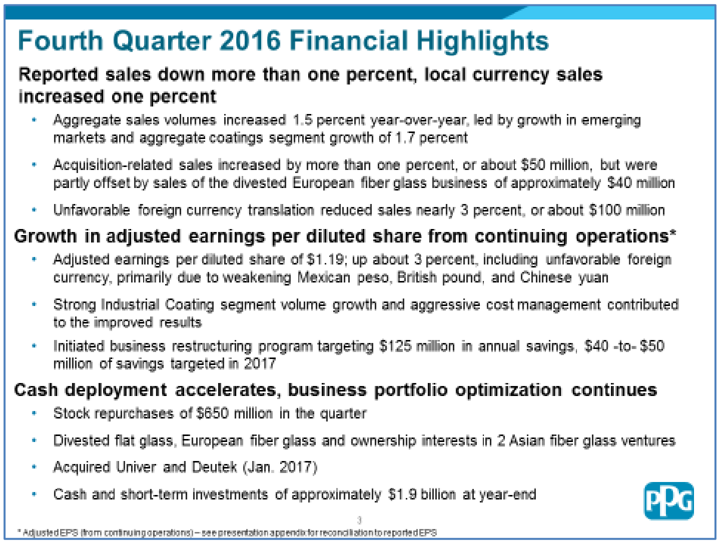
PPG Industries, Inc. Fourth 2016 Financial Results

Earnings Brief – January 19, 2017



Fourth Quarter Financial Highlights

PPG fourth quarter net sales from continuing operations of $3.5 billion were down more than one percent versus the prior year. Net sales in local currencies grew by more than one percent year-over-year, aided by aggregate coatings sales volumes that were nearly 2 percent higher than the prior year. Sales volume improvement was driven by emerging regions growth, led by China and Latin America. Acquisition-related sales added more than one percent, or about $50 million, but were partially offset by the absence of sales from the divested European fiber glass business. These aggregate increases in net sales were more than offset by unfavorable foreign currency translation of about 3 percent, or about $100 million, primarily due to the Mexican peso, the Chinese yuan, the British pound and the euro.

More detailed sales comparisons for the company and each reporting segment are included on subsequent presentation slides.

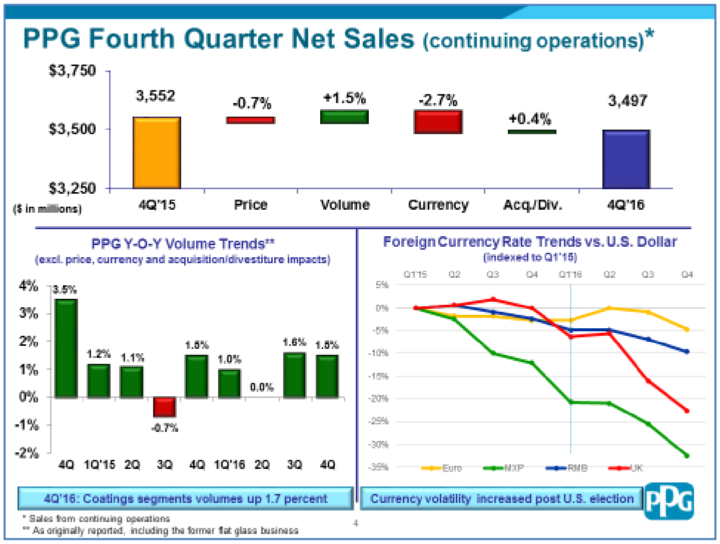
Year-over-year adjusted earnings per diluted share from continuing operations were $1.19, an increase of about 3 percent versus the prior year, including the unfavorable impact of foreign currency translation.

This increase, achieved despite modest and uneven global economic growth, was driven by higher Industrial Coatings segment sales volumes, lower overall costs, including the benefits from prior-year business restructuring, and acquisition-related income. The improvement in adjusted earnings per diluted share was also supplemented by continued cash deployment.

In December 2016, the company initiated a nearly $200 million, geographically broad-based business restructuring program. Once fully implemented, this program is expected to generate approximately $125 million in annual savings, with $40 -to- $50 million targeted for 2017.

In the fourth quarter, PPG deployed about $650 million on share repurchases, representing nearly 7 million shares repurchased. PPG continued its business portfolio optimization efforts with the acquisitions of Univer, an Italian architectural paint supplier, and Deutek, a leading Romanian architectural coatings supplier that closed in early January 2017, as well as completing the divestitures of several non-core glass businesses during the quarter. The divested businesses included flat glass, European fiber glass and ownership interests in two Asian fiber glass joint ventures.

The company continues to have excellent financial flexibility with cash and short-term investments of about $1.9 billion at year-end, including the benefit from over $1 billion in gross cash proceeds from the non-core business divestitures divested in the quarter.



PPG Fourth Quarter Net Sales

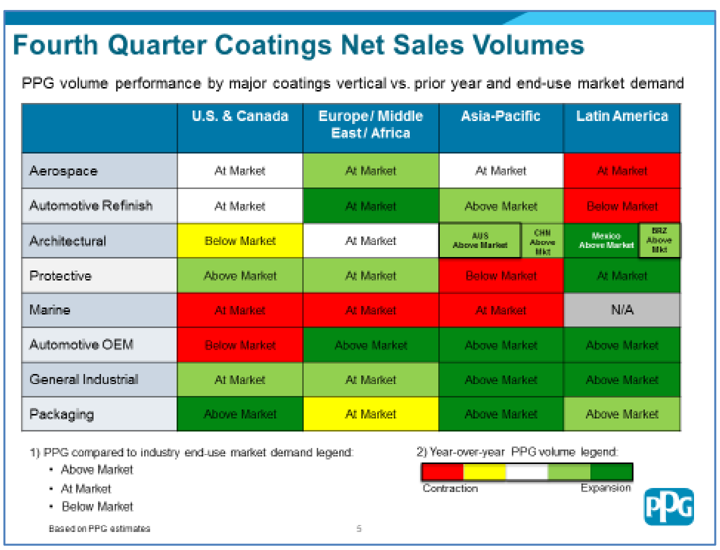
PPG fourth quarter net sales of $3.5 billion declined by more than one percent, or $55 million year-over-year, including unfavorable foreign currency translation of approximately $100 million. Local currency sales increased by more than one percent.

Sales volumes increased 1.5 percent year-over-year, including a 1.7 percent increase from aggregate coatings segment volume growth partly offset by lower Glass segment volumes. This marks the second consecutive quarter with global growth approaching 2 percent, and was led by the Industrial Coatings segment. This volume growth occurred despite solid growth in the prior-year comparable period.

Acquisition-related sales are primarily from the MetoKote and Univer acquisitions which were partially offset by the absence of sales from the divested European fiber glass business. These net changes related to our business portfolio optimization efforts contributed less than one percent to fourth quarter 2016 sales growth.

Unfavorable foreign currency translation reduced sales by about 3 percent year-over-year, as the continued decline of many currencies versus the U.S. dollar accelerated after the U.S. presidential election in November 2016. The steepest decline occurred in the Mexican peso, which deteriorated by about 15 percent year-over-year in the three-month average rate. In addition, most other major foreign currencies generated unfavorable foreign currency translation impacts including the euro, the Chinese yuan and the British pound.

Based on current exchange rates, the unfavorable year-over-year effect of foreign currency translation on first quarter 2017 is expected to be similar to the fourth quarter 2016.



	U.S. & Canada	Europe/ Middle East/ Africa	Asia-Pacific	Latin America
Aerospace	At Market	At Market	At Market	At Market
Automotive Refinish	At Market	At Market	Above Market	Below Market
Architectural	Below Market	At Market	AUS Above Market; CHN Above Mkt	Mexico Above Market; BRZ Above Mkt
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	At Market	Above Market	Above Market
Packaging	Above Market	At Market	Above Market	Above Market

Net Sales Volume Trends - Coatings Segments

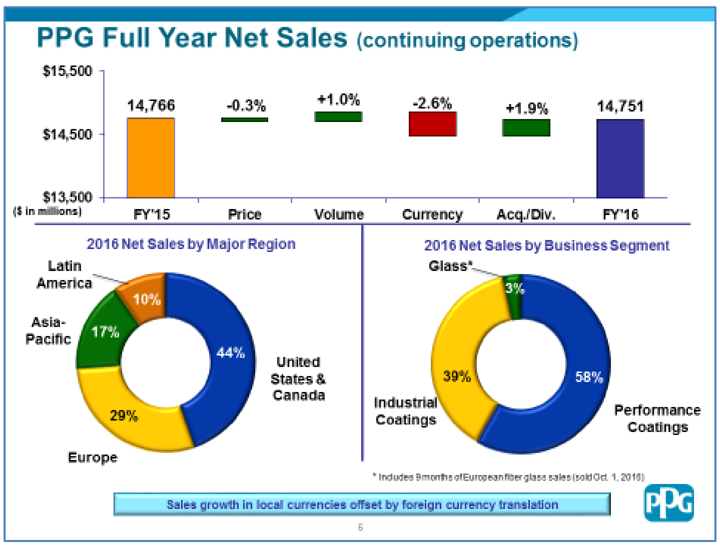
Aggregate global coatings segment sales volumes grew by nearly 2 percent for the second straight quarter, adding to the growth achieved in the prior-year comparable period.

In the U.S. and Canada region, sales volumes declined modestly versus the prior year. Results remained mixed by business unit with continued above-market regional growth in packaging coatings due to continued new PPG technology adoption by customers. Regional sales volumes in general industrial coatings grew modestly after declining in the prior sequential quarter due to demand improvements in various end-use markets. Sales volumes declined in automotive original equipment manufacturer (OEM) coatings year-over-year, partly due to lower regional industry builds. In architectural coatings, sales volume growth continued in the company-owned stores network but was offset by sales volume declines in the independent dealer channel and at certain national retail accounts.

Sales volumes returned to broad-based, low-single-digit percentage growth in the Europe, Middle East, and Africa (EMEA) region after being flat in the third quarter 2016, led by demand for PPG's products in automotive OEM, general industrial, and automotive refinish coatings. While sales volumes were flat in architectural coatings and down slightly in packaging coatings, both results were in line with industry demand patterns.

Sales volumes in Asia-Pacific grew by a mid-to-high-single digit percentage year-over-year, consistent with the prior sequential quarter's growth rate. Sales volume gains were led by above-market growth in general industrial, automotive OEM, packaging coatings, and automotive refinish coatings. From a country and sub-region perspective, sales volumes grew in China, India, and Southeast Asia versus the prior year, but decreased in Korea due to declining marine shipbuilding activity.

In Latin America, sales volumes advanced by a mid-single-digit percentage year-over-year with growth in most businesses led by above-market growth in architectural, automotive OEM, and general industrial coatings. Within the region, sales volumes continued to expand in Mexico and Central America, along with a shift to modest growth in Brazil.



PPG Full Year Net Sales

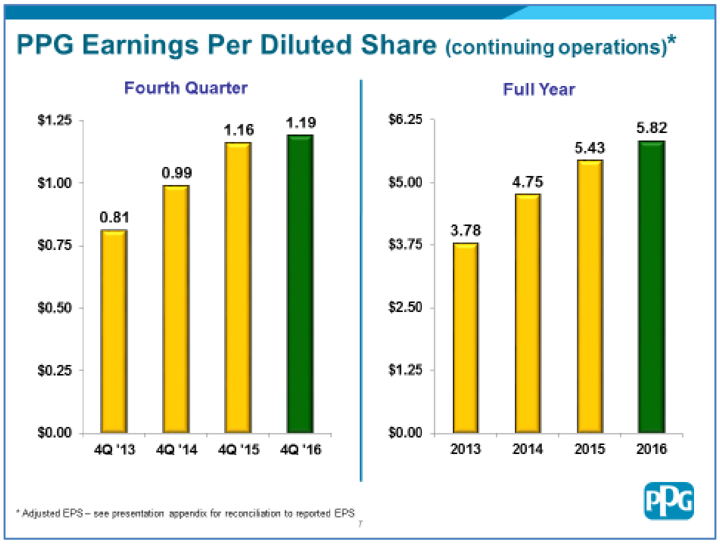
PPG's full-year net sales totaled approximately $14.8 billion, consistent with the prior year. Acquisition-related sales benefited net sales by 1.9 percent primarily due to the partial-year sales from businesses acquired during 2015, including Revocoat, IVC Industrial Coatings, Le Joint Français, and Cuming Microwave as well as the 2016 acquisitions of MetoKote and Univer.

Year-over-year sales volumes, excluding acquisition-related sales, grew 1 percent, led by growth in Asia and Europe. From a business unit perspective, general industrial, automotive OEM, packaging, and automotive refinish coatings provided the largest contributions to the overall company sales volume gains.

Foreign currency translation unfavorably impacted net sales by almost 3 percent due to the weakening of major currencies against the U.S. dollar, most notably the Mexican peso, the British pound and the Chinese yuan. This weakening accelerated in the second half of 2016 after the U.K.'s vote to exit the European Union and the U.S. presidential election. In 2016, overall pricing for the company declined a very modest three-tenths of one percent versus the prior year.

The company's 2016 regional sales mix was consistent with prior-year results after notable mix changes that occurred in 2015. These prior year changes included an increase in Latin America from 5 percent to 10 percent, primarily due to the addition of Comex, and a decline in EMEA below 30 percent mainly due to the impact of foreign currency translation.

Lastly, PPG's business mix by segment shifted from approximately 93 percent coatings in 2015, as originally reported, to about 97 percent coatings at the end of 2016. This change reflects ongoing business portfolio optimization efforts, with the shift this year primarily due to the divestiture of the flat glass business. The Glass segment includes European fiber glass business sales for the first 9 months of 2016, as the business was divested on October 1, 2016.



PPG Adjusted Earnings Per Diluted Share

Fourth quarter 2016 adjusted earnings per diluted share from continuing operations of $1.19 increased 3 cents, or 3 percent, over the prior year. This earnings improvement was aided by coatings sales volume growth approaching 2 percent as well as by lower costs, including the benefits of business restructuring. These improvements were partially offset by unfavorable foreign currency translation.

Fourth quarter adjusted earnings per diluted share from continuing operations excludes after-tax charges totaling $236 million, or $0.90 per diluted share. These after-tax charges include: $146 million for business restructuring; $51 million for increases to legacy environmental reserves; $23 million for tax true-ups related to the asbestos settlement funding; $5 million for a premium on the early retirement of debt; and $44 million for the loss on the sale of the European fiber glass business offset by a $33 million net gain on the disposals of ownership interests in business affiliates. The effective tax rate was 42.1 percent for the fourth quarter 2016 and the adjusted effective tax rate was 24.5 percent, up from 24.2 percent in the prior-year quarter, but consistent with prior company guidance. The increase in the adjusted effective tax is due to a shift in the mix of earnings toward higher tax rate jurisdictions.

Full-year adjusted earnings per diluted share from continuing operations was $5.82, up 7 percent versus the prior year. The effective full-year tax rate was 29.1 percent and the adjusted effective full-year tax rate was 24.5 percent versus 24.1 percent in 2015. Adjusted earnings per diluted share growth continued despite operating in modest and uneven global economic conditions throughout the year and the significant unfavorable impact from foreign currency translation. This earnings per share growth reflects sales volume growth benefits, strong cost management, and the measurable impact from strategic cash deployment.

A detailed reconciliation of the fourth quarter and full year adjusted earnings per diluted share figures for all periods presented is included in the presentation materials appendix.

Performance Coatings

$MM (USD)	4Q15	4Q16	Chg	%	Year 2015	Year 2016	Chg	%
Net Sales	2,060	1,980	-80	-4%	8,765	8,580	-185	-2%
Income	250	239	-11	-4%	1,302	1,314	12	+1%
Margin %	12.1%	12.1%	--	--	14.9%	15.3%	--	--

Select Net Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	-4%	-1%	-3%
2016 Y-O-Y Change	-2%	0%	-3%

Fourth Quarter (YOY):
- ✓ Continued automotive refinish organic growth led by Europe
- ✓ Aerospace local currency sales consistent with prior year
- ✓ Architectural coatings EMEA sales volumes in line with prior year; growth in Western Europe offset by declines in Africa
- ✓ Low single-digit percentage sales volume growth in architectural coatings Americas & Asia Pacific:
  - Higher volumes in U.S. and Canada company-owned stores channel offset by declines in the independent dealer channel and national retail accounts
  - Continued Mexican organic sales growth despite strong prior year growth
- ✓ Further weakness in Asia-Pacific marine demand more than offsetting protective coatings volume growth in U.S. & Canada and Latin America
- ✓ Unfavorable foreign currency translation primarily due to weakening Mexican peso, euro and British pound; segment sales (~$70MM) and income (~$15MM)
- ✓ Acquisition-related sales of ~$10MM

First Quarter 2017 Outlook:
- ✓ Modest improvement in industry demand trends in automotive refinish and aerospace
- ✓ Marine weakness continues; more than offsets protective coatings growth
- ✓ Modest improvement in YOY architectural coatings EMEA demand
- ✓ Architectural coatings U.S. and Canada end-use market demand remains modest; business trends consistent with prior quarter sequentially
- ✓ Architectural Mexico local currency sales growth continues to outpace Mexican GDP percentage growth
- ✓ Increased pricing in architectural company stores in various geographies
- ✓ Unfavorable YOY foreign currency translation impact on segment income; similar to Q4'16 at current rates
- ✓ Acquisition-related sales ~10MM

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Performance Coatings

Performance Coatings segment net sales for the fourth quarter were approximately $2.0 billion, down $80 million, or less than 4 percent, versus the prior year, and included unfavorable foreign currency translation of $70 million, or more than 3 percent. Sales in local currencies were down less than one percent year-over-year. Segment sales volumes declined less than one percent versus the prior year, with growth in Latin America more than offsetting a decline in Asia-Pacific primarily related to weakness in marine shipbuilding. Acquisition-related sales provided a modest $10 million benefit versus the prior year.

Fourth quarter segment income was $239 million, down $11 million, or 4 percent, year-over-year, including unfavorable impact from foreign currency translation of about $15 million, primarily related to the Mexican peso, the euro and the British pound. Segment income in local currency increased by $4 million, or about 2 percent, primarily due to continued cost management, including benefits from prior year business restructuring, which more than offset the unfavorable income impact from modestly lower sales volumes.

From a business unit perspective, automotive refinish coatings continued to deliver organic volume growth, led by expanding end-use market demand in Europe which improved after a sluggish prior sequential quarter. Automotive refinish organic sales increased in most major regions year-over-year as customers continued to adopt PPG's industry-leading technologies. We expect this trend to continue in the first quarter 2017.

Aerospace coatings sales volumes were in line with the prior year as industry demand growth was modest. We anticipate similar trends in first quarter 2017 as overall industry demand remains tepid despite solid commercial airliner industry build rates.

Architectural coatings EMEA sales volumes were consistent with the prior year as growth in Europe, led by the U.K., Ireland, and the Benelux countries was offset by reduced demand levels in Africa, where economies are closely linked to depressed commodity prices. The overall sales volume growth trend is expected to improve modestly in the first quarter 2017, with results remaining uneven by country. Acquisition-related sales from Univer in Italy added about $10 million in the fourth quarter.

Architectural coatings Americas and Asia-Pacific sales in local currency increased by a low-single-digit percentage versus prior year. Sales volumes were positive year-over-year in the U.S. and Canada company-owned store network, as well as in Mexico, Central America, China, Australia, and Brazil. These gains were partially offset by declines in the U.S. and Canada independent dealer channel and at certain national retail accounts. We anticipate that current trends will continue in the seasonally-low first quarter 2017.

Protective and marine coatings net sales were down a low double-digit percentage year-over-year due to further weakness in marine shipbuilding, largely concentrated in Asia-Pacific. Protective coatings sales growth continued in the U.S. and Canada as well as in Mexico and Central America due to increased waterproofing product demand. The business is expected to continue to experience sales volume declines in aggregate for the first quarter 2017 as marine shipbuilding declines continue to more than offset protective coatings gains.

Looking forward, acquisition-related sales are expected to add approximately $10 million to segment sales in first quarter 2017. Additionally, based on current exchange rates, we expect foreign currency translation on segment sales and income to be a similar headwind as experienced in the fourth quarter 2016.

Full-year segment net sales were approximately $8.6 billion, declining by 2 percent, or $185 million year-over-year, including unfavorable foreign currency translation of about $260 million, or 3 percent. Net sales in local currencies improved by one percent versus the prior year. Segment sales volumes were flat year-over-year and acquisition-related sales added about one percent, primarily due to the aerospace-related Le Joint Français and Cuming Microwave acquisitions.

Segment income margins expanded by 40 basis points as segment income grew to over $1.3 billion, up one percent, driven by lower overall costs, including the benefits from prior-year business restructuring, and despite unfavorable foreign currency translation.

Industrial Coatings

$MM (USD)	4Q15	4Q16	Chg	%		Year 2015	Year 2016	Chg	%
Net Sales	1,371	1,437	66	+5%		5,476	5,690	214	+4%
Income	240	236	-4	-2%		985	1,042	57	+6%
Margin %	17.5%	16.4%	--	--		18.0%	18.3%	--	--

Select Net Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	+5%	+5%	-2%

Select Net Sales Detail	Total	Volume	Currency
2016 Y-O-Y Change	+4%	+3%	-2%

Fourth Quarter(YOY):

- ✓ Auto OEM sales volume gains consistent with global industry growth rates
  - ✓ Strong Asia-Pacific growth versus robust prior year
  - ✓ Above-market Latin America and Europe growth
- ✓ Above-market mid-single-digit percentage sales volume growth in general industrial; all regions positive YOY led by Asia-Pacific
- ✓ Mid-to-high single-digit percentage packaging coatings sales volume growth from continued adoption of PPG's BPA-NI can coatings technologies
- ✓ Increased transportation and logistics costs to meet increasing customer demand in Asia Pacific
- ✓ Unfavorable foreign currency translation on segment sales (~$30MM) and income (~$10MM)
- ✓ Acquisition-related sales of ~$40MM, currently below segment average margins

First Quarter 2017 Outlook:

- ✓ Lower auto OEM industry build growth rate versus prior sequential quarter mainly due to China and U.S.
- ✓ Moderate global general industrial demand growth remains; expected to vary by sub-sector and geography
- ✓ Packaging coatings YOY growth rate moderates due to strong prior year comparisons
  - ✓ Industry conversions to new PPG can coatings continue
- ✓ Continued higher transportation and logistics costs in Asia-Pacific (partial quarter)
- ✓ Unfavorable YOY foreign currency translation impact similar to Q4'16 at current rates
- ✓ Acquisition-related sales growth of approximately $50MM

Industrial Coatings

Industrial Coatings segment net sales for the fourth quarter were more than $1.4 billion, up $66 million or about 5 percent year-over-year, including unfavorable foreign currency translation of 2 percent, or about $30 million. Segment sales volumes grew about 5 percent and acquisition-related sales added approximately 3 percent, or about $40 million. Year-over-year segment sales growth was positive in every major region.

Fourth quarter segment income of $236 million was down $4 million, or less than 2 percent year-over-year, including unfavorable foreign currency translation of approximately $10 million, or about 4 percent, primarily related to the Chinese yuan, the euro and the Mexican peso. Segment income benefitted from higher sales volumes and lower manufacturing costs. Acquisition-related sales from MetoKote also added to segment income, but at an expected margin level that is currently below the segment's average margin. These increases to segment income were offset by higher transportation and logistics costs required to meet increasing customer demands in Asia-Pacific, and are expected to continue into the first quarter 2017.

PPG's global automotive OEM business grew sales volumes at a mid-single-digit percentage in aggregate, consistent with the overall global industry growth rate. PPG's growth outpaced regional industry growth rates in Asia-Pacific, specifically China, Latin America and Europe. Volumes declined in the U.S. and Canada consistent with recent company trends and due in-part to modestly lower industry vehicle builds versus prior year. Global automotive industry growth is anticipated to be about 2 percent in the first quarter 2017 led by Europe and Mexico, with continued declines in the U.S. and Canada.

PPG's general industrial and specialty coatings and materials businesses grew sales volumes by a mid-single-digit percentage year-over-year, marking 4 consecutive quarters of above-market growth. Volumes were positive in each major region, led by Asia-Pacific and Latin America from a geographic perspective, and were driven by strong end-market demand for automotive components, electronics materials, and coil and extrusion coatings products. Acquisition-related sales from MetoKote, acquired in July 2016, continued to provide a benefit, adding approximately $40 million in sales in the fourth quarter. Looking ahead, we expect moderate general industrial demand growth trends to continue in aggregate but remain mixed by geography and end-use market.

Global packaging coatings sales volumes were up a mid-to-high-single digit percentage versus prior year due to ongoing adoption of PPG's new can coating technologies and were achieved despite strong growth in the prior-year comparable period. This above-market sales volume growth was led by U.S. and Canada and Asia-Pacific regions. We anticipate sales volume growth will continue due to the ongoing industry conversion to BPA non-intent interior can coatings with PPG's year-over-year growth rates moderating slightly due to our strong high-single-digit percentage growth in 2016. Looking ahead, we expect MetoKote acquisition-related sales to add approximately $50 million in the first quarter 2017 and the unfavorable impact from foreign currency translation to be similar to the levels experienced in fourth quarter 2016.

Industrial coatings full year segment sales were approximately $5.7 billion, up 4 percent, including a 2 percent headwind from foreign currency translation. Sales volumes grew by 3 percent year-over-year, and acquisition-related sales added 4 percent for the full-year. Segment income was more than $1.0 billion, up 6 percent, including unfavorable foreign currency translation of more than 2 percent. Contributing to the increased segment income were higher sales volumes and lower overall costs, including the benefits from prior-year business restructuring. Segment income margins continued to improve, increasing 30 basis points versus 2015.

Glass

$MM (USD)	4Q15	4Q16	Chg	%		Year 2015	Year 2016	Chg	%
Net Sales	121	80	-41	-34%		525	481	-44	-8%
Income	11	12	1	9%		38	53	15	+39%
Margin %	9.1%	15.0%	--	--		7.2%	11.0%	--	--

Select Net Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	-34%	-3%	0%

Select Net Sales Detail	Total	Volume	Currency
2016 Y-O-Y Change	-9%	0%	-1%

Fourth Quarter (YOY):

- ✓ Segment sales results include only North America fiber glass due to recent business divestitures
  - ✓ Sale of European fiber glass business completed - annual sales of ~$150 million
- ✓ Sale completed of ownership interests in two Asian fiber glass joint ventures in November 2016
- ✓ Lower sales volumes versus prior year due to declines in wind energy demand partially offset by construction-related growth
- ✓ Significant margin improvement YOY due to structural cost reductions
- ✓ Minimal foreign currency translation on sales and income
- ✓ Divestiture sales of ~$35 million in 4Q'16

First Quarter 2017 Outlook:

- ✓ Consistent sequential sales due to normal business seasonality
- ✓ Similar fiber glass industry demand trends in aggregate and by major sub-market
- ✓ Minimal YOY foreign currency translation impact
- ✓ Prior year (Q1'16) divested European fiber glass sales of ~$45 million

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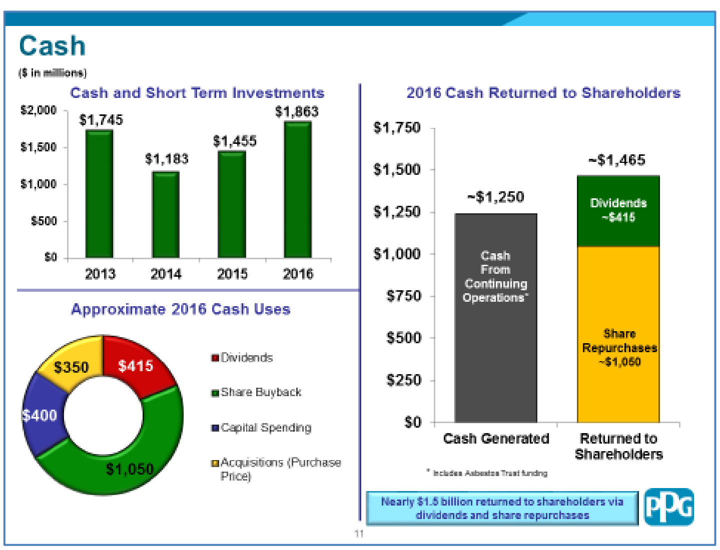
Glass

Glass segment fourth quarter net sales were $80 million, down $41 million or 34 percent year-over-year primarily due to the divestiture of the European fiber glass business on October 1, 2016. Sales volumes for the North American fiber glass business declined about 3 percent versus prior year due to lower demand for PPG's wind-energy-related products as well as for other composite and industrial materials. Increased customer demand for construction-related products served as a partial offset. Foreign currency translation had little impact on the segment as the majority of the remaining fiber glass business is U.S.-based. In addition to the European fiber glass divestiture, in the fourth quarter of 2016 PPG completed the sale of its flat glass business and its ownership interests in 2 Asian-based fiber glass joint ventures.

Segment income in the quarter was $12 million, up $1 million or 9 percent, with segment margins improving nearly 600 basis points year-over-year due to significant structural cost improvements. These improvements in segment income and margin were achieved despite the absence of results from the divested fiber glass business and joint ventures.

Looking forward, we expect a similar industry demand environment and consistent PPG sales sequentially due to normal business seasonality. Year-over-year comparisons in 2017 will continue to reflect the absence of sales and income from the divested European fiber glass business and 2 fiber glass joint ventures until their one-year anniversaries in the fourth quarter 2017. We do not anticipate any significant impact from foreign currency translation.

On a full-year basis, Glass segment sales were $481 million, down about 8 percent or $44 million. This decline was mainly due to the sale of the European fiber glass business in the fourth quarter 2016. Segment sales volumes were flat versus the prior year and unfavorable foreign currency translation impacted the segment by about one percent. Segment income was $53 million, up 39 percent or $15 million versus the prior year figure primarily due to strong cost-management efforts. Full-year margins expanded nearly 400 basis points year-over-year.



Cash

PPG ended the fourth quarter with about $1.9 billion in cash and short-term investments, including the benefit of over $1 billion of gross proceeds from the business divestitures closed in the quarter. Cash generated from continuing operations was almost $600 million in the fourth quarter, and totaled $1.2 billion for full-year

2016 including a reduction of approximately $800 million pre-tax from fully funding of the Pittsburgh Corning asbestos trust in third quarter 2016. Excluding the trust funding impact, cash flow from continuing operations was higher than the prior year.

Approximate uses of cash for the fourth quarter and full-year were as follows:

- Capital expenditures were about $145 million in the quarter and approximately $400 million, or about 2.7 percent of sales, for the full year. Capital expenditures were below initial full-year expectations of 3.0 -to- 3.5 percent of sales reflecting spending discipline due to low economic growth. We anticipate capital spending to be in the range of 3.0 -to- 3.5 percent of sales in 2017.

- Dividends paid were $105 million in the fourth quarter and about $415 million for the full-year. In April 2016, the company raised its per share dividend by 11 percent. PPG has paid annual dividends for 117 consecutive years, including 45 consecutive years of increased annual payouts.

- Cash spending for 2016 acquisitions was about $350 million. This included the acquisitions of MetoKote and Univer.

- PPG stock repurchases totaled approximately $650 million in the fourth quarter and $1.05 billion for the year. The company has about $1.9 billion remaining under its current share repurchase authorization as of year-end.

The company deployed more than $2.5 billion on acquisitions and share repurchases, achieving the top-end of its previously communicated earnings-accretive cash deployment range for 2015 and 2016 combined.

The company announced a new cash deployment range of $2.5 billion -to- $3.5 billion for acquisitions and share repurchases for the 2-year period of 2017 and 2018 combined.

2017 Financial Assumptions

Category	Full Year Sales	Full Year Pre-Tax Income	Comments:
($ in millions unless stated otherwise)			
2017 Acquisition/Divestiture Impact	Acquisition: ~$180 Divestiture: ~$140 (incremental vs. 2016)	At or below segment average earnings margins	Phasing of incremental sales follows 2016 acquisition and divestiture closure timeline; full year impact from Jan. 2017 acquisition
Unfavorable Foreign Currency Translation	$375- $425 (Lower Sales) Memo: 2016 ~$400MM	$70 - $90 (Lower Income) Memo: 2016 ~$70MM	Based on recent exchange rates. Impact more prevalent in Q1 and Q2 due to prior year exchange rate trends
Restructuring Savings	N/A	$40 - $50 (Higher Income)	Initiated program in Dec. 2016, targeting $125 million in annual savings once fully implemented
Lower OPEB & Pension Expense	N/A	$15 - $20 (Higher Income)	Carryover of prior year benefits related to U.S. OPEB plan design changes
Higher Net Interest Expense	N/A	~$5 (Lower Income)	Increased debt balance, lower interest rates on overall debt portfolio
Full Year Adjusted Effective Tax Rate	Expected range of 24.5% -to- 25.5%. Adjusted effective tax rate is higher vs. 2016 comparable rate of 24.5% primarily due to a shift in the mix of earnings toward higher tax rate jurisdictions.		
Cash Deployment	Cash deployment pace accelerates to $2.5 -to- $3.5 billion for years 2017 and 2018 (combined) on acquisitions and share repurchases.		

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2016 Financial Assumptions

For 2017, the company is providing the following financial assumptions based on information currently known that will affect 2017 financial results:

- Acquisitions made in 2016 and January 2017 are expected to add incremental 2017 sales of approximately $180 million, reflecting the flow-through impact from acquisitions made in the 2016 calendar year. The acquisitions will contribute at or below respective segment margins as they are fully integrated during 2017. The absence of about $140 million of sales divested with the European fiber glass business will serve as a partial offset.

- Throughout 2016, a variety of major foreign currencies continued to weaken versus the U.S. dollar, accelerating their declines in the second half of the year. As a result, based on recent exchange rates, the company expects that year-over-year foreign currency translation will unfavorably impact sales by $375 million -to- $425 million, and pre-tax income by about $70 million -to- $90 million, with higher negative impacts in the first half 2017 due to the timing of the underlying 2016 currency declines. The company generally purchases raw materials, incurs manufacturing costs and sells finished products in the same currency, so it does not typically incur significant foreign currency-related transaction impacts

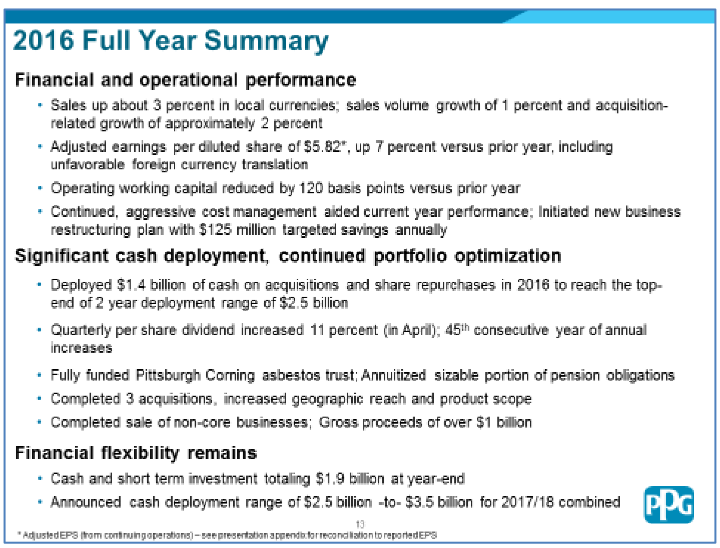
- The company initiated a business restructuring program in December 2016 targeting $125 million in total run-rate annual savings once fully implemented. We anticipate that this program will generate $40 -to- $50 million in savings in 2017.

- The company's pension and other post-employment benefits ("OPEB") expenses are expected to decrease $15 -to- $20 million in 2017 versus the prior year. This decrease primarily stems from the carryover benefits related to a third quarter 2016 design change in the company's U.S. postretirement medical plan. The decreased expense will be recognized ratably across the first half of 2017.

- The company expects approximately $5 million of higher net interest expense for 2017 versus the prior year as slightly higher debt levels throughout the year will be partly offset by an improvement in the interest rate profile of the overall debt portfolio.

- The company's 2017 effective tax rate on income from continuing operations is expected to be in the range of 24.5 -to- 25.5 percent. The comparable rate for 2016 was 24.5 percent. The increase primarily relates to a shift in the mix of earnings to higher tax rate jurisdictions. Other factors may impact the 2017 effective tax rate throughout the year, including changes to various tax regulations in the U.S. and abroad.

- The company announced a new cash deployment range of $2.5 -to- $3.5 billion in years 2017 and 2018 combined, through a combination of acquisitions and share repurchases.



Full Year Summary

In summary for the full year, the company generated adjusted earnings per diluted share from continuing operations of $5.82, an increase of 7 percent versus the prior year including unfavorable foreign currency translation. Full-year net sales increased by about 3 percent in local currencies, growing in both the Performance Coatings and Industrial Coatings segments and in each major region of the world. Sales volumes increased approximately one percent, led by the Industrial Coatings segment. Acquisition-related sales added about 2 percent growth year-over-year, with significant contributions from Revocoat, Le Joint Français, IVC Industrial Coatings, Cuming Microwave, and MetoKote.

The company continued to perform well operationally, including aggressive management of the overall cost structure, including benefits from the prior year restructuring program. Additionally, a 120 basis point improvement in year-over-year working capital was achieved, aided by overall inventory reductions. Working capital ratios have improved by an annual average of more than 100 basis points over the past 4 years despite numerous acquisitions, which generally increases working capital during integration.

The company initiated a new restructuring program in December 2016. This new cost reduction program targets $125 million in annual cost savings upon full implemented. Approximate expected savings for 2017 are $40 -to- $50 million from this program.

Strategically, business portfolio optimization continued including the acquisitions of MetoKote, Univer and Duetek (January 2017), as well as the divestitures of flat glass business, European fiber glass business, and its ownership interests in 2 Asian fiber glass joint ventures. Combined, these divestures generated gross cash proceeds of over $1 billion.

Cash deployment for acquisitions and share repurchases accelerated in 2016 to $1.4 billion including $350 million on acquisitions and $1.05 billion on share repurchases. The 2016 cash deployment, combined with the approximately $1.1 billion deployed in 2015, brought the company's two-year total to more than $2.5 billion, which represented the top-end of the company's previously announced range for acquisitions and share repurchases.

Full-year cash dividend payments totaled about $415 million. The company increased its quarterly dividend by 11 percent in April 2016. PPG has paid dividends for 117 consecutive years, and raised the annual dividend payout for 45 consecutive years.

The company continues to have excellent financial flexibility with cash and short-term investments of about $1.9 billion at year-end which benefitted from proceeds from the business divestitures.

The company established a new cash deployment target of $2.5 -to- $3.5 billion for years 2017 and 2018 combined, on acquisitions and share repurchases.

Additional Materials and Appendix

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

4th Quarter Reporting Period

	Continued Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Fourth Quarter 2016						
Net Income Attributable to PPG as Reported	$ 77	$ 0.29	$ 267	$ 1.01	$ 344	$ 1.30
Business restructuring charge	146	0.55	-	-	146	0.55
Environmental remediation charge	51	0.20	-	-	51	0.20
Loss on divestiture of European fiber glass business	44	0.17	-	-	44	0.17
Net gain on disposals of ownership interests in business affiliates	(33)	(0.13)	-	-	(33)	(0.13)
Net tax effect of asbestos settlement trust funding	23	0.09	-	-	23	0.09
Premium on early retirement of debt	5	0.02	-	-	5	0.02
Adjusted Net Income Attributable to PPG	$ 313	$ 1.19	$ 267	$ 1.01	$ 570	$ 2.20
Fourth Quarter 2015						
Net Income Attributable to PPG as Reported	$ 295	$ 1.09	$ 19	$ 0.07	$ 314	$ 1.16
Transaction-related costs	11	0.04	-	-	11	0.04
Equity affiliate debt refinancing charge	7	0.03	-	-	7	0.03
Adjusted Net Income Attributable to PPG	$ 313	$ 1.16	$ 19	$ 0.07	$ 332	$ 1.23
Fourth Quarter 2014						
Net Income Attributable to PPG as Reported	$ 73	$ 0.26	$ 10	$ 0.04	$ 83	$ 0.30
Debt refinancing charge	200	0.72	-	-	200	0.72
Transaction-related costs	35	0.12	1	0.01	36	0.13
Favorable foreign tax ruling	(29)	(0.11)	-	-	(29)	(0.11)
Adjusted Net Income Attributable to PPG	$ 279	$ 0.99	$ 11	$ 0.05	$ 290	$ 1.04
Fourth Quarter 2013						
Net Income Attributable to PPG as Reported	$ 230	$ 0.80	$ 24	$ 0.08	$ 254	$ 0.88
Transaction-related costs	3	0.01	1	0.01	4	0.02
Adjusted Net Income Attributable to PPG	$ 233	$ 0.81	$ 25	$ 0.09	$ 258	$ 0.90

Amounts in Millions of USD except EPS

PPG Adjusted Earnings Per Share Trend Reconciliation

	Adjusted EPS from Continuing Operations					YOY Change in Adjusted EPS from Continuing Operations			
Period	**2012**	**2013**	**2014**	**2015**	**2016**	**2013 vs. 2012**	**2014 vs. 2013**	**2015 vs. 2014**	**2016 vs. 2015**
1Q	$ 0.64	$ 0.69	$ 1.00	$ 1.13	$ 1.27	$ 0.05	$ 0.31	$ 0.13	$ 0.14
2Q	0.84	1.14	1.40	1.60	1.78	0.30	0.26	0.20	0.18
3Q	0.83	1.11	1.35	1.54	1.56	0.28	0.27	0.16	0.02
4Q	0.57	0.82	0.99	1.16	1.19	0.25	0.17	0.17	0.03
Full Year*	$ 2.88	$ 3.78	$ 4.75	$ 5.43	5.82	$ 0.90	$ 0.97	$ 0.68	$ 0.39
Year over year percentage increase in EPS						**+31%**	**+26%**	**+14%**	**+7%**

*Full year diluted EPS was calculated using the full year weighted average shares outstanding. As such, the sum of the quarters may not equal the total EPS for the year.

Amounts in Millions of USD except EPS

Regulation G Reconciliation

Three Months Ended December 31, 2016	Income Before Income Taxes	Tax (Benefit) Expense	Effective Tax Rate
Effective tax rate, continuing operations	**$140**	**$59**	**42.1%**
Business restructuring charge	197	51	25.8%
Environmental remediation charge	82	31	37.6%
Loss on divestiture of European fiber glass business	42	(2)	(4.8)%
Net gain on disposals of ownership interests in business affiliates	(49)	(16)	33.4%
Net tax effect of asbestos settlement trust funding	N/A	(23)	N/A
Premium on early retirement of debt	8	3	37.6%
Adjusted effective tax rate, continuing operations	**$420**	**$103**	**24.5%**

Three Months Ended December 31, 2015	Income Before Income Taxes	Tax Expense	Effective Tax Rate
Effective tax rate, continuing operations	**$390**	**$91**	**23.3%**
Transaction-related costs	17	6	35.3%
Equity affiliate debt-refinancing charge	11	4	37.6%
Adjusted effective tax rate, continuing operations	**$418**	**$101**	**24.2%**

Year Ended December 31, 2016	Income Before Income Taxes	Tax (Benefit) Expense	Effective Tax Rate
Effective tax rate, continuing operations	**$827**	**$241**	**29.2%**
Transaction-related costs	9	3	37.6%
Pension settlement charges	968	352	36.4%
Business restructuring charge	197	51	25.8%
Environmental remediation charge	82	31	37.6%
Loss on divestiture of European fiber glass business	42	(2)	(4.8)%
Net gain on disposals of ownership interests in business affiliates	(69)	(23)	33.3%
Net tax effect of asbestos settlement trust funding	N/A	(151)	N/A
Premium on early retirement of debt	8	3	37.6%
Asset write-down	14	4	28.6%
Adjusted effective tax rate, continuing operations	**$2,078**	**$509**	**24.5%**

Amounts in Millions of USD

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. 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 January 19, 2017, 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.