completed sale of flat glass and European fiber glass businesses on October 1, 2016
- Announced sale of PPG's ownership interest in two Asian fiber glass joint ventures
- Confirmed to be at top-end of 2015/2016 (combined) earnings-accretive cash deployment range of \$2.0 billion -to- \$2.5 billion; approximately \$1.85 billion deployed-to-date
 - Expect to deploy at least \$650 million on acquisitions or share repurchases in Q4 '16
 - Recent board of directors authorization to repurchase additional \$2 billion of PPG shares
- Cash and short-term investments of approximately \$1.0 billion at quarter-end

* Adjusted EPS (from continuing operations) – see presentation appendix for reconciliations to reported EPS



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Third Quarter 2016 Financial Highlights

PPG net sales for the third quarter 2016 were \$3.8 billion, up almost 2 percent versus the prior year period. Year-over-year sales in local currencies grew more than 3 percent, or about \$130 million. Sales volumes grew in aggregate by 1.6 percent and acquisition-related sales added more than two percent. Foreign currency translation reduced net sales by approximately \$65 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 share were \$1.56, an increase of about 1 percent,

including the unfavorable impact from foreign currency translation, primarily led by declines in the Mexican peso and British pound versus prior year. PPG achieved these favorable year-over-year earnings results despite operating in a soft global economic environment.

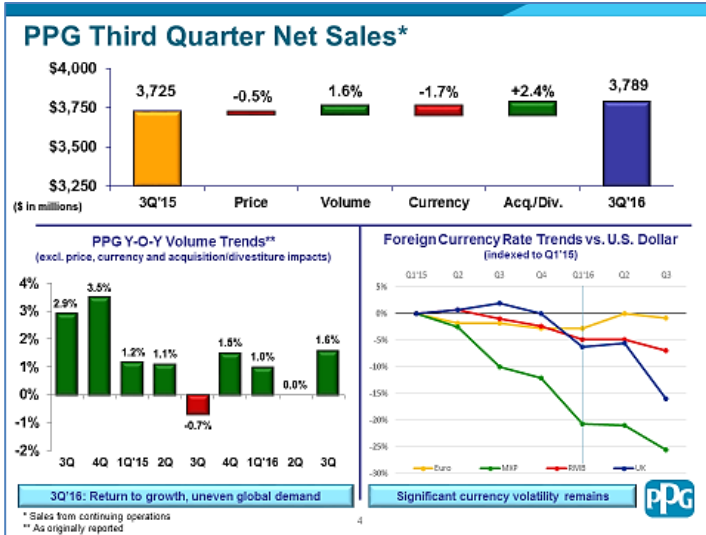
Segment income improved by almost 3 percent in local currencies led by acquisition-related income, contributions from sales volume gains, and benefits from continued cost management. The company invested an incremental \$15 million on growth-related initiatives year-over-year, including support for the launch of certain new architectural coatings retail products.

Unfavorable foreign currency translation impacted segment income by approximately \$15 million, or \$0.04 per share.

Strategic portfolio actions and accelerated cash deployment continued. During the third quarter, the company announced the sale of its ownership interest in two Asian fiber glass joint ventures, and the sales of the former flat glass and European fiber glass businesses were both completed on Oct. 1, 2016.

The company continues to have excellent financial flexibility with cash and short-term investments totaling about \$1.0 billion at quarter end. This was aided by a 110 basis point in year-over-year operating working capital as a percentage of annualized sales versus the prior year.

The company increased its cash deployment target to be at the top-end of the previously communicated range of \$2.0 -to- \$2.5 billion on earnings-accretive acquisitions and share repurchases for the combined years 2015 and 2016. PPG has deployed \$1.85 billion against the target through the third quarter 2016, including share repurchases of about \$250 million during the recent quarter. As a result, the company plans to deploy at least \$650 million in the fourth quarter 2016 on acquisitions or share repurchases. PPG's board of directors also recently approved an additional \$2 billion share repurchase authorization.



PPG Third Quarter Net Sales

PPG net sales for the third quarter were \$3.79 billion, up almost 2 percent versus the prior year. Year-over-year sales volumes increased 1.6 percent, a growth rate that was higher than the year-over-year rate in the prior six sequential quarters. Regional sales volume growth versus prior year was the highest in Asia-Pacific, coupled with gains in Latin America. In aggregate, sales volumes were flat year-over-year in Europe and the U.S. and Canada region. The European growth rate was a noticeable decline versus recent quarters.

Acquisition-related sales growth of over 2 percent more than offset a modest aggregate

pricing decline versus prior year. Foreign currency translation reduced sales by almost 2 percent primarily related to a weakening Mexican peso and British pound, both of which declined more than 10 percent in the third quarter versus prior year. These declines were partly offset by modest strengthening of the euro versus the U.S. dollar.

At current exchange rates, the impact of foreign currency translation on PPG's fourth quarter 2016 segment sales and income is expected to be similar to the third quarter, despite lower sequential sales seasonally.

Third 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	Above Market	At Market	At Market		At Market	
Automotive Refinish	At Market	At Market	Above Market		Below Market	
Architectural	At Market	At Market	AIS Above Market	CHI B/M	Mexico Above Market	BRL B/M
Protective	Above Market	At Market	Below 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	Above Market		Above Market	
Packaging	Above Market	At Market	Above Market		Above Market	

1) PPG compared to industry end-use market demand* legend:
 • Above Market
 • At Market
 • Below Market (B/M)
 * Based on PPG estimates

2) Year-over-year PPG volume legend:
 Contraction (Red to Yellow)
 Expansion (Green)

Third Quarter Coatings Net Sales Volumes

In the third quarter, aggregate coatings sales volumes increased 1.7 percent versus prior year. Results varied by region and end-use market. The 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 reporting segment slides.

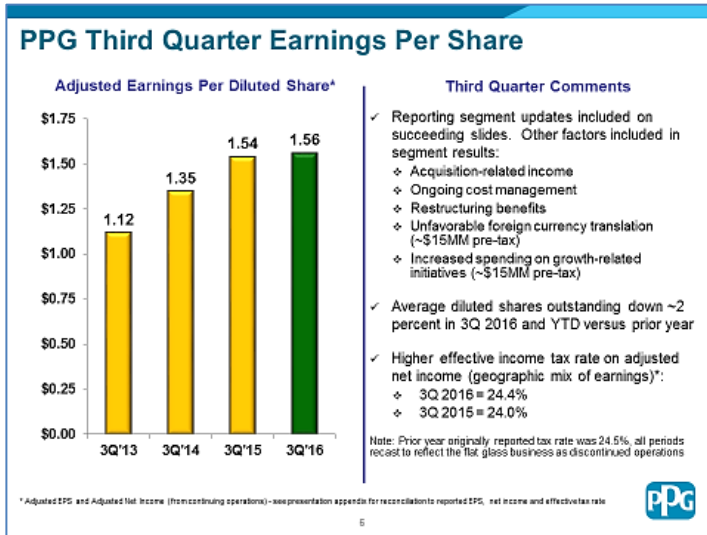
In the U.S. and Canada region, sales volumes were flat on a year-over-year basis, an improvement versus results from the second quarter 2016. Results were mixed by business unit with growth in architectural coatings versus

a weak prior year comparable period that included volume declines. Above-market growth continued in packaging coatings due to continued customer conversions to PPG's new interior can coatings technologies. Automotive OEM and general industrial coatings sales volumes declined, due, in part, to soft industrial production in the region.

Sales volumes were flat in the Europe, Middle East, and Africa (EMEA) region after expanding for the prior 6 quarters. PPG's above market regional growth in automotive OEM and general industrial and specialty coatings and materials businesses was offset by declines (in line with overall industry demand patterns) in architectural coatings, packaging and automotive refinish coatings.

Asia-Pacific sales volume growth accelerated versus the prior two sequential quarters, increasing by a mid-to-high-single digit rate year-over-year. Quarterly sales gains were led by automotive OEM versus a weak prior year period, along with gains in general industrial and automotive refinish coatings. From a country and sub-region perspective, sales volumes grew in China, India, and Southeast Asia versus the prior year, and Korean volumes declined primarily due to lower marine shipbuilding activity.

In Latin America and South America, sales volumes grew in aggregate by a mid-single-digit percentage led by architectural, packaging, general industrial, and automotive OEM coatings. Within the region, sales volumes continued to grow in Mexico and Central America, but declined in Brazil due to weak overall economic conditions.



PPG Third Quarter Earnings per Share

Third quarter adjusted earnings per share of \$1.56 increased by \$0.02, or 1 percent, versus the prior year period. 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 from MetoKote, IVC Industrial Coatings, and Le Joint Français (LJF) supplemented segment income. These acquisitions provide new platforms for future growth. The MetoKote acquisition closed on July 1, 2016, and, as expected, the acquisition

is currently below the Industrial Coatings segment average margin level (prior to synergy capture).

- Adjusted earnings per share growth includes benefits from ongoing cost management actions, including realization of targeted savings from previously announced restructuring.
- Year-over-year unfavorable foreign currency translation impacted segment income by about \$15 million, or \$0.04 per share.

The adjusted effective tax rate for the third quarter 2016 was 24.4 percent, up from a comparable rate of 24.0 percent in the previous year. This year-over-year increase is primarily attributable to the geographic mix of earnings. The 2015 tax rate was recast in conjunction with the presentation of the flat glass

Performance Coatings

\$MM (USD)	3Q15	3Q16	Chg	%
Net Sales	2,240	2,223	-17	-1%
Income	379	368	-11	-3%
Margin %	16.9%	16.6%	--	--

Select Net Sales Detail

	Total	Volume	Currency
3Q YOY Change	-1%	1%	-2%

Third Quarter (YOY):

- ✓ Lower segment volumes in Europe and Asia-Pacific offset in other regions
- ✓ Continued organic growth in automotive refinish led by Asia-Pacific, partly offset by modest European decline
- ✓ Low single-digit percentage aerospace volume growth
- ✓ Slightly lower volumes in architectural coatings EMEA; results varied by country
- ✓ Low-to-mid single-digit percentage sales volume growth in architectural coatings Americas & Asia Pacific, supported by increased growth-related spending (~\$15 million)
 - o Higher volumes in U.S. and Canada company-owned stores and national retail accounts (DIY) vs. volume declines in prior year period
 - o Continued strong Mexican organic sales growth
- ✓ Weakening marine Asia-Pacific new build end-use demand which more than offset protective coatings volume growth
- ✓ Unfavorable foreign currency translation primarily due to weakening Mexican peso and British pound; segment sales (~\$43MM) and income (~\$10MM)
- ✓ Acquisition-related sales of ~\$15MM

Fourth Quarter 2016 Outlook:

- ✓ Lower sequential sales due to normal seasonality
- ✓ Consistent industry demand trends in automotive refinish and aerospace
- ✓ Marine weakness persists; more than offsets protective coatings growth
- ✓ Flat-to-lower YOY architectural coatings EMEA demand
- ✓ Architectural coatings U.S. and Canada end-use market demand remains modest
- ✓ Mexico (Comex) local currency sales growth continues in comparison to robust comparable period growth in previous 2 years
- ✓ Unfavorable YOY foreign currency translation impact on segment income; similar to Q3'16 at current rates
- ✓ No acquisition-related sales

PPG's Branding Initiatives

PPG

business as discontinued operations. In aggregate, the flat glass divestiture reduced the company's prior year and current year adjusted tax rates as the percentage of income earned decreased in the United States, which is a high-tax-rate jurisdiction.

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

Performance Coatings

Performance Coatings segment net sales were \$2.22 billion, down \$17 million, or less than one percent, versus the prior year. Sales in local currencies were up more than one percent

driven by higher sales volumes, aided by year-over-year architectural coatings – Americas and Asia-Pacific volume growth. Acquisition-related sales contributed approximately \$15 million, or less than 1 percent, versus prior year. Unfavorable foreign currency translation, primarily due to a weakening in the Mexican peso and British pound, impacted segment sales by 2 percent, or about \$45 million, which more than offset modestly favorable pricing.

Automotive refinish coatings sales grew a low-to-mid-single-digit percentage in constant currencies versus the prior year, reflecting higher end-market demand in Asia-Pacific partially offset by modest declines in Europe due to demand weakness in central Europe. We anticipate similar growth patterns in the fourth quarter due to a continuation of favorable end-use market trends and continued adoption of PPG's market leading waterborne coatings.

Aerospace continued its low-single-digit sales volume growth versus the prior year, consistent with the industry and second quarter 2016 growth rates. Regionally, sales volumes gains were led by the U.S. and Canada, with more modest demand in other regions. We anticipate a continuation of similar year-over-year sales volume trends in the fourth quarter. Also, the Le Joint Français acquisition contributed in the third quarter, but the acquired business reached its one year anniversary by the end of the third quarter and sales will no longer be classified as acquisition-related.

Architectural coatings - EMEA sales volumes declined by a low-single-digit percentage year-over-year, however the rate of decline was modestly higher than the prior sequential quarter. Sales volumes flattened in western Europe, remaining mixed by country and declined in central Europe versus the prior year. In the fourth quarter, we expect sequential sales declines due to normal business seasonality and flat-to-lower year-over-year sales volume trends to conclude a sluggish 2016 architectural paint season.

In aggregate, architectural coatings Americas and Asia-Pacific sales volumes improved by a low-to-mid-single-digit percentage in the third quarter versus comparable period volume declines in the prior year. Sales volumes stabilized in China and were consistent with prior year. Brazilian sales volumes declined a double-digit percentage due to ongoing weakness in overall economic activity, continuing trends from recent quarters.

In the U.S. and Canada, year-over-year sales volumes in the company-owned stores channel improved for the third consecutive quarter, mainly due to recent growth investments and initiatives. Sales volumes improved a mid-single-digit percentage in the national retail accounts (do-it-yourself, or DIY) channel compared to volume declines in the prior year period. This included higher sales of certain new PPG DIY products, supported by traditional new product marketing and promotional campaigns. Sales volumes were flat in the U.S. independent dealer channel, an improvement versus prior year-to-date results.

Local currency Mexican architectural coatings sales grew a mid-to-high-single-digit percentage, more than double the Mexican GDP growth rate. Robust sales growth also continued in Central America from a low prior year base, building on the 2015 acquisition of Consorcio LatinAmericano which provided an initial sales presence in the region. The company's retail distribution network has grown to include approximately 300 points of sale across Central America.

We expect fourth quarter year-over-year architectural coatings demand in the U.S. and Canada region to remain modest in the fourth quarter. We expect above-market performance to continue in Mexico and Central America on increased fourth quarter sales due to normal business seasonality.

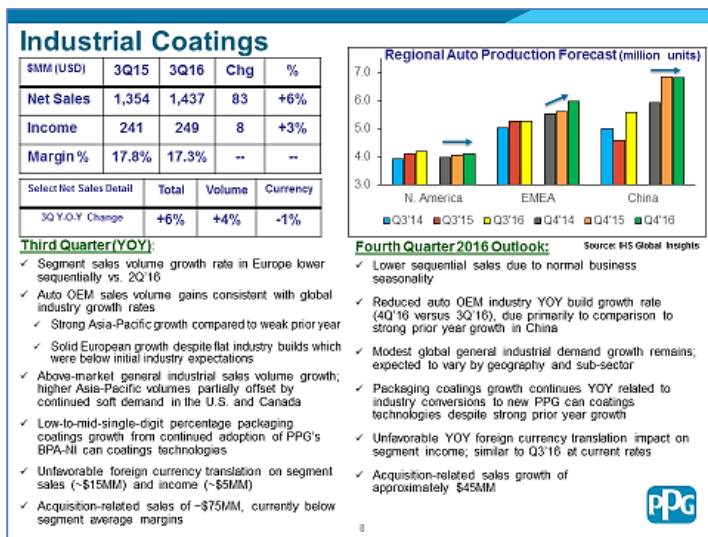
Protective and marine coatings sales volumes declined a mid-single-digit percentage in the third quarter versus prior year, primarily driven by lower shipbuilding activity in Asia-Pacific and decreased demand for

marine aftermarket products. The declines more than offset protective coatings sales volumes improvements versus prior year, led by gains in the U.S. and Canada region. Looking ahead, we anticipate a continuation of very weak marine end-use market demand more than offsetting growth in the protective coatings sub-segment.

Performance Coatings segment income for the third quarter 2016 was \$368 million, down \$11 million versus prior year. Unfavorable foreign currency translation, including the Mexican peso and British pound, negatively impacted segment income by \$10 million. Higher sales volumes increased segment income, offset by about \$15 million of incremental growth-related spending.

Looking forward, we anticipate lower fourth quarter segment sales sequentially due to normal seasonal business patterns, driven by the seasonal decline in architectural coatings in the U.S., Canada, and Europe.

All prior segment acquisitions reached their one-year anniversary by the end of the third quarter. Unfavorable foreign currency translation impacts will remain a segment sales and income headwind year-over-year. Based on current exchange rates, including continued unfavorable impacts from the Mexican peso and British pound, these impacts are expected to be similar to the third quarter 2016 despite lower segment sales seasonally.



Industrial Coatings

Industrial Coatings segment net sales for the third quarter were \$1.44 billion, up \$83 million, or more than 6 percent, compared to the previous year. Sales volumes increased by almost 4 percent led by growth in Asia-Pacific partially offset by U.S. and Canada regional declines.

European volume growth moderated in comparison to previous quarters. Acquisition-related sales added approximately 5 percent, or about \$75 million, primarily due to MetoKote and IVC Industrial Coatings. Unfavorable foreign currency translation reduced sales by more than one percent, or approximately \$15 million.

Automotive OEM coatings sales volumes increased by a low-to-mid-single digit percentage in aggregate, generally consistent with global industry growth rates. Year-over-year sales volume growth rates were highest in Asia-Pacific partially due to weak prior year comparable period results for the overall industry. Regional sales volume growth continued in Europe and expanded in Latin America, but volumes declined in the U.S. and Canada region versus prior year. We anticipate fourth quarter automotive OEM industry builds to increase modestly year-over-year, but at a slower growth rate sequentially as demand levels flatten in Asia-Pacific due to very strong growth in the prior year comparable period.

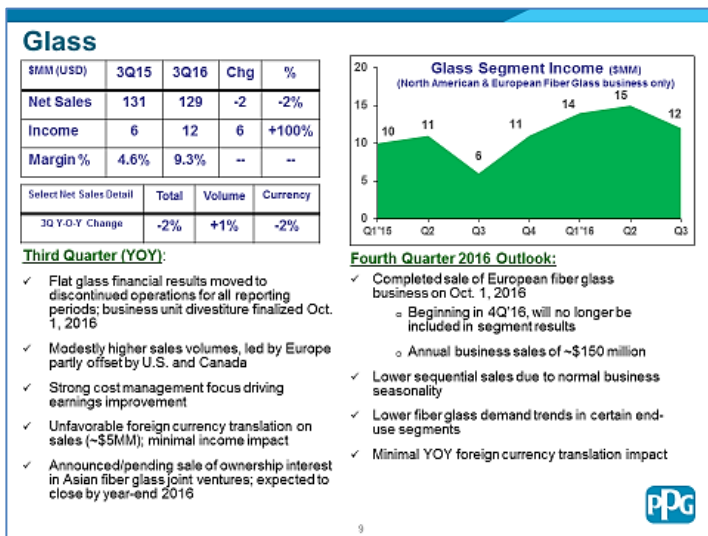
Global general industrial and specialty coatings and materials sales volumes grew a mid-single-digit percentage, outpacing global industrial production and similar to previous quarters.

Demand levels remained mixed by end-use market and geography, as strong year-over-year growth in Asia-Pacific partially offset continued softness in certain U.S. and Canada region industrial end-use markets. Overall, volume growth continued in automotive parts and accessories, coil and extrusions, and electronics materials. We expect overall growth trends to remain consistent in fourth quarter 2016, but vary by region and end-use market.

Packaging coatings grew sales volumes at a low-to-mid-single-digit percentage rate in the third quarter versus prior year. PPG's new interior can coatings technologies continued to drive sales volume growth led by customer conversions in the U.S. and Canada region. We anticipate above-market growth to continue in the fourth quarter 2016 in comparison to a strong prior year period.

Third quarter segment income of \$249 million was up \$8 million, or 3 percent, versus the prior year period. Segment income benefitted from higher sales volumes and continued cost management. Acquisition-related sales contributed to income growth, but at expected margins which are currently below the segment average. Unfavorable foreign currency translation, primarily due to a weakening Mexican peso, reduced segment income by about \$5 million.

Looking forward, we expect fourth quarter 2016 net sales to be lower sequentially versus the third quarter due to normal business seasonal patterns. We anticipate acquisition-related sales of about \$45 million, lower in comparison to the third quarter due to the one-year anniversary of the IVC and Le Joint Français acquisitions in the third quarter. Based on current exchange rates, we expect foreign currency translation to remain unfavorable to segment income year-over-year similar to the third quarter 2016 impact, including ongoing weakness in the Mexican peso.



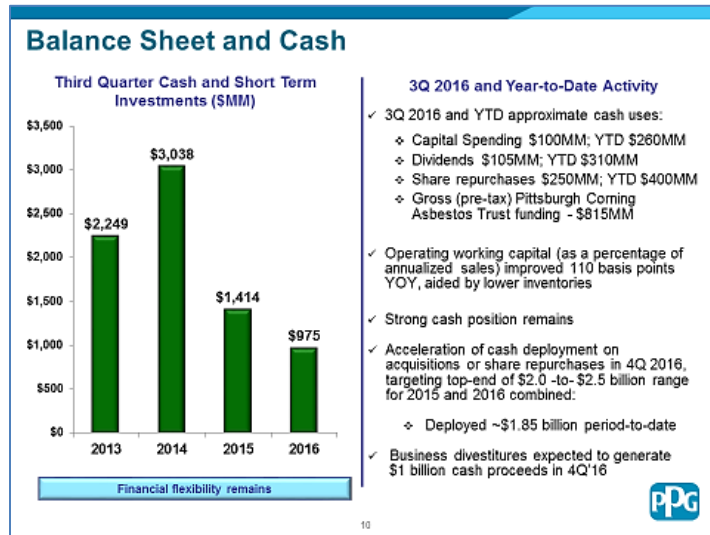
Glass

Segment sales were \$129 million, down \$2 million, or 2 percent, year-over-year due to the unfavorable impact of foreign currency translation. Sales volumes increased slightly, with growth in Europe partially offset by declines in the U.S. and Canada region. Segment income for the quarter was \$12 million, up \$6 million versus the prior year, primarily due to aggressive cost management efforts.

Third quarter financial results for the Glass segment include North America and European fiber glass only, as the flat glass business is now presented as discontinued operations.

In the fourth quarter, the segment will include the U.S. and Canada fiber glass business only, which has annual sales of approximately \$350 million. We anticipate moderately lower sales due to normal business seasonality. In addition, we expect a modest deceleration in certain end-use markets in the U.S. and Canada region. We do not anticipate foreign currency translation to impact the business year-over-year.

On October 1, 2016, PPG completed the sale of its flat glass business with annual revenues of approximately \$550 million and the sale of its European fiber glass business with annual revenues of approximately \$150 million. Lastly, PPG announced the sale of its 50 percent ownership interest in its two Asian fiber glass joint ventures in the third quarter. The transaction is expected to close by year-end 2016.



Balance Sheet and Cash

PPG ended the third quarter with approximately \$1.0 billion in cash and short-term investments. The company maintains a strong cash position and will continue to deploy cash in a disciplined and timely manner focused on shareholder value creation.

Operating working capital as a percentage of annualized sales improved by 110 basis points versus the prior year period, led by lower inventory.

Approximate uses of cash for the third quarter and year-to-date were as follows:

- Organic capital expenditures were about \$100 million for the quarter and approximately \$260 million year-to-date. Anticipated 2016 capital spending is about 3.0 percent of annual sales.
- Dividends paid were approximately \$105 million in the quarter and about \$310 million year-to-date. The company increased its quarterly per share dividend by 11 percent in the second quarter 2016.
- PPG stock repurchases totaled \$250 million in the third quarter and approximately \$400 million year-to-date. The company had approximately \$520 million remaining under its current share repurchase authorization as of September 30, 2016, and PPG's Board of Directors recently authorized an additional \$2 billion share repurchase program.
- In the second quarter 2016, 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 settlement obligations at an attractive 5.5% per annum discount rate.

The company recently announced that it expects to achieve the top-end of its previously communicated cash deployment range of \$2.0 -to- \$2.5 billion for spending on acquisitions and share repurchases in years 2015 and 2016 combined. PPG has deployed \$1.85 billion period-to-date toward the stated goal.

PPG completed the divestitures of its former flat glass and Europe fiber glass businesses on October 1, 2016. The third quarter ending cash balance does not include the proceeds from these divestitures.



Third Quarter Summary

In summary, PPG grew local currency sales by more than 3 percent, with higher constant currency sales in each segment led by the Industrial Coatings segment. Sales volumes grew by 1.6 percent in aggregate versus the prior year led by growth in Asia-Pacific and Latin America, which more than offset flat year-over-year coatings volumes in Europe and the U.S. and Canada region. The benefits from these volume gains, along with continued operating cost discipline, more than offset the unfavorable impact from foreign currency

translation and increased spending on growth-related initiatives. PPG's third quarter 2016 adjusted earnings per share from continuing operations increased to \$1.56, up about one percent.

The company continues to focus on cash deployment and accelerated its pace of share repurchases and acquisitions in the third quarter in comparison to the first half 2016. The company repurchased \$250 million in stock and completed the acquisition of MetoKote on July 1, 2016. PPG announced that it is targeting the top-end of its 2015 and 2016 combined cash deployment range of \$2.0 billion -to- \$2.5 billion. Period-to-date, PPG has spent \$1.85 billion toward the target and plans to deploy at least \$650 million in the fourth quarter 2016.

PPG continued its strategic portfolio actions in the third quarter, including the announced sale of its ownership interest in two Asian fiber glass joint ventures. Also, the sale of the flat glass and European fiber glass businesses were completed on October 1, 2016. As a result of these transactions, the company expects to receive approximately \$1 billion in cash proceeds in the fourth quarter 2016, with minimal tax leakage. These after-tax proceeds are incremental to the \$1.0 billion in cash and short term investments they company reported at the end of the third quarter 2016.

Looking ahead, the company anticipates soft global economic conditions to remain. As a result, fourth quarter earnings growth rates are expected to be comparable to the third quarter. The company is reviewing various potential restructuring scenarios to reduce structural operating and functional costs. These potential cost reductions will be focused on certain geographies and end-use markets where conditions are weakest. Prudent growth-related investments will continue to support various product development and brand-building initiatives.

Lastly, the company will continue to deploy cash focused on earnings-accretion, supported by a strong balance sheet.

Additional Materials and Appendix



Thank you for your interest in PPG Industries, Inc.
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Adjusted EPS Reconciliation

3rd Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Third Quarter 2016						
Net (Loss)/Income Attributable to PPG as Reported	\$ (201)	\$ (0.75)	\$ 17	\$ 0.05	\$ (184)	\$ (0.69)
Pension settlement charges	616	2.31	--	--	616	2.31
Adjusted Net Income Attributable to PPG	\$ 415	\$ 1.56	\$ 17	\$ 0.05	\$ 432	\$ 1.62
Third Quarter 2015						
Net Income Attributable to PPG as Reported	\$ 414	\$ 1.52	\$ 18	\$ 0.07	\$ 432	\$ 1.59
Transaction-related costs	1	--	--	--	1	--
Pension settlement charges	5	0.02	--	--	5	0.02
Adjusted Net Income Attributable to PPG	\$ 420	\$ 1.54	\$ 18	\$ 0.07	\$ 438	\$ 1.61
Third Quarter 2014						
Net Income Attributable to PPG as Reported	\$ 346	\$ 1.24	\$ 25	\$ 0.09	\$ 371	\$ 1.33
Transaction-related costs	2	0.01	--	--	2	0.01
Pension settlement charges	2	0.01	--	--	2	0.01
Legacy environmental reserves	86	0.30	--	--	86	0.30
Gain on sales of sales	(58)	(0.21)	(14)	(0.05)	(72)	(0.26)
Adjusted Net Income Attributable to PPG	\$ 377	\$ 1.34	\$ 11	\$ 0.04	\$ 388	\$ 1.38
Third Quarter 2013						
Net Income Attributable to PPG as Reported	\$ 194	\$ 0.67	\$ 31	\$ 0.11	\$ 225	\$ 0.78
Transaction-related costs	3	0.01	1	--	4	0.01
Legacy environmental reserves	56	0.19	--	--	56	0.19
Business restructuring	73	0.25	--	--	73	0.25
Adjusted Net Income Attributable to PPG	\$ 326	\$ 1.12	\$ 32	\$ 0.11	\$ 358	\$ 1.23

Amounts in Millions of USD except EPS

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Regulation G Reconciliation

3rd Quarter Reporting Period

Three Months Ended September 30, 2016	(Loss) Income Before Income Taxes	Tax (Benefit) Expense	Effective Tax Rate
Effective tax rate, continuing operations	\$ (413)	\$ (217)	52.5%
Pension settlement charges	968	352	36.4%
Adjusted effective tax rate, continuing operations	\$ 555	\$ 135	24.4%

Three Months Ended September 30, 2015	Income Before Income Taxes	Tax Expense	Effective Tax Rate
Effective tax rate, continuing operations	\$ 554	\$ 133	24.0%
Transaction-related costs	1	-	NA
Pension settlement charges	7	2	26.7%
Adjusted effective tax rate, continuing operations	\$ 562	\$ 135	24.0%

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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 October 20, 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.