

Investor Comex Deep Dive

June 18th 2015

PPG Comex Important Notice

Forward-Looking Statements

Statements contained herein relating to matters that are not historical facts are forward-looking statements reflecting PPG's current view with respect to future events and financial performance.

These matters within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, involve risks and uncertainties that may affect PPG's operations, as discussed in PPG's filings with the Securities and Exchange Commission pursuant to Sections 13(a), 13(c) or 15(d) of the Exchange Act, and the rules and regulations promulgated there under. Accordingly, many factors could cause actual results to differ materially from the forward-looking statements contained herein. 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 realization of anticipated cost savings from restructuring initiatives, difficulties in integrating acquired businesses and achieving expected synergies there from, 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 asbestos settlement discussed in PPG's filings with the Securities and Exchange Commission 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 in PPG's 2014 Form 10-K are 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 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 and similar risks, any of which could have a material adverse effect on PPG's consolidated financial condition, results of operations or liquidity. Forward-looking statements speak only as of the date of their initial issuance, and PPG undertakes no obligation to update any forward-looking statement, except as otherwise required by applicable law.

DEEP DIVE
LOS CABOS 2015

All figures in U.S. dollars unless otherwise noted

Today's Timeline

6:00 – 6:30	Continental Breakfast
6:30 – 6:40	Welcome / Presentation Overview **V. Morales**
6:40 – 7:15	Global Architectural Coatings **Michael McGarry**
7:15 – 8:00	Overview of Mexico **Marcos Achar Levy**
8:00 – 8:30	Mexican Architectural Coatings Industry **Marcos Achar Levy**
8:30 – 8:40	Break
8:40 – 10:40	Overview of PPG Comex **Alfonso Felix / Iván Ahedo**
10:40 – 10:50	Break: Lunch will be available
10:50 – 11:15	Central America / Closing Remarks **Marcos Achar Levy / Michael McGarry**
11:15	Store Visits
2:30	Transportation to Hotel/ Airport

PPG Speakers



Michael McGarry

President & Chief Operating Officer



Marcos Achar Levy

Vice President, PPG Architectural Coatings Latin America & CEO PPG-Comex



Alfonso Félix

Commercial Vice President, PPG Comex



Iván Ahedo

Marketing Director, PPG Comex

PPG
Deep Dive Program



Meeting Objective

Provide a deeper understanding of the various PPG businesses and coatings industry sub-segments in which we operate

Typical Program

- End-use segment / industry details
  - Customers
  - Products / complexities
  - Competitive landscape
  - Geographic differences
- PPG's participation in the segments
- PPG's growth opportunities
- Site visit to visually see PPG products "at work" for our customers

PPG Deep Dive is **NOT**



- A PPG investor day
- An update on the quarter or current business trends
- A discussion on other PPG businesses
- A strategic update

Education is the focus; strong Q&A / participation desired

PPG "Deep Dive" Program

Year	Topic(s)	Location	Details
2006	Transitions	Transitions HQ, Tampa, FL	Overview of PPG's Transitions Optical joint venture
2007	PPG Aerospace	PPG aerospace facility Huntsville, AL	Discussed PPG's participation in the Aerospace coatings, sealants and transparency industry
2008	SigmaKalon Acquisition Overview	Offsite	Reviewed details (markets, customers, regional coverage, etc.) of PPG's largest acquisition which closed in January, 2008
2010	PPG Asia and PPG Auto OEM Coatings	BMW facility Greenville, SC	Provided details of PPG's Asian operations and rapid growth history/prospects. Overview of PPG's automotive OEM coatings business and auto OEM end-market dynamics.
2011	PPG Automotive Refinish	Penske Racing facility Charlotte, NC	Detailed review of global coatings auto collision repair industry, including distribution processes and key customer requirements. Review of PPG's new technologies addressing market needs.
2012	PPG Industrial Coatings	Harley Davidson facility York, PA	Overview of the broad, consolidating general industrial coatings industry with various product segmentation around end-use, application methodology and substrate.
2013	PPG Packaging Coatings	Ball Container facility Williamsburg, VA	Discuss packaging coatings industry, current market place dynamics and product trends and growth opportunities.
2014	PPG Architectural Coatings	PPG company-owned stores, Lowes & The Home Depot locations Dallas, Texas	Discuss global architectural coatings regional demand and trends, and update of PPG's North America architectural coatings acquisition.
2015	**PPG Comex**	**Cabo San Lucas, Mexico**	**Overview of Mexico, including the characteristics of the coatings end use segments, and an overview into the Comex Mexico business and visits to 3 Comex stores.**

PPG-Comex Presentation Outline

01 Global Architectural Coatings

02 Overview of Mexico

03 Mexican Architectural Coatings

04 Overview of PPG Comex

05 Overview of Central America

PPG Industries
Bringing innovation to the surface.™

Comex®



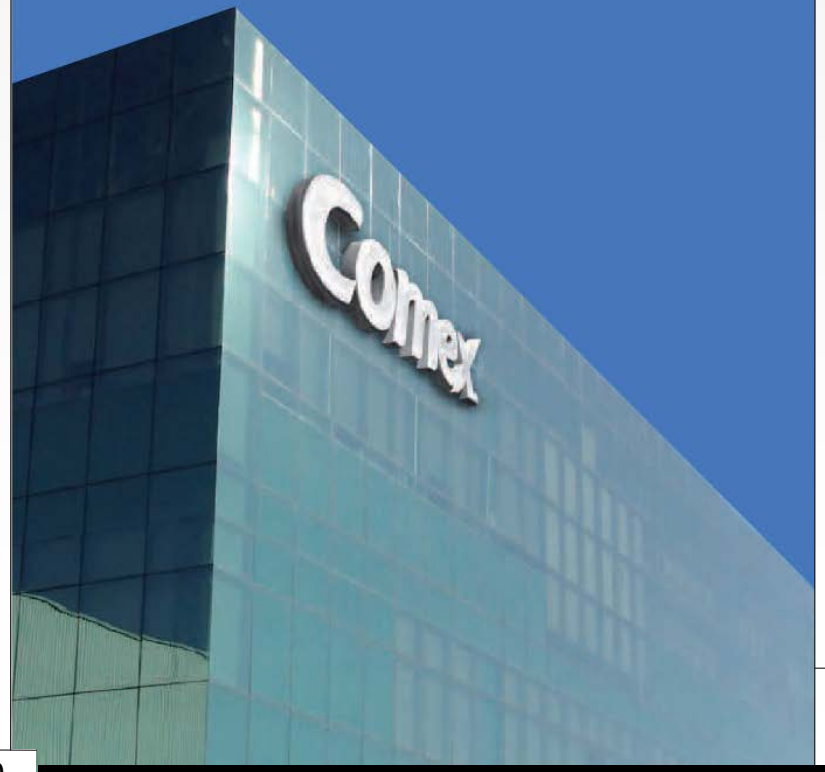
01 Global Architectural Coatings



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PPG / Consorcio Comex, S.A. de C.V. **Comex** Transaction



Acquisition Announcement (June 30, 2014)

- $2.3 billion purchase price
- Financed by existing PPG cash and short-term investments
- Earnings per share accretion of $0.65 - $0.75
- Anticipated synergies of 3% -to- 4% of acquired sales to be achieved in first 24 months

2014 Comex financials (Pro-forma)

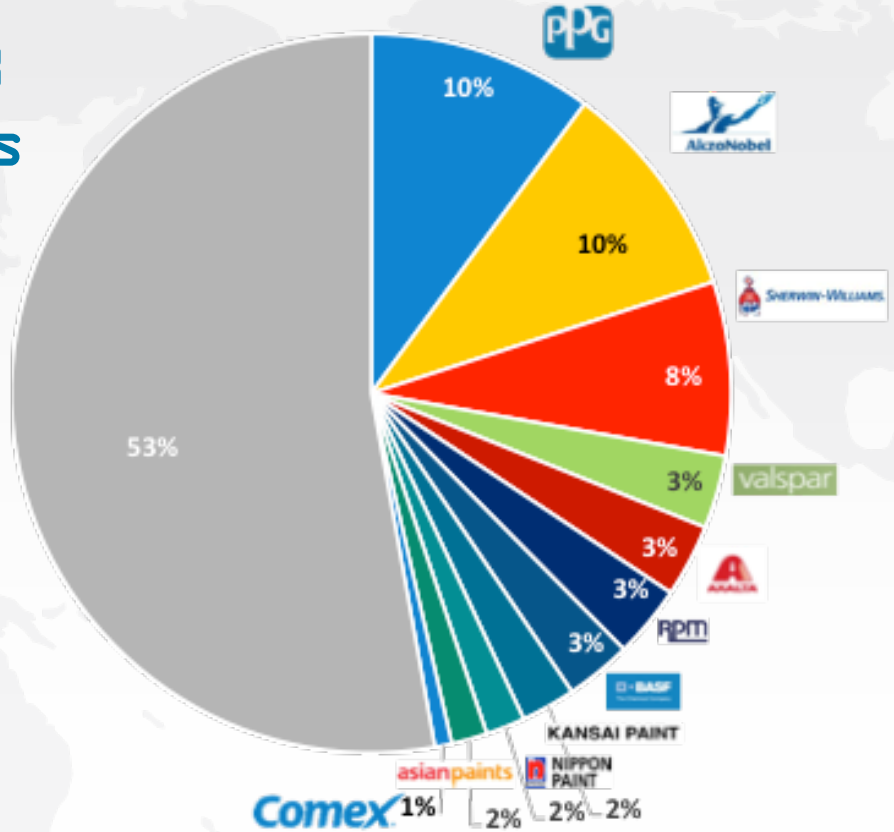
- Sales of approx. $1 billion
- High teens EBITDA percentage (ROS)

Acquisition consistent with PPG's long-term growth strategy

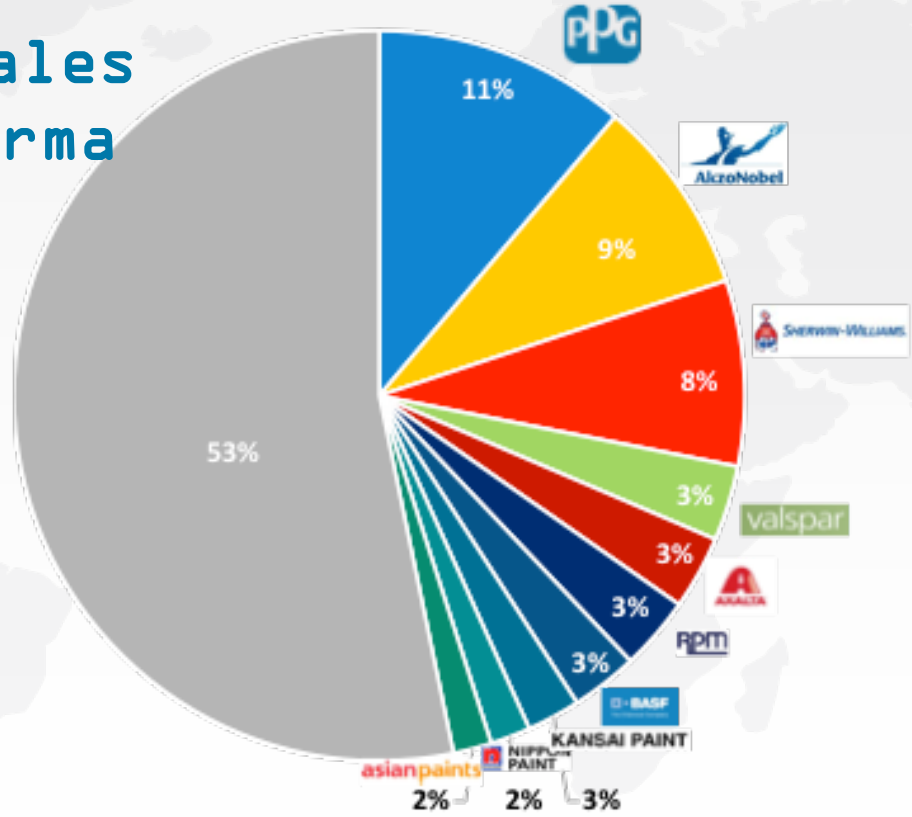
PPG - World's Largest Coatings Supplier

Total Global Coatings Sales (~$120B)

2013 Sales



2014 Sales Pro Forma

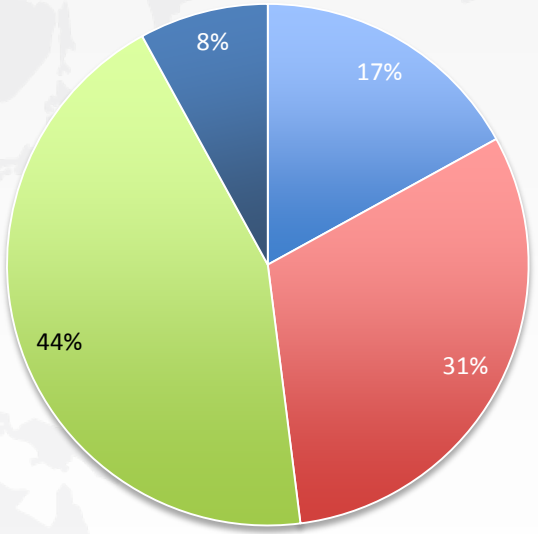


Source
IPPIC/Orr & Boss, Coatings World and PPG estimates; 2014 Pro Forma: PPG with Comex, Valspar with Quest

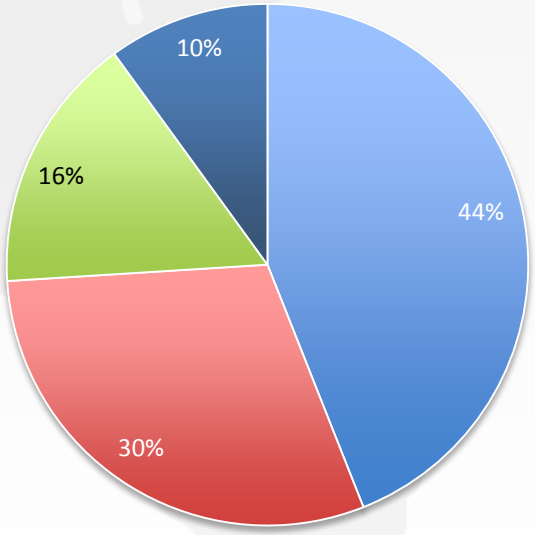
PPG vs Industry

Coatings Geographic Mix

Industry Geographic Demand by Sales



PPG Coatings Geographic Sales Mix*



U.S. & Canada EMEA Asia/Pacific Latin America

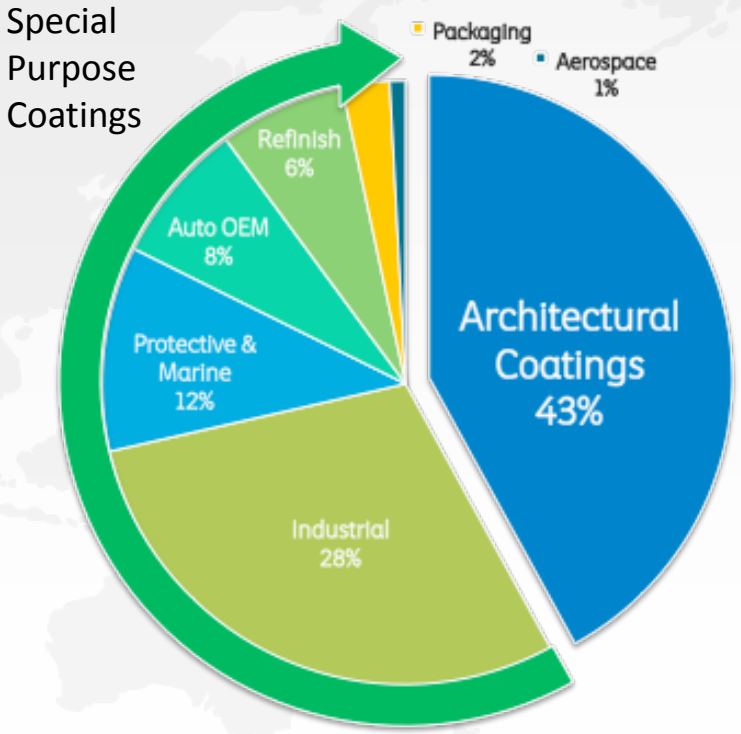
Comex has further diversified PPG's geographic balance

**Pro Forma net sales of $16.2 B with full year of Comex*
Note: As reported, from continuing operations

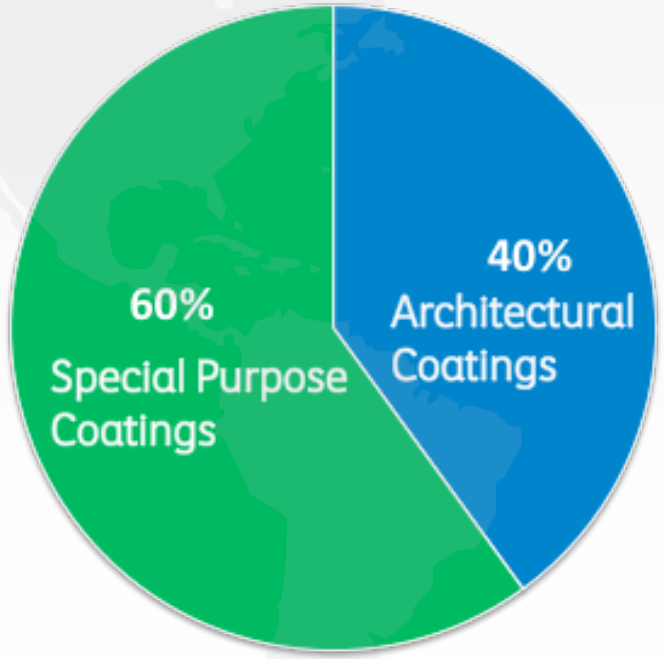
PPG vs Industry

Coatings End-Use Industries

Industry End-Market Demand by Sales



PPG Coatings End-Use Sales Mix*



PPG's end-use mix aligns with the industry following Comex acquisition

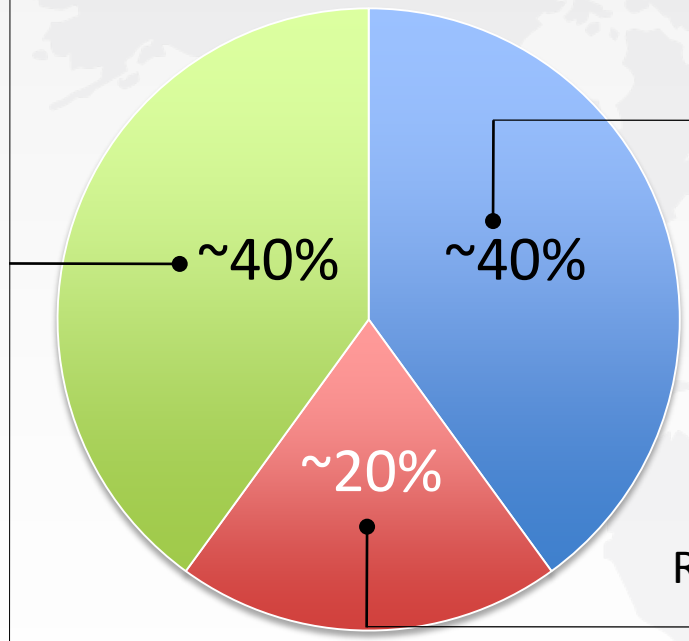
*Pro Forma to include an estimated full year of Comex sales

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

PPG a Leading Architectural Coatings Company

Global Architectural Coatings: ~$50B Market

Top 4
Global
Leaders



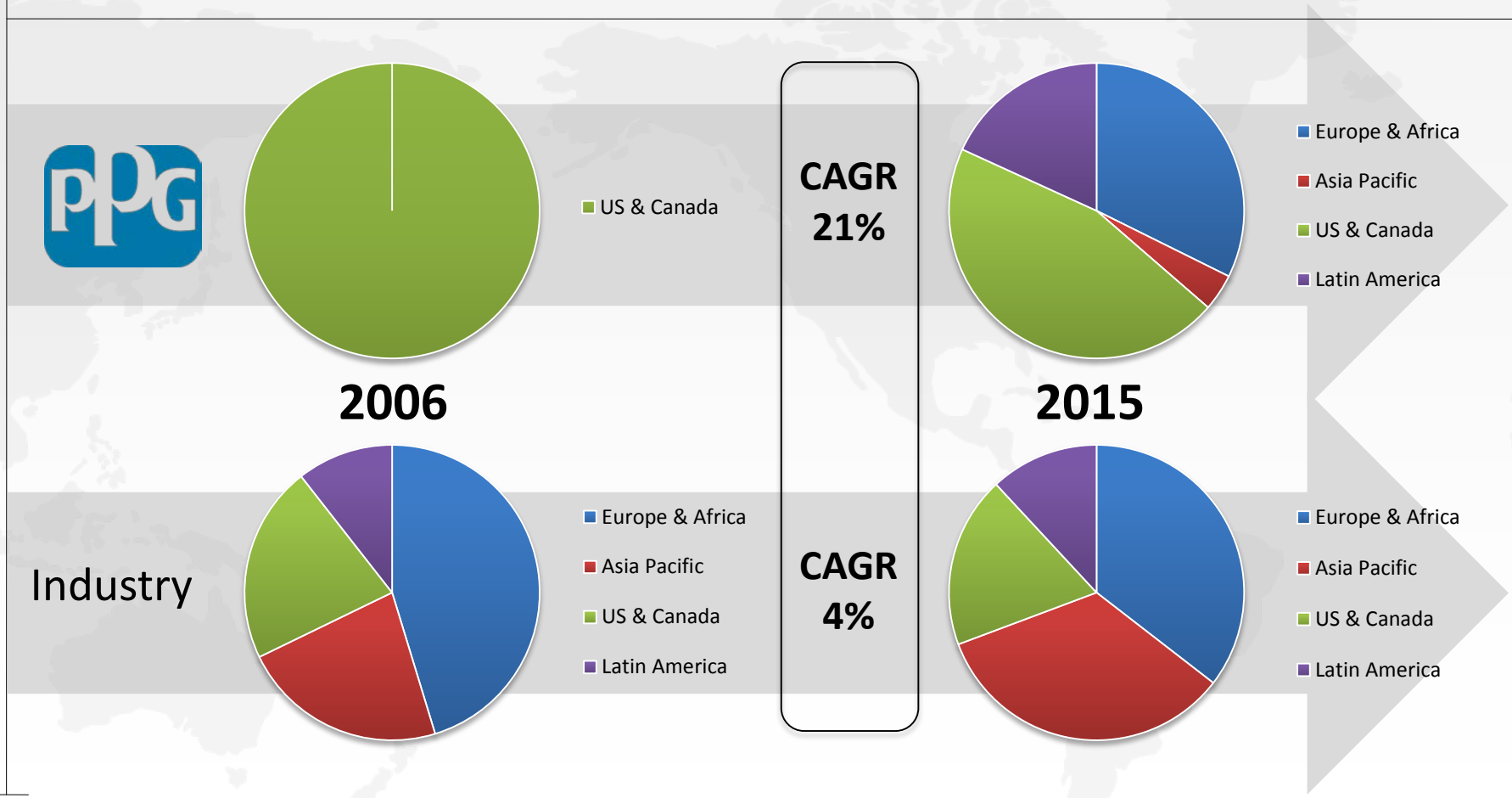
Thousands
Small /
Niche Regionals

Next 14
Leading
Regionals

Source
KNG manufacturer value, adjusted for currency

PPG Architectural Coatings

Enhancing Global Balance

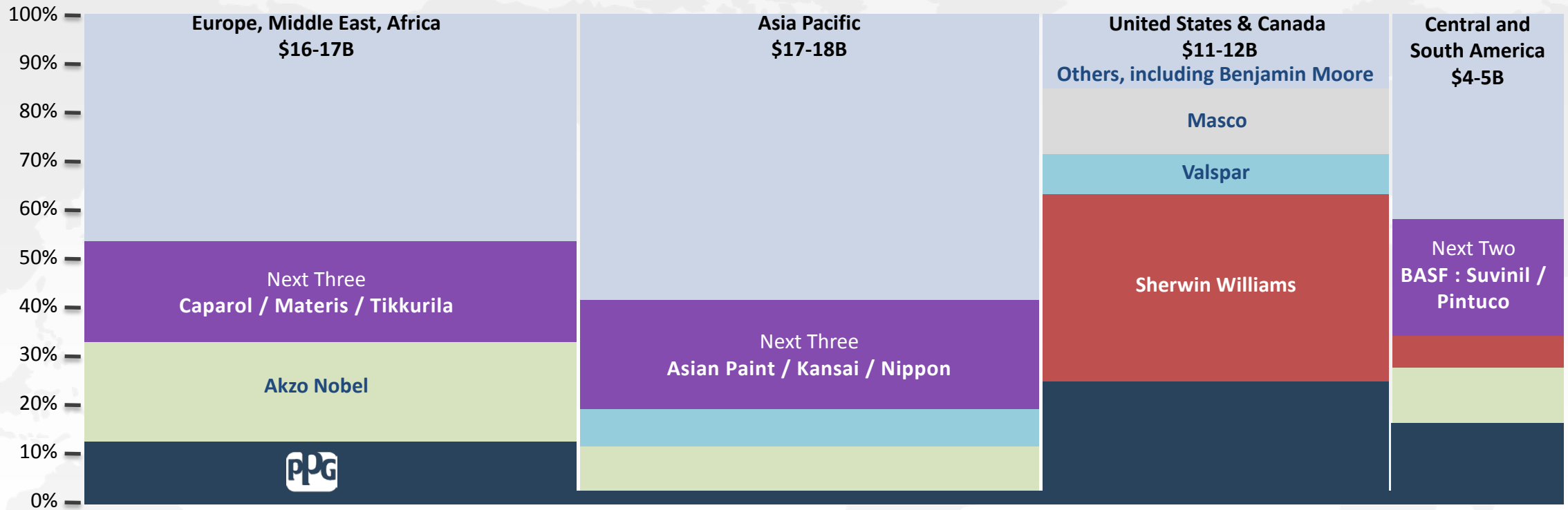


Acquisitions have provided above market growth and geographic diversity

Source
PPG Estimates, Orr & Boss

Architectural Landscape

Regional Participants



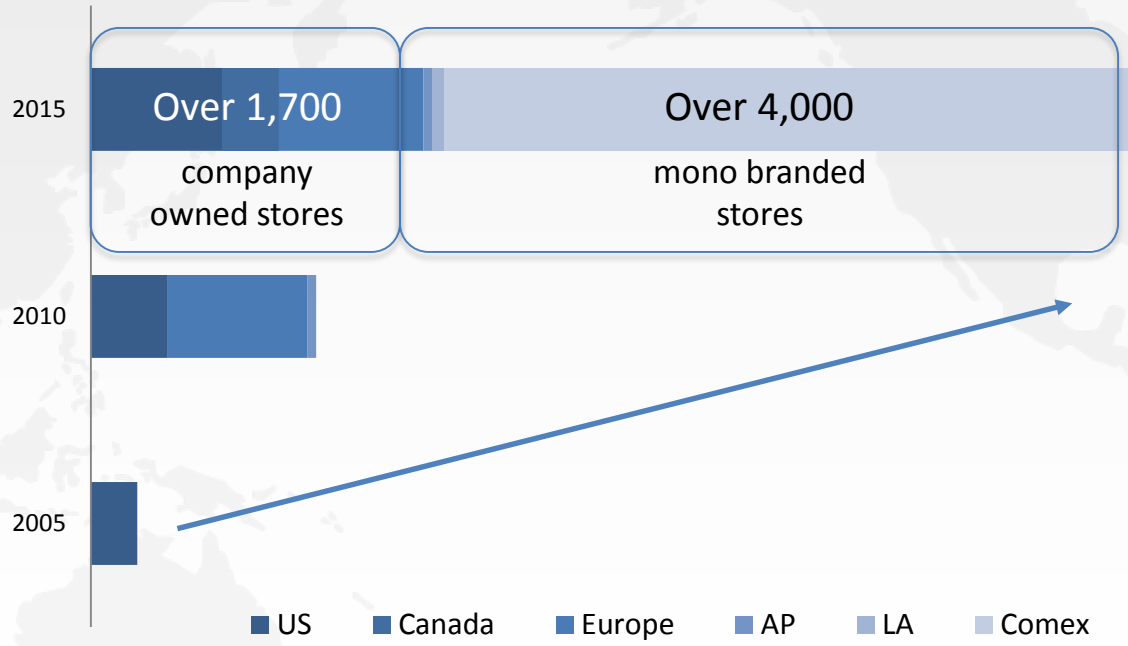
PPG participates in every region – still room to grow

Source
PPG Estimates, KNG, IRL, Orr & Boss

PPG Architectural Coatings

Building Global Network of Dedicated Stores

PPG Global Store Count



Over 5,700 dedicated stores

Source
PPG

Mexico Coatings Landscape October 2014

	Position based on Sales	Architectural ~$1.3B	Industrial ~$0.5B	Auto OEM ~$0.4B	Protective & Marine ~$0.3B	Refinish / Collision ~$0.2B	Packaging ~$0.1B
Comex	***#1***						
PPG	***#2***						
Sherwin-Williams	***#3***						
Axalta	***#4***						
BASF	***#5***						
Akzo Nobel	***#6***						
Valspar	***#7***						
Others		*Berel*	*Sayer Lack*			*Adhler*	

#1 Segment Position

#2 Segment Position

#3 Segment Position

No Meaningful Presence

Source
IRL, Orr & Boss & PPG

PPG

Operations Prior to Comex Acquisition

End-Use Markets

- Automotive OEM
- Industrial OEM
- Packaging

Primary Products

- E-coat
- Pretreatment
- Powder coatings
- Primers
- Top coats

Export

Serve South America as well



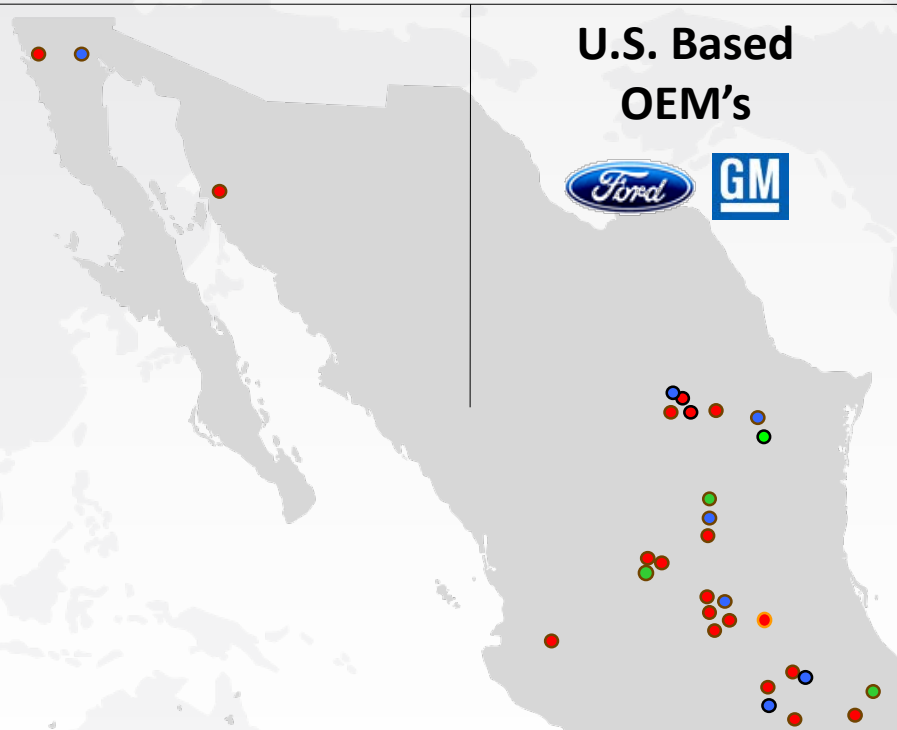




Strong relationship with multinational customer base

PPG

Mexico's Leading OEM Coatings Supplier



U.S. Based OEM's

Non-U.S. Based OEM's

Commercial OEM's

PPG well aligned to participate in rapidly growing vehicle OEM segment

9 new OEM plants announced or under construction

PPG

Now Mexico's Largest Industrial Coatings Supplier

Representation across a wide range of industries













Partners with many manufacturers in Mexico

Whirlpool HOME APPLIANCES · JOHN DEERE · CAT · GE · Schneider Electric

Ternium · Metalsa · SANLUIS RASSINI · VRK · mabe

MetoKote · BENTELER Automotive · PRIME WHEEL · CNH

Mexico Coatings Landscape June 2015

	Position based on Sales	Architectural ~$1.3B	Industrial ~$0.5B	Auto OEM ~$0.4B	Protective & Marine ~$0.3B	Refinish/ Collision ~$0.2B	Packaging ~$0.1B
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#1 Segment Position

#2 Segment Position

#3 Segment Position

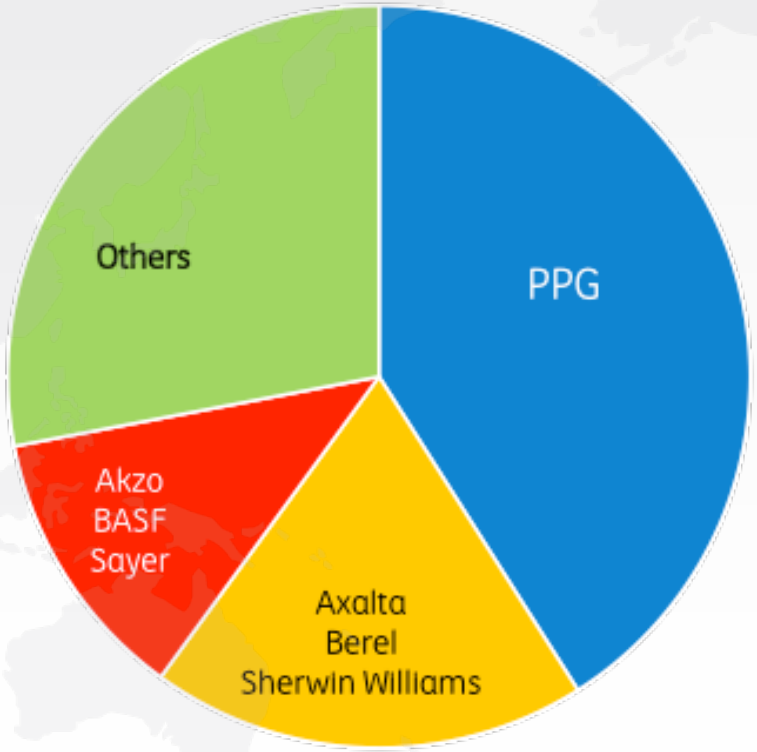
No Meaningful Presence

Source
IRL, Orr & Boss & PPG

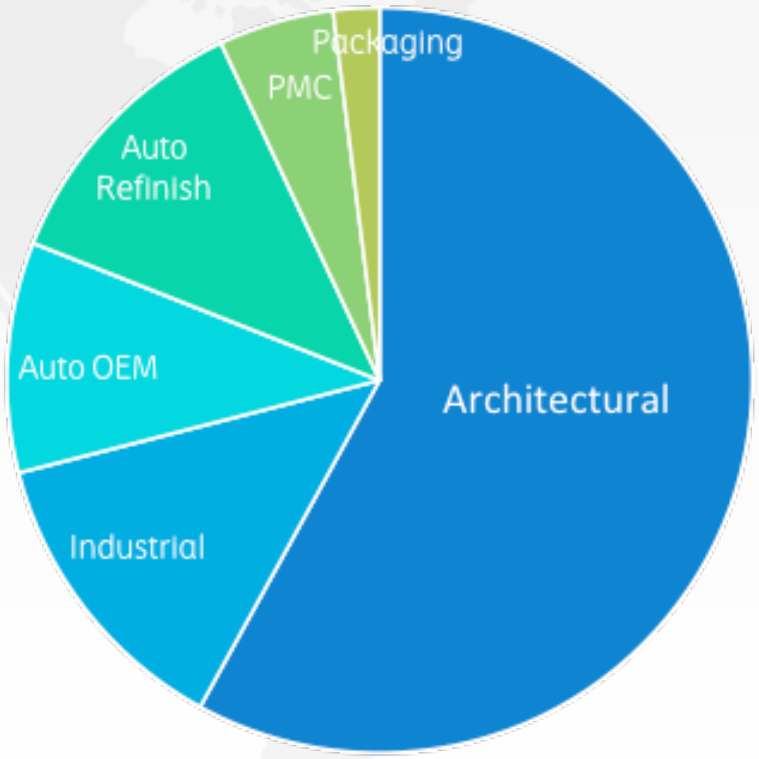
The Mexican Coatings Industry

$2.7B Sales Value

By Competitor



By End Use Segment



Comex acquisition provides PPG with access to largest end-use segment

Source
IRL, Orr & Boss, Forbes & PPG

02 Overview of Mexico



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Bringing innovation to the surface.™

Comex®







What is Mexico?

Video 1: Overview of Mexico

14th
largest economy
in the world

$1.2
trillion USD
gross domestic product

120
million
total population



Geographic logistic hub

27
years old
median population

57
population x Km2
population density

11th
largest population
in the world

Source
WowMexico

Mexico: A True Emerging Region

14th

Biggest economy in the world

Most important emerging market in Latin America
GDP average >3% in the last 3 years
10 year GDP CAGR of 5%



45 Free Trade Agreements

+25 more than the United States

Major player in many foreign markets
Largest trading partner with the USA
Some 6 million USA jobs depend on trade with Mexico



Mexico #1

Free trade manufacturing exporter to the US
Biggest importer and exporter in Latin America
80% of Mexico's exports are manufactured goods

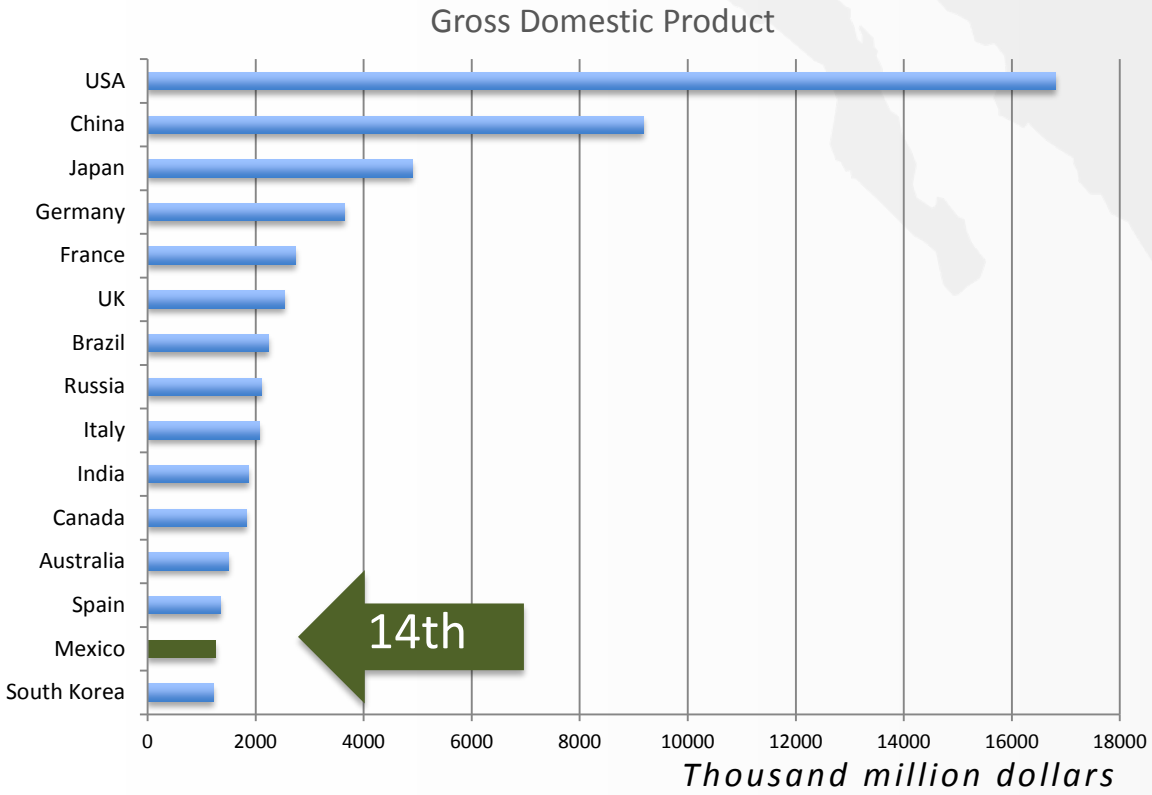


Source
WowMexico

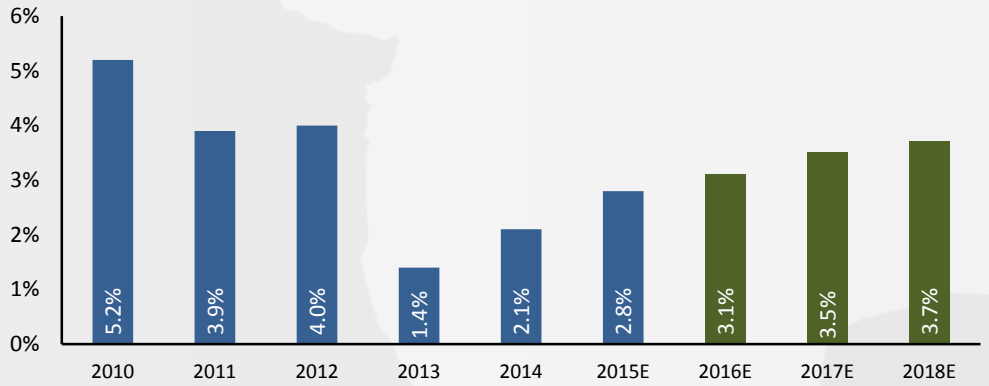
Mexico

One of the Worlds Largest Economies

Biggest Economies Worldwide



Real GDP Growth

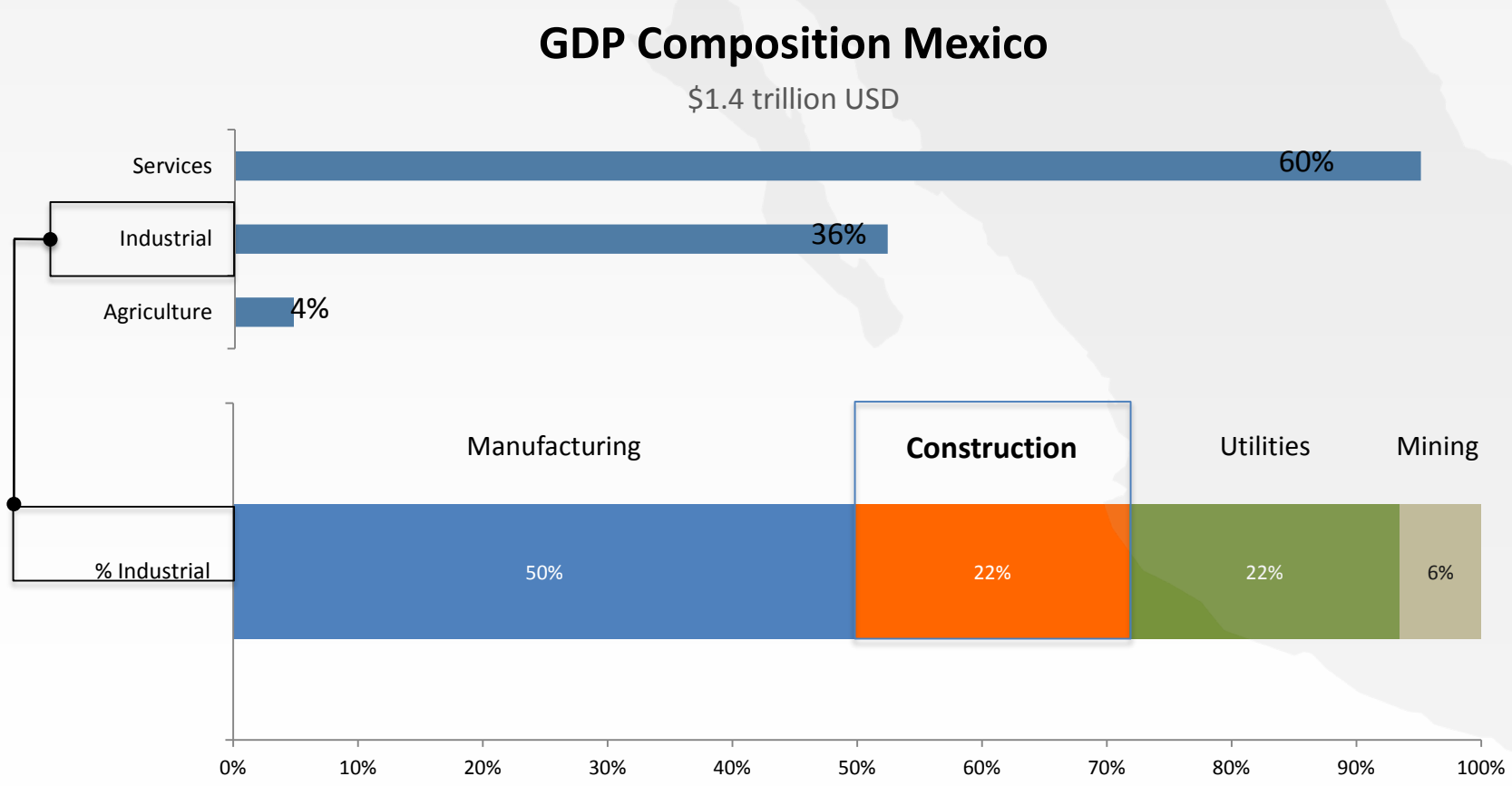


Goldman Sachs projects Mexico as the 5th largest economy by 2050

Source
HSBC, Accenture

Mexico

Components of GDP



Mexico's industrial sector is driving GDP growth

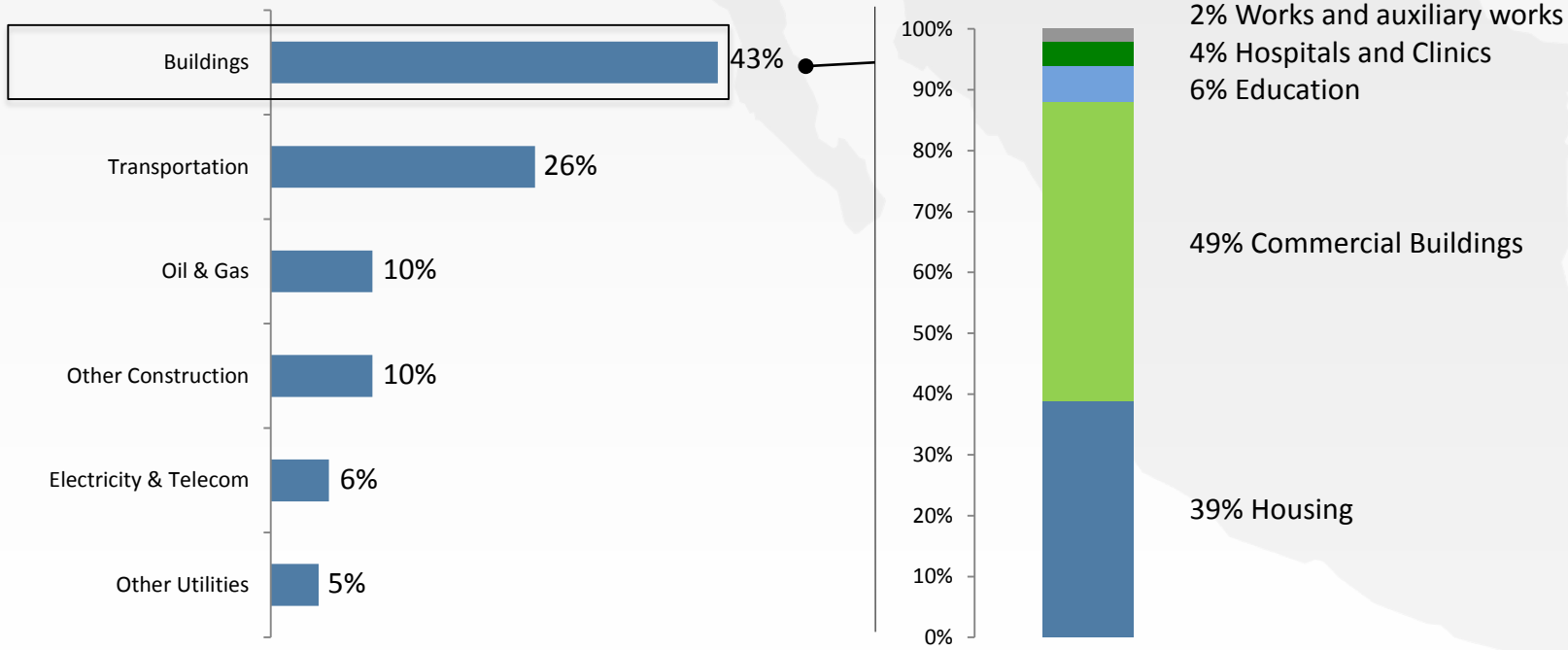
Source
The World Bank, IMF

Mexico

Components of GDP

Components of Construction GDP

$110 Billion USD



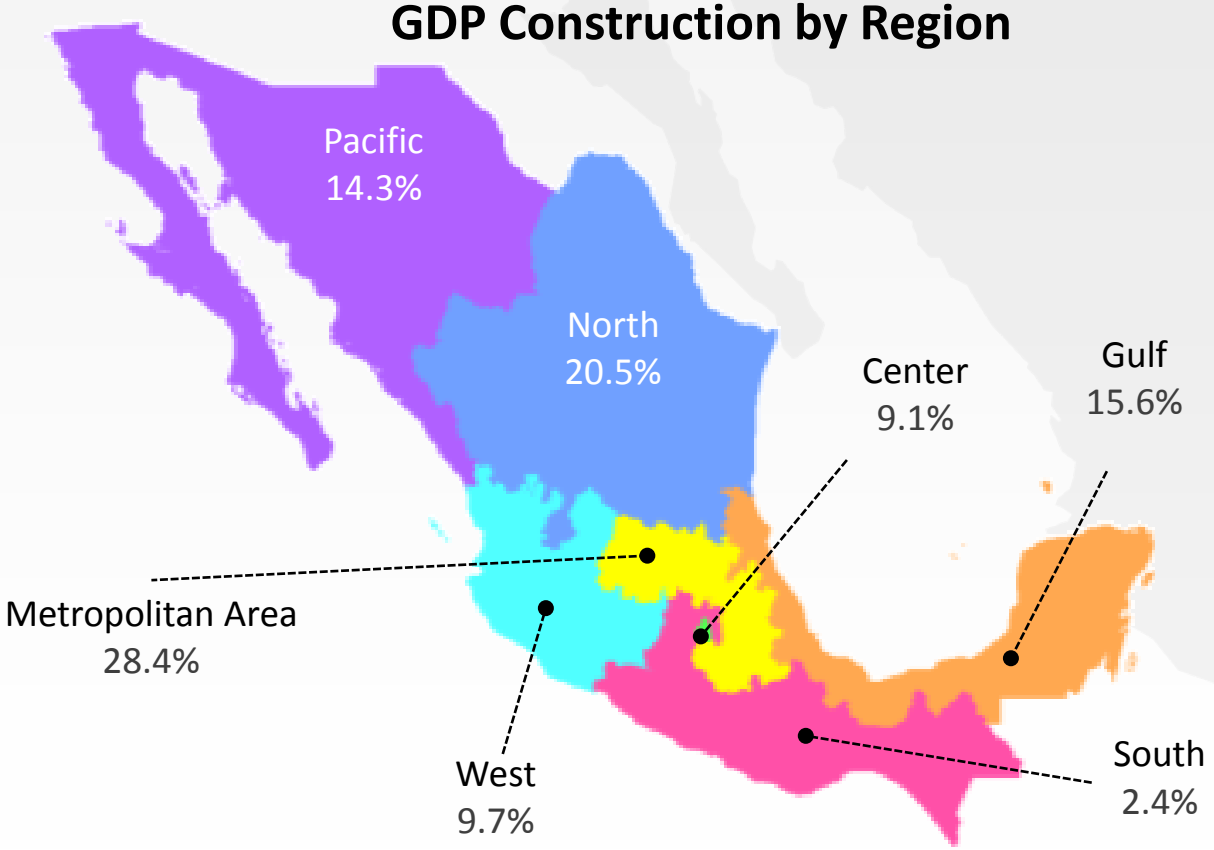
Housing and Commercial segments account for 90% of the building GDP

Source
The World Bank, IMF

Mexico

Components of GDP

GDP Construction by Region



The North and Metro area currently account for 50% of construction GDP

Source
The World Bank, IMF

Mexico

Already Home to the World's Largest Companies



OXXO is a chain of convenience stores from Mexico, with over 11,000 locations.

Bimbo is a Mexican multinational bakery product manufacturing company, It operates the largest bakeries in the USA, Mexico and Spain.

Cemex is a Mexican multinational building materials company, It is the second largest building materials company worldwide.

Peñoles is the second largest Mexican mining company, the first Mexican producer of gold, zinc andlead and the world leader in silver production.

Televisa is a Mexican multimedia mass media company and the largest Spanish-speaking network in the world.

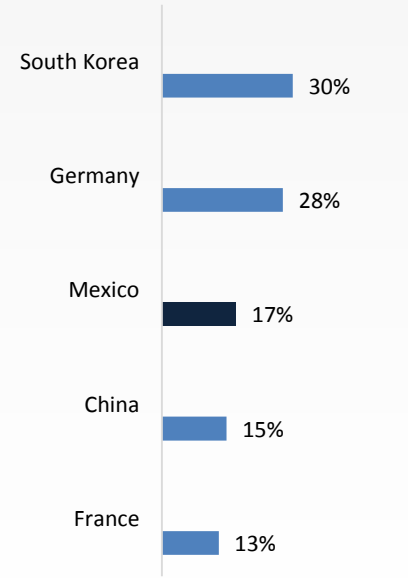
FEMSA is a Mexican multinational beverage and retail company. It operates the largest independent Coca-Cola bottling group in the world.

América Móvil is a Mexican telecommunications company, one of the largest corporations in the world.

Mexico

High Technology Manufacturer

Manufactured Goods of Medium and High Technology % of GDP



Aerospace



Mexico is the 6th largest supplier in this industry

Mexico has 270 factories in the aerospacial industry

Cost 16% below the US

Automotive



Mexico is the 8th Largest producer of vehicles in the world

Is now the 4th largest exporter of new vehicles in the world

89 out of a 100 of the most important automotive parts companies in the world have a productive presence in Mexico

Electric & Electrical Appliance



Mexico is the 6th largest exporter of these goods in the world

Mexico offers 15% lower costs comparing to the US in the electric assembly market

Medical Devices



Most important exporter in Latin America

Major supplier in the medical devices industry in the US

Mexico has strong alignment with high technology industries

Source
The World Bank

Mexico

Attracting International Investment (2014-now)

Automotive News

WEDNESDAY, MAY 27, 2015 | FORMER SUZUKI DEALERSHIP IN MISSOURI WINS RIGHT TO ARBITRATE I...

Automotive Social Media Summit

Featured Speaker Chris Brull Vice President - Marketing

Home Cars & Concepts OEM/Suppliers Dealers Access F&I Opinion Newscasts Data Ce

MANUFACTURING GENERAL MOTORS

GM to double Mexico production capacity, invest $3.6 billion in plants

93 Comments Print Reprints Respond



GM de Mexico's Ernesto Hernandez: New investments will generate 5,600 jobs.

Related Downloads

GM de Mexico statement

From staff and wire reports

December 11, 2014 - 2:22 pm ET -- UPDATED: 12/11/14 4:16 pm ET - adds details, statement

MEXICO CITY (Reuters) -- General Motors plans to invest $3.6 billion in Mexico to double its production capacity at its plants around the country, officials said today.

Ernesto Hernandez, managing director for General Motors de Mexico, said GM is planning to make the investments through 2018 -- on top of $1.4 billion already invested in the past two years.

"With this investment, General Motors will double its production capacity of vehicles, engines and transmissions," Mexican Economy Minister Ildefonso Guajardo said during an event here earlier today.

The investment will be directed toward expansion projects at GM's four manufacturing complexes in Mexico, the modernization of production lines, and technological advances in autos and auto parts, Hernandez said.

The four complexes are in the states of Coahuila, San Luis Potosi, Mexico and Guanajuato

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McDonald's to Stop Reporting Monthly Sales Data

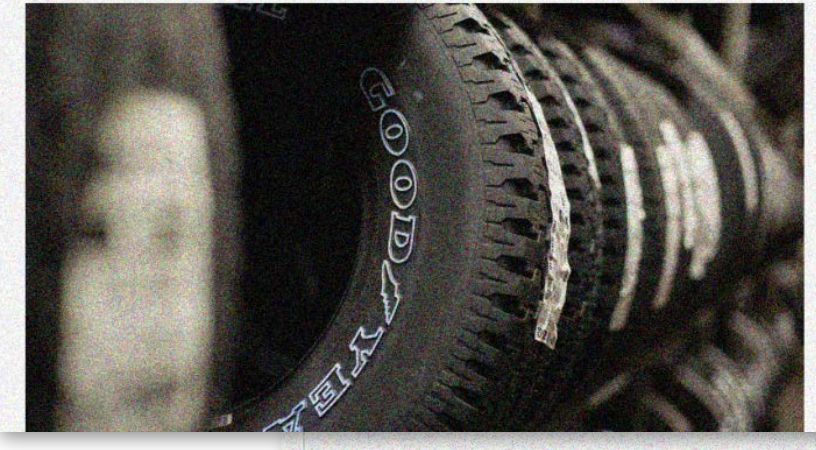
Google's Search for Platforms on Display

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BUSINESS

Goodyear to Invest $550 Million in New Plant in Central Mexico

Represents latest in string of investments in country's booming auto sector



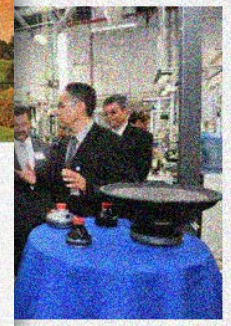
ENCORE Resort Homes at REUNION
Orlando, Florida
5-13 bedrooms from the mid $300s

Mexico News Daily | Thursday, May 14, 2015

The Mexican division of the German manufacturer Bosch will invest US $142 million in new plants and upgrades this year.

Robert Bosch México is going to move the manufacture of water heaters, previously carried out in China, to a new $7-million factory in Tepozotlán, State of México, said president René Schlegel at a press conference.

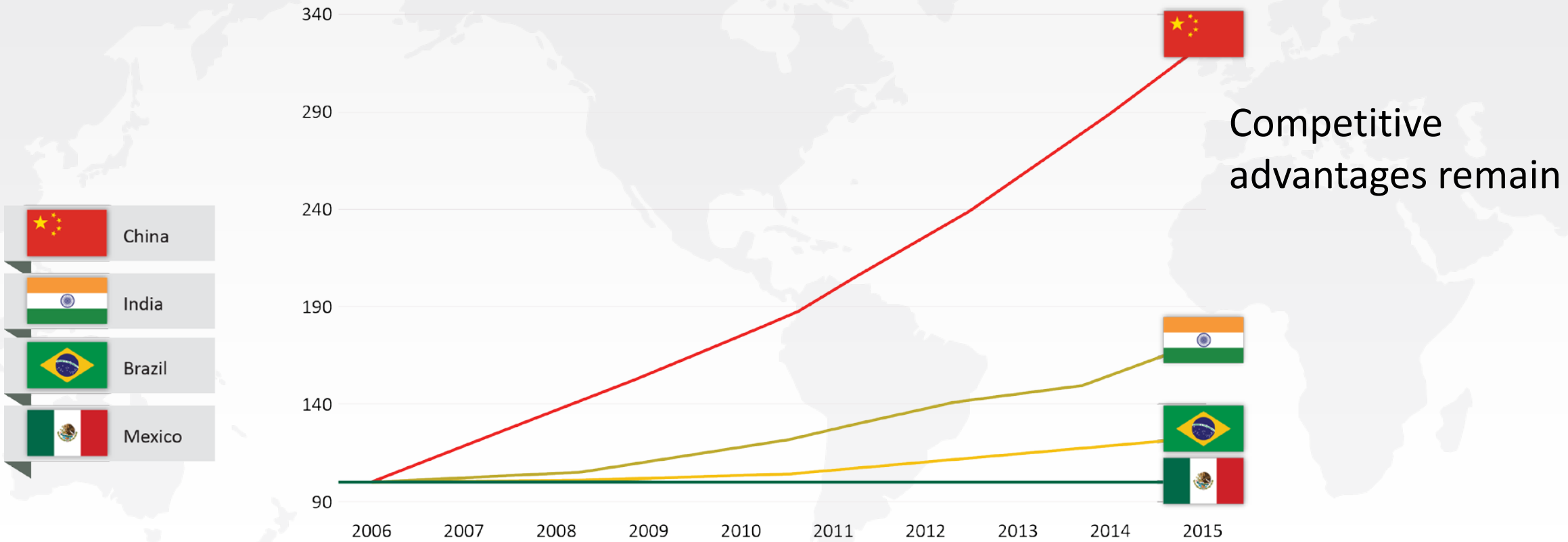




Hermosillo two weeks ago. VALLE DEL MAYO

Labor Inflation Much Lower Than Other Emerging Nations

Labor Cost Inflation Index

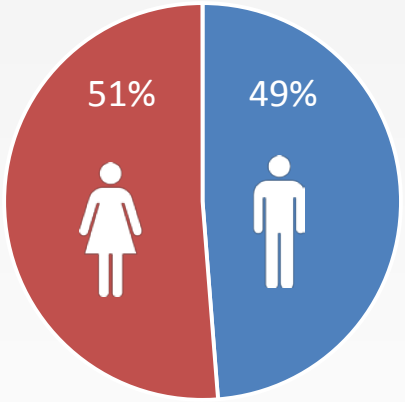


Competitive advantages remain

Source
Trading Economics

Mexican Demographic

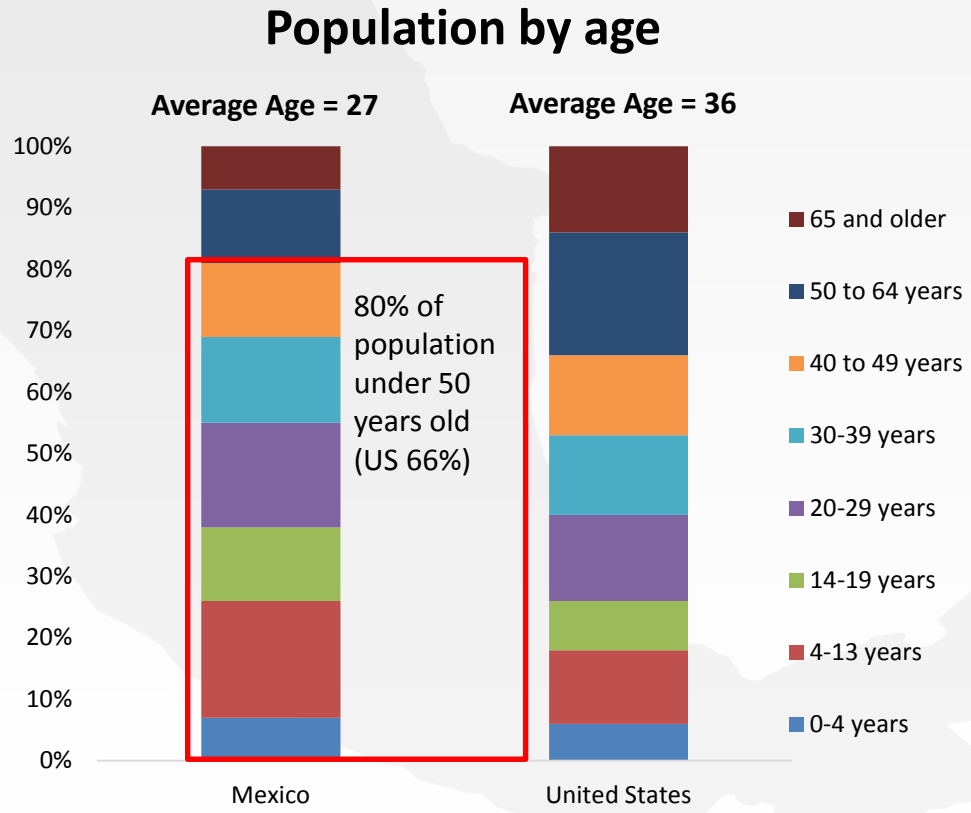
Younger Demographic Drives Household Formation and Paint Demand



~120 MM people

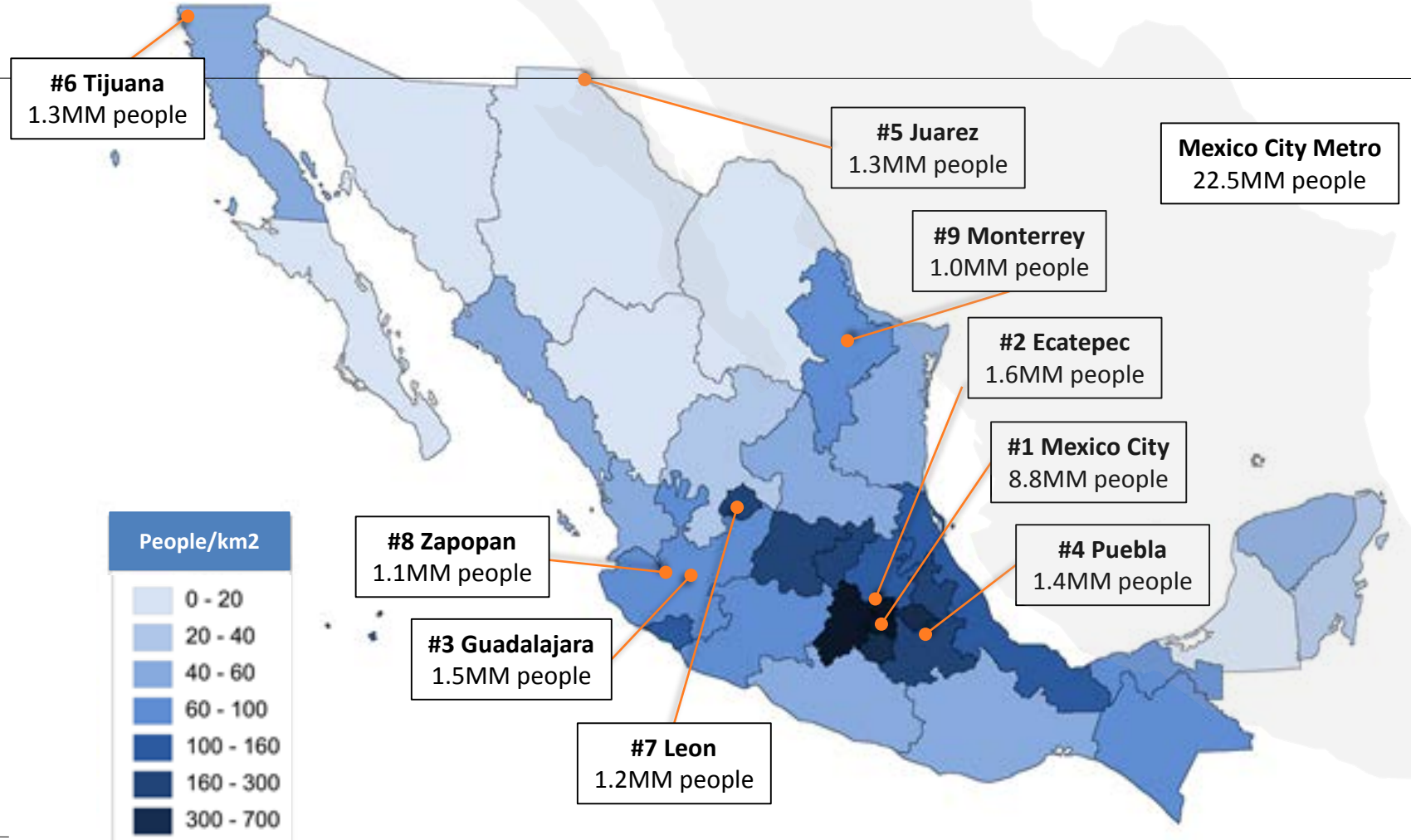
30.7 MM households

	Mexico	USA
Age of Head of Household	48.5	49.5
Workers within a home	**1.7**	**1.2**
Individuals per home	**3.9**	**2.6**
Population Growth (4 year CAGR)	**1.0%**	**0.7%**
GDP per capita ($MM)	$10,307	$53,000



Source
BIMSA, USDA Foreign Agriculture Service

Mexico's Largest Population Centers



Population density concentrated in Central Mexico

Largest U.S. cities
(MM people)

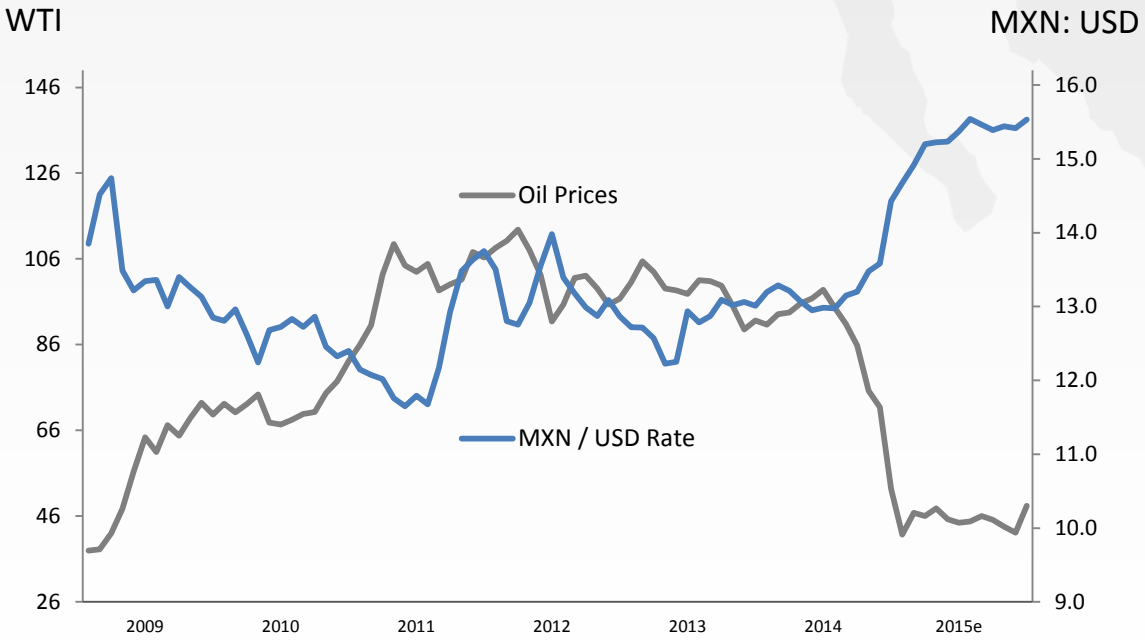
New York	8.5
Los Angeles	3.9
Chicago	2.7
Houston	2.2
Philadelphia	1.6
Phoenix	1.5
San Antonio	1.4
San Diego	1.4
Dallas	1.3

Source
INEGI

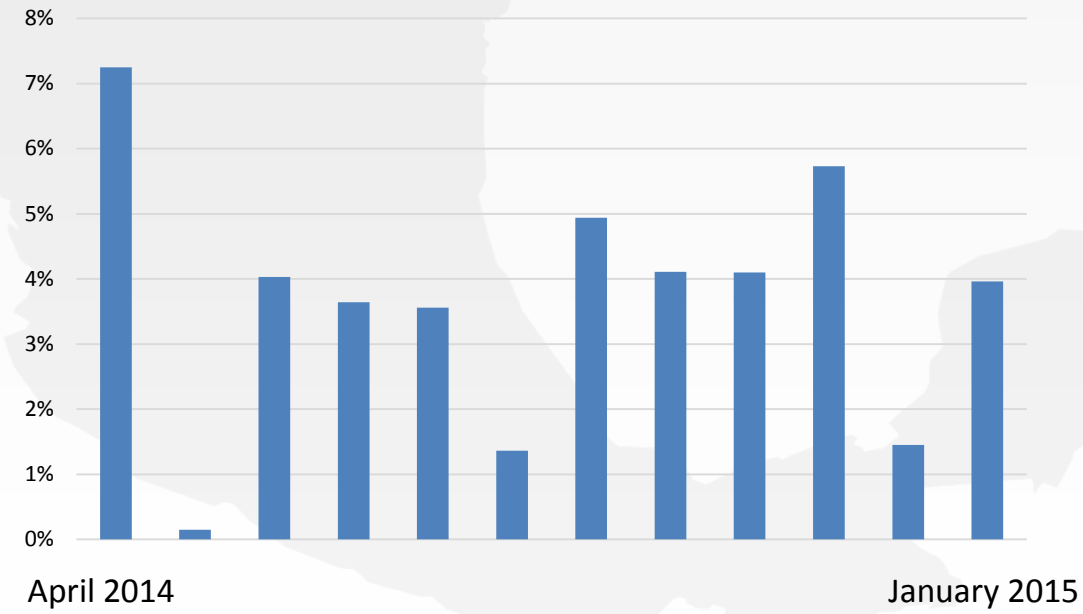
Mexico

Macroeconomics Statistics

Lower Oil Prices are partially mitigated by weaker Peso…



…and growing manufacturing output (manufacturing vs prior year)

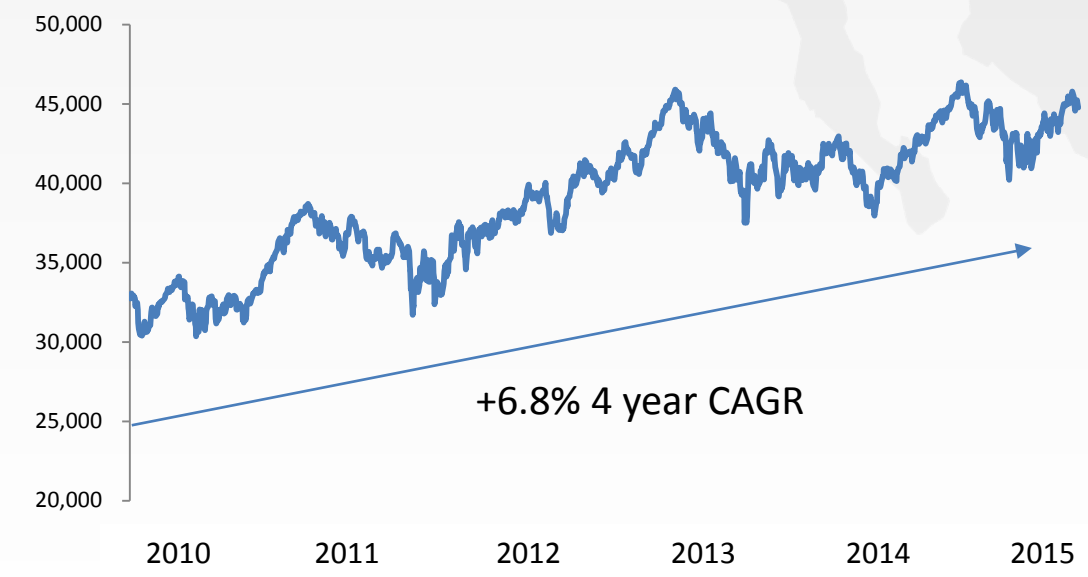


Source
Forecast CAPEM

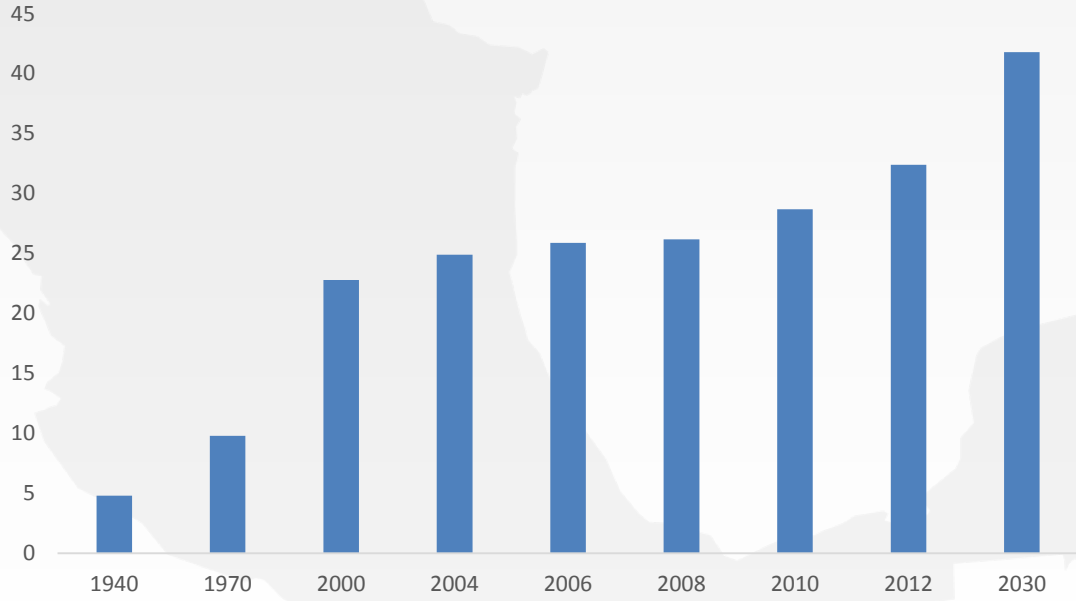
Mexico

Macroeconomics Statistics

The drivers for economic growth remain strong (Mexican Stock Market)



Household formation continues to strengthen

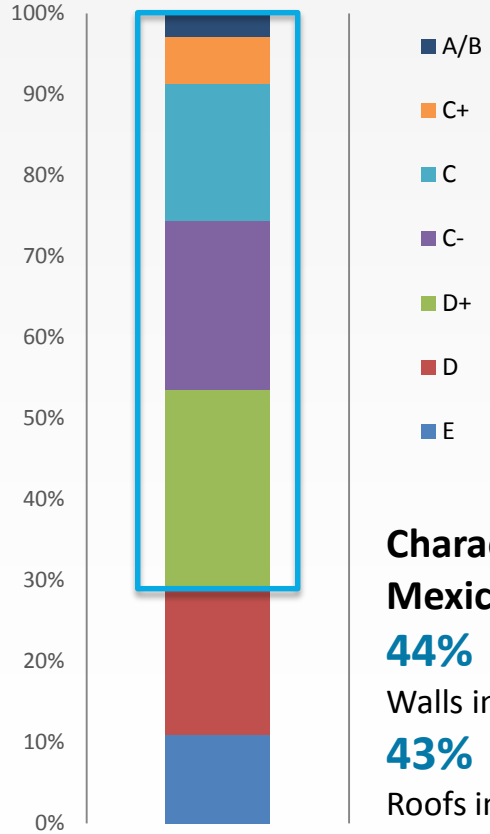


Number of Households (mm)

Source
Forecast CAPEM

Mexican Housing Various Classes

Over 70% is Addressable for Comex Architectural Coatings



Characteristics of Mexican Homes

44%
Walls in need of repair

43%
Roofs in need of repair

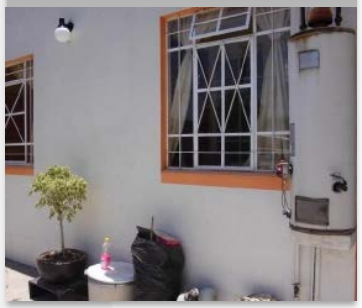
A/B
Upper Class



C+ Upper Middle Class



C
Middle Class



C-
Low Middle Class



D+
Low Class



D
Lower Class

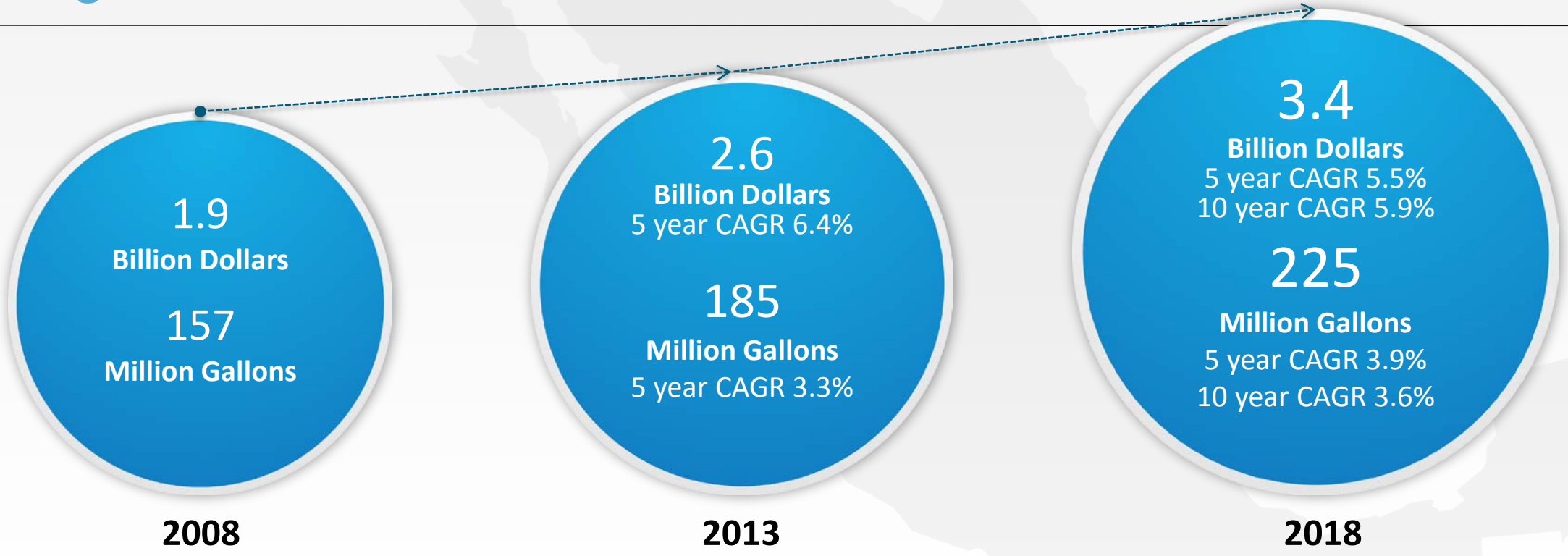


E
Extreme Poverty



Mexico Coatings

Strong and Consistent Growth



Source
Orr and Boss

Comex consistently outpacing overall market growth

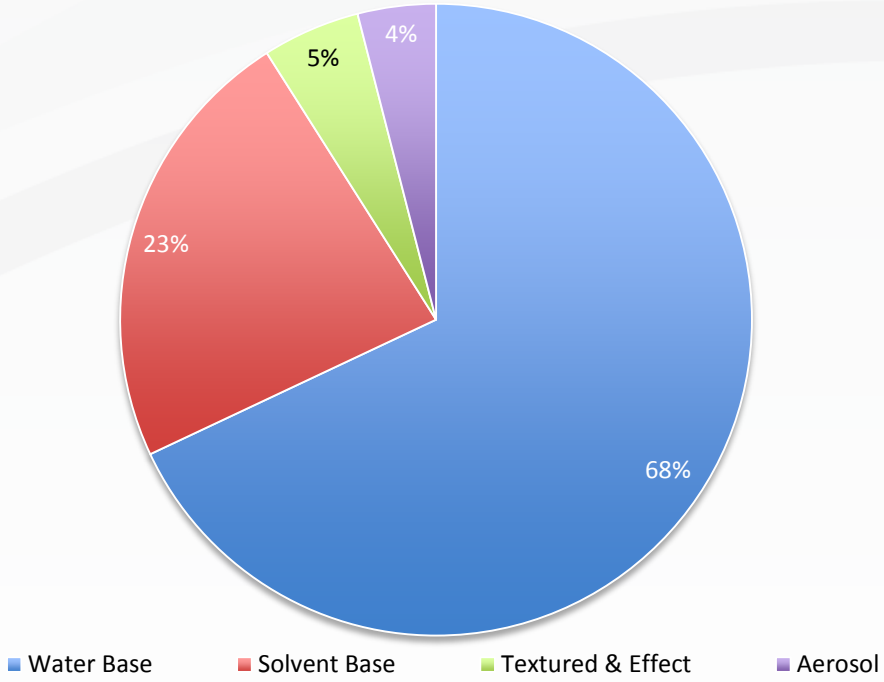
03 Mexican Architectural Coatings

PPG Industries
Bringing innovation to the surface.™

Comex®

Mexico Architectural Coatings

A $1.3B USD End Use Segment



Region	Architectural Coatings CAGR (2010-2014)
Mexico	+5%
United States	+4%
Brazil	+2%
France	+2%

Strong Mexican architectural growth supporting multiple technologies

Source
INEGI and ANAFAPYT, does not include waterproofing and wood products, KNG, PPG estimates

Architectural Coatings

Competitive Landscape in Mexico: **Market Size $1.3B**

Company	Description	Store Count
Comex	•Leader in the coatings industry •Largest exclusive retail network •Nationwide presence	3,850
Berel	•Large architectural coatings manufacturer in Northern Mexico •Home Depot presence	160
Sherwin Williams	•Company-owned store network •Presence in architectural, light/heavy industrial, and wood coatings	260
Pinturas Acuario	•Strong presence in central region - ~135 third party stores	275
Prisa Pinturas	•Strong presence in the Southwest - 110 stores in the Southwest - 70 stores in Jalisco (Guadalajara metro region)	180
Pintu Sayer Pinturas	•136 third party stores in the central region •*Store network consist of multi-branded distributors	635*

Top 3 represent 70% of the market

Source
PPG estimates

Mexican Architectural

Competitive Product Offerings

	Product Offering	Architectural Paint						Industrial Coatings		
		Water Borne	Enamels	Aerosols	Texture	Adhesives	Wood Products	Anti-graffiti	Protective & Marine	Fire Retardants
Leaders	Comex	■	■	■	■	■	■	■	■	■
	Berel	■	■		■		■		■	
	S. Williams	■	■	■	■	■	■	■	■	■
Participants	Prisa	■	■	■		■	■		■	
	Acuario	■	■	■		■	■		■	■
	Casther	■	■				■			
	Sayer	■	■	■	■	■	■	■	■	■
	Osel	■	■		■		■	■	■	■

Full participation across all product categories

Mexico Architectural Coatings

End Use Channels

Paint stores largest channel; 3-4x gallonage growth vs other channels



Paint Stores / Concessionaires



Direct Sales (through stores)



Supermarkets / Home Centers

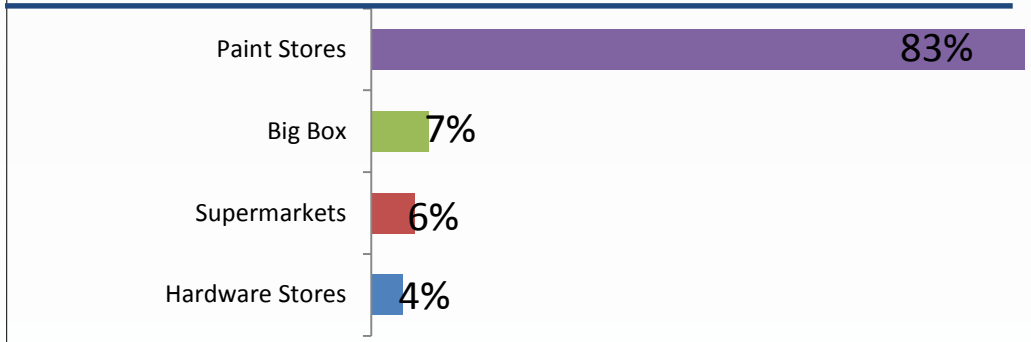


Hardware Stores

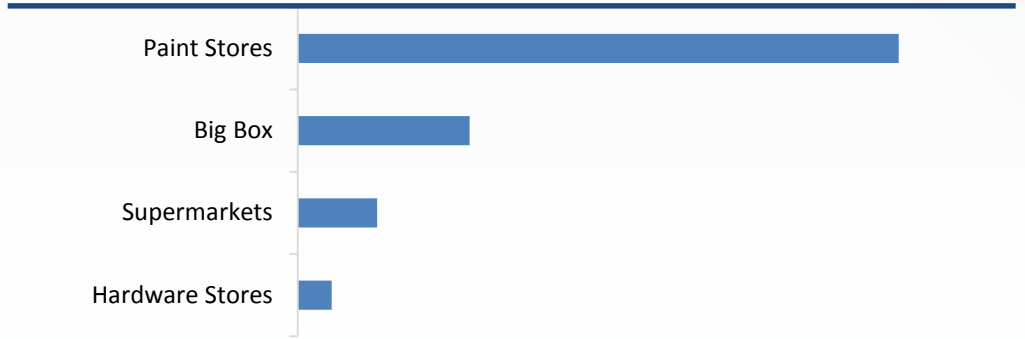


Big Box

Sales Dollars per Channel



Channel Growth – Liters (2011-2014)



Source: PPG Estimates

Architectural Coatings

Mexican End Use Customer

Specialized Service is required to meet varied customer needs



Residential

25%

- ✓ Colors and Trends
- ✓ Decoration
- ✓ Inspiration
- ✓ Promotions



Painters and labor related

45%

- ✓ Certification
- ✓ Training
- ✓ Carpenters



Construction related

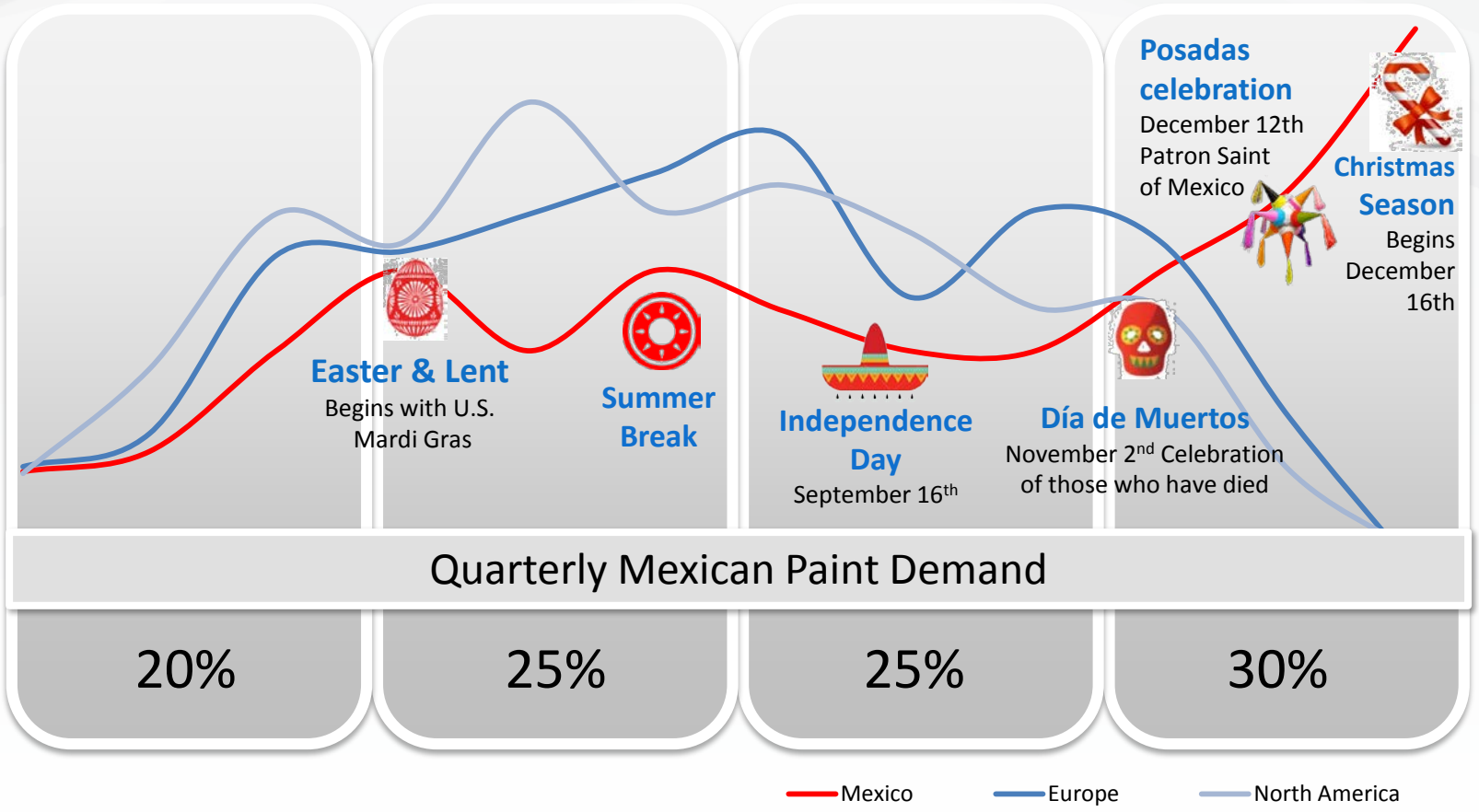
30%

- ✓ Service
- ✓ Products
- ✓ Segments

Source: PPG Estimates

Mexican Holidays

Drive Paint Demand / Seasonality of Sales by Quarter



Cyclicality of paint demand much different than US

Source
PPG Estimates

Architectural Coatings

Mexico Attributes

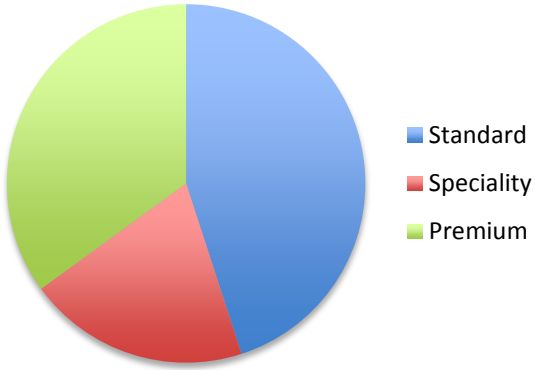


Residential 75%

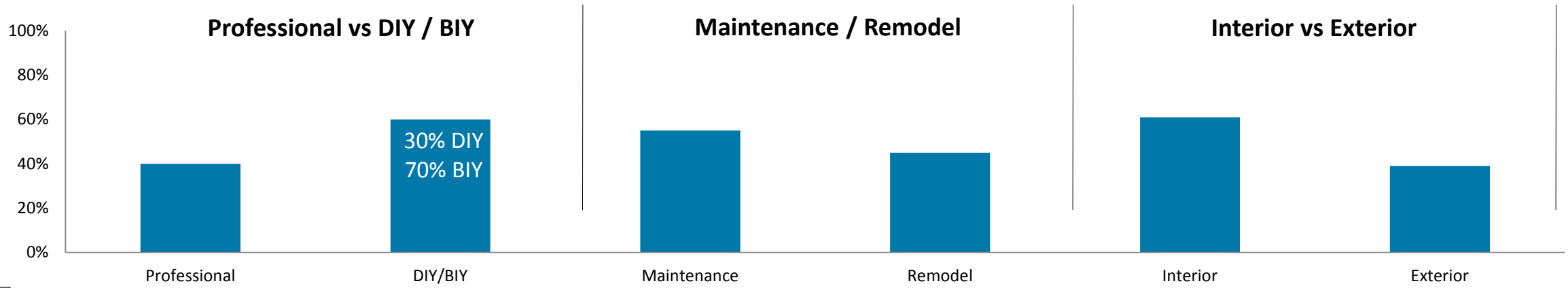


Commercial 25%

Paint Grade



Standard	$6-10/Gallon
Specialty	$11-15/Gallon
Premium	$23-28/Gallon

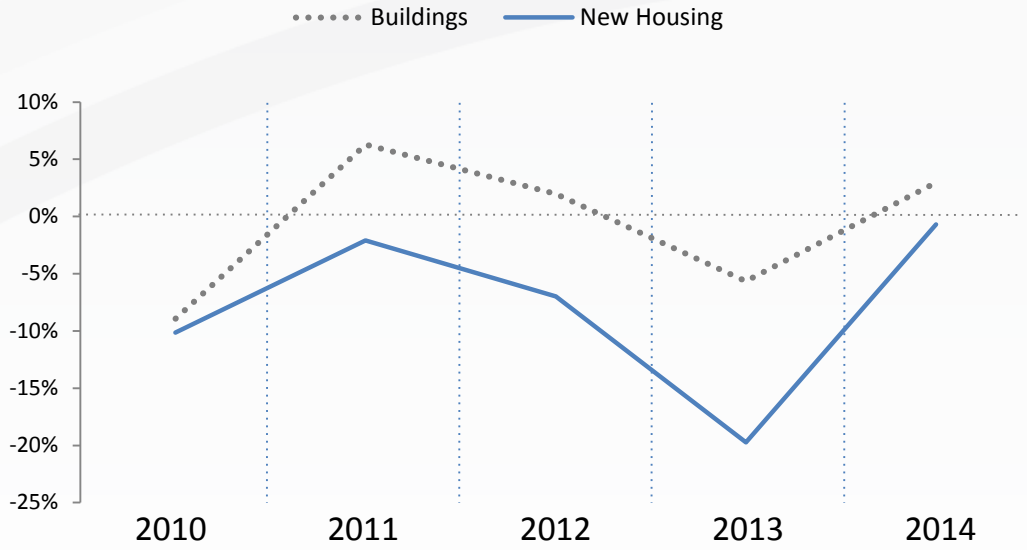


Source
PPG Estimates, KNG, IRL, Orr & Boss

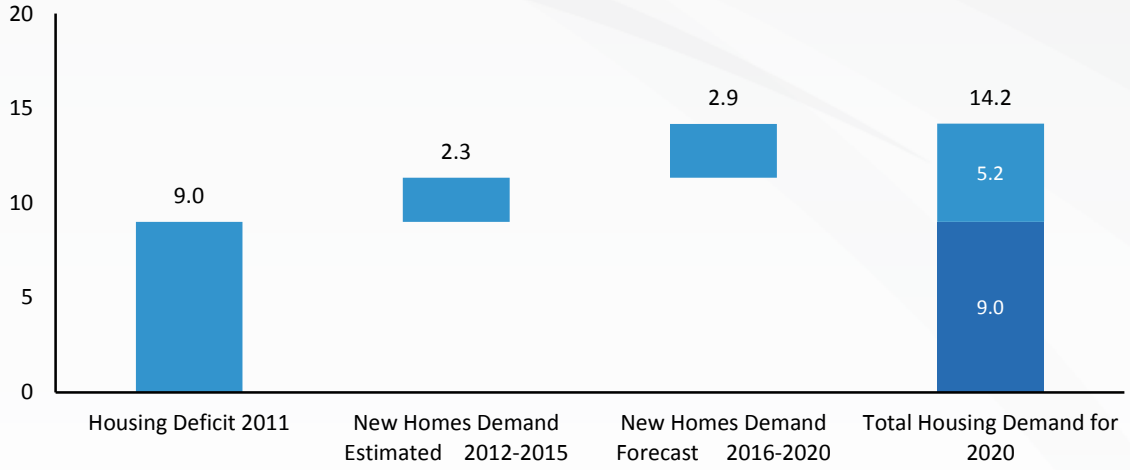
Mexico

Industry Fundamentals

New housing recovery in 2014…



…leading to strong housing demand (320k units in 2015)



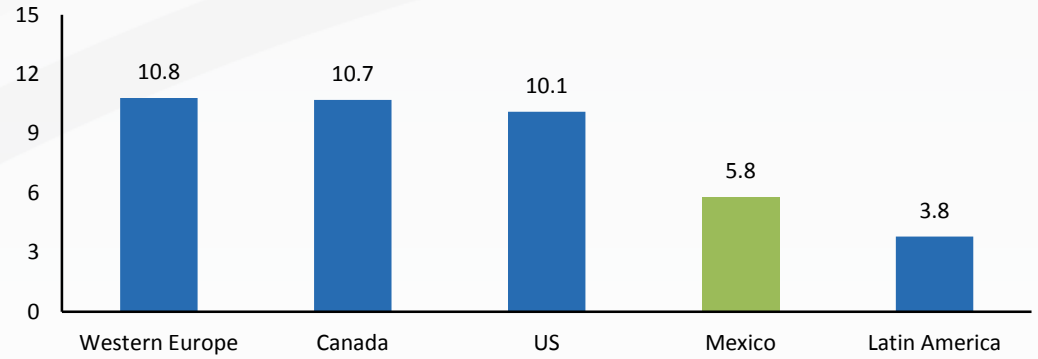
Source
PPG Estimates, KNG, IRL, Orr & Boss

Mexico

Industry Fundamentals

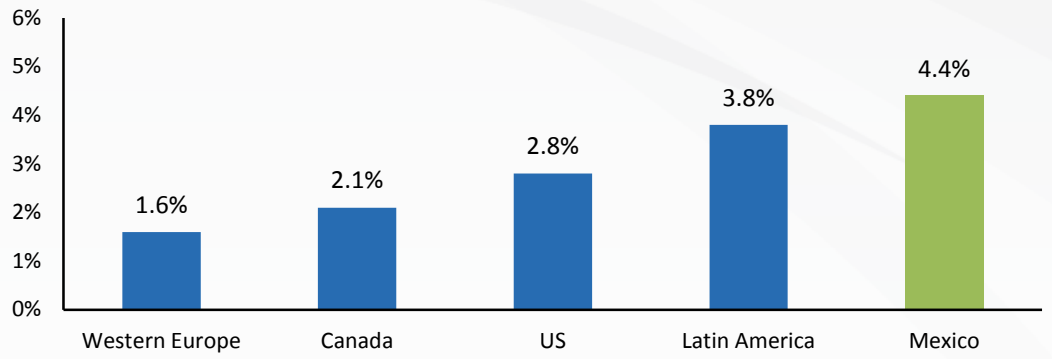
Low paint consumption/capita and increased housing…

2013 Kg / Capita



…suggest strong demand for paint consumption in Mexico

2013-2018 Volume Demand Forecast CAGR



Increasing per capita consumption is a driver for future growth

Source
INEGI, 2014

04 Overview of PPG Comex



PPG Industries
Bringing innovation to the surface.™

Comex®







Video 2: Comex Overview

What Makes Comex Unique



I. Company DNA

II. Brand Strength

III. Product Portfolio & Innovation

IV. Operational Excellence

V. Comex Talent

VI. Business Model

What Makes Comex Unique

Uniquely positioned to meet all the needs of our concessionaires and customers

DEEP DIVE
LOS CABOS 2015

I. Company DNA

- ✓ Philosophy
- ✓ Vision / Mission
- ✓ Values
- ✓ Culture
- ✓ Social responsibility



PPG Comex

The Company History

40's

Acquisition of **El Gallito** and **El Paso del Valle** hardware stores



50's

Comex is created



60's

Develops exclusive distribution network



70's

National market leader with a retail network of 800 stores



80's

Creation of training area
Acquisition of **Empresa Aga** (waterproofing)



90's

Acquisition of **AP Resinas** (resins)
General Paint Brochas Exito (sundries)
PPI in the US



'00-'04

Opening of **Distribuidora Kroma**

Exclusive licensing agreement with **Amercoat** Industrial specialties
Expansion to **Central America**
Joint venture **AkzoNobel** automotive



'05-'12

Acquisition of:
Color Wheel in USA
PARA and Crown in Canada
Joint venture **Lafarge** (Kemzus)
Acquisition of **Laurentide** (Canada)
Khral (powder coatings)

Laurentide paint
PEINTURES PARA PAINTS
KRHAL Powder Coatings

'12-'14

Comex business in USA and Canada was sold to Sherwin-Williams
PPG Industries adquisition of Comex Group was completed in Nov 2014

Juntos somos más fuertes

Comex

Origin

Concessionaires Network Development

Diversification / Organic Growth

Vertical Integration

International Expansion

New Segments



PPG Comex

Our Mission

Brand Mission

Enrich the every day quality of life
by preserving, protecting and beautifying
the world we live in





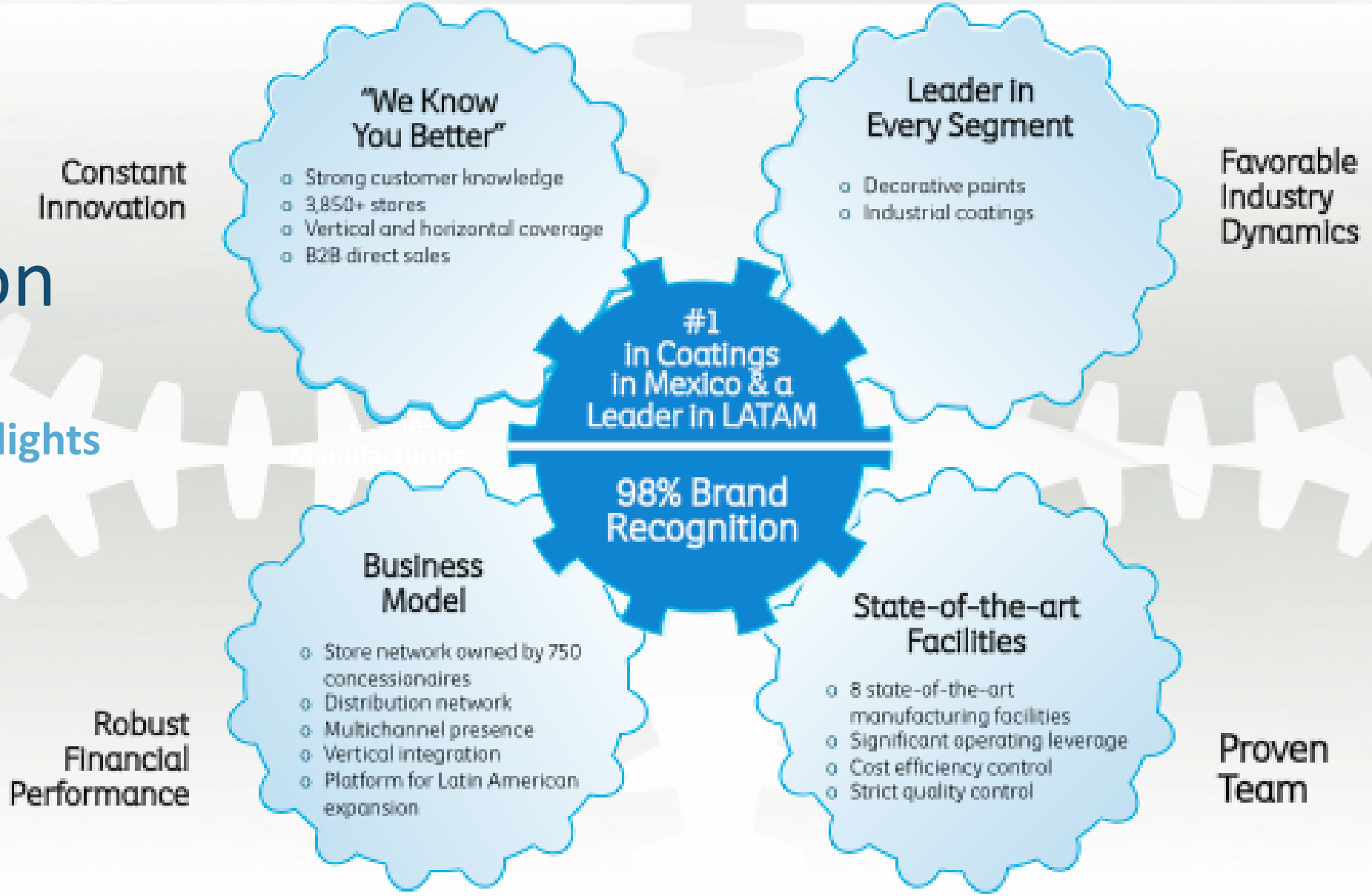


Comex Values

- ✓ Integrity
- ✓ Service
- ✓ Innovation
- ✓ Intelligence
- ✓ Passion
- ✓ Profitability
- ✓ Community
- ✓ Social Commitment
- ✓ Sustainability

PPG's Acquisition of Comex

Investment Highlights









Beautifying and Protecting

Video 3: Comex Products - Wide Range of Uses

What Makes Comex Unique

Uniquely positioned to meet all the needs of our concessionaires and customers

DEEP DIVE
LOS CABOS 2015

II. Brand Strength

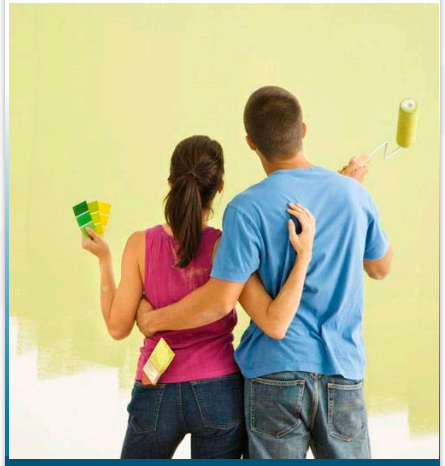
- ✓ Positioning
- ✓ Communication
- ✓ Top of mind
- ✓ Awareness
- ✓ “Love Brand”



Marketing and Branding

Strategy

Branding



PPG Comex has been largely successful in creating a **strong emotional connection** with its customers

The Best Product



We are committed to offer **the best performance in the industry** as well as the best assortment and specialization

Innovation



PPG Comex believes in **constant innovation** as the basis for its competitive differentiation

Purchase Experience



PPG Comex strives to create an **enjoyable purchase experience** for its customers as it relates to its stores, product offering and other services

Color

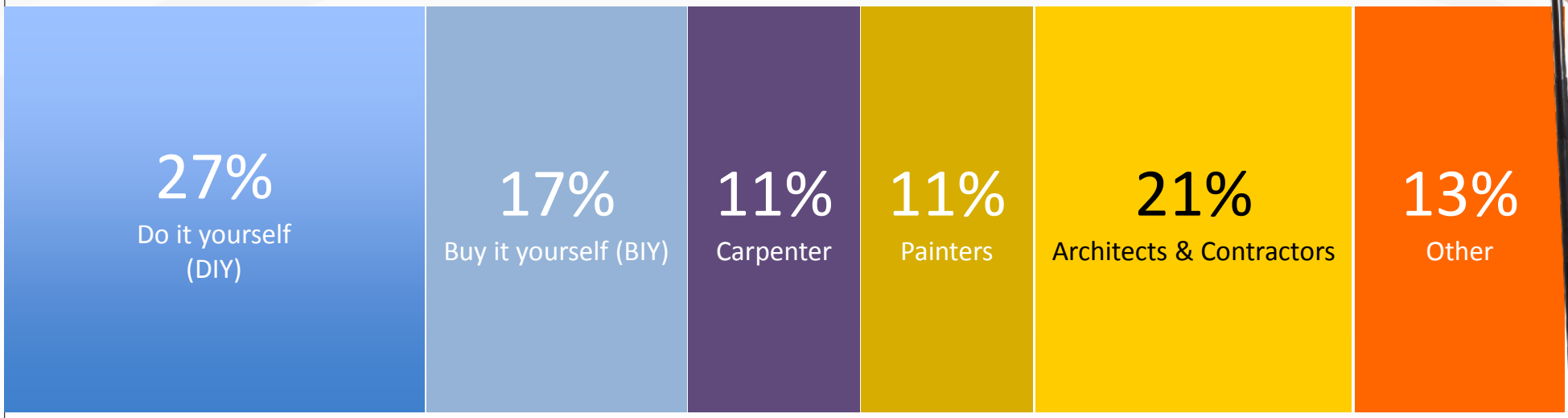


PPG Comex promotes **the use of color as it adds value** being the link between paint and decoration

Marketing and Branding

Strategy ○ ●

Customer Profile - Comex





Source
PPG Estimates

Our Brand Health

Exceptional Brand Awareness

Comex®

Juntos embellecemos y protegemos la vida

	2013	2014
Brand Awareness	97	98
Innovative	70	74
High Technology	70	74
Expert	71	75
Reliable	71	74
Leader	72	76
Modern	69	72



Decision Makers

- ✓ "Classic" brand with strong presence and bonding
- ✓ High market share increase potential
- ✓ Branding is the key factor in choosing paint brands



Painters

- ✓ Leader in its categories
- ✓ Strongest brand in terms of loyalty and attractiveness
- ✓ Presence is a key strength



Communication Pillars

Video 4: Our Brand

Our Brand

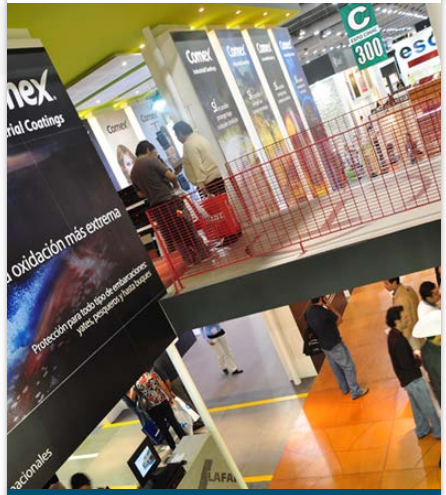
Building and Key Initiatives

Decoration & Color



- ✓ Advertising and PR campaigns
- ✓ Digital platforms (web-based, social)

Trade Shows & Show Rooms



- ✓ Exclusive Comex Expos
- ✓ Proprietary show rooms

Sponsorship & Event Marketing



- ✓ Sports marketing platforms

Corporate & Social Responsibility



- ✓ Housing & financial aid via Pro-Viva
- ✓ Jobs & professional development via Pro-Empleo
- ✓ Sustainability program

Comex División Profesional



- ✓ Contractor loyalty programs
- ✓ B2B roadshows and events





Advertising and Commercials

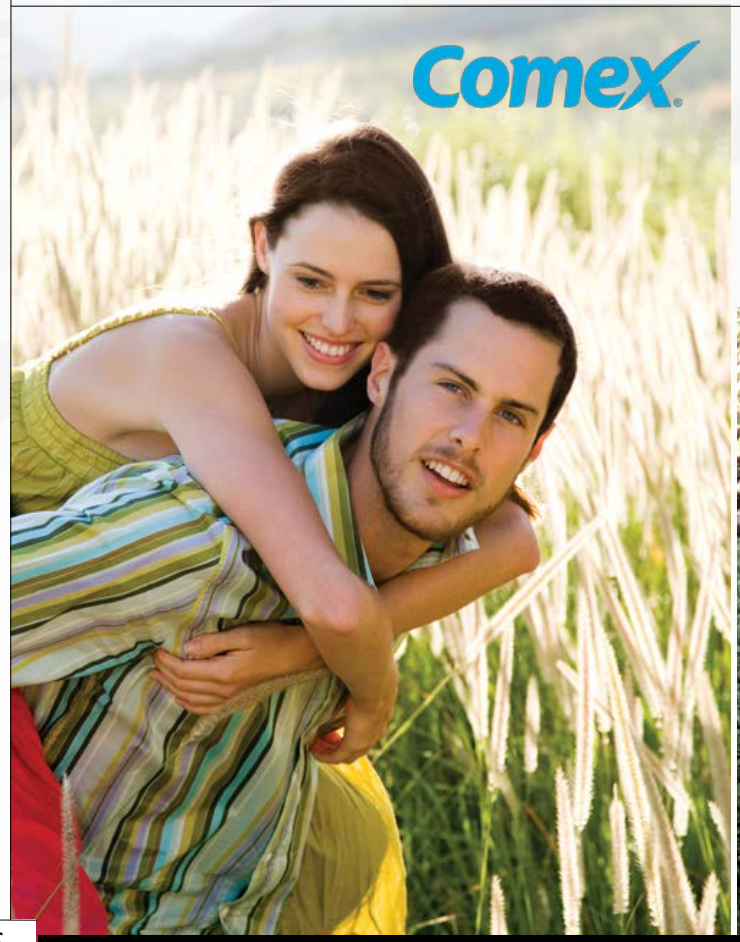
Video 5: Our Television Spots

[Chefs]

[Barber]

Brand Intimacy

Branding



PPG Comex has been largely successful in creating a strong emotional connection with its customers





















Brand Intimacy – Our Painters

Video 6: Painters Day

What Makes Comex Unique

Uniquely positioned to meet all the needs of our concessionaires and customers

DEEP DIVE
LOS CABOS 2015

III. Product portfolio & innovation

- ✓ R&D
- ✓ Gold Standard
- ✓ Sustainability
- ✓ One Stop Shop Responsibility



R&D Initiatives

Internationally Recognized



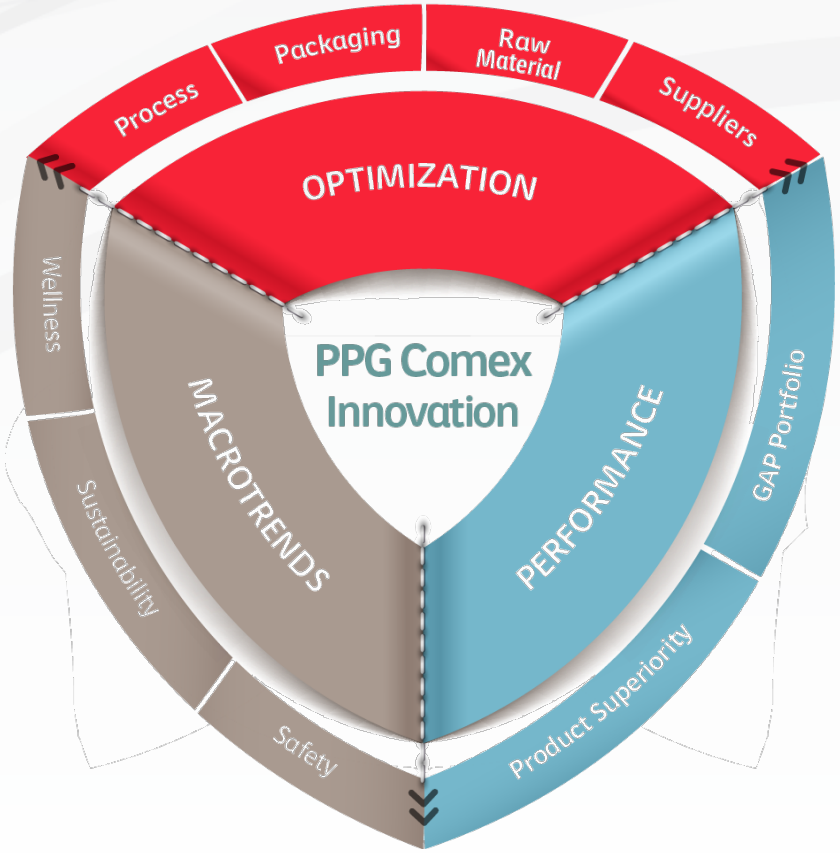


- ✓ National Technology Award, 2007
- ✓ Mexico Science and Technology Award, 2009
- ✓ State of Mexico Award of Science & Technology **2009** (granted by the State of Mexico Government)
- ✓ National Award of Technology (Process Innovation) **2012** (granted by the President of Mexico)



Product innovation

The Best Product



We are committed to offer **the best performance in the industry** as well as the best assortment and specialization



Purchase Experience



PPG Comex strives to create an **enjoyable purchase experience** for its customers as it relates to its stores, product offering and other services



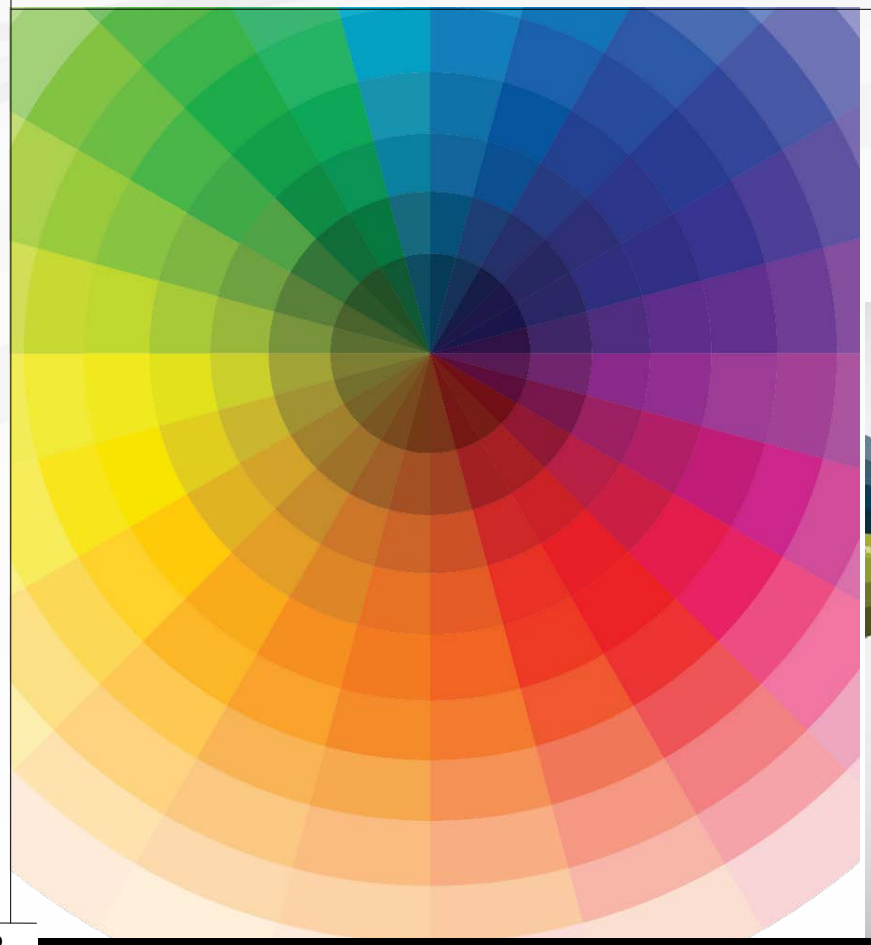






Color

Our Brand



PPG Comex promotes the use of **color as it adds value** being the link between paint and decoration







Our Products

Best Decorative Portfolio



Acrylic



Enamels



Aerosols



Textures



Faux finishes and effects



Special Paints

Our Products

Full Range of Specialty Items



Sundries



Wood Care



Waterproofing (Roof Coating)



Traffic Paint



Light Maintenance

Our Products

Full Range of Specialty Items



Flooring Systems



Protective Coatings



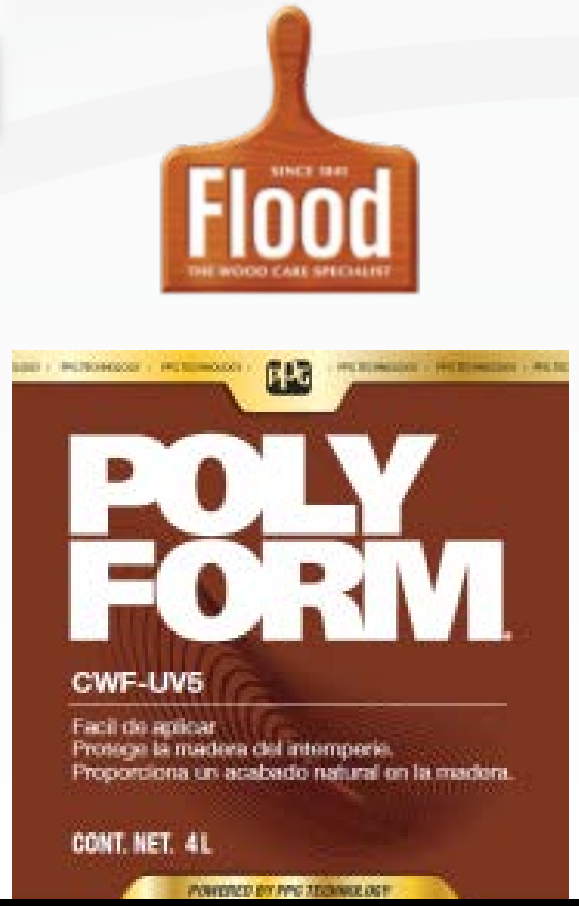
Marine Coatings



Revenue Synergy Opportunities

Leveraging PPG Global Technologies









Protective and Marine Coatings (PMC)

Amercoat Strong Brand Recognition & Technology

Premium products

AMERCOAT®

Specialty products

SIGMA COATINGS

Standard products

Comex Industrial Coatings

- ✓ Amercoat global leading brand and technology available in México
- ✓ Local manufacturing and best service level through Comex infrastructure
- ✓ Comex network to deliver locally
- ✓ Strong communication plan

Leverage the leading global technology for PMC through the local strength of Comex





Did you know?

Video 7: Comex Facts

What Makes Comex Unique

Uniquely positioned to meet all the needs of our concessionaires and customers

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LOS CABOS 2015

IV. Operational Excellence

- ✓ 48 hours delivery nationwide
- ✓ Vertically integrated



Manufacturing Facilities

Snapshot

Khral



Powder Coatings

Tepexpan



Vinyl, Resins, Solvents, Enamels, Aerosol

Empresa Aga



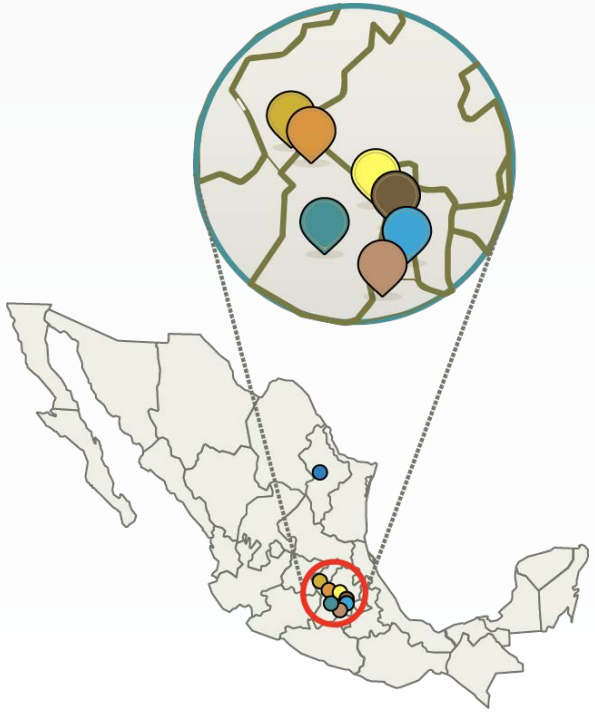
Vinyl, Elastomers, Asphalts

Plasticos Envolventes



Plastic Containers

World class manufacturing facilities



AP Resinas



Resins

FPU



Acrylic, Solvents, Wax, Polyurethane

Amercoat



Antifouling, Alkyds, Polyurethanes, Styrenated

Kemzus



Speciality

Comex Supply Chain

A Competitive Advantage

Manufacturing
- ✓ Flexible facilities
- ✓ ISO compliant
- ✓ No labor / union conflicts

EHS
- ✓ 100% environmentally compliant
- ✓ No major incidents
- ✓ Sustainability focus

Distribution
- ✓ Cost average less than 5% (world class standard)
- ✓ 55,000 daily transactions
- ✓ Next day delivery capability

Procurement
- ✓ Partial vertical integration
- ✓ Expanded leverage with suppliers (PPG)



Comex Supply Chain

A Competitive Advantage

Key Statistics

60,000
Truck loads per year through 3rd party trucks

1.3 MM
Gallons of paint distributed /day during peak

400,000
Orders fulfilled / year

2 hours
Product availability from any distribution center

15,000
#SKUs capable of delivering in 24 hours

575,000
Local deliveries to retail network in Mexico City / year

1
Next Day delivery capability to any point of sale

Comex Distribution Network

Overview

Monterrey



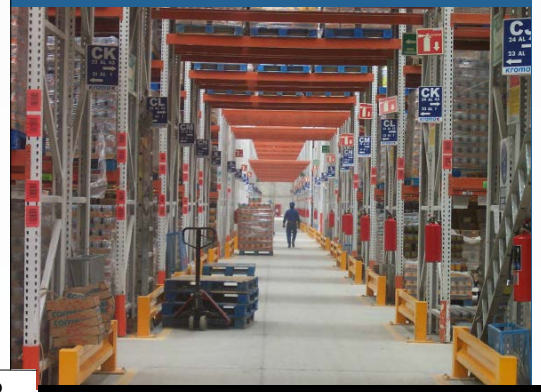
Cuautitlán



Tultitlán



Guadalajara



Minatitlán



Tijuana



Service levels of 99% and 1 day delivery capability to anywhere in Mexico



Vertically Integrated

Supporting our Strong Brand

One Comex competitive advantage resides within our vertical Integration

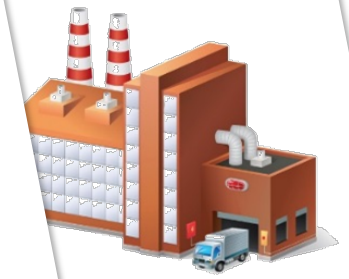
Procurement
Raw materials procured using PPG global purchasing power



Packaging
Produce cans and packing materials at a dedicated manufacturing plant



Raw Materials
in-house resin, emulsion, and chemical production



Manufacturing
8 state of the art facilities within Mexico



Distribution
6 strategically located distribution centers



Delivery
1 day delivery to anywhere in Mexico



Brand
98%
awareness

What Makes Comex Unique

Uniquely positioned to meet all the needs of our concessionaires and customers

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LOS CABOS 2015

V. Comex Talent

- ✓ Expertise
- ✓ Creativity
- ✓ Passion
- ✓ Commitment
- ✓ Loyalty



PPG Comex

Our People **Best People**

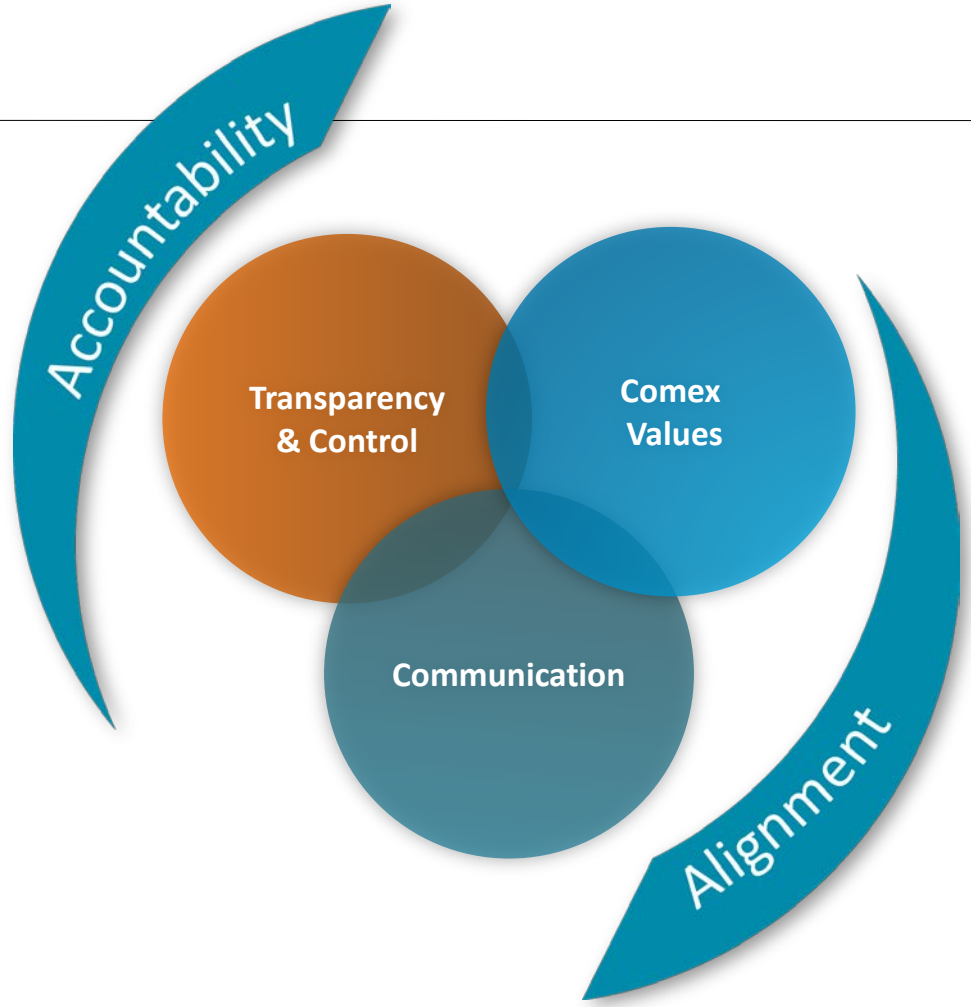
Transformation and continuous improvement system

- ✓ Established road map to management level
- ✓ Clear and measurable employee accountabilities
- ✓ Internal competition
- ✓ Labor fairness and development

Talent Management Program

- ✓ Talent attraction and retention
- ✓ Map key strengths and weaknesses
- ✓ Efficient training
- ✓ Career plan
- ✓ Compensation plan
- ✓ Critical management positions

Values and culture transmitted to all employees



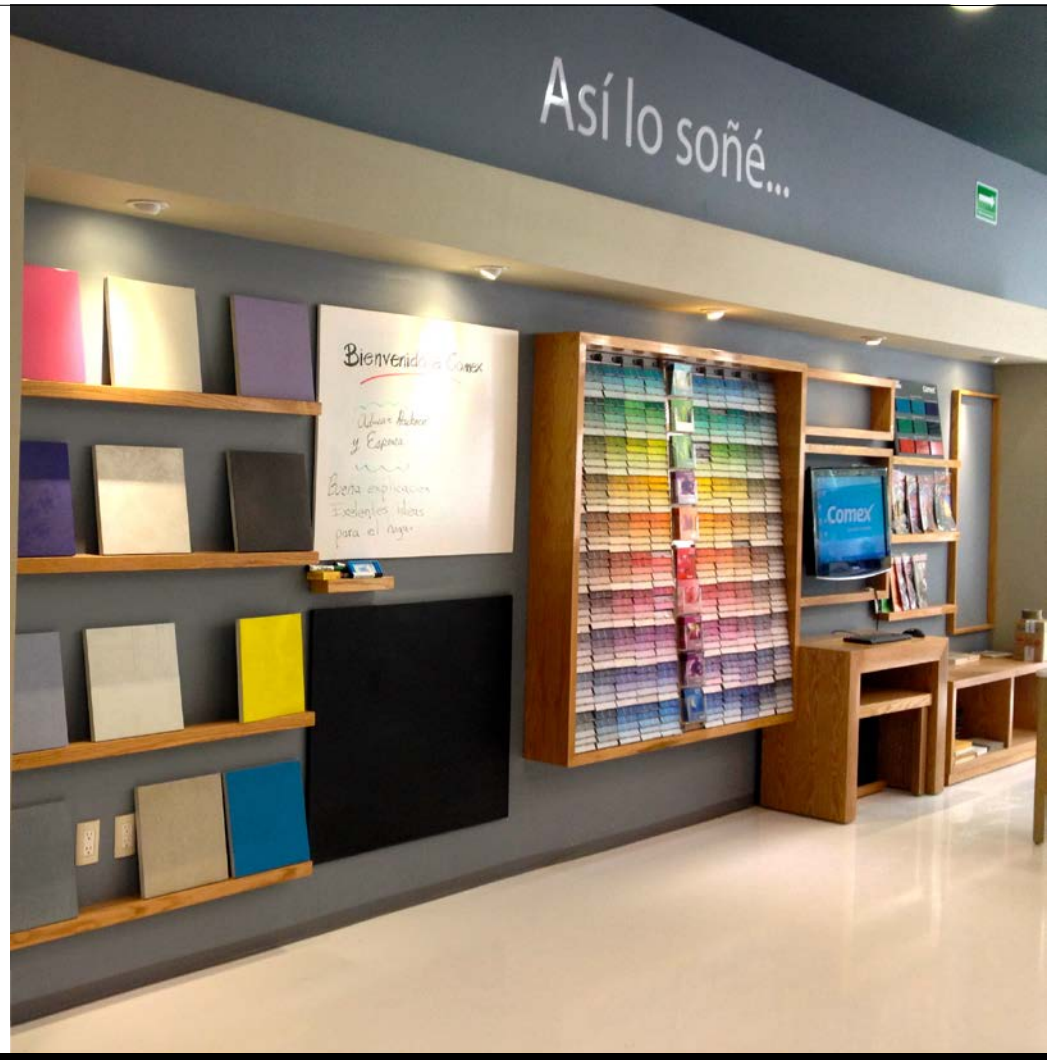
What Makes Comex Unique

Uniquely positioned to meet all the needs of our concessionaires and customers

DEEP DIVE
LOS CABOS 2015

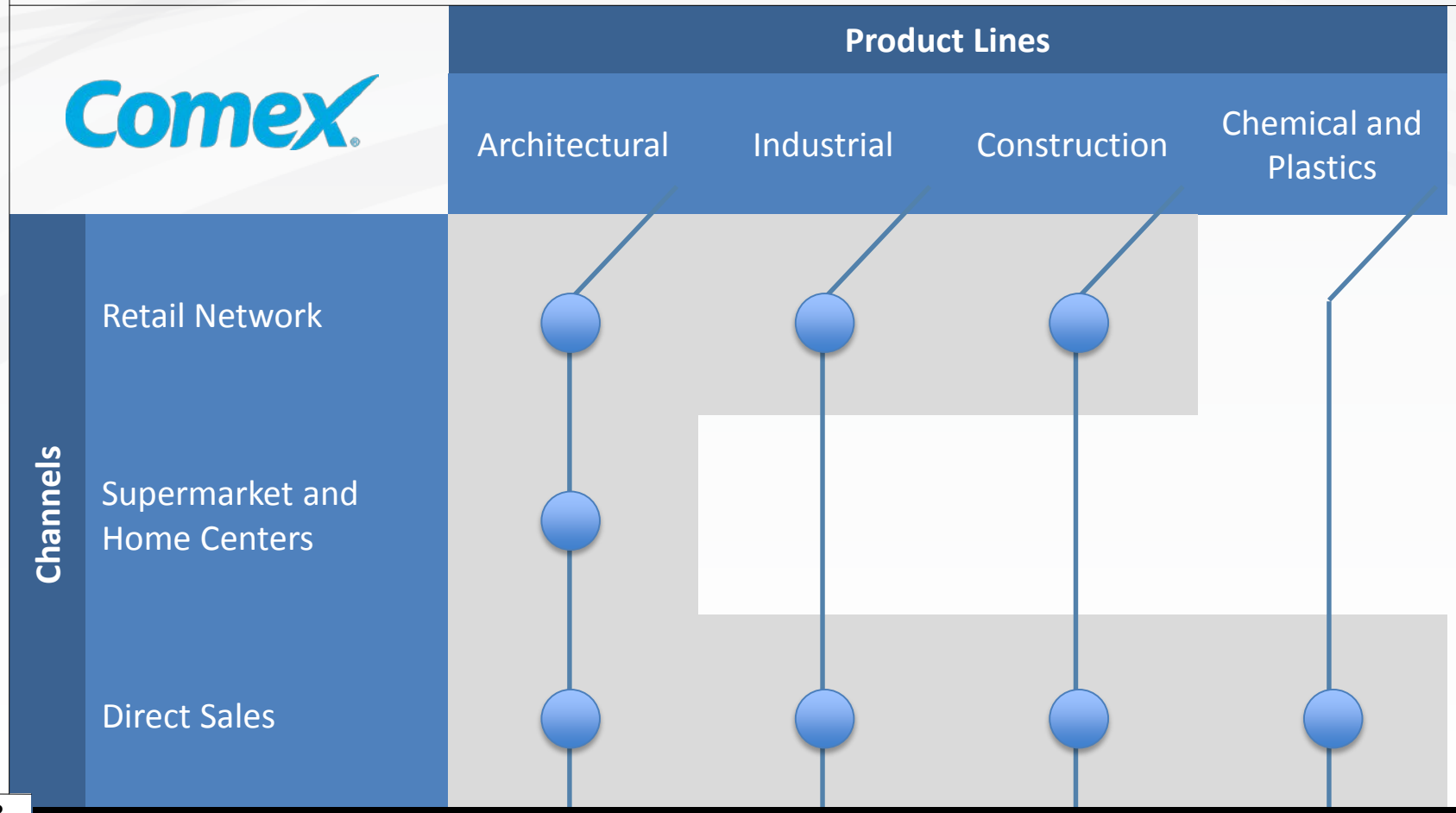
VI. Business Model

- ✓ Stores
- ✓ Distribution
- ✓ Corporate Sales
- ✓ Direct Sales
- ✓ Training



Business Model

Product and Channel Overview



Product coverage across traditional distribution channels

Our Growth

Channel Brand Strategy

Unique go to market strategy differentiating brand and channel

Concessionaire		Comex	Vinimex Realflex 100 · Pro100 Velmar Effex · éxito SIN LIMITES · POLY FORM
Business to Business		Comex Industrial Coatings	Comex Industrial Coatings · AMERCOAT · SIGMA COATINGS · TOP POLY FORM
Supermarket & Home center		MERIDIAN	LIQUID NAILS · Homax · éxito SIN LIMITES

Sales Team

Built to Service Unique Customer Base

Differentiated sales strategies to provide targeted customer solutions



Retail Sales Team

Unparalleled sales exclusively servicing the retail channel

15,000 store visits/year to include

- ✓Technical and business training
- ✓Administrative and commercial product training



Professional Solutions Sales Team

Specialized sales team providing tailor-made solutions to corporate, commercial, hospitality, government and industrial customers.

- ✓On-site, personalized support through entire commercial cycle
- ✓Strategic support via call centers and online

Professional Division

Servicing B2B Customers

Segment specialization provides deeper customer relationship

High Performance Coating



- ✓ Industrial manufacturing
- ✓ Metallic products
- ✓ Telecommunications
- ✓ Specialized Lines
- ✓ Roofing
- ✓ Coil / Can Coating

Protective & Marine Coating



- ✓ Oil & Gas
- ✓ Marine
- ✓ Infrastructure
- ✓ Power Generation
- ✓ Passive Fire Protection
- ✓ Flooring

Corporate Sales

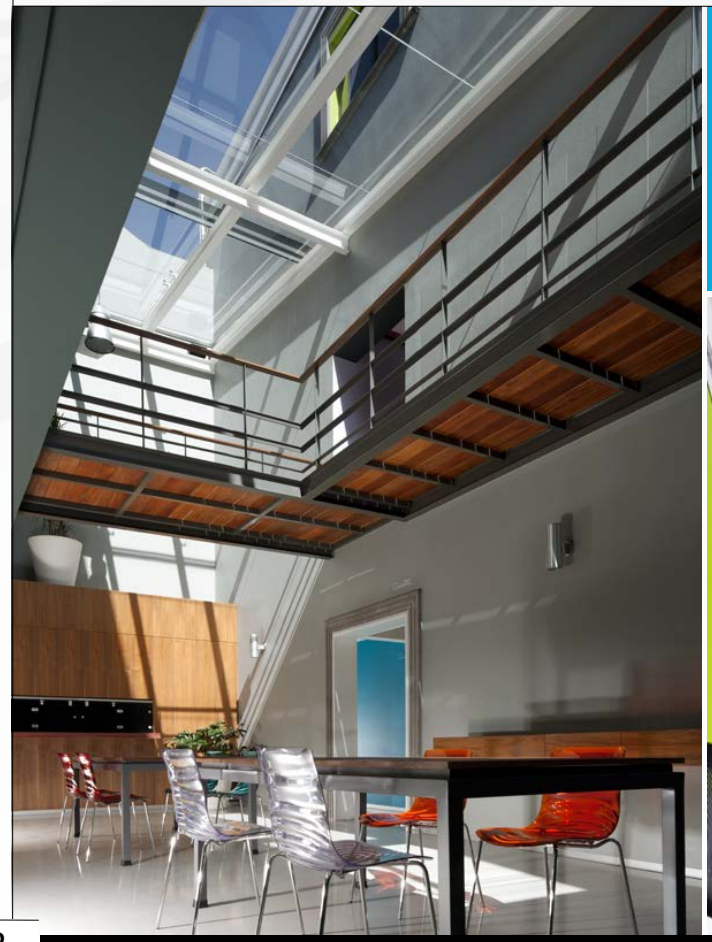


- ✓ New Construction
- ✓ Housing
- ✓ Government
- ✓ Hotels & Tourism
- ✓ Hospitality

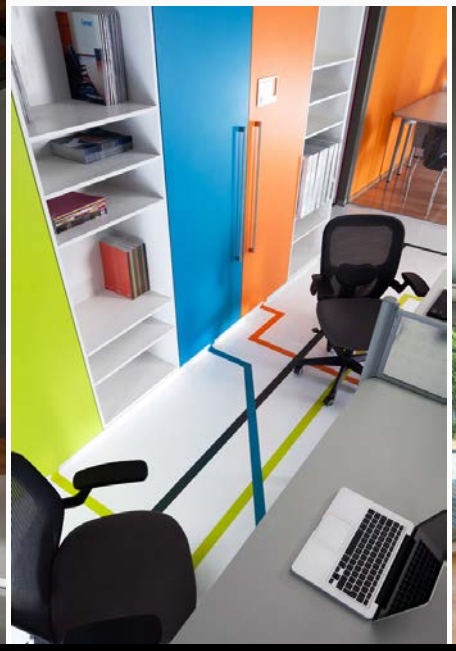
Professional Division

Customer Support Centers

Innovative centers unique to Latin America



C.E.P.



Professional Specification Center

Dedicated to products and systems specification for decoration, protection and maintenance needs of the construction, industrial and architectural market segments.





Professional Division

Customer Support Centers

Innovative centers unique to Latin America



C.I.T.I.



Industrial technological innovation Center

Unique forefront facilities in Latin America, dedicated to test the performance of architectural and industrial coatings under different climate conditions of temperature and humidity, and external factors, to get the optimum specifications for the country's varied regions.



Business to Business

Comex Professional Division

3 pillars that supports the B2B model

Value proposition

01	02	03
Product Portfolio	Technical & Commercial Experts	Specialized Infrastructure







Highlights

- ✓ Over 250 commercial and technical experts
- ✓ Specialized Leaders in 4 segments: Government, New Construction, Commercial and Manufacture
- ✓ NACE and SSPC certified for industrial markets
- ✓ Over 100 specialized concessionaries and 450 sales reps over Mexican territory
- ✓ Corporate contracts for large and national accounts

Developing Channels

Growth Opportunity

Distinct strategies to address small, but developing channels

Channels

Supermarkets



- ✓ Exclusive **Meridian** (Comex) brand #1 in this channel
- ✓ +5,400 points of sale
- ✓ Represents ~5% of total architectural Mexico coatings
- ✓ Comex product available in top 4 retailers

Hardware Stores



- ✓ + 45,000 hardware stores
- ✓ **Exito** (Comex) is a top 10 brand in this channel
- ✓ Strong commercial relationship with the most important dealers in México

Big Box



- ✓ Channel <10% of total architectural Mexico coatings

The Concessionaire

The Heart of Our Business





Key Statistics

3,850	Comex concessionaire stores
750+	Total concessionaires
5+	Average stores/concessionaire
~$250	Average annual retail sales / store (thousand USD)
12	Months new store to profitablity (retail)
30,000	Mexican population per store
1	New store openings every 2 days

Closeness to the Customer

Through a Unique Concessionaire Network

Concessionaire

- ✓ Exclusively buys products from Comex and distributes them to stores
- ✓ Concessionaire receives marketing material / training from Comex

Comex

- ✓ Invests in market research and R&D to understand customer needs and provides them with the best solutions
- ✓ Supplies product to concessionaires



Concessionaire's Stores

- ✓ Create a unique purchasing experience for its customers through one stop shopping
- ✓ Serve customers with a diverse product line that addresses their needs

Customer

- ✓ Receives high quality product according to their needs
- ✓ Provides feedback to Comex through its purchasing behavior

The Concessionaire

Success Stories



Víctor Robledo

José Robledo, became a Concessionaire 50 years ago.

Now his son Victor (pictured), has 180 stores and more than 500 employees in several regions of Mexico.

He attributes his success to the hard work of all his team and Comex support.

“The symbiosis between Comex and the Concessionaires create an excellent value proposition for their customers.”

Victor´s success story is one of many that we have at Comex .



One of the first Comex Stores

Training Process

Associates Drive Top Line Growth

Developing skill set and expertise
to maximize sale of Comex products

Annual Results

23,246
participants

5,621
Training events

- Store staff **17,237**
- Final clients **3,717**
- Latin America **1,222**
- PPG Comex associates **1,070**



Training Processes

Differentiates Comex

Human capital investment drives KPI performance

Our main services



Our customers



Our facilities



Official certification / SEP



School Store



Comex Store Network

Sized to Fit Market Needs











TAG
Data collection of buying habits to understand unique market and customer attributes by store

Vocación de Plaza
Individual sales plans by store to penetrate segments with opportunistic growth

Comex Store Network

Sized to Fit Market Needs

Standardized store customized by need

Store Formats



Showroom



Specialized Design



Functional

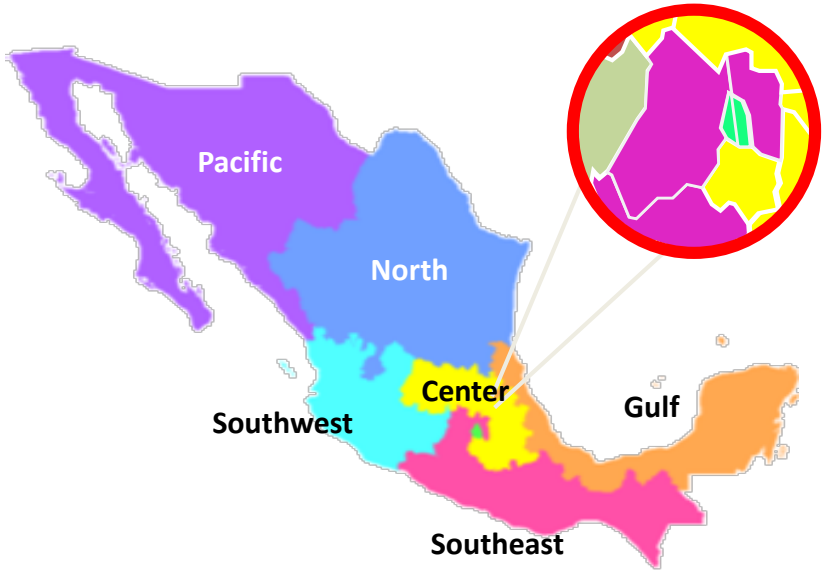


Standard

Retail Network

Operating Footprint and Key Metrics

Comex has a significantly diversified client base with no concessionaire representing more than 5% of total sales



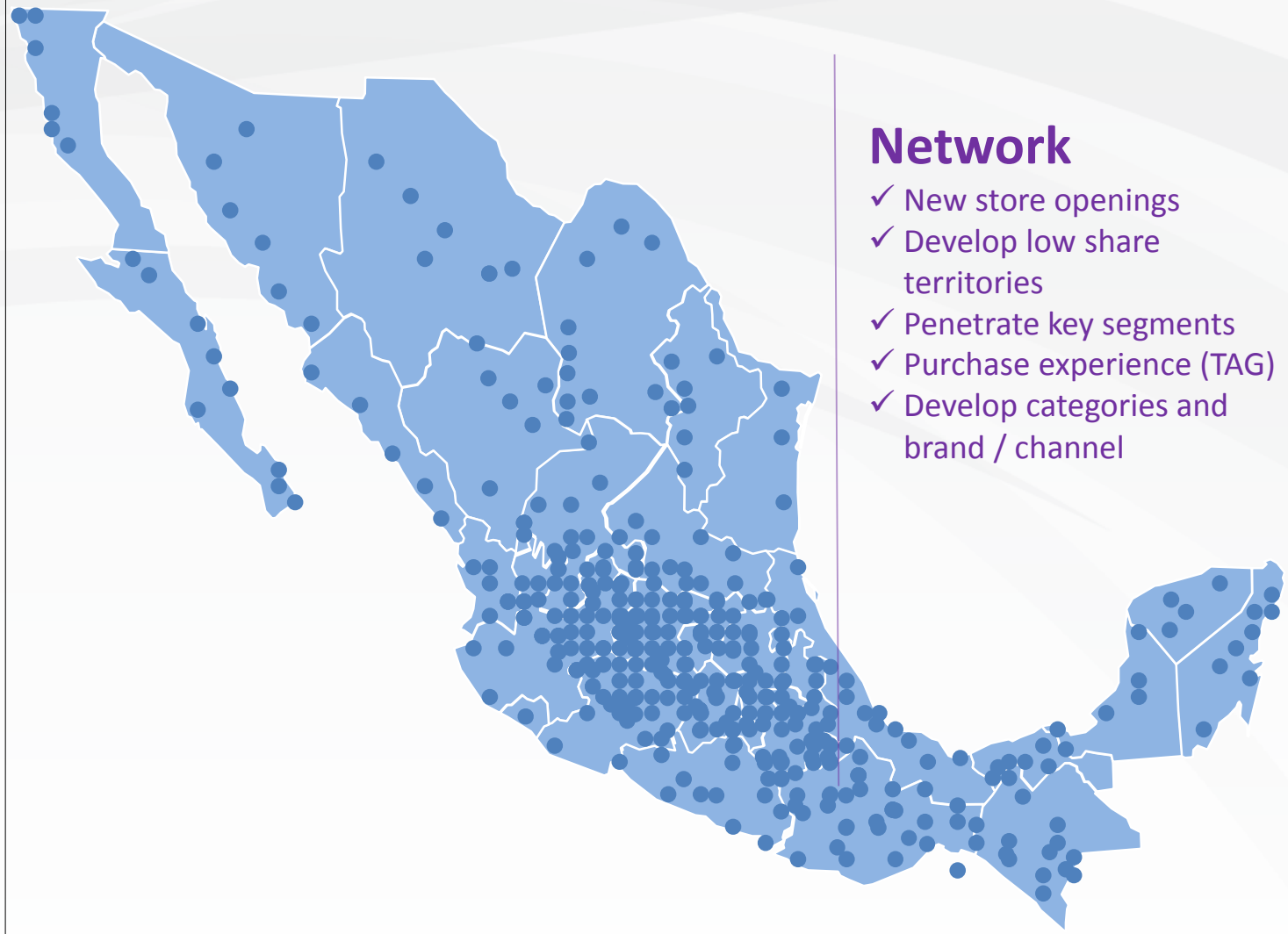
Pacific		North		Gulf	
Concessionaires	33	Concessionaires	62	Concessionaires	38
Stores	~320	Stores	~360	Stores	~460
Population (mm)	14	Population (mm)	17	Population (mm)	15
GDP per Capita ('000s)	$9	GDP per Capita ('000s)	$10	GDP per Capita ('000s)	$11
Metropolitan West		**Center**		**Metropolitan East**	
Concessionaires	198	Concessionaires	75	Concessionaires	165
Stores	~510	Stores	~700	Stores	~520
Population (mm)	25	Population (mm)	20	Population (mm)	25
GDP per Capita ('000s)	$10	GDP per Capita ('000s)	$6	GDP per Capita ('000s)	$10
Southwest		**Southeast**		**National**	
Concessionaires	119	Concessionaires	62	Concessionaires	+750
Stores	~520	Stores	~460	Stores	~3,850
Population (mm)	16	Population (mm)	13	Population (mm)	120
GDP per Capita ('000s)	$7	GDP per Capita ('000s)	$4	GDP per Capita ('000s)	$10

Source: PPG Estimates, The World Bank

Concessionaire Network

Consistent and Strong Growth

Network footprint goal to reach 1 store for every 20,000 people



Network

- ✓ New store openings
- ✓ Develop low share territories
- ✓ Penetrate key segments
- ✓ Purchase experience (TAG)
- ✓ Develop categories and brand / channel

1 per 20k people

Strategic Goal to increase concessionaire network, currently 1 store per 30k people

PPG Comex

Summary

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LOS CABOS 2015

- ✓ **Mexico – True emerging region with accelerating economic growth**
- ✓ **Comex – Proven, consistent above market growth performance**
  - Leading market position
  - Well recognized brand
  - Best in class operations and management team
- ✓ **Growth opportunities remain**
  - Support regional economic growth
  - Continued expansion of Concessionaire network
  - Further penetration within developing channels
- ✓ **Leverage benefits of PPG – world's leading coatings supplier**
  - Cost synergy attainment
  - PPG legacy product revenue synergies
  - Further expansion into Central and South America

05 Overview of Central America



PPG Industries
Bringing innovation to the surface.™

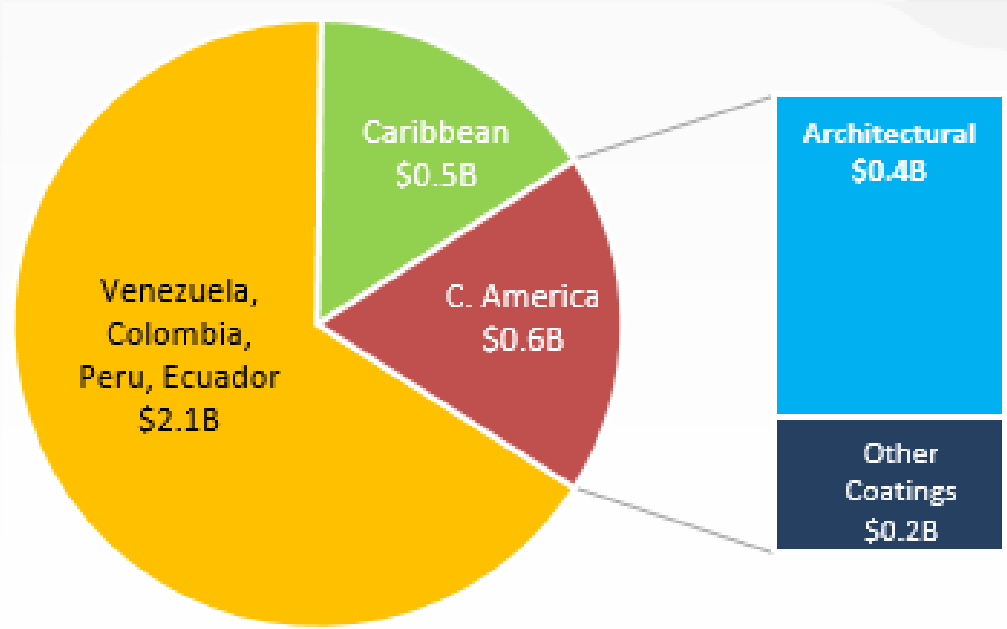
Comex®

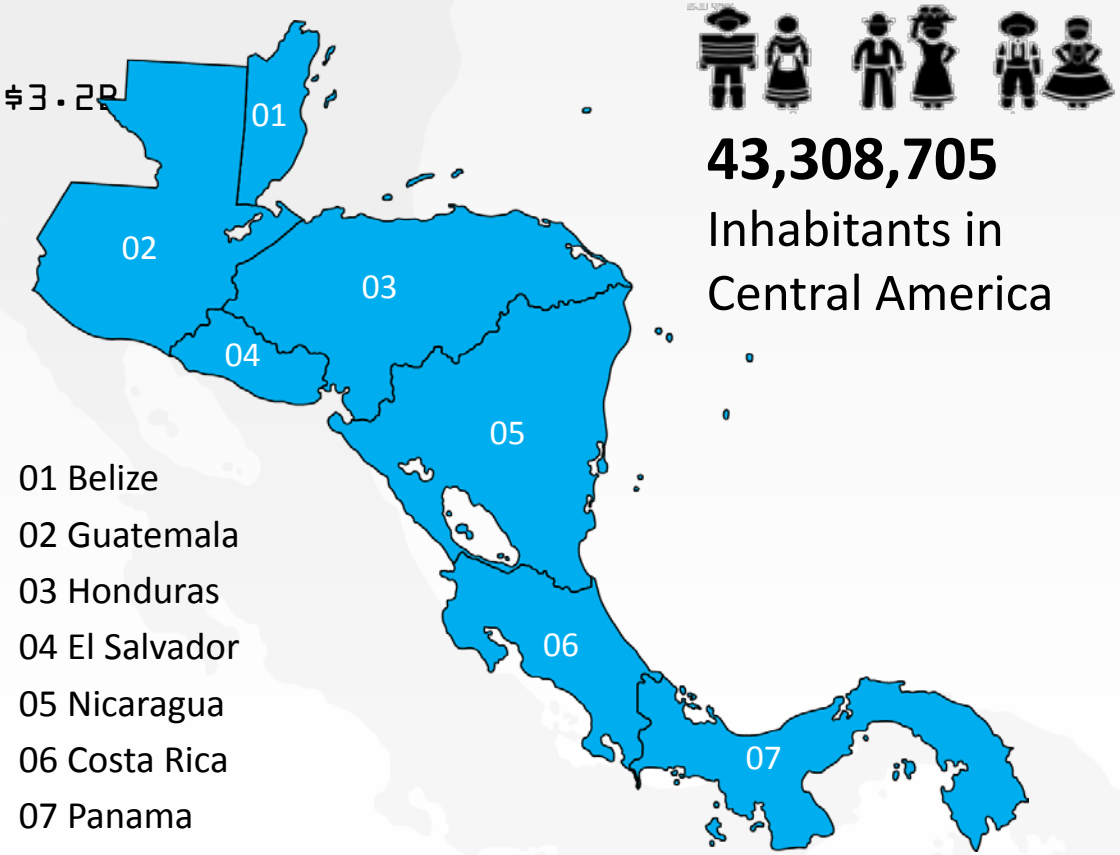
Well Positioned to Grow

$400MM Architectural Market

Coatings Demand

Central America, Caribbean, and N. South America $3.2B





43,308,705
Inhabitants in
Central America

01 Belize
02 Guatemala
03 Honduras
04 El Salvador
05 Nicaragua
06 Costa Rica
07 Panama

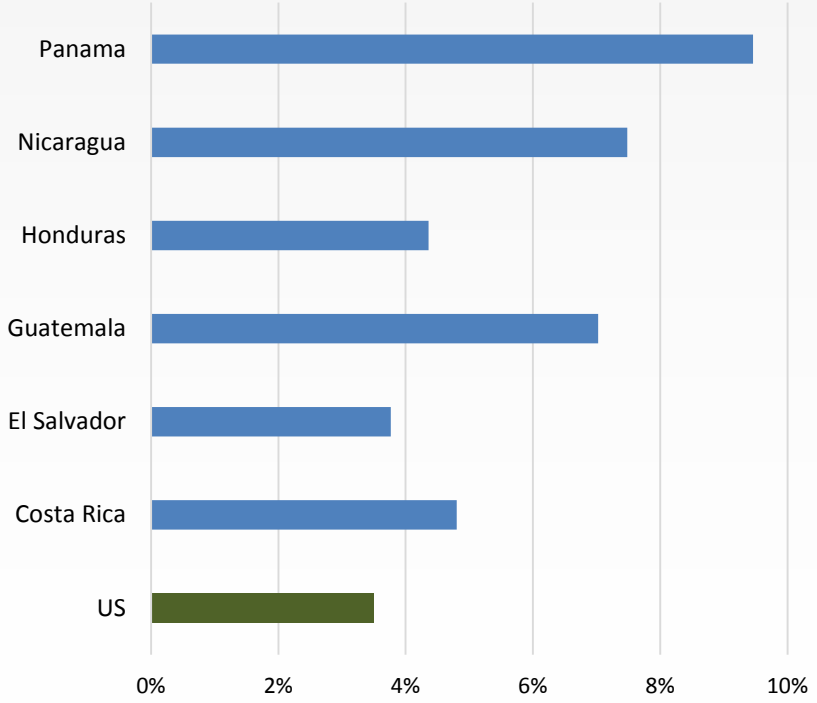
Source: IRL, KNG, Orr and Boss

Well Positioned to Grow

$400MM Architectural Market

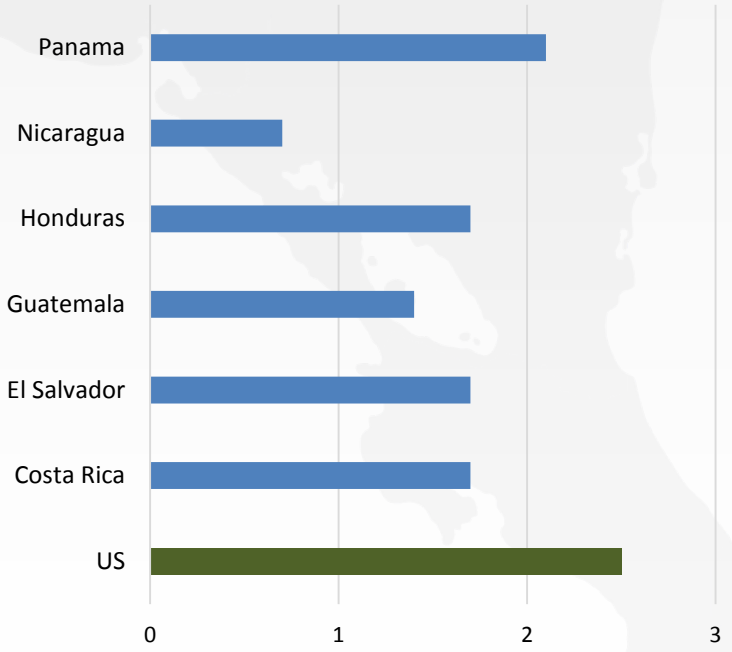
Architectural Coatings Growth

CAGR Growth 2011-2016



Per Capita Paint Consumption

Gallons



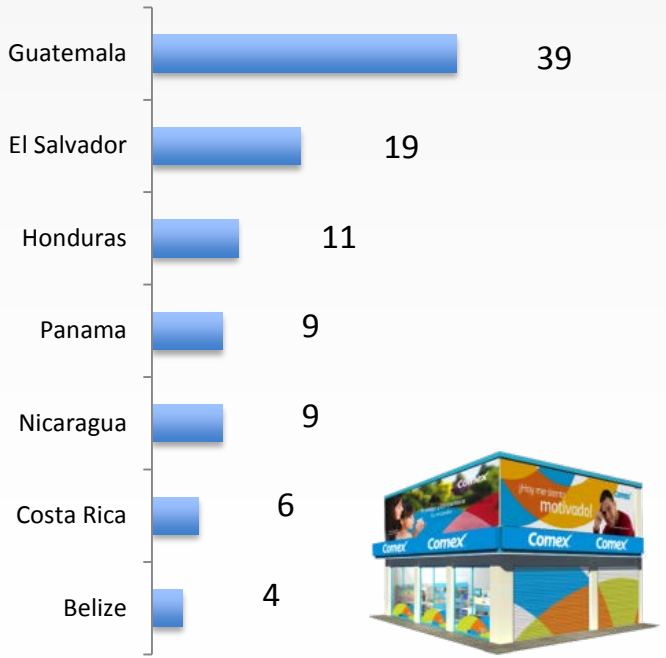
Goal to grow to 15-20% of Central America architectural coatings market within 5 years

Source: IRL, KNG, Orr and Boss

PPG Growing

Central America Presence

Company Owned Stores (Comex and Glidden)











PPG supplies all major distribution channels in Panama

Channel exclusivity through Glidden sub-brands

Glidden

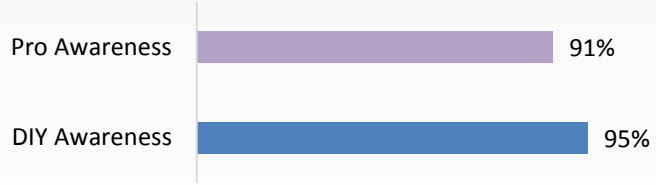
PPG Growing

Central America Presence

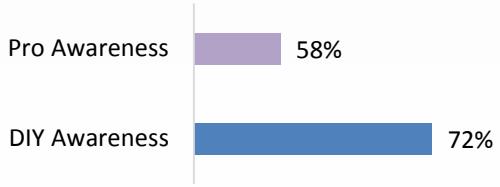
Strong Brand Awareness

Glidden

Panama



Costa Rica



Current Regional Commercial Presence

- Comex provides PPG with distribution platform into Central America
- Glidden previously licensed in Panama (#1 brand)
- Glidden the leading home center brand in Panama
- Recent store acquisition supplements regional scale
- Announced expansion into largest Costa Rican home center

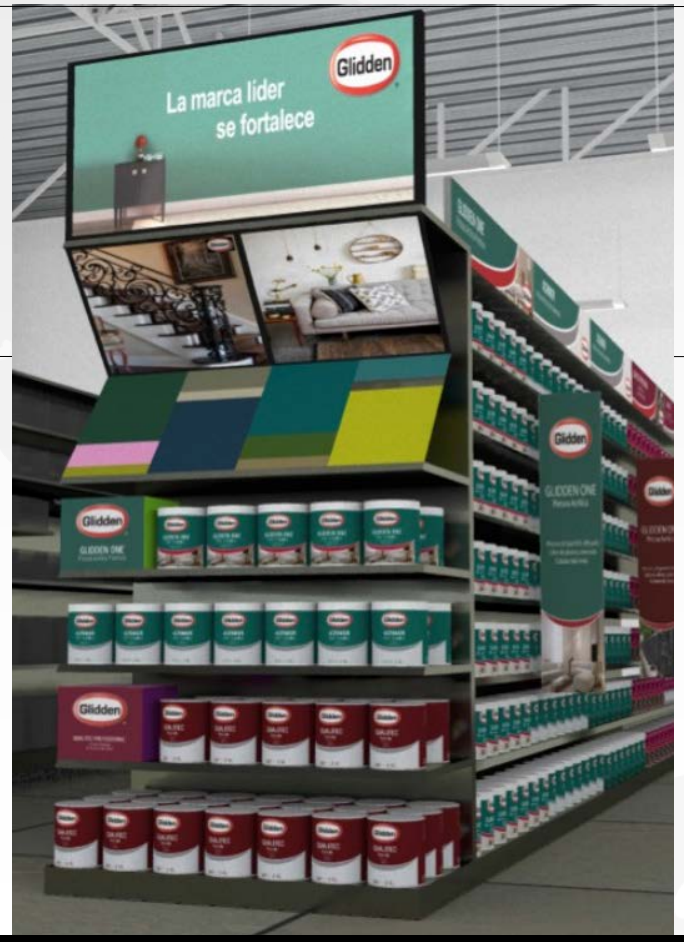
Recent actions to support long term growth strategy in region

PPG

Now Supplier to Leading Costa Rican Home Center

EL LAGAR

TODO EN UN MISMO LUGAR



The **leading brand** strengthens

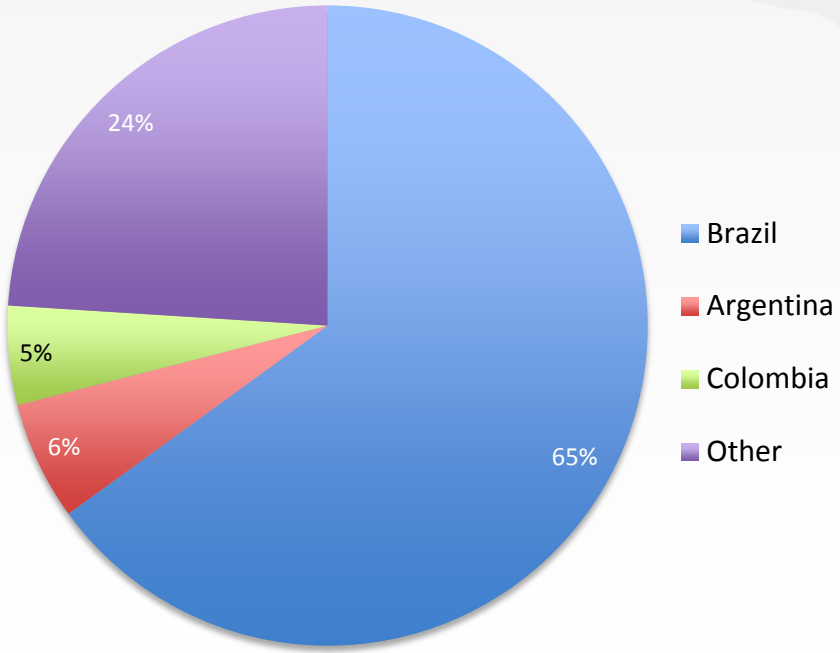




South American

Architectural Coatings

~$3.5B USD
Architectural Demand

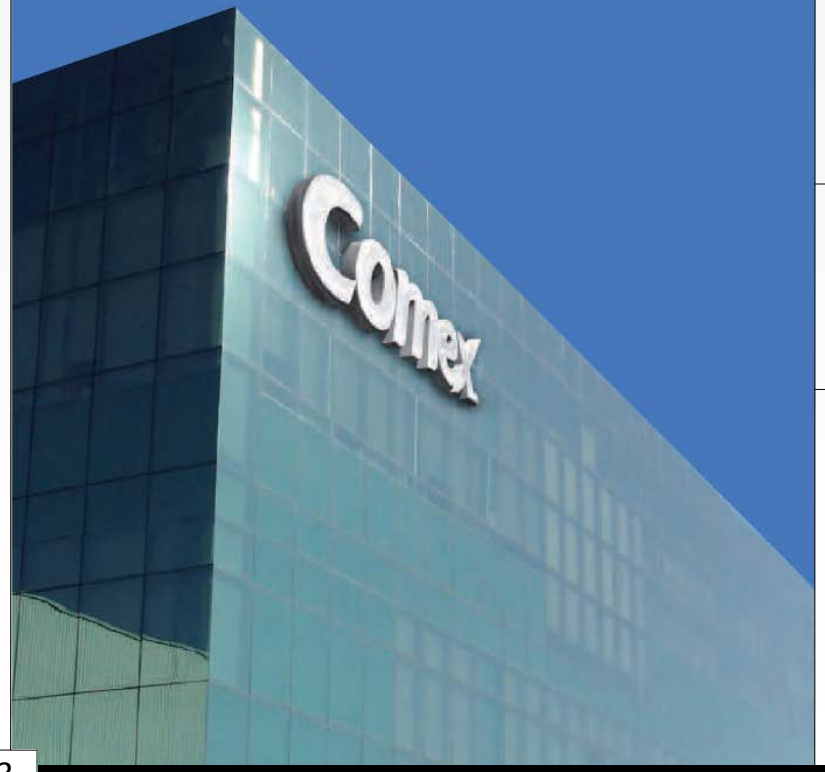




Opportunistic expansion in large architectural region

Source: IRL, KNG, Orr and Boss, PPG estimates

Comex acquisition updated financial targets



	Original	Updated
Cost/operational **earnings** synergies exceeding targets	$30-$40MM	**$45-50MM**
Incremental **revenue** synergies from PPG legacy products identified	None	**$40-50MM**
Central America regional **revenue** synergy target (5 year)	None	**$60-70MM**

Comex acquisition

exceeding expectations

PPG Circling the Mexican Customer for Their Every Need

Solution Provider for all Coatings End Use Markets



Automotive OEM Coatings
coating the vehicles that they produce.

Architectural Coatings
to paint the walls of their factories, and the walls of their workers and end use customers.

Aerospace Coatings
coating the aircrafts they fly upon when in route to enjoying some rest and relaxation.

Packaging Coatings
for coatings of beverage and food cans they can find in their local stores.

Industrial Coatings
protecting their office furniture, industrial vehicles, automotive parts and many other assets they own

Automotive Refinish Coatings
for those bumps and bruises to their vehicles while traveling to and from work.

Marine Coatings
coating the vessels which ship the items they manufacture.

Protective Coatings
from the oil they produce, to the bridges they drive on – we've got them covered!











Comex City

Video 8: Range of Our Products

Thank you



PPG Industries

Bringing innovation to the surface.™

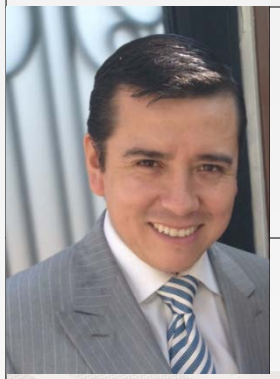
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Details of Site Visits

Comex

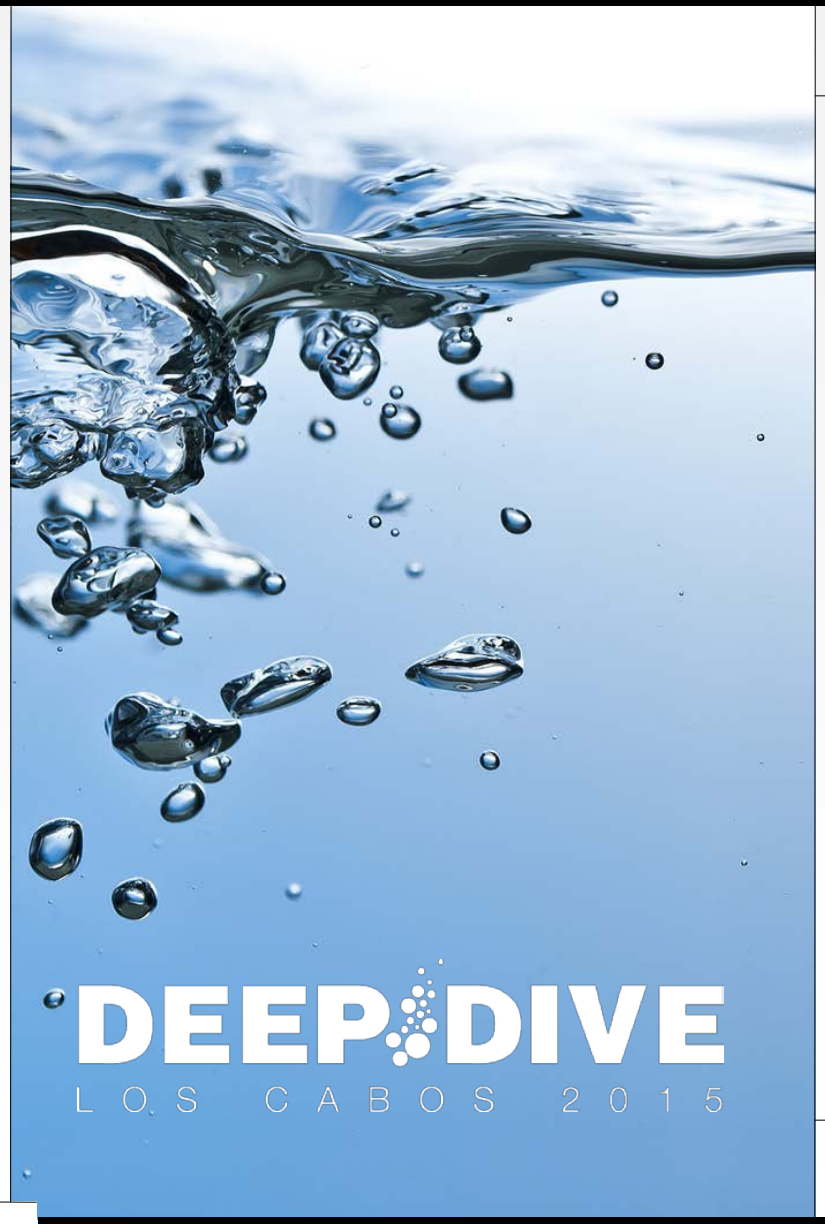


Walk of the Day

Rodrigo Campos
Comex Concessionaire







Transportation

Bus 1
See Handout

Bus 2
See Handout

Bus 3
See Handout

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LOS CABOS 2015

Appendix / PPG - Attendee Bios

Comex

Michael H. McGarry

President and Chief Operating Officer



Michael H. McGarry is President and Chief Operating Officer of PPG Industries. He is a member of the company's executive and operating committees and oversees all PPG business units and operating regions as well as the information technology (IT), environment, health and safety (EHS), and purchasing functions.

He joined PPG in 1981 as an engineer at the company's Lake Charles, Louisiana, chemicals complex. McGarry then progressed through a series of management assignments such as market development manager, silica products; operations manager, silicas, Thailand; business manager, TESLIN® sheet; and product manager in the derivatives, chlorine, liquid and dry caustic soda businesses.

He became general manager, fine chemicals, in 2000 and vice president, chlor-alkali and derivatives, in 2004. McGarry relocated to PPG's European headquarters in Rolle, Switzerland, as vice president, coatings, Europe, and managing director, PPG Europe, in 2006. He returned to the U.S. as senior vice president, Commodity Chemicals, in 2008, and he was elected executive vice president in 2012. McGarry was elected chief operating officer in August 2014 and additionally named president effective March 1, 2015.

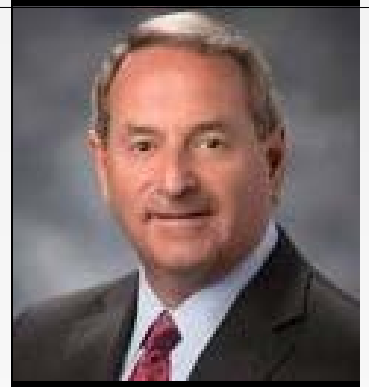
Along with his PPG responsibilities, McGarry serves as a director on the board of Axiall Corporation, an integrated chemicals and building products company trading on the New York Stock Exchange (NYSE:AXLL), and the board of Pittsburgh Glass Works LLC, in which PPG holds a minority interest.

A native of New Orleans, McGarry is a mechanical engineering graduate of the University of Texas and completed the Advanced Management Program at Harvard Business School.

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Frank S. Sklarsky

Executive Vice President and Chief Financial Officer



Frank S. Sklarsky is Executive Vice President and Chief Financial Officer of PPG Industries.

He joined PPG in this role in April 2013 and serves on the company's executive and operating committees.
Prior to joining PPG, Sklarsky was executive vice president and chief financial officer, Tyco International, Ltd., a global provider of security, fire protection and flow control solutions. After starting his career with Ernst & Young and holding finance positions with Dell, Inc., he spent 20 years with Chrysler in a series of senior financial leadership roles. Sklarsky then served as executive vice president and chief financial officer at both Eastman Kodak Co. and ConAgra Foods, Inc., before joining Tyco.

Sklarsky earned a bachelor's degree in accounting from Rochester Institute of Technology and an MBA from Harvard Business School, and he is a certified public accountant. He is a member of the board of directors of Harman International Industries, Inc. (NYSE:HAR), and Rochester Institute of Technology.

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Marcos Achar Levy

Vice President, PPG Architectural Coatings Latin America and CEO PPG-Comex



Marcos Achar Levy, a prominent Mexican businessman, currently CEO of PPG Comex and Vice President of Architectural Coatings Latin America before CEO of Comex Group in Mexico and Central America.

He was President of the Council for Communication and Chairman of the Board of the Papalote Children's Museum.
In 2006, he received the "Monster of Marketing" by the prestigious business publication Expansión.

He was Director of Acquisitions Credit Union of Traders in Mexico city. He held different leadership positions in Comex Group like Purchasing Manager, Assistant to the Plant in Tepexpan, Kroma General Director , Commercial Corporate Director at Comex Division and General Director of Paintings. Board Member in Tecnologico de Monterrey ,Grupo Modelo, MVS , Banamex Accival, Rectoría de la Zona Metropolitana de la Ciudad de México, Endeavor Global, Inc. and NFL counselor at the International Board.

He completed as part of his training the program in Business Management from the American Institute of Business Management (IPADE) in Mexico, and the OPM in Harvard University, USA, among others.

Born in Mexico City in 1963, is married with 3 children.

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Eric Thiele

Vice President and Business Controller, Global Architectural Coatings and PMC



Eric K. Thiele is vice president and business controller, global architectural coatings and protective and marine coatings, of PPG Industries.

Thiele joined PPG in 1995 as a financial analyst in the coatings controllership group in Pittsburgh. He advanced through various finance roles such as director, financial services, aircraft transparencies; director, financial reporting, coatings businesses; and director, finance and planning, automotive coatings.

In 2004 Thiele relocated to Hong Kong as director, finance, and chief financial officer, PPG Asia Pacific. He returned to Pittsburgh in 2009 as assistant treasurer and credit director, and in 2012 he was named corporate treasurer. Thiele was named to his current role in June 2015.

A native of Johnstown, Pennsylvania, Thiele earned a bachelor's degree in economics from Allegheny College and a Master of Business Administration from the Joseph M. Katz Graduate School of Business at the University of Pittsburgh.

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Jose Alfonso Felix Guzman

Commercial Vice President – PPG Comex



Over 17 years of experience directing businesses and operations in the industrial field in companies such as Monroe Chemical, Exxon Mobile and *Mexicana de Lubricantes* as well as The Comex Group, now PPG Comex.

He is been working at Comex since 1998. His current position is Commercial Vice President PPG Comex.

Alfonso has been responsible for the Comex integration in specialized product lines, such as wood coatings, solvents, automotive refinish,PMC, as well as industrial coatings having the Commercial Director title.

He was who implemented direct sales by segment model in Comex as Corporate Sales Director and created the Professional Division for supporting the industrial and volume segments needs as Global Director for the Professional Division, being responsible from Mexico to Canada.

Alfonso has a Bachelor in Institutions Administration at La Salle University and has an MBA at IPADE Business School in Mexico. He has also studied at Harvard Business School in Massachusetts and UCLA in California, EUA. He just certified as International Coach by Newfield Consulting.

He was born at Cuernavaca, Morelos, Mexico where he currently lives with his family.

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Ivan Ahedo Gaudry

Marketing Director, PPG-Comex



Iván Ahedo has more than 20 years of international experience in International Marketing including CPG, B2B and Retail industry companies, among them: 3M, José Cuervo, Grupo LALA, SAB Miller (USA) and Starbucks.

He has been Grupo Comex Vice President for Marketing for the last four years.

Mr. Ahedo is a mentor at Endeavor International and advisor for the Hispanic MKT Group in USA.

He holds a Bachelor's degree in Marketing from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) in México and a postgraduate degree in Finance from the University of Miami, Florida, also studied International Marketing in Amsterdam, the Netherlands.

He was born in Mexico City, is Married with 3 children.

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Vincent J. Morales

Vice President,
Investor Relations and Treasurer



Vince Morales is vice president, investor relations and Treasurer, of PPG Industries.

Morales joined PPG in the corporate controller's office, Pittsburgh headquarters, in 1985. Progressive finance and accounting assignments with PPG facilities included supervisor, shared accounting services, in Chillicothe, Ohio, and director, information and financial services, in Mt. Zion, Ill.

Morales returned to Pittsburgh in 2000 as manager, chemical revenue recognition, then became director, internal financial reporting, in 2001. He was named director, investor relations, in November 2004, Vice President Investor Relations in October 2007, and to his current position in June 2015.

A native of Pittsburgh, Morales earned a bachelor's degree in accounting from Robert Morris University and a Master of Business Administration degree from the Ohio State University.

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LOS CABOS 2015

Scott Minder

Director,
Investor Relations



Scott Minder is director, investor relations, of PPG Industries.

Minder joined PPG in 2009 as automotive original equipment manufacturer (OEM) coatings global director, finance and planning. He was named finance director and business controller, industrial and packaging coatings, in April 2014, and to his current role in June 2015.

Prior to joining PPG, Minder worked for General Motors in the areas of dealership acquisition, brand finance, process-risk management and investor relations, and for Penske Logistics as director of finance and director of global quality.

Minder earned a B.S. in management (finance/accounting) from Kettering University and a MBA from Duke University.

DEEP DIVE
LOS CABOS 2015

DEEP DIVE

LOS CABOS 2015

Thank you

Comex