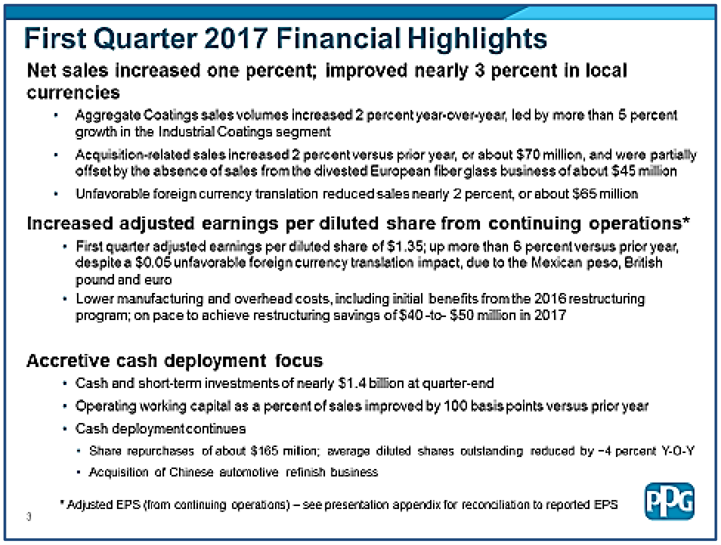
PPG Industries, Inc. First Quarter 2017 Financial Results

Earnings Brief – April 20, 2017



First Quarter Financial Highlights

Net sales for the first quarter were approximately $3.6 billion, increasing about 1 percent versus the prior year. Net sales in local currencies increased by nearly 3 percent, led by an aggregate coatings segments' sales volume increase of 2 percent. Net acquisition-related sales increased by approximately $25 million, as acquisition-related sales growth of about $70 million was partially offset by the absence of sales stemming from the October 2016 divestiture of the European fiber glass business. Unfavorable foreign currency translation reduced net sales by approximately 2 percent, or $65 million. More in-depth sales comparisons for the total company and each reportable business segment are included in the subsequent presentation slides.

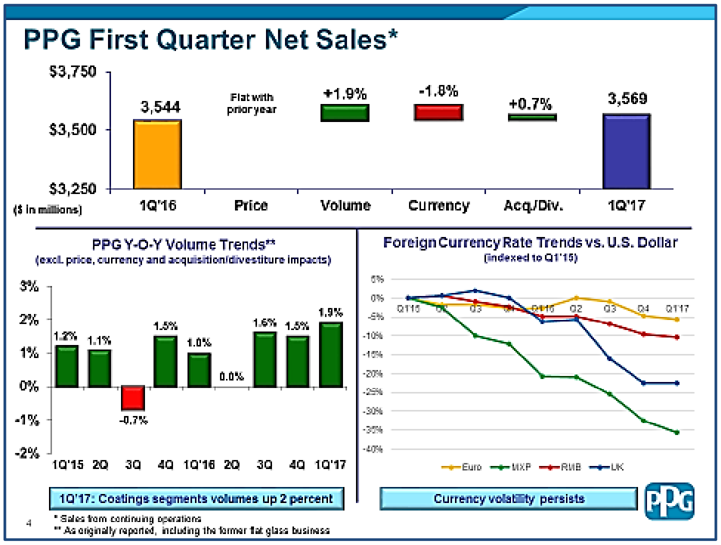
Adjusted earnings per diluted share from continuing operations of $1.35 increased by more than 6 percent versus the prior year, including the unfavorable impact from foreign currency translation. This year-over-year increase marks an improved growth rate versus the prior two quarters and is partially due to PPG's continued operational and cost discipline, which included the initial benefits from our 2016 restructuring program, along with other factors, such as volume growth.

The company strengthened its year-over-year balance sheet, increasing cash and short-term investments by more than $350 million, and ended the period with nearly $1.4 billion on-hand. Working capital discipline continued, with a 100 basis-point year-over-year decrease in operating working capital as a percent of sales.

Cash deployment continued in the quarter, including approximately $165 million of share repurchases and the acquisition of Futian Xinshi, a China-based automotive refinish business. As a result of continuing share repurchases over the past 12 months, the average diluted share count declined by nearly 4 percent versus the prior year.

PPG First Quarter Net Sales

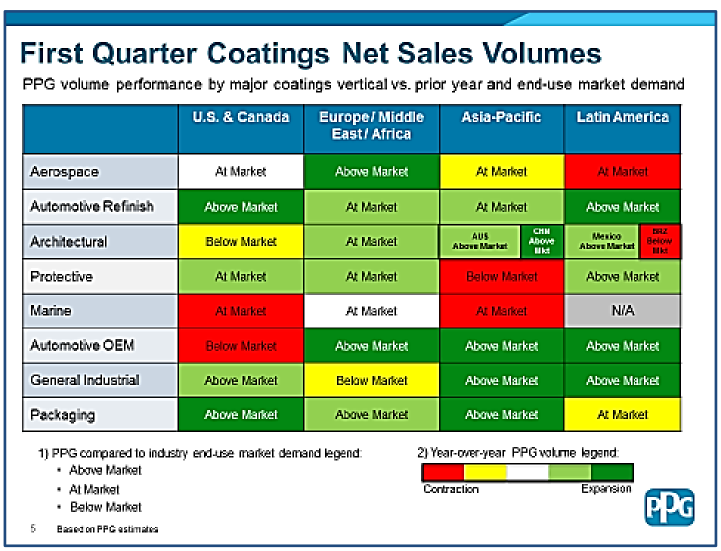
First quarter net sales were about $3.6 billion, up approximately 1 percent versus the prior year, including an unfavorable impact from foreign currency translation of about $65 million, or nearly 2 percent. Sales volumes grew by nearly 2 percent year-over-year,



building on growth that occurred in the prior year, including a 2 percent volume increase in the aggregate coatings segments. This marks the third consecutive quarter that the company's year-over-year sales volume growth exceeded 1.5 percent.

In total, net business acquisition actions added nearly 1 percent to net sales year-over-year, as acquisition-related sales growth of about 2 percent was partially offset by the absence of sales from the divested European fiber glass business. Pricing was flat year-over-year, marking an improvement versus the prior two sequential quarters. The company implemented initial selling price increases in several business and regions in the first quarter to address rising raw material costs.

Foreign currencies continued to be a significant headwind due to declines in several key currencies versus the U.S. dollar. Most notably, the Mexican peso, British pound and the euro declined year-over-year and accounted for a majority of the unfavorable impact. These headwinds are expected to remain significant in the second quarter based on current exchange rates.



First Quarter Coatings Net Sales Volumes

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

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

1) PPG compared to industry end-use market demand legend:
- Above Market
- At Market
- Below Market

2) Year-over-year PPG volume legend: Contraction – Expansion

Based on PPG estimates

First Quarter Coatings Net Sales Volumes

In aggregate, year-over-year coatings sales volumes grew by 2 percent in the first quarter, continuing momentum from the prior two sequential quarters.

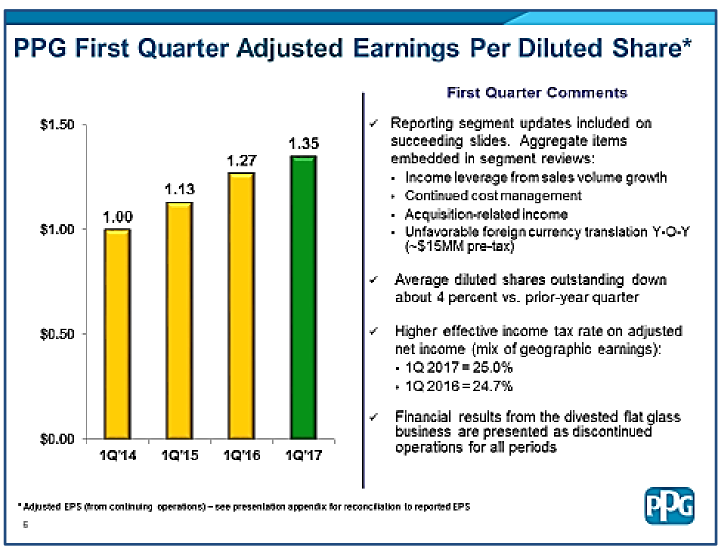
In the U.S. and Canada, sales volumes were in-line with the prior year, with demand mixed by end-use market segment. Automotive refinish and packaging coatings expanded sales at a rate above their respective end-use markets, as customers continued to adopt PPG's innovative and sustainable new products. Regional sales volumes in the general industrial coatings business improved year-over-year and accelerated versus the prior sequential quarter, as growth in general finish coatings helped to offset modest declines in the automotive parts sub-segment stemming from lower automotive industry builds in the region. In architectural coatings, improving growth in the company-owned stores channel was offset by lower independent dealer demand and mixed results within national retail accounts. Sales volumes declined in automotive original equipment manufacturer (OEM) coatings in large-part due to lower industry production.

Sales volumes grew by a low-to-mid single digit percentage in the Europe, Middle East, and Africa (EMEA) region versus the prior year, accelerating from fourth quarter 2016 growth rates and building on similar growth rates in the prior year. Year-over-year volume growth was broad-based, led by above-market increases in automotive OEM and aerospace. Sales volumes improved modestly in architectural coatings due to increased demand in Western Europe and declines in general industrial coatings primarily due to comparison to strong above-market growth in the prior year.

In Asia-Pacific, sales volumes expanded by a mid-single-digit percentage year-over-year led by above-market growth in each business within the Industrial Coatings segment, along with continued growth in automotive refinish. From a country and sub-region perspective, sales volumes grew in India, China, and Southeast Asia versus the prior year. Korea continued to decline year-over-year primarily due to lower marine ship building activity despite improvements in other local business sub-segments.

Latin America sales volumes expanded by a mid-single-digit percentage versus the prior year primarily due to above-market year-over-year growth in automotive OEM and general industrial. Automotive industry production expanded significantly in the region year-over-year, primarily due to the opening of new assembly facilities in Mexico.

Regional sales volumes remained positive in architectural coatings versus the prior year. Geographically, coatings net sales volumes expanded in each major country and sub-region versus the prior year, led by continued growth in Mexico and Central America and with volume improvements in South America, primarily Brazil.



PPG Adjusted Earnings Per Diluted Share

First quarter adjusted earnings per diluted share from continuing operations of $1.35 increased by more than 6 percent versus the prior year.

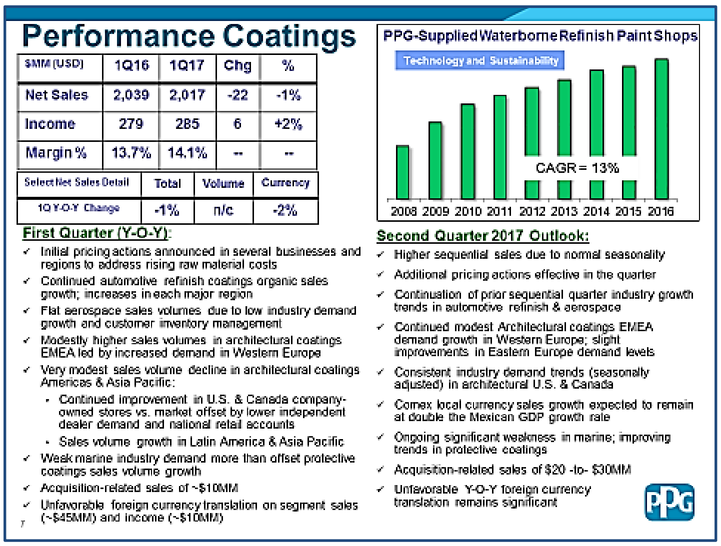
Financial results from each reportable business segment are provided in subsequent slides and other presentation materials. A summary of key factors impacting earnings per diluted share growth is as follows:

- Income leverage from continued sales volume growth in our aggregate coatings businesses, along with a continued, strong operational focus and ongoing cost discipline.
- Initial pricing was implemented in various businesses but didn't fully address inflating raw material costs. Further pricing actions are underway.
- Foreign currency translation continued to unfavorably impact financial results, with year-over-year declines in the several key currencies versus the U.S. dollar, including the Mexican peso, British pound and the euro.

- Cash deployment continued to aid earnings-per-share growth including income stemming from recent acquisitions, most notably MetoKote, which was acquired in July 2016. This and other recent acquisitions in Europe and China continue to increase the business portfolio breadth and provide platforms for future growth. In addition, the average number of shares outstanding decreased approximately 4 percent year-over-year as a result of share repurchases.

In-line with recent full-year 2017 guidance, the first quarter adjusted effective tax rate was 25.0%, increasing from 24.7% in the prior year. This is primarily due to a shift in the mix of earnings toward higher tax rate jurisdictions.

As a reminder, prior year first and second quarter results were restated following the divestiture of the North American Flat Glass business, and the 2016 results from that divested business are now classified as discontinued operations.



Performance Coatings

First quarter Performance Coatings segment net sales were approximately $2.0 billion, down $22 million versus prior year, or about 1 percent, primarily due to the unfavorable impact from foreign currency translation of about $45 million, or 2 percent. Sales from the European-based DEUTEK and Univer acquisitions added approximately $10 million and selling prices increased to address rising raw material costs. Sales volumes were in-line with the prior year. Significant declines in the marine coatings sub-segment, primarily focused in Asia-Pacific, continued to offset modest growth in other segment businesses.

Segment income of $285 million improved by $6 million year-over year, or about 2 percent, primarily due to higher selling prices and disciplined cost management actions, including the initial benefits from the current business restructuring program. These benefits were partially offset by increasing raw material costs. Unfavorable foreign currency translation reduced segment income by approximately $10 million versus the prior year, primarily due to the Mexican peso, British pound and euro.

From a business unit perspective, automotive refinish coatings organic sales growth continued year-over-year, with expansion in each region, led by above-market performance in U.S. and Canada. In Asia, net sales increased, partly due to the recent Futian Xinshi acquisition in China. Looking forward, we anticipate a continuation of current market trends.

Aerospace first quarter sales volumes were consistent with the prior year as industry growth rates remained tepid despite solid commercial airliner production levels. Sales volumes were negatively impacted in the quarter by customer inventory management actions, particularly in the aircraft transparencies sub-segment. We anticipate a continuation of current demand patterns in the second quarter 2017 due to ongoing modest industry build growth rates.

Architectural EMEA sales volumes grew by a low-single-digit percentage year-over-year, led by demand expansion in the U.K., Ireland, and the Benelux sub-region. Aggregate pricing improved in the quarter as announced selling price increases in company-owned stores became effective in the quarter. Looking ahead, we expect continued modest demand growth in Western Europe and a slight improvement in Eastern Europe demand levels.

Architectural coatings Americas and Asia Pacific sales volumes declined less than 1 percent in the first quarter versus the prior year. During the quarter, initial pricing actions were implemented and sales volumes increased by a mid-single digit percentage in company-owned stores in the U.S. and Canada, recording their 5th consecutive quarterly improvement versus prior year. These gains were offset by volume declines in the U.S. and Canada independent dealer network and mixed volumes in national retail accounts, including the year-over-year impact from comparison to prior year new product inventory pipeline fills. Sales volumes expanded year-over-year in Latin America and Asia-Pacific. We expect current industry trends to continue in the seasonally-higher second quarter 2017.

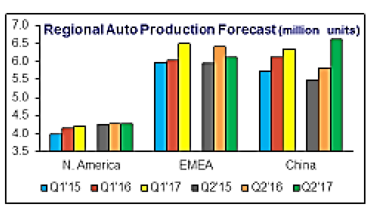
Sales volumes declined by a low-double-digit percentage in protective and marine coatings versus prior year. Protective coatings sales volumes expanded in most regions but were more than offset by persistent weakness in marine shipbuilding activity, primarily in the Asia-Pacific region. Looking ahead, we anticipate ongoing weakness in the marine sub-segment and a continuation of positive protective coatings demand trends in the second quarter 2017. Certain pricing actions were announced in protective coatings and will be implemented during the second quarter.

Various businesses are in discussions with customers to further address rising raw material costs. In the second quarter, we expect acquisition-related sales to add $20 -to- $30 million to segment sales and unfavorable foreign currency translation to remain a significant headwind to segment sales and income.

Industrial Coatings

$MM (USD)	1Q16	1Q17	Chg	%
Net Sales	1,372	1,469	97	+7%
Income	265	273	8	+3%
Margin %	19.3%	18.6%	--	--

Select Net Sales Detail	Total	Volume	Currency
1Q Y-O-Y Change	+7%	+5%	-1%



Source: IHS Global Insights

First Quarter (Y-O-Y):

- ✓ Mid-single-digit percentage PPG global auto OEM sales volumes growth:
  - PPG outpaced global industry production growth of 4 percent
- ✓ Industrial and specialty coatings and materials sales volumes increased a mid-single-digit percentage
  - Broad-based regional growth led by Asia; growth rate accelerated in U.S. and Canada vs. 4Q'16
- ✓ Mid-single-digit percentage sales volume growth in packaging coatings building on strong prior year growth
- ✓ Higher transitory global transportation and logistics costs to meet increased customer demand in Asia
- ✓ Acquisition-related sales of ~$60MM, currently below segment margins
- ✓ Unfavorable foreign currency translation on segment sales (~$20MM) and income (~$5MM)

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Second Quarter 2017 Outlook:

- ✓ Modestly higher sequential sales due to normal seasonal patterns
- ✓ Pricing actions announced across various businesses & regions
- ✓ Auto OEM industry production growth rate deceleration sequentially due to lower production rates in Europe & U.S., partly offset by increases in Mexico
- ✓ Moderate general industrial demand growth continues; varied by geography and sub-sector; PPG outperformance expected to continue
- ✓ Packaging coatings volume growth continues despite strong prior year growth comparisons due to ongoing industry conversions to new PPG technologies
- ✓ Continued higher global transportation and logistics costs to meet customer demand in Asia; China factory expansion expected to be operational in late Q2, 2017
- ✓ Acquisition-related sales growth $60 -to- $70MM
- ✓ Unfavorable Y-O-Y foreign currency translation remains significant

Industrial Coatings

First quarter net sales for the Industrial Coatings segment were nearly $1.5 billion, up $97 million, or 7 percent, versus the prior year. Segment sales volumes increased more than 5 percent, and acquisition-related sales contributed an additional 4 percent, or about $60 million. Unfavorable foreign currency translation impacted net sales by approximately 1 percent, or about $20 million. Sales volumes in each region increased versus the prior year, led by growth in emerging regions, and were offset by lower aggregate segment pricing.

Segment income in the first quarter of $273 million, was up $8 million, or about 3 percent year-over-year, including a $5 million unfavorable impact from foreign currency translation. Segment income benefited from earnings leverage on higher sales volumes and lower manufacturing costs, including the initial benefits from business restructuring. These benefits were partly offset by lower aggregate selling prices, increasing raw material costs and higher transitory global transportation and logistics costs required to meet increased customer demand in Asia. Various pricing actions have been announced, which are effective in the second quarter to combat rising material costs. Higher Asian logistics costs will continue into the second quarter as new production capacity in the region is expected to become operational within the quarter. Acquisition-related sales continued to contribute to earnings growth, but at a rate that was below segment average margins.

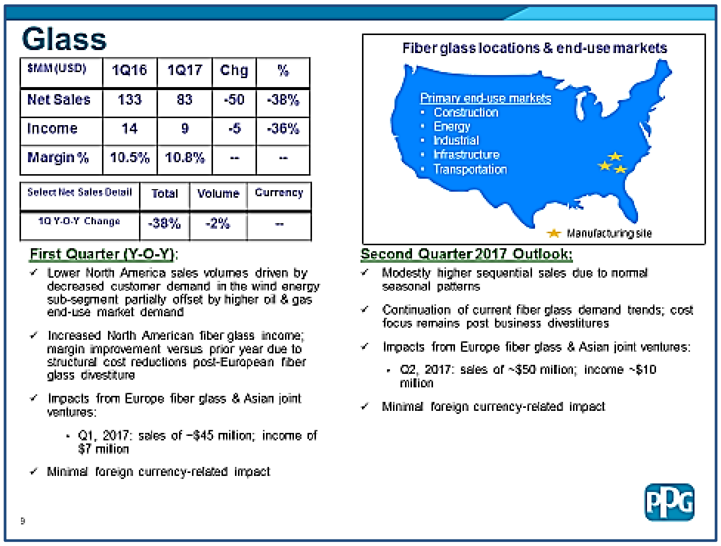
Sales volumes increased by a mid-single-digit percentage in automotive OEM coatings versus the prior year. PPG's global sales volume growth outpaced industry production growth of approximately 4 percent, led by Europe, China, Mexico and Brazil. Sales volumes declined in the U.S. and Canada, partially reflecting lower year-over-year industry production. Industry production is anticipated to expand by approximately 3 percent globally in the second quarter 2017, with declines in the U.S. and Canada and EMEA regions offset by growth in Asia-Pacific and Latin America.

Industrial coatings and specialty coatings and materials sales volumes increased a mid-single-digit percentage year-over-year in the first quarter. The gains were led by Asia-Pacific which outpaced regional industrial production demand growth for the fifth consecutive quarter. Within the businesses, sales volumes grew across most sub-segments, including year-over-year increases in electronics materials, heavy duty equipment and organic light emitting diode (OLED) materials.

Acquisition-related sales from MetoKote added approximately $60 million. These sales will continue to be accounted for as acquisition-related until the transaction's one-year anniversary in July 2017. Looking ahead, we expect continued moderate industrial demand growth trends, with ongoing variability by geography and sub-sector. PPG's market outperformance is expected to continue.

Packaging coatings sales volumes grew by a mid-single-digit percentage year-over-year in addition to strong volume growth in the prior-year period. This above-market growth was primarily attributable to ongoing industry conversions to PPG's new can coatings technologies in the U.S and Europe. Going forward, we expect PPG's market outperformance to continue, as BPA non-intent interior can coatings conversions continue in various geographies around the globe.

In total, we expect acquisition-related sales to add $60 -to- $70 million to segment sales in the second quarter 2017. In addition, we anticipate that unfavorable foreign currency translation will remain a significant headwind to segment sales and income.

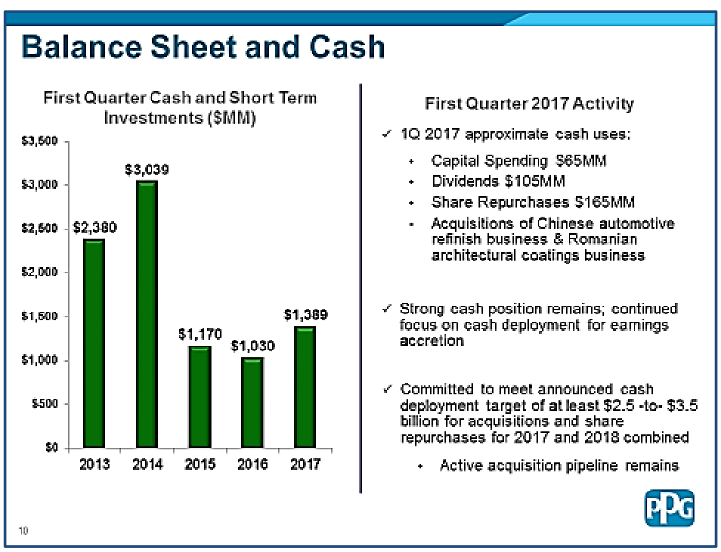


Glass

Glass segment first quarter net sales were $83 million, down $50 million or 38 percent, versus the prior year primarily due to the 2016 divestiture of the European fiber glass business. Sales volumes for the remaining North American fiber glass business declined by 2 percent, as lower customer demand for wind-energy-related products was partially offset by demand growth in the in the oil and gas end-use segment. Foreign currency translation had minimal impact on net sales and income as the business is primarily focused on U.S. customers.

Segment income for the quarter was $9 million, down $5 million, primarily due to the absence of earnings from the divested European fiber glass business and Asian joint ventures. Income and margins for the remaining North American fiber glass business improved versus prior year due to ongoing efforts to reduce the overall cost structure post-business divestitures.

Looking ahead, the absence of divested sales and income will continue through the third quarter of 2017. Higher net sales for the North American business are expected due to normal business seasonal patterns. No significant impact is expected from foreign currency translation.



Balance Sheet and Cash

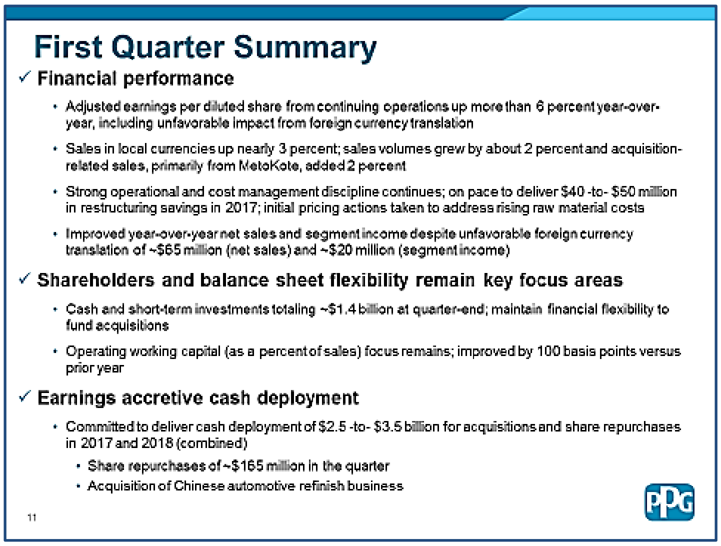
PPG ended the first quarter with nearly $1.4 billion in cash and short term investments. This was an increase of about $350 million versus the prior year.

Approximate cash uses in the first quarter are as follows:

- Capital expenditures totaled $65 million. The company anticipates capital spending to be in the range of 3.0 -to- 3.5 percent of sales for the full-year 2017.
- Dividends paid were $105 million, representing a quarterly dividend payment of 40 cents per share.
- Share repurchases were $165 million, or about 1.6 million shares. As of quarter-end, the company has more than $1.7 billion remaining under its current share repurchase authorization.

- The company completed the bolt-on acquisitions of Futian Xinshi, a China-based automotive refinish business and DEUTEK, a leader in Romanian architectural coatings. The company's pipeline for acquisitions remains active across geographies and end-use markets.

The company reiterated its commitment to deploy at least $2.5 -to- $3.5 billion of cash for earnings-accretive acquisitions and share repurchases for the combined 2017 and 2018 period.



First Quarter Summary

In summary, the company achieved growth of 6 percent in adjusted earnings-per-diluted-share from continuing operations versus the prior year. This improved performance was primarily due to earnings leverage on sales volume growth, disciplined focus on operational excellence and cost management, including the initial benefits from our 2016 restructuring program, and benefits from cash deployment. These increases offset the unfavorable impact from foreign currency translation.

The company maintained excellent financial flexibility was maintained with nearly $1.4 billion of cash and short-term investments at quarter-end, aided by ongoing improvements in operating working capital as a percent of sales. The company reaffirmed its commitment to deploy at least $2.5 -to- $3.5 billion in cash on acquisitions and share repurchases in the combined 2017 and 2018 period.

Additional Materials and Appendix

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

1st Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
First Quarter 2017						
Net Income Attributable to PPG as Reported	$ 334	$ 1.29	$ –	$ –	$ 334	$ 1.29
Transaction-related costs	3	0.01	–	–	3	0.01
Pension settlement charge	14	0.05	–	–	14	0.05
Adjusted Net Income Attributable to PPG	$ 351	$ 1.35	$ –	$ –	$ 351	$ 1.35
First Quarter 2016						
Net Income Attributable to PPG as Reported	$ 337	$ 1.25	$ 10	$ 0.04	$ 347	$ 1.29
Transaction-related costs	1	0.01	–	–	1	0.01
Asset write-down	3	0.01	–	–	3	0.01
Adjusted Net Income Attributable to PPG	$ 341	$ 1.27	$ 10	$ 0.04	$ 351	$ 1.31
First Quarter 2015						
Net Income Attributable to PPG as Reported	$ 309	$ 1.12	$ 13	$ 0.05	$ 322	$ 1.17
Transaction-related costs	3	0.01	3	0.01	6	0.02
Adjusted Net Income Attributable to PPG	$ 312	$ 1.13	$ 16	$ 0.06	$ 328	$ 1.19
First Quarter 2014						
Net Income Attributable to PPG as Reported	$ 279	$ 0.99	$ 983	$ 3.49	$ 1,262	$ 4.48
Transaction-related costs	2	0.01	–	–	2	0.01
Adjusted Net Income Attributable to PPG	$ 281	$ 1.00	$ 983	$ 3.49	$ 1,264	$ 4.49

Amounts in Millions of USD except EPS

Regulation G Reconciliation

Three Months Ended March 31, 2017	Income Before Income Taxes	Tax (Benefit) Expense	Effective Tax Rate
Effective tax rate, continuing operations	$440	$109	24.3%
Transaction-related costs	4	1	37.6%
Pension settlement charge	22	8	37.8%
Adjusted effective tax rate, continuing operations	$474	$118	25.0%

Three Months Ended March 31, 2016	Income Before Income Taxes	Tax Expense	Effective Tax Rate
Effective tax rate, continuing operations	$456	$112	24.6%
Transaction-related costs	2	1	37.6%
Asset write-down	4	1	37.6%
Adjusted effective tax rate, continuing operations	$462	$114	24.7%

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 2016 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 2016 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.

The forward-looking statements contained herein also include statements about the proposed acquisition of Akzo Nobel N.V. ("AkzoNobel") by PPG (such proposed acquisition, the "Transaction"), the terms of the proposed Transaction and the expected benefits of the Transaction for PPG, AkzoNobel and their respective shareholders. These statements are based on the current expectations of the management of PPG and are subject to uncertainty and to changes in circumstances and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements. In addition, these statements are based on a number of assumptions that are subject to change. Such risks, uncertainties and assumptions include: whether an agreement in respect of the Transaction will be negotiated and executed; uncertainties as to whether AkzoNobel will cooperate with PPG regarding the Transaction and whether AkzoNobel's management or supervisory boards will endorse the Transaction; the effect of the announcement of the Transaction on the ability of PPG and AkzoNobel to retain customers, to retain and hire key personnel and to maintain favorable relationships with suppliers; the terms of the proposed Transaction; the timing of the proposed Transaction; the satisfaction of any conditions to the completion of the Transaction and other risks related to the completion of the Transaction and actions related thereto; risks relating to any unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, future credit ratings, future prospects; business and management strategies; the expansion and growth of PPG's and AkzoNobel's operations; PPG's ability to integrate AkzoNobel's business successfully after the closing of the Transaction and to achieve anticipated synergies and benefits; and the risk that disruptions from the Transaction will harm the combined companies' business.

All of this information speaks only as of April 20, 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.