We protect and beautify the world™

PPG Architectural Coatings

Vince Morales
Vice President, Investor Relations and Treasurer

Goldman Sachs Chemical Intensity Days

Houston, TX March 15, 2016

Information current as of March 15, 2016

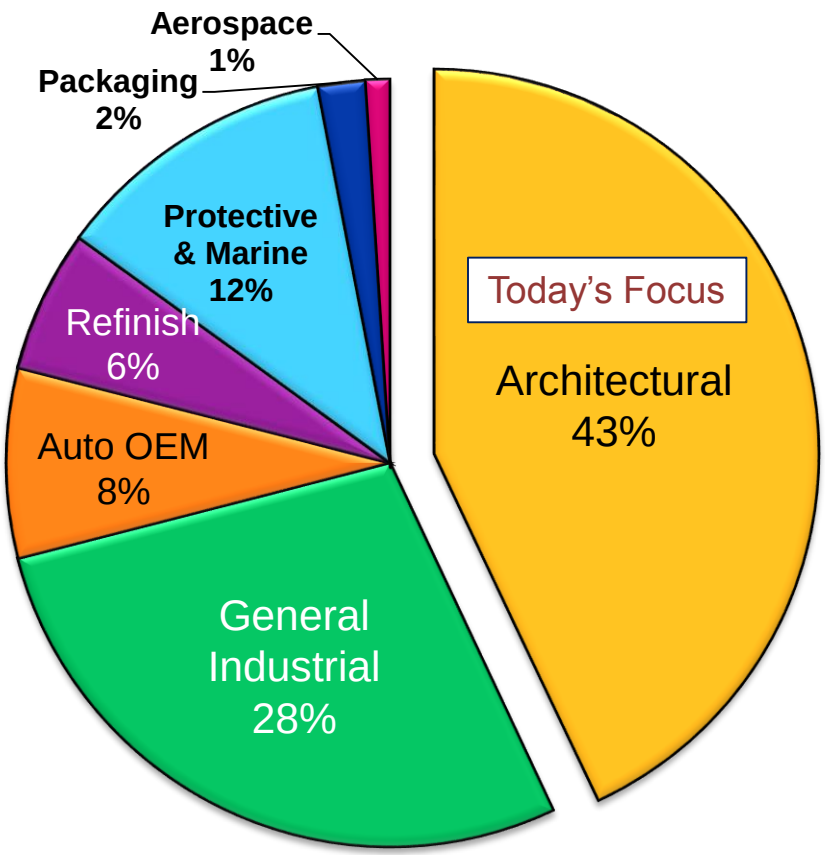
Forward Looking Statement

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.

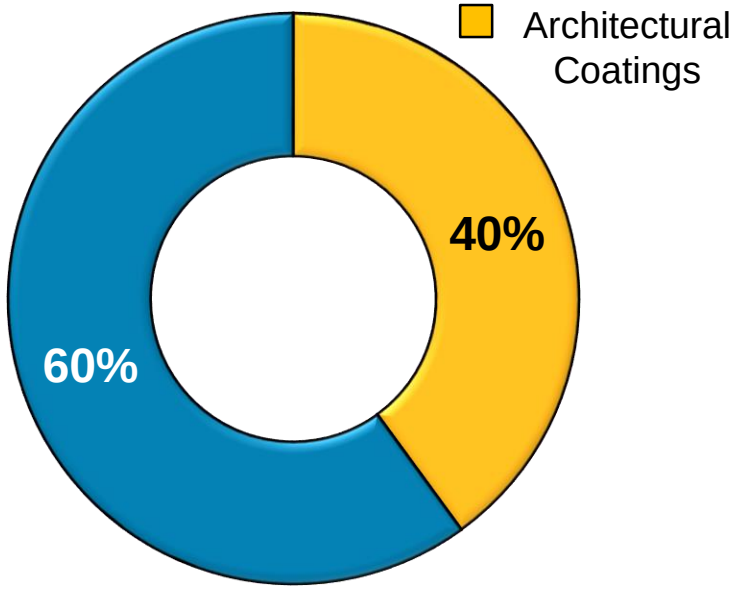
Global Coatings End-Uses

Industry End-Use Demand (~$130B Sales Value)



Source: Kusumgar, Nerlfi, & Growney; Company Annual Reports; PPG estimates

PPG Coatings End-Use Sales Mix



Special-Purpose Coatings:

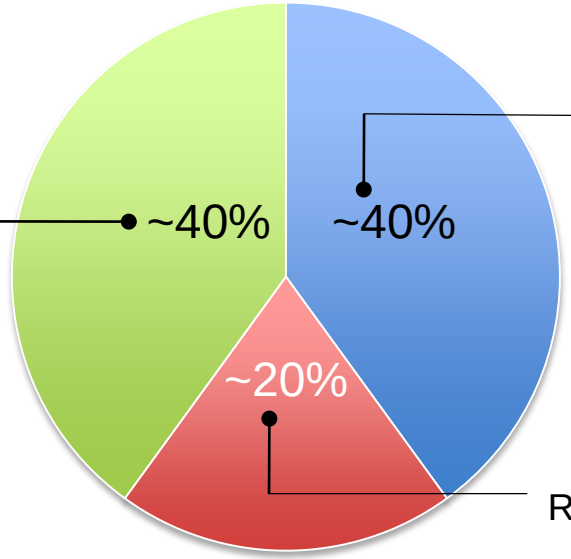
- Aerospace
- Automotive OEM
- Automotive Refinish
- Specialty Coatings & Materials
- General Industrial
- Protective & Marine
- Packaging

PPG mirrors the global coatings industry end-use mix

Overview of Global Architectural Coatings Industry

2016 Value ~$50B USD

Top 4
Global
Leaders



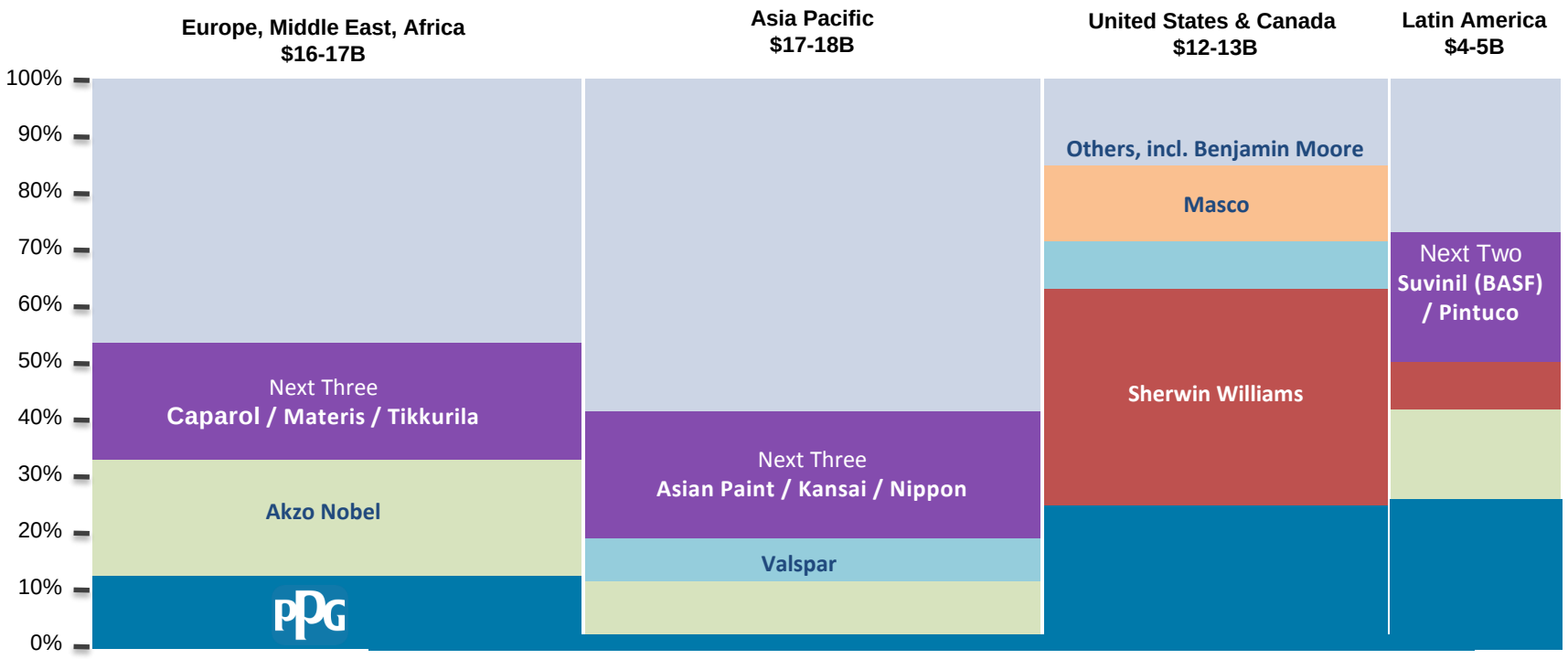
Thousands
Small /
Niche Regionals

Next 15
Leading
Regionals

Fragmented global industry requires local brands and distribution

Sources: Industry Earnings Releases, KNG, IRL

PPG Regional Participation and Position



PPG is the only supplier with meaningful presence across all regions

Sources: Industry Earnings Releases, KNG, IRL

Drivers of Global Architectural Demand

- **Consumer Sentiment**
- **Disposable Income**
- **Unemployment**

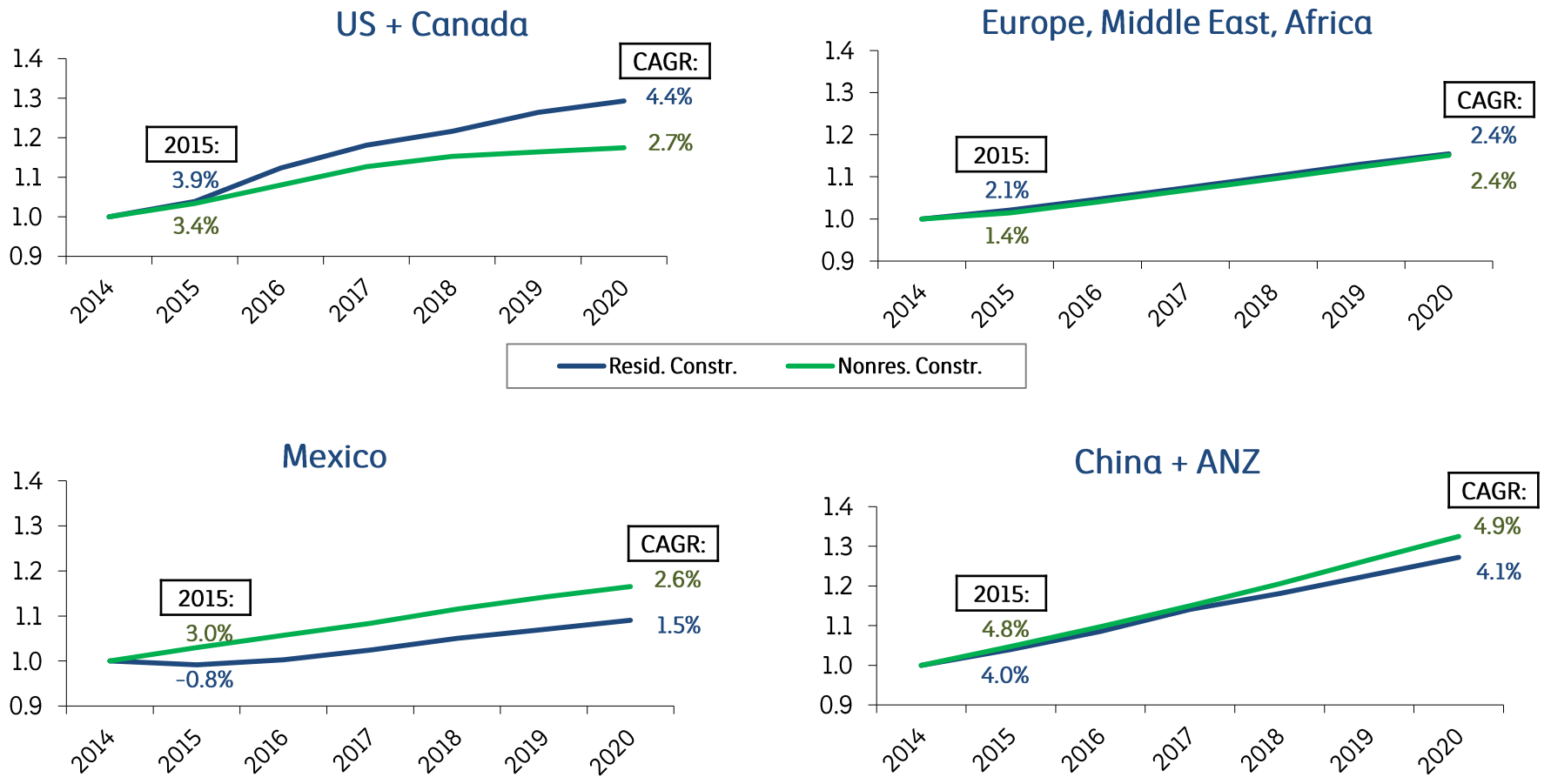
		% of Industry Demand
65% Residential	New Construction	25%
	Remodel / Repaint	75%
35% Commercial	New Construction	40%
	Remodel / Repaint	60%

Demand and mix vary by region

Sources: KNG, IRL, Orr and Boss

Economic Trends and Outlook in Key Geographies

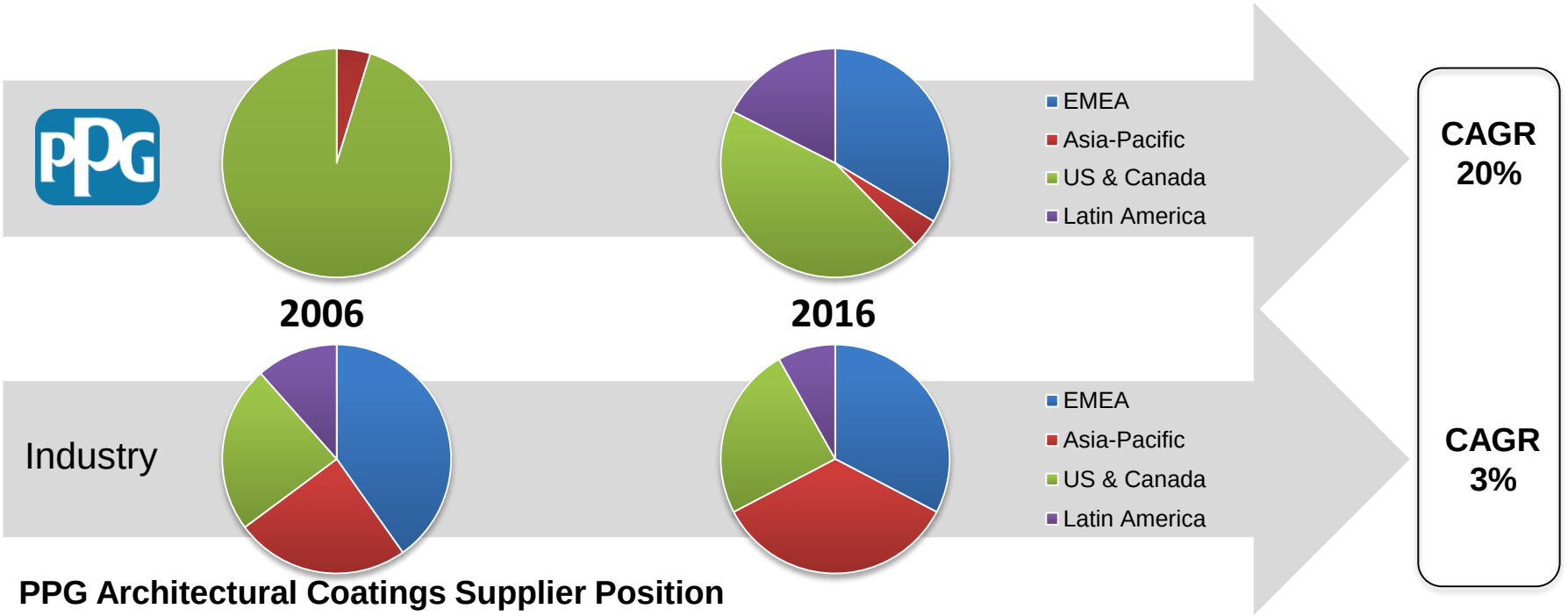
Index 2014 = 1.0



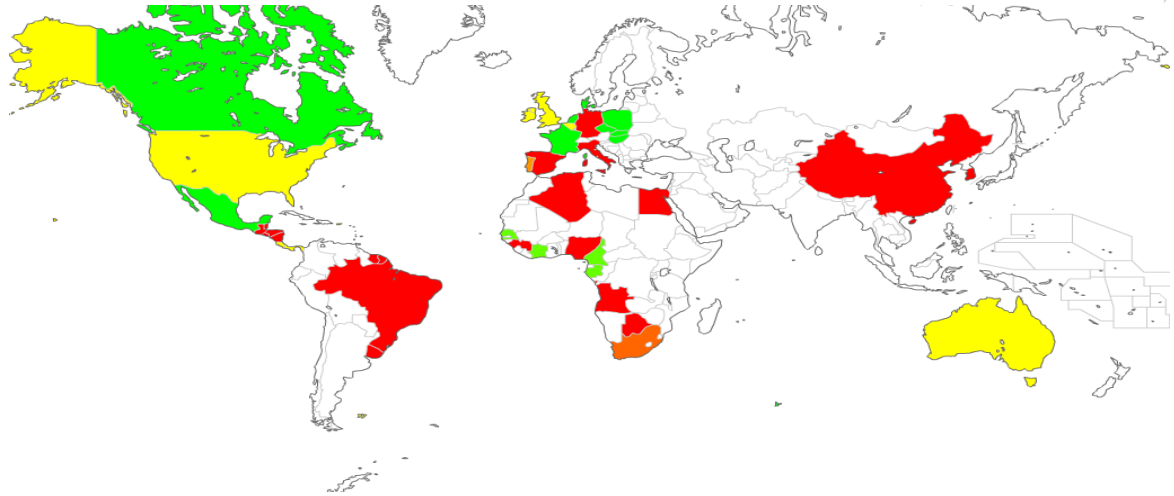
PPG's core markets reflect positive growth forecasts

Source: IHS

PPG Architectural Coatings Geographic Mix (by value)



PPG Architectural Coatings Supplier Position



Sources: Industry Earnings Releases, KNG, IRL

Distinct Channels and Brands Around the World

Global Industry	25%	45%	30%
PPG	5,700+ Mono-branded Stores 45%	1,000s of Independent Distributors 30%	Regional Home Centers 25%



USCA

PPG PAINTS, Dulux, PPG PITTSBURGH PAINTS, SICO, Glidden, OLYMPIC, PITTSBURGH PAINTS, LIQUID NAILS BRAND

EMEA

Seigneurie, JOHNSTONE'S, SIGMA COATINGS, Guittet, GORI, BONDEX, Ripolin, DYRUP, dekoral, PROMINENT PAINTS, HISTOR, Leyland Paints

LATAM

Comex, Glidden, Centro de Pinturas, MERIDIAN, Glidden

AP

TAUBMANS, bristol, TAUBMANS, MASTER'S MARK, TAUBMANS

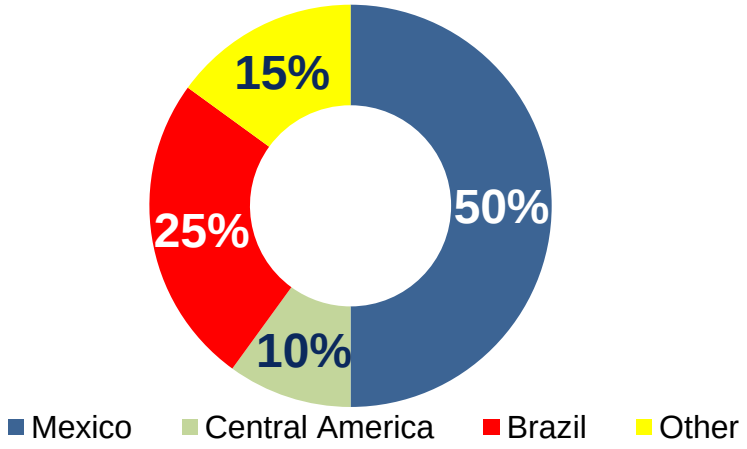
Home Centers Becoming Increasingly Global



*Announced during the past 3 months

Industry Details – Latin America

Industry Revenue by Country



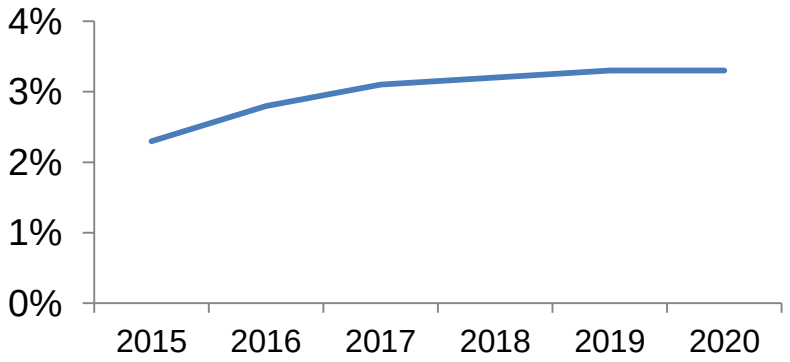
Regional Industry Characteristics

- Paint season is strongest from October through December
- Distribution through independents; home centers still a small component
- Consumers are very brand centric
- Central America remains very fragmented

Outlook

- Oil is moderating Mexican GDP, consumer spending is improving
- High single-digit (HSD) growth in Central America is expected over the next several years
- Brazilian paint demand declined HSD in 2015; remains weak in 2016

Mexican GDP Growth Forecast
(PPG Comex historically grew at ~2x GDP)

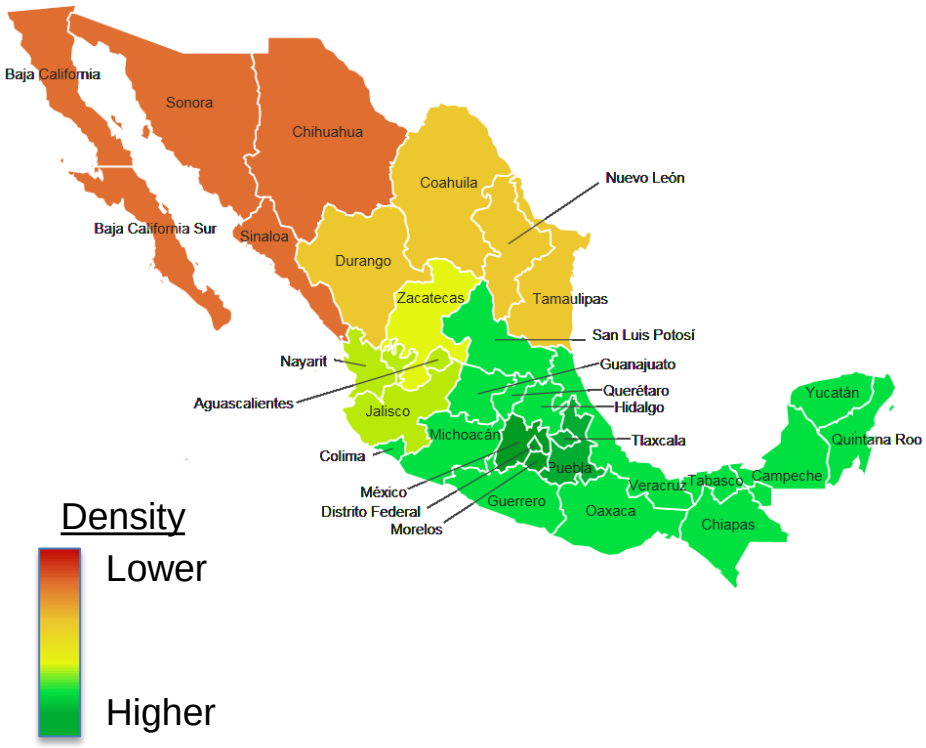


Sources: World Bank, KNG, IRL

Mexican Architectural Coatings Landscape

Company	Description	Store Count
Comex	Coatings industry leader, Largest exclusive network	4,000+
Berel	Large manufacturer in north region, Home Depot supplier	~155
Sherwin Williams	Large presence in the metropolitan area with ~60 stores	~360
Pinturas Acuario	Strong presence in central region with ~ 135 third party stores	~300
Prisa	~180 stores in southwest region and Jalisco	~350
Sayer	~135 third party stores in the central region	~630

PPG Comex Store Location

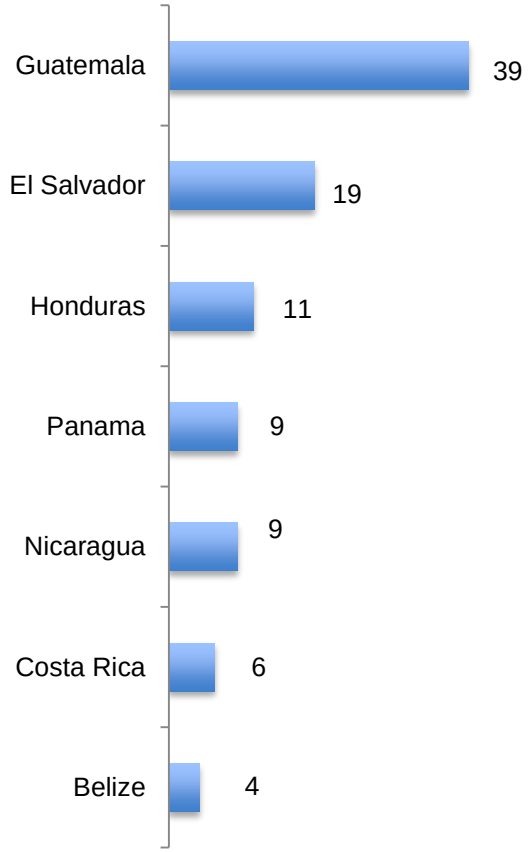


Geographic expansion opportunities remain for PPG Comex

Rapidly Growing Comex and Glidden in Central America

2016 $400MM Industry

Stores
(Comex and Glidden)

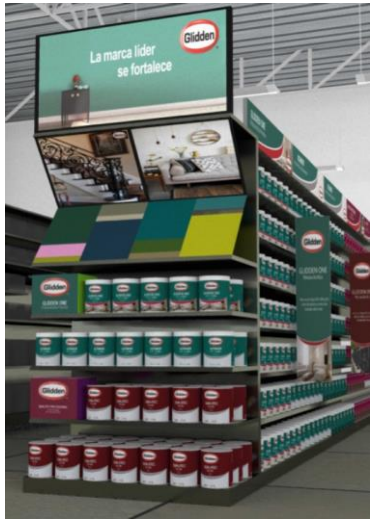




PPG supplies all major distribution channels in Panama

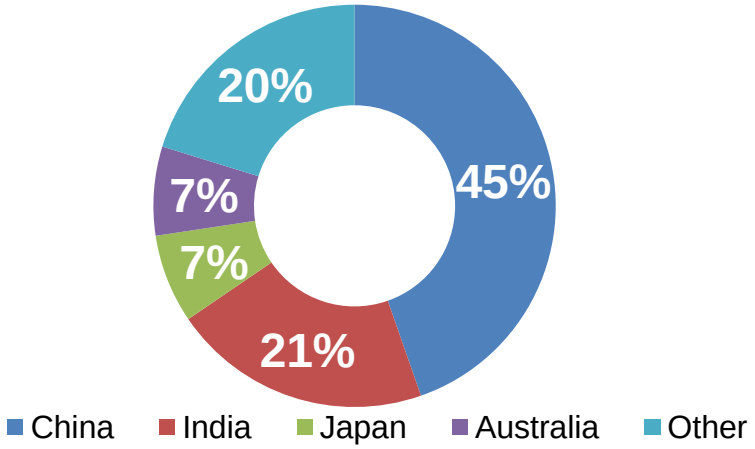
Channel exclusivity through Glidden sub-brands





Industry Details – Asia-Pacific

Industry Revenue by Country

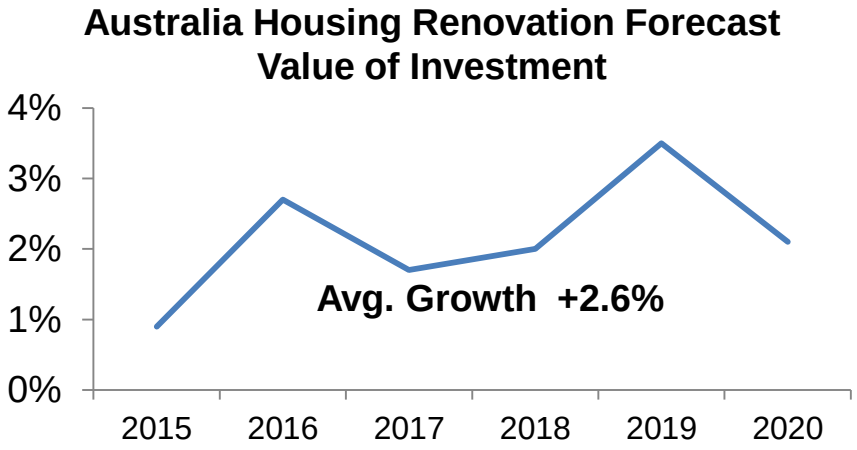


Regional Industry Characteristics

- **China and Australia have very different paint dynamics:**
  - Home centers growing and predominant in Australia; not relevant in China
  - Chinese competitive environment very fragmented
  - Professionals account for 90% of paint application in China
- **Home center consolidation underway in Australia (PPG aligned with Bunnings)**

Outlook

- **Regional growth rates remain above developed regions**
- **China growth continues – but moderating due to commercial construction**
- **Australian house price appreciation is attracting homeowner investments; new home builds continue to be solid**



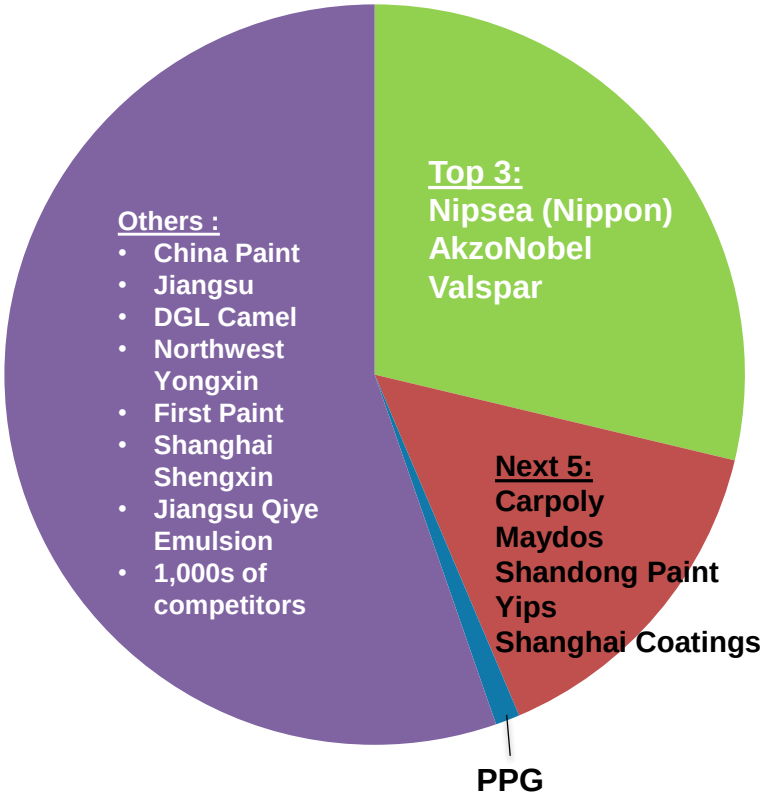
Sources: Housing Industry Association Limited, KNG, IRL

Asia-Pacific Architectural Coatings Landscape

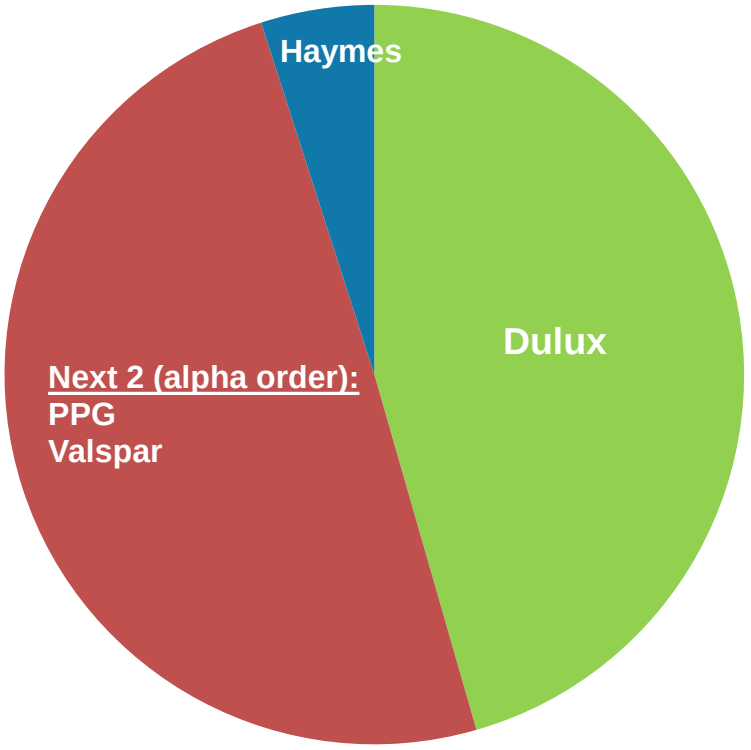
$17-18B in Architectural Demand – Key Geographies:

China $8B, India $4B, Japan $1B, Australia $1B

China

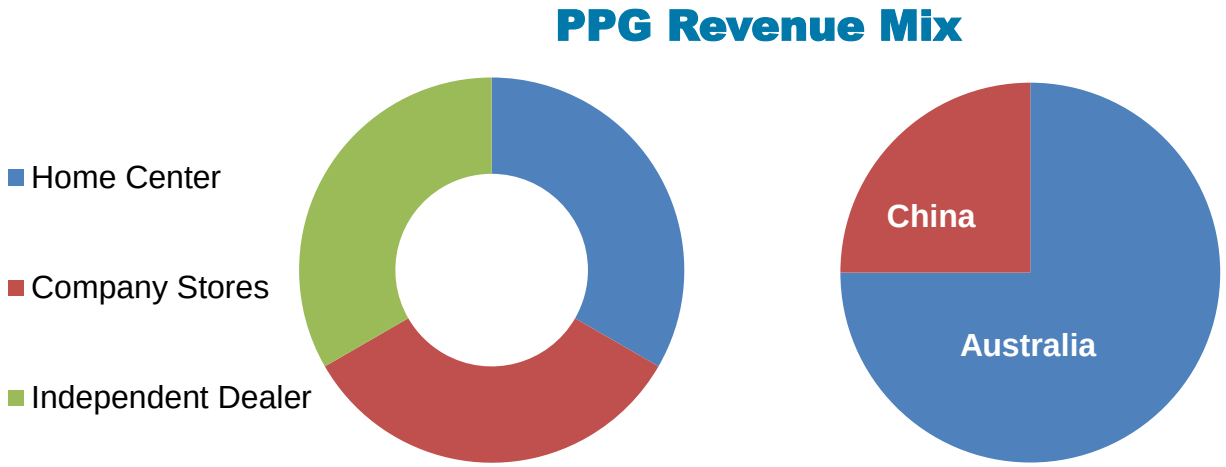


Australia



Sources: Industry Earnings Releases, KNG, IRL

PPG Asia-Pacific Architectural Coatings at a Glance



Australia **PPG Brands** TAUBMANS White Knight bristol Flood

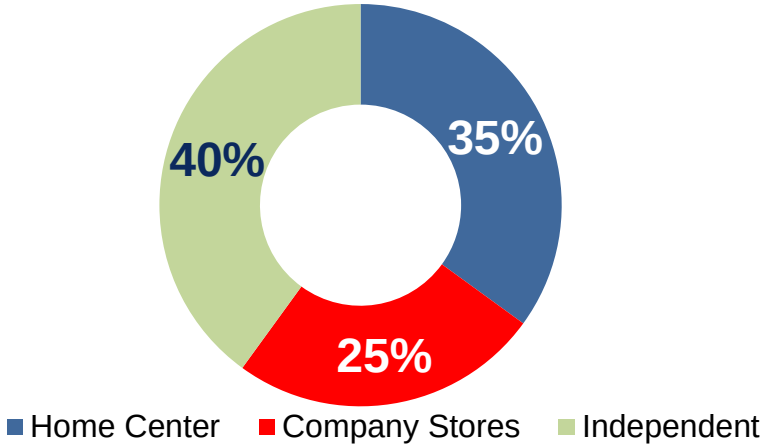
- PPG strongly aligned with Bunnings (leading ANZ home center)
- ~40 Taubmans company-owned stores; Bristol captive independents

China **PPG Brands** Master's Mark Seigneurie IVY 長春藤漆

- Master's Mark® product competes favorably in premium range
- Seigneurie ® used for project segment
- PPG a very small participant in the Chinese architectural paint industry

Industry Details – Europe, Middle East, and Africa (EMEA)

Industry Revenue by Channel

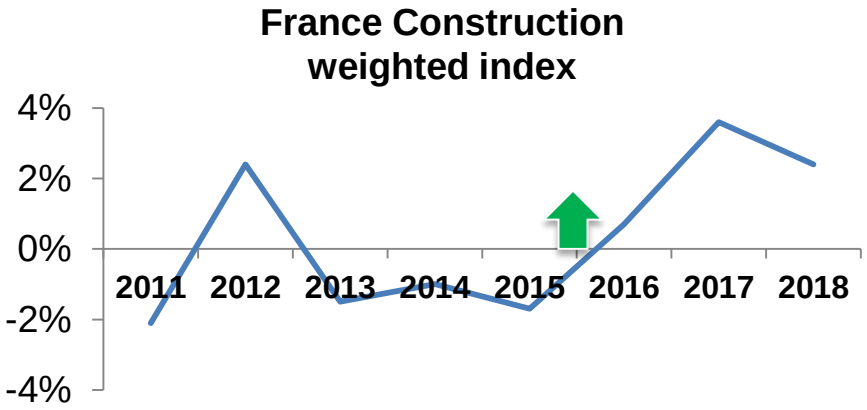


Regional Industry Characteristics

- **Private label is prevalent in home centers**
- **Western Europe is much different than Eastern Europe:**
  - Western Europe: mature distribution models, focus on product quality and service
  - Eastern Europe: lower consumption; wholesaler distribution models

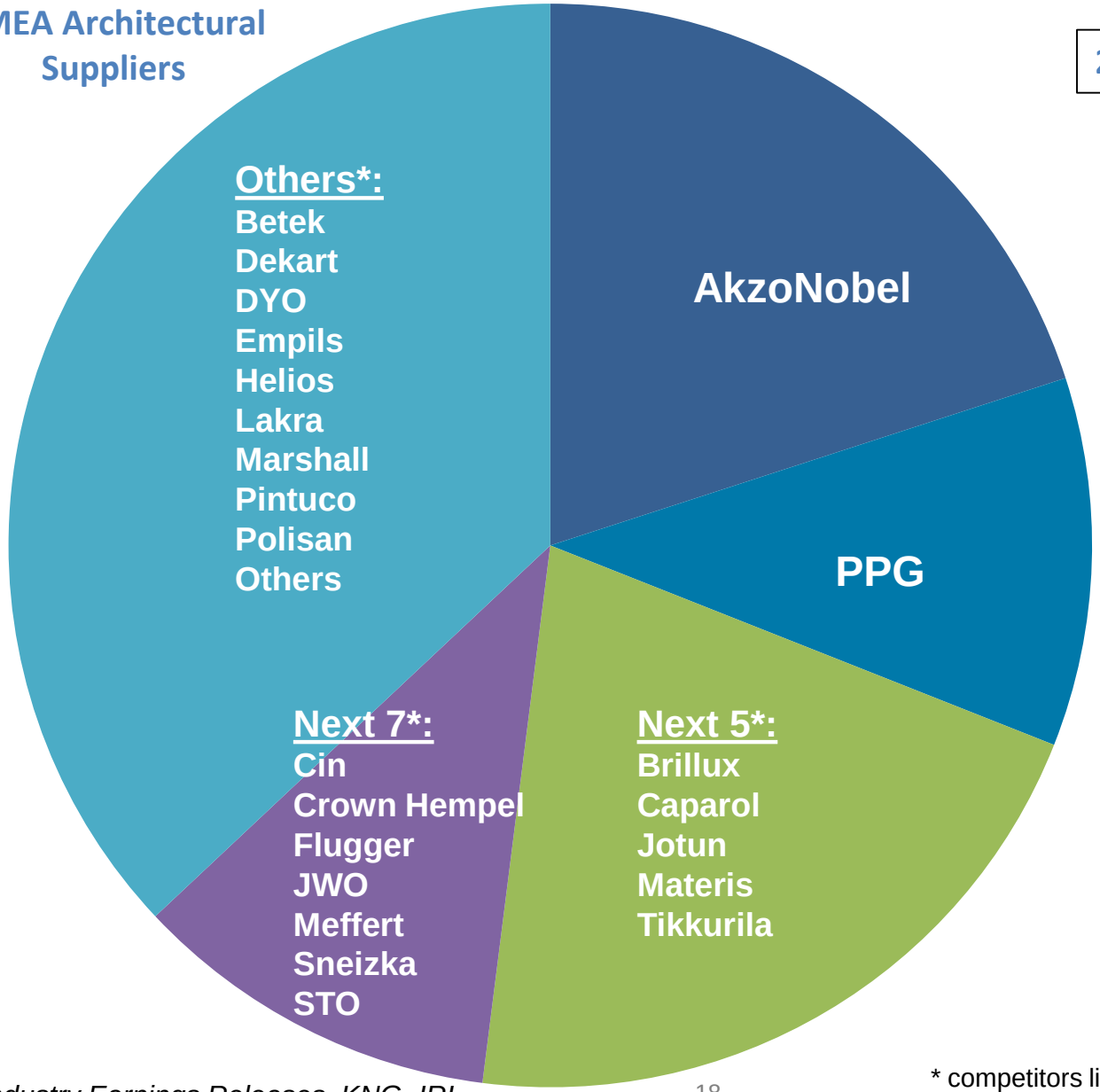
Outlook

- **UK & Ireland continue to demonstrate growth above other developed countries**
- **Home center consolidation activities**
- **Eastern Europe growing but mixed**
- **France demand stabilizing**
- **Early 2016 industry demand growth**



Sources: Euroconstruct, KNG, PPG estimates

European Architectural Coatings Industry



2015 $16-17B Industry

PPG's key competitors differ by region and segment

* competitors listed in alpha order

Sources: Industry Earnings Releases, KNG, IRL

Competitive Landscape Varies by Country

note: competitors listed in alpha order



SCANDANVIA
AkzoNobel
Flugger
Jotun
Tikkirula

UNITED KINGDOM
AkzoNobel
Hempel (Crown)
Ostendorf
PPG

POLAND
AkzoNobel
PPG
Sneizka
Tikkurila

GERMANY
Brillux
DAW
Ostendorf
Remmers

FRANCE
AkzoNobel
Materis
PPG
V 33

IBERIA
Cin
Materis
PPG
Titan

ITALY
>500 paint companies

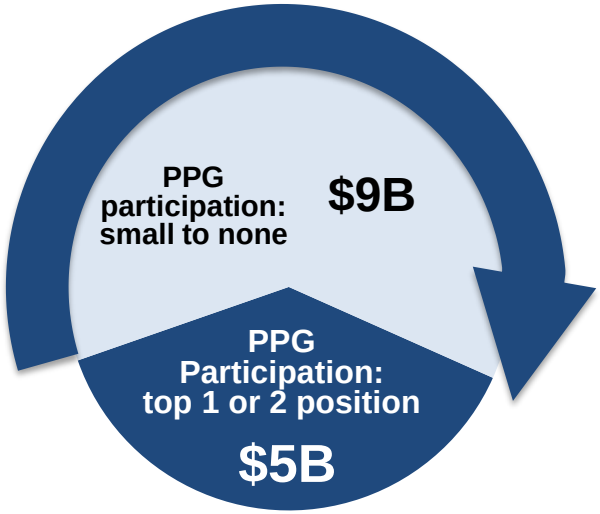
European paint supply is fragmented by country and sub-region

Sources: Industry Earnings Releases, KNG, IRL

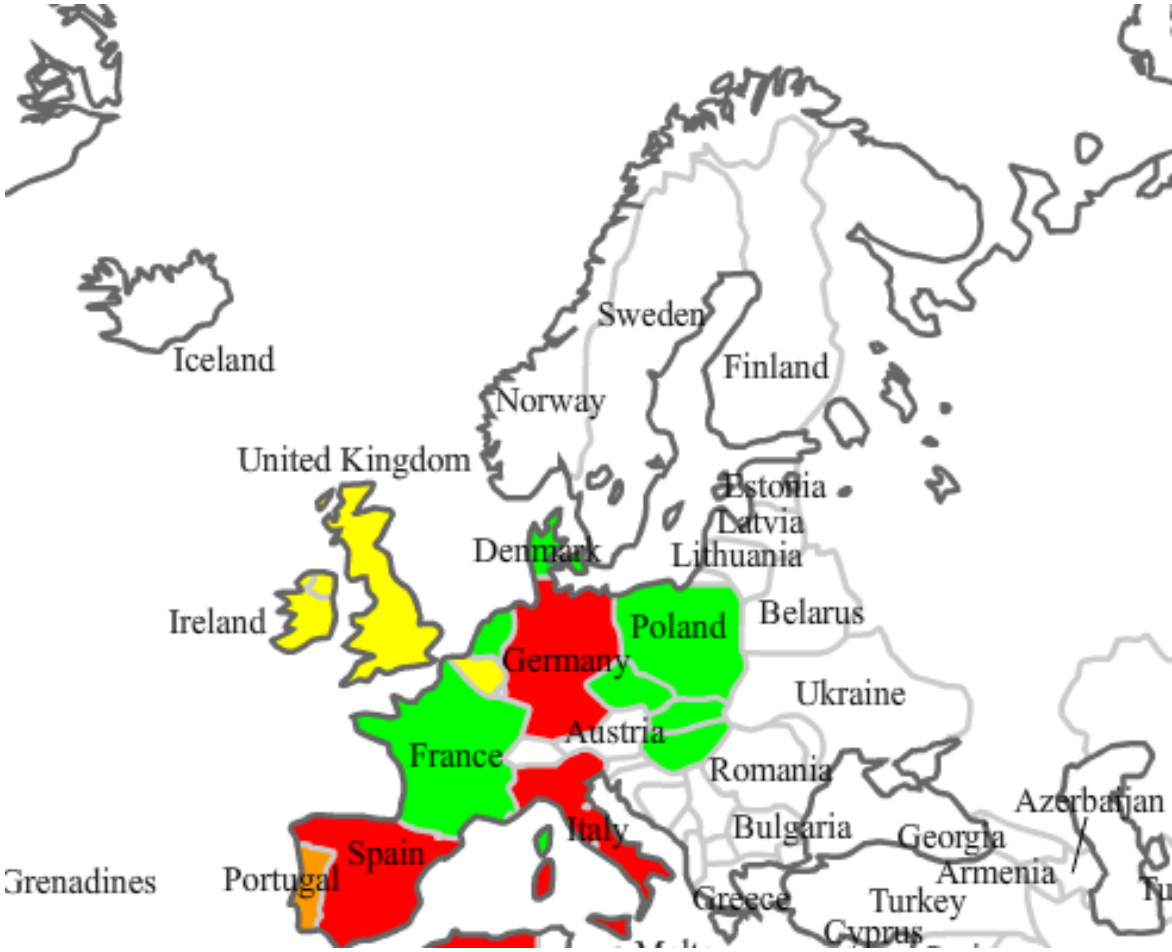
PPG Remains Positioned for Growth in Europe

European* Coatings Demand

Demand in regions relative to PPG Presence



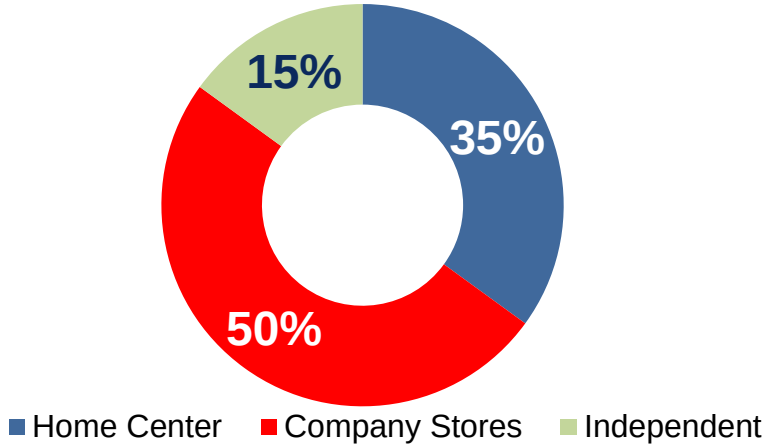
*Does not include Middle East and Africa



Sources: IRL, KNG, PPG estimates

Industry Details – U.S. and Canada

Industry Revenue by Channel

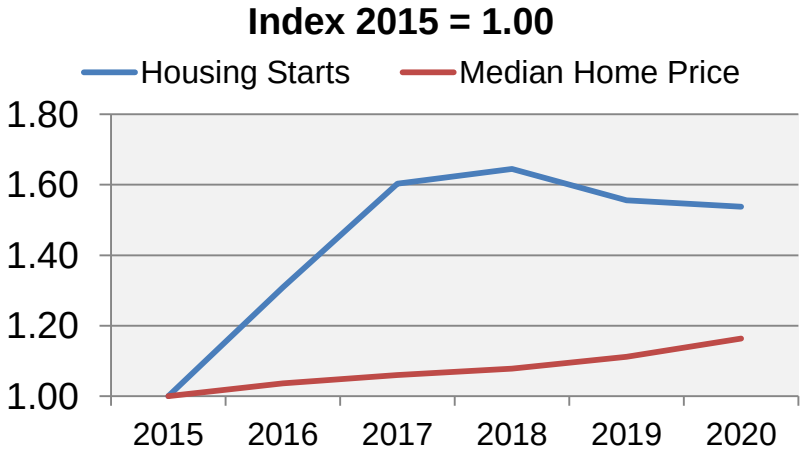


Regional Industry Characteristics

- Very distinct distribution channels
- Coatings consolidation over time, accelerated the past decade
- Focus on product categories and branding

Outlook

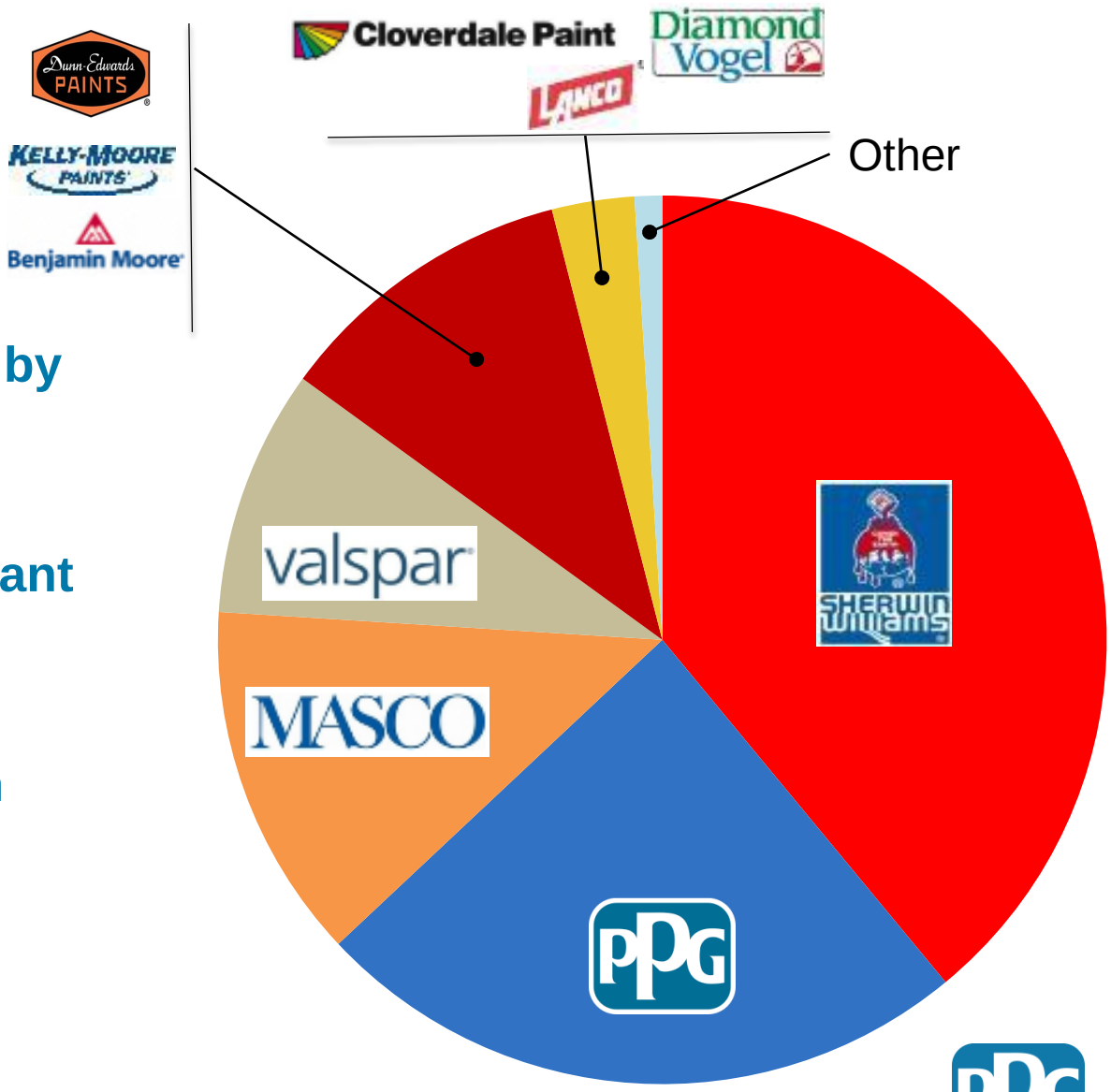
- US construction recovery continues
- Residential and commercial maintenance (aftermarket) expected to grow
- Canada demand projected to be flat in 2016



Source: Moody's

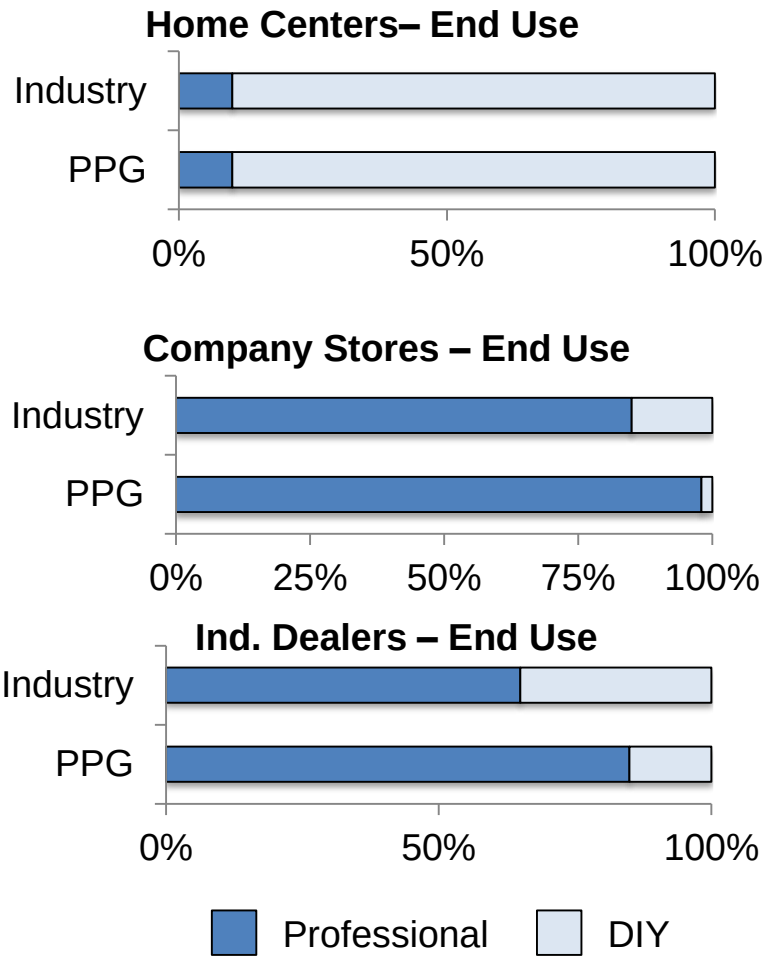
U.S. and Canada Architectural Coatings Competitive Landscape

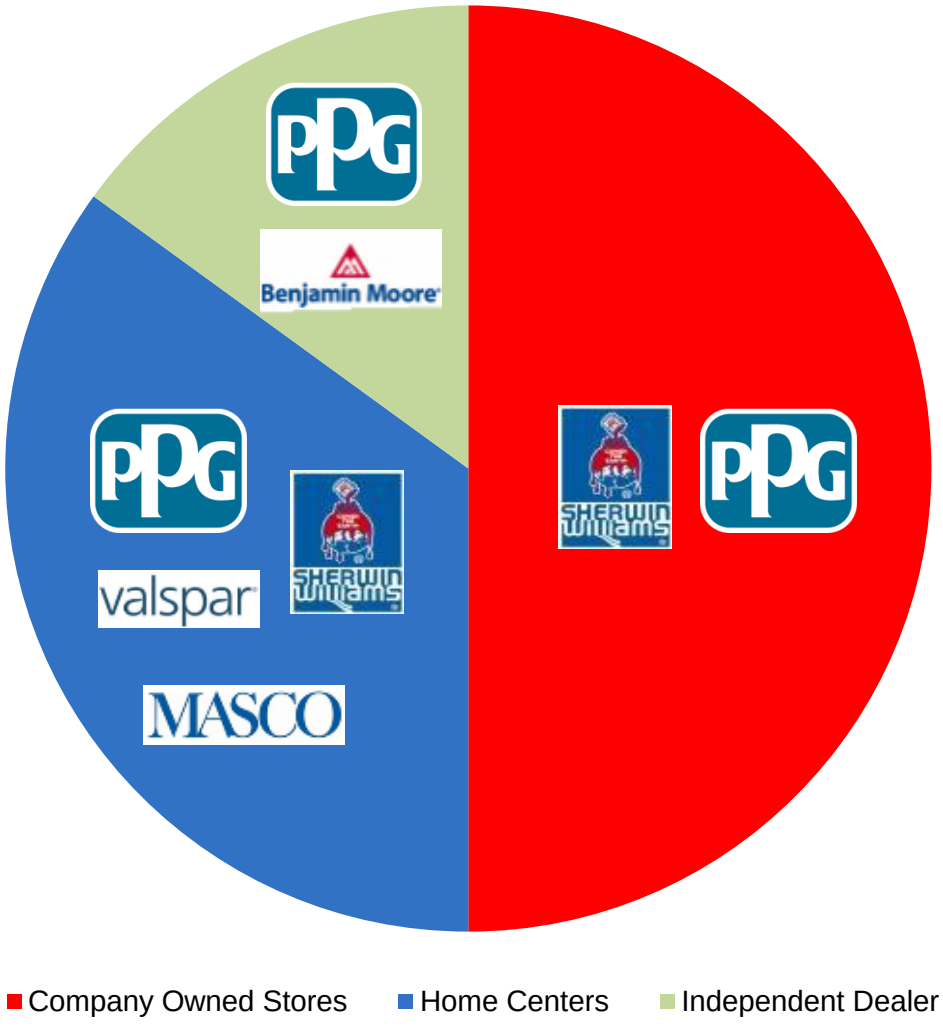
- **Competitive set differs by channel and country**
- **PPG is a major participant in all 3 channels**
- **PPG is a clear leader in Canada**



Source: PPG Analysis

U.S. and Canada Architectural Coatings Industry Landscape



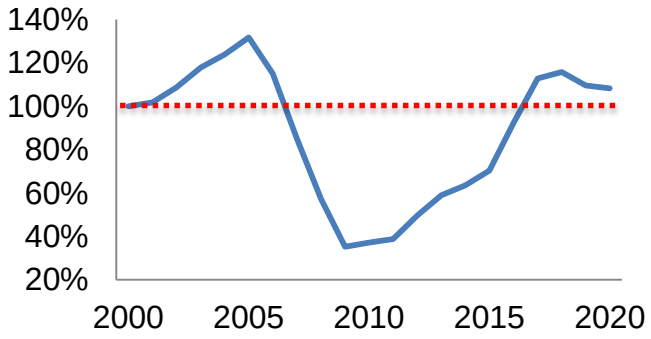


Source: PPG Analysis

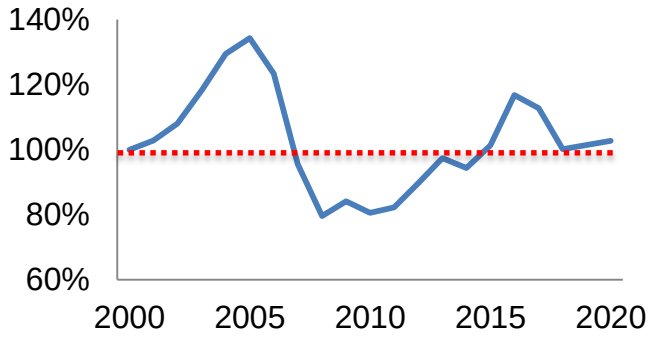
PPG has significant participation in all channels

U.S. Architectural Coatings Demand Drivers

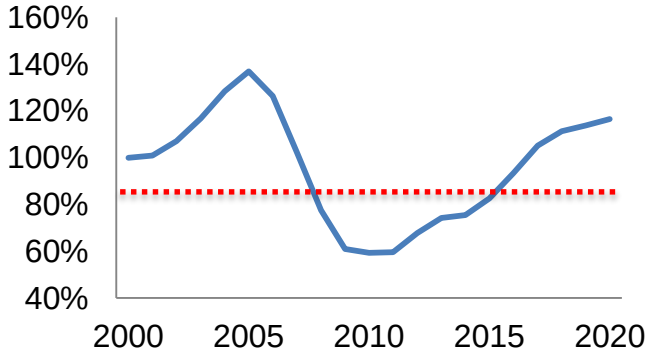
Housing Starts



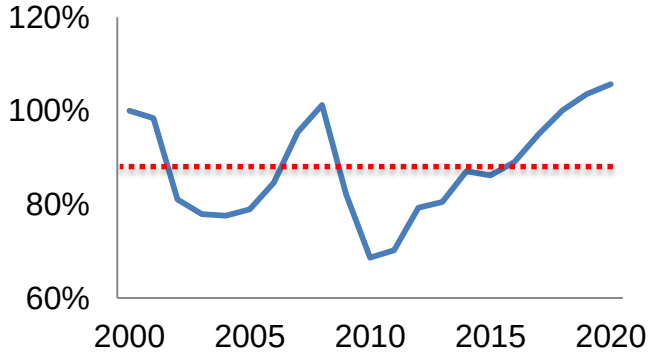
Existing Home Sales



Residential Fixed Investment



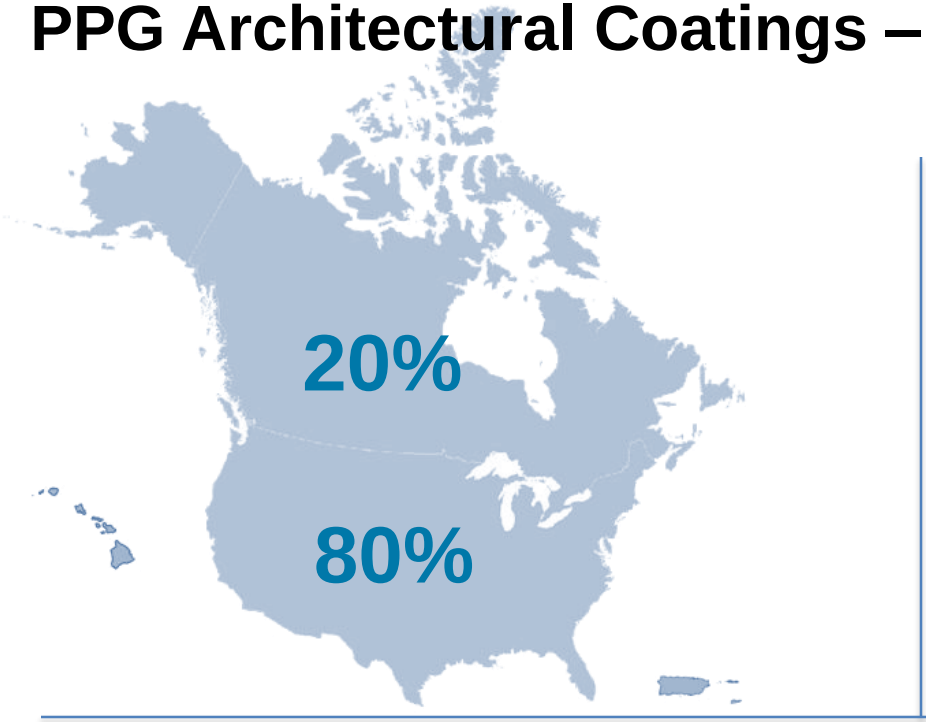
Commercial Construction



Recovery in progress - Industry volumes still down 10% - 15%

Source: Moody's

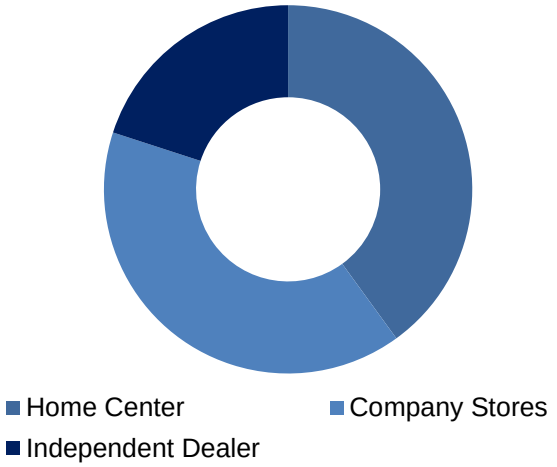
PPG Architectural Coatings – U.S. and Canada



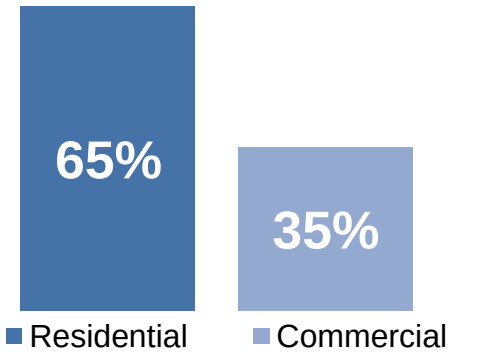
Customer Touch Points

Channel	Points of Sale (POS)
Home Centers	~8,000
Independent Distributors	~6,000
Company-Owned Stores	~900
Total	~15,000

Channel Mix - Revenue



End-Use Mix - Revenue



PPG Company-Owned Stores – U.S. and Canada



Growth opportunities: increase density and expand presence

Company-Owned Stores: Supporting Professional Painters

Professional Painters – Value Drivers

- Product specifications
- Product performance
- Delivery
- Credit
- Product availability
- Competitive pricing

Rebranding Initiative

- Consistent branding coast-to-coast
- Store upgrades

Robust Support Network Surround Stores



Operations

Store Group Manager

Director of Store Operations

Vice President of Stores

Sales Support

Account Development

Regional Sales

Zone Sales

National Home Centers

Coatings remains an important sales category for home centers









PPG sales to home centers

Wide Offering of

Decorative Paint

Leader in

Stains

Leveraging

Adhesives and Sealants

PAINT REPRESENTS

7-9%

OF HOME CENTER SALES

Paint is critical for home centers; drives foot traffic and profits

2016 National Accounts Product Launches

Providing value for key channel partners



New product delivers extreme durability



New & improved formula



Best paint for value-conscious consumer



First super premium paint at Menards



Walmart premium offering
Clear product differentiation

2016 Brand Investment

- New premium products
- New product formulations
- New product labeling
- Increased focus on customer field support, tools

Launches supported by $15MM investment in Q1 2016

Independent Dealer Channel

Dealer Attributes

- 10,000 + locations in USCA
- Range from hardware stores to dedicated paint stores
- Vary in size from single store to several dozen locations

PPG Strategy

- "Partner of Choice"
- Differentiate through products, brands and professional programs
- Acquirer of choice for owners exiting the business

Offering

- Service
- Location
- Product
  - Multiple supplier brands
  - Range of decorative -to-protective coatings
- Some offer interior design services

Coatings Suppliers

- Benjamin Moore
- PPG
- Valspar (Ace Hardware)
- Pratt and Lambert (Sherwin-Williams)
- California Paints

Key Comments on Architectural Coatings

- **Global Industry**
  - Growing across most geographies; emerging region growth outpacing mature region growth
  - Local brands, distribution, and operational excellence drive commercial success
- **Competitive Dynamics**
  - Fragmented competitive landscape with few global players
  - Industry consolidation likely to continue as key competitors build scale
  - Strong regional players will continue to exist and grow
- **PPG Focus**
  - Continue to develop and expand in existing regions
    - New stores, independent dealer acquisitions, enhanced brand strategy
  - Balance emerging region growth with mature market opportunities
    - Acquisitions and organic growth
  - Drive margin expansion via scale and operational excellence

PPG Video

Key Comments on Architectural Coatings

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