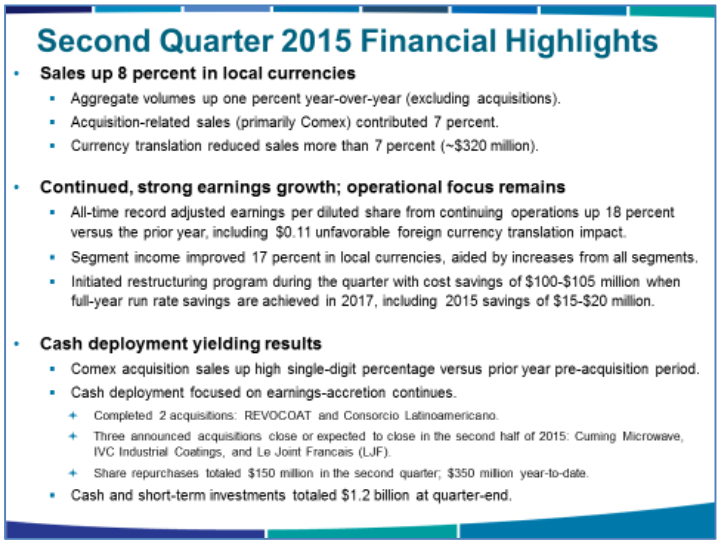
PPG Industries, Inc. Second Quarter 2015 Financial Results

Earnings Brief – July 16, 2015



Second Quarter Financial Highlights

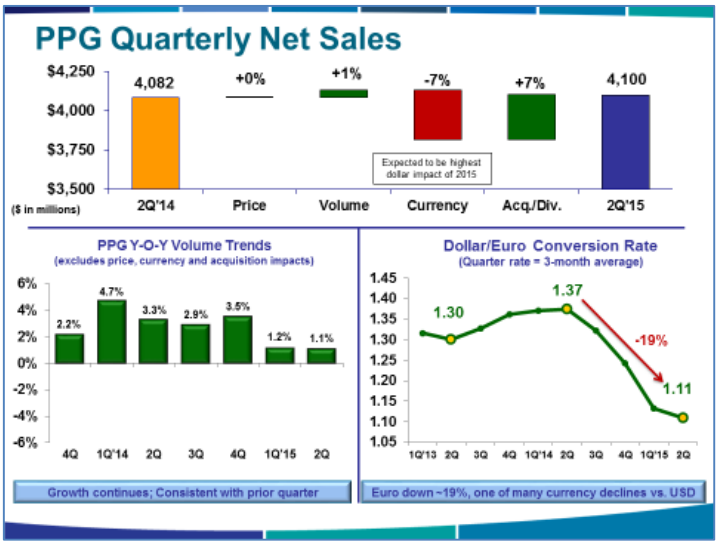
PPG net sales for the second quarter 2015 increased to $4.10 billion versus the prior year figure of $4.08 billion. Year-over-year sales in local currencies grew by about 8 percent. Sales volumes, excluding acquisitions, grew about 1 percent in aggregate. Acquisition-related sales contributed 7 percent, but were offset by unfavorable foreign currency translation of more than 7 percent. Currency translation negatively impacted net sales by about $320 million. More detailed sales comparisons for the company and each reporting segment are included on subsequent presentation slides.

Year-over-year adjusted diluted earnings per share from continuing operations increased 18 percent, including the unfavorable impact from currency translation. Unfavorable currency translation impacted pre-tax segment income by approximately $40 million, or about 11 cents per diluted share. Segment income in local currencies improved 17 percent, aided by improved operational performance, including lower manufacturing and selling and general administrative costs. The company's aggressive operational focus continues, including a restructuring program initiated during the quarter. The program is expected to deliver annual pre-tax savings of $100 million-to-$105 million once full-year run rate savings are achieved in 2017, including 2015 savings of $15 million-to-$20 million.

Also contributing to the earnings per share results were the benefits from continuing cash deployment. This includes acquisition-related income stemming from recent acquisitions, including Comex and other smaller acquisitions. The Comex business has continued to deliver excellent performance, with organic sales growth of high-single digit percentage for the quarter and year-to-date.

Share repurchases continued during the second quarter totaling $150 million bringing the year-to-date total to $350 million. At the end of the second quarter, the company's year-over-year number of average diluted shares outstanding decreased by about 2 percent.

The company continues to have excellent financial flexibility with $1.2 billion of cash and short-term investments at quarter-end, and earnings-accretive cash deployment remains a focus. To that end, three additional acquisitions were announced during the quarter, bringing the total to 5 for the year. The REVOCOAT and Consorcio Latinoamericano acquisitions closed in the second quarter, and Cuming Microwave, IVC Industrial Coatings, and Le Joint Francais (LJF) closed or are expected to close in the second half of 2015.

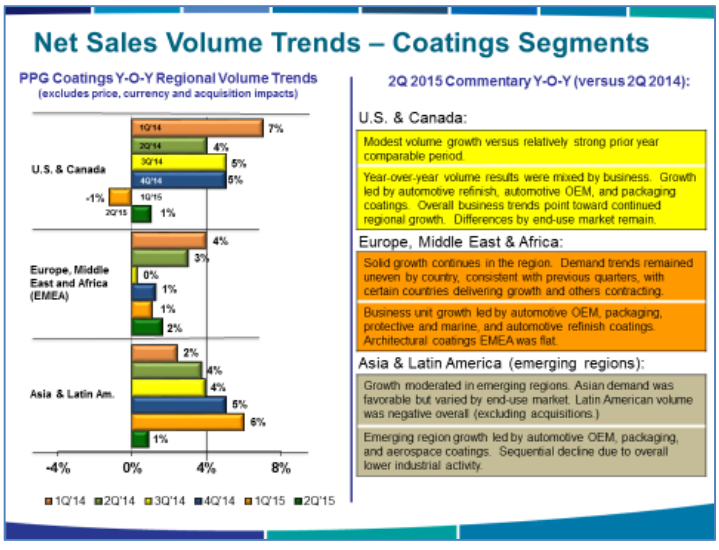


PPG Second Quarter Net Sales

PPG net sales for the second quarter were $4.10 billion, a slight increase versus the prior year figure of $4.08 billion. Year-over-year sales volumes increased by about 1 percent, consistent with first quarter 2015 performance.

Foreign currency translation reduced sales by more than 7 percent as many currencies weakened versus the U.S. dollar, including a decline of about 19 percent year-over-year in the three-month average Euro to U.S. dollar exchange rate. In addition, several other currencies generated unfavorable translation impacts including the Brazilian Real, Australian Dollar, Canadian Dollar, Mexican Peso and British Pound. Based on current exchange rates and traditional business seasonal patterns, the effect of foreign currency translation on PPG's third quarter 2015 sales and income, while still significant, is expected to be lower than the impact in the second quarter.

Acquisition-related sales added more than 7 percent to second quarter 2015 sales. This sales increase was driven primarily by the Comex acquisition but supplemented by several smaller acquisitions made in the second half of 2014 and the first half of 2015.



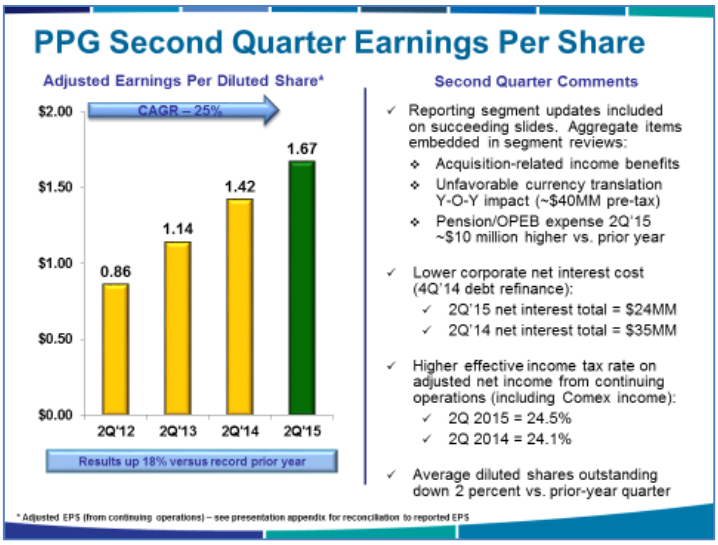
Net Sales Volume Trends - Coatings Segments

Global aggregate coatings segment sales volume for the second quarter grew by over 1 percent and was positive in all regions. This growth is in addition to prior year growth of 3 percent-to-4 percent in all regions.

Sales volumes in the U.S. and Canada were up 1 percent compared against an improving prior-year figure. Year-over-year sales volumes were favorable in most business units with automotive refinish, automotive original equipment manufacturer (OEM), and packaging coatings delivering the strongest growth in the quarter. Regional results accelerated in June versus May, and we anticipate overall business and economic trends will result in continued regional growth in the third quarter.

Year-over-year Europe, Middle East and Africa (EMEA) sales volumes advanced 2 percent, increasing sequentially compared to the first quarter growth rate. Overall demand remained uneven within the region, with growth in certain countries and end-use markets offset by persistent weakness in others. From an end-use market perspective, automotive OEM, protective and marine, and packaging coatings delivered the strongest year-over-year gains. Architectural coatings EMEA volumes were flat with the prior year.

Emerging region volume growth moderated to about 1 percent for the second quarter versus the prior year. Continued automotive OEM demand growth coupled with stronger packaging, and protective and marine coatings demand was partially offset by sales volumes declines in South America and lower industrial activity.



PPG Second Quarter Earnings

Second quarter adjusted earnings per diluted share from continuing operations of $1.67 established a new second quarter record and an all-time quarterly record for the company, up 25 cents, or 18 percent, versus the prior-year record.

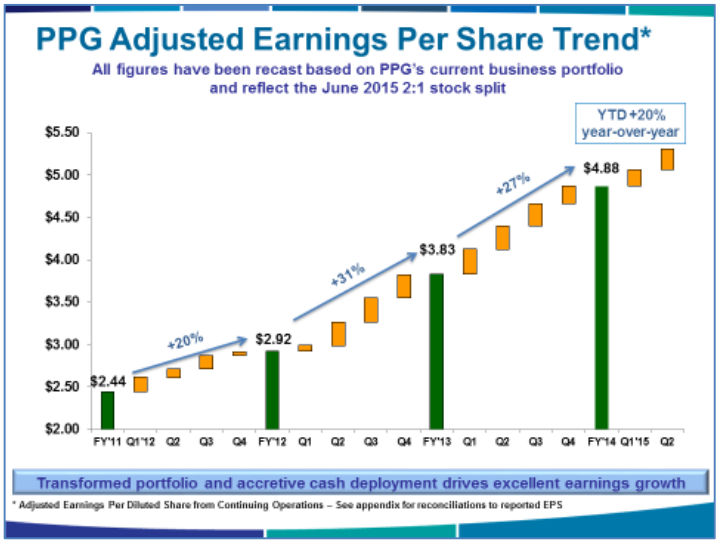
The financial results from each individual reporting segment are provided in subsequent portions of the presentation materials. A summary of several second quarter noteworthy items related to the reporting segments is as follows:

- Acquisition-related income, primarily Comex, supplemented segment income growth.
- Year-over-year unfavorable foreign currency translation impacted pre-tax segment income by about $40 million or about 11 cents per diluted share.
- As previously communicated, we anticipate higher pension and OPEB expenses in each quarter of 2015. The aggregate quarterly expense increase was about $10 million.
- Based on a variety of debt optimization actions completed over the past several quarters, net interest expense declined from $35 million in the prior-year quarter, to $24 million in the second quarter of 2015.

The adjusted effective tax rate from continuing operations for the second quarter of 2015 was 24.5 percent, up from 24.1 percent in the previous year. The increase is primarily due to the geographic mix of income, including acquisition-related income from Comex, which are taxed at a Mexican statutory tax rate of 30 percent.

Lastly, PPG's number of average diluted shares outstanding decreased by about 2 percent year-over-year, which includes the impact from share repurchase activity.

A detailed reconciliation of the second quarter adjusted earnings per share figures for all periods presented is included in the presentation materials appendix.

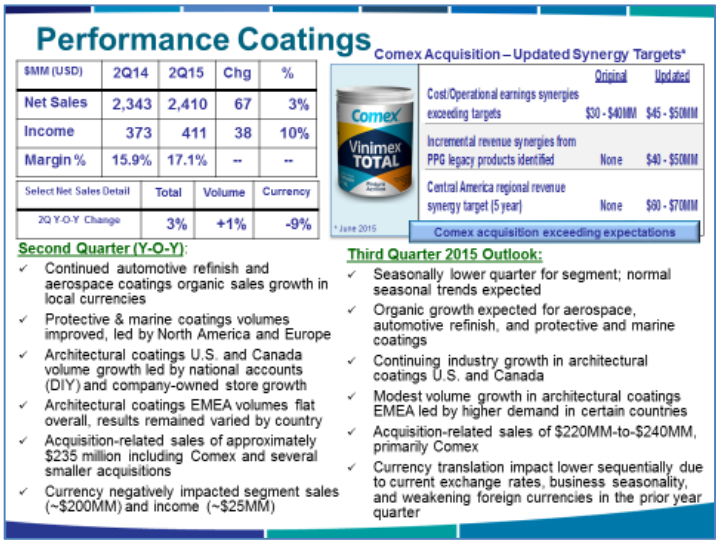


PPG Adjusted Earnings Per Share Trend

The strong increase in adjusted earnings per share in the second quarter of 2015 continues a robust growth trend for PPG. 2015 year-to-date results are up 20 percent, including the 18 percent increase this quarter.

This consistent and continued growth reflects the benefits of the significant business portfolio transformation over the past several years, coupled with positive impacts from the company's cash deployment and the company's continued, aggressive cost discipline.

A detailed reconciliation of the adjusted earnings per share figures for all periods presented is included in the presentation materials appendix.



Performance Coatings

The Performance Coatings segment's net sales for the second quarter were $2.41 billion, up about 3 percent versus the prior year. Acquisitions, including Comex and other smaller acquisitions, increased segment sales by about $235 million. Unfavorable foreign currency translation reduced segment sales by about $200 million, or approximately 9 percent. Segment net sales in local currencies were up about 12 percent compared to the prior year. During the second quarter, segment sales volumes improved by about 1 percent year-over-year.

From a business unit perspective organic sales growth in local currencies continued in aerospace and automotive refinish coatings, reflecting continued end-use market adoption of leading PPG technologies and growing demand. We expect continued growth in the third quarter of 2015 for these businesses, with the Cuming Microwave acquisition which closed in July 2015 supplementing aerospace industry growth.

Protective and marine coatings global sales volumes increased during the second quarter as North American growth included solid gains in the U.S. and Canada, coupled with initial Comex acquisition-related sales synergies. Additionally, European and Asian sales volumes were higher but partially offset by lower demand in South America. We anticipate continued sales growth in local currencies in the third quarter.

The U.S. and Canadian architectural coatings businesses experienced low-single-digit percentage volume growth in the second quarter, led by gains in the national retail accounts (do-it-yourself) channel and higher company-owned stores sales. This increase was partly offset by lower independent dealer volumes following strong first quarter 2015 year-over-year volume growth. Continued regional architectural coatings industry growth is expected to continue in the third quarter.

Architectural coatings EMEA sales volumes were flat in comparison to the prior year. Demand remained inconsistent throughout the region with modest growth in certain countries like the U.K., while other countries including France experienced lower demand. The mixed country trends will likely remain in the third quarter of 2015, but modest volume growth overall is anticipated.

Total segment acquisition-related net sales were about $235 million in the second quarter, including Comex sales which were within the previously projected second quarter range of $200 million-to-$225 million.

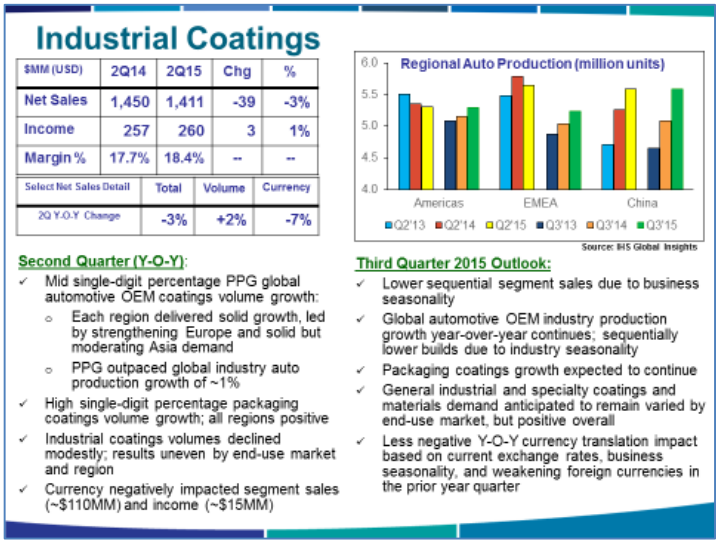
From a year-over-year perspective, Comex organic sales growth was a high single-digit percentage, partially offset by unfavorable foreign currency translation. Also, several other smaller acquisitions contributed to the segment sales during the quarter, and some of these, like Homax, will reach their one year anniversary date in the third quarter of 2015, while sales from recent acquisitions, such as Cuming Microwave, will be included.

We expect acquisition-related net sales for the third quarter of 2015 to be in the range of $220 million-to-$240 million, with the Comex-related sales seasonally consistent with prior years. We remain on target for mid-to-high single-digit Comex sales volume growth for the full year.

Second quarter segment income was $411 million, up $38 million or 10 percent year-over-year, driven primarily by acquisition-related income and improved operating performance, partially offset by unfavorable foreign currency translation which negatively impacted segment income by about $25 million.

From an overall segment perspective, Performance Coatings experienced normal seasonal patterns, as the second quarter is historically the strongest period. We anticipate normal seasonal trends in all businesses in the third quarter as well, resulting in lower segment sales sequentially.

Based on current exchange rates, foreign currency translation will have a lower unfavorable absolute dollar impact in the third quarter given the lower seasonal quarterly segment sales and income. In addition, the Euro to U.S. dollar conversion rate began to decline in the third quarter of 2014.



Industrial Coatings

Industrial Coatings segment net sales for the first quarter were $1.41 billion, down $39 million, or 3 percent, compared to the previous year. Segment sales volumes grew by over 2 percent, with growth in each region led by Europe. Unfavorable currency translation impacted segment sales by more than 7 percent, or about $110 million. Segment net sales in local currencies were up 5 percent, including a 3 percent benefit from acquisitions.

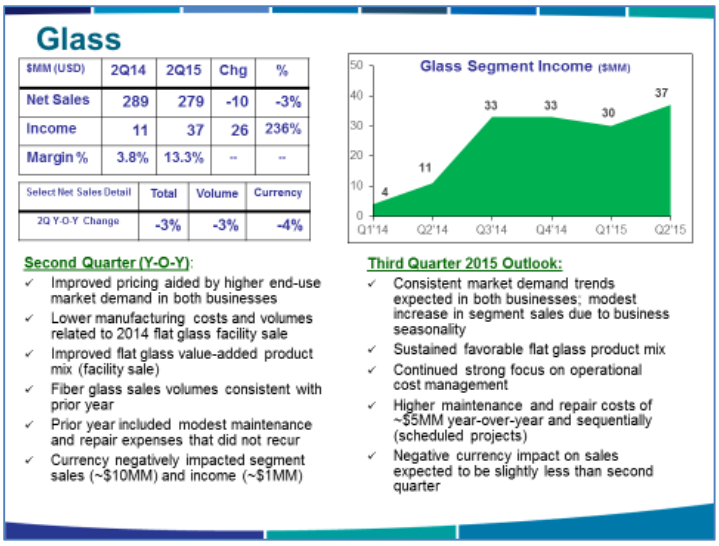
PPG's global automotive OEM coatings business achieved volume growth in all regions, with mid-single-digit percentage growth year-over-year. In comparison, global industry auto production grew by about 1 percent in the quarter. PPG growth was led by strengthening European demand and continuing, but moderating growth in China. In addition, the REVOCOAT acquisition contributed to business sales growth in the second quarter. Year-over-year global automotive industry production growth is forecasted to continue in the third quarter of 2015.

Global packaging coatings sales volumes were up at least mid-single-digit percentages in all regions. Growth was aided by customer adoption of new PPG products and was consistently favorable across most product lines. We expect business growth to continue in the third quarter.

Volume growth was mixed by end-use market and geography in PPG's general industrial and specialty coatings and materials businesses compared to prior year. In aggregate, volumes declined slightly with weakness early in the quarter, but demand improved as the quarter progressed. Growth continued in certain end-use markets including auto parts and accessories. Weakness remained in heavy-duty equipment and electronics. Coil demand was varied by region. Looking forward, we expect overall general industrial demand to grow, but to remain uneven.

Second quarter segment income grew 1 percent, to $260 million, as a result of disciplined cost management and acquisition benefits, offset by about $15 million in unfavorable foreign currency translation.

We expect that currency translation, primarily Euro-related, will have a smaller unfavorable impact on year-over-year sales in the third quarter of 2015 versus the second quarter, given lower segment sales seasonally and foreign currency exchange rates began to weaken in the third quarter of 2014.



Glass

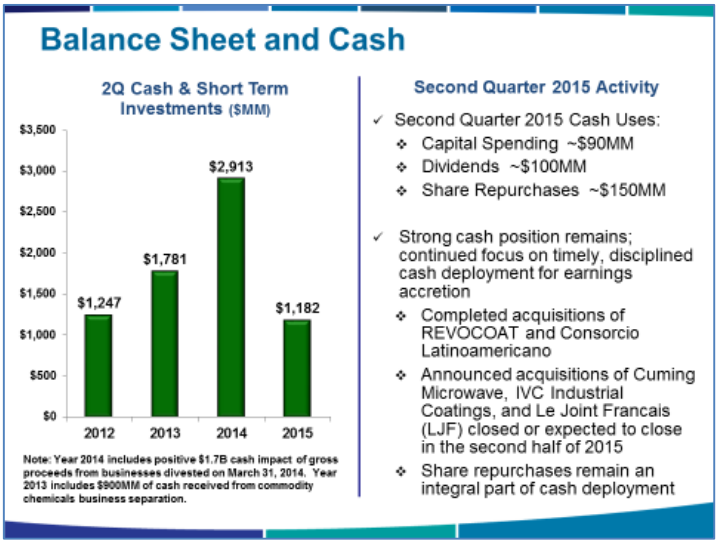
Second quarter net sales for the Glass segment were $279 million, down $10 million versus second quarter 2014. For the segment, higher selling prices from both businesses were offset by lower flat glass volumes and unfavorable foreign currency translation of about $10 million.

Flat glass sales volumes declined in the quarter, primarily due to the sale of the Mt. Zion flat glass facility in 2014. Although volumes were unfavorable, product mix was positive due to a shift toward value-added and specialty glass products following the 2014 facility sale. This positive mix shift is expected to provide benefits in the third quarter as well.

Fiber glass sales volumes were consistent year-over-year. The U.S. experienced a slight increase coupled with a modest decline in Europe. Pricing was positive as overall market demand remained solid in both regions.

Segment income in the quarter was $37 million, up $26 million year-over-year. The income growth was primarily due to the positive flat glass sales mix and lower manufacturing costs stemming from the 2014 facility sale. Additionally, our strong focus on cost management continued to generate higher segment income. Unfavorable pension costs and modestly unfavorable foreign currency impacts partially offset the benefits of the absence of prior year maintenance and repair costs that did not recur in the second quarter 2015.

Looking ahead, we expect demand growth to remain consistent with the prior quarter. The positive product mix and lower manufacturing costs related to the 2014 facility sale will continue to drive improved year-over-year flat glass results. Unfavorable currency translation is also expected to continue, coupled with remaining higher pension costs and approximately $5 million of higher year-over-year maintenance and repair costs for scheduled projects.



Balance Sheet and Cash

PPG ended the second quarter with about $1.2 billion in cash and short-term investments. This compares to the prior year figure of $2.9 billion that included gross proceeds of $1.7 billion received from the divestiture of PPG's interest in the Transitions Optical joint venture.

Operating working capital as a percentage of sales improved 30 basis points, mainly due to improved inventory management.

Approximate uses of cash for the second quarter were as follows:

- Capital expenditures, excluding acquisitions, were about $90 million in the quarter and about $160 million year-to-date. Anticipated 2015 capital spending remains in the range of 3.5 -to- 4.0 percent of sales.
- Dividends paid were about $100 million in the quarter. In April 2015, PPG's Board of Directors increased the quarterly dividend by over 7 percent.
- PPG stock repurchases totaled $150 million in the quarter, with about 1.3 million shares repurchased (stock split adjusted). The company has about $1.35 billion remaining under its current share repurchase authorization as of quarter-end.

PPG acquired REVOCOAT in April 2015, which was reflected in the company's second quarter financial results. In June 2015, the company announced three acquisitions: Consorcio Latinoamericano, Cuming Microwave, and IVC Industrial Coatings. Consorcio Latinoamericano closed in June 2015 and Cuming Microwave closed in early July 2015. We expect the Le Joint Francais (LJF) and IVC Industrial Coatings acquisitions to close in the second half of 2015.

In addition, the company announced a business restructuring program, and recorded a related charge in the second quarter of 2015. The business restructuring program includes actions to adjust employee levels and production capacity in certain businesses and regions and to achieve cost synergies related to recent acquisitions. Cash savings from the business restructuring program is expected to be about $100 million-to-$105 million when full year run-rate savings are achieved in 2017, including a 2015 partial year savings of $15 million-to-$20 million.

The company remains focused on earnings-accretive cash deployment and remains committed to and is on track to meet its previously announced cash deployment target of $1.5 billion-to-$2.5 billion for the years 2015 and 2016 combined.



Summary

In summary for the quarter, PPG achieved record sales, including the benefit from the Comex acquisition along with several other acquisitions completed during 2014 and 2015. The acquisition-related sales improvement served to offset significant, unfavorable foreign currency translation impacts. Year-over-year volume growth continued, but growth rates were tempered by uneven end-use market demand. Second quarter adjusted earnings per diluted share increased 18 percent versus a record prior year, as organic sales growth, acquisitions, and a strong cost focus offset foreign currency translation. Segment income improved by 10 percent versus the prior year, and 17 percent absent unfavorable currency translation.

The company's continued execution of its strategic actions and ongoing accretive cash deployment drove the second quarter record results. During the quarter, the Comex acquisition achieved year-over-year organic sales growth of a high-single digit percentage versus prior year pre-acquisition levels. These higher Comex sales translated into strong segment income growth for the Performance Coatings segment, which benefited PPG's overall earnings per share growth. Comex remains on track to deliver 2015 full year sales growth of a high single-digit percentage and we recently announced higher run rate cost synergies to be achieved by year end 2016.

Second quarter earnings per diluted share also benefited from ongoing share repurchases, including an additional $150 million of repurchases in the second quarter 2015. PPG's year-over-year number of average diluted shares outstanding decreased by about 2 percent.

PPG completed the acquisitions of REVOCOAT and Consorcio Latinoamericano, in the second quarter, completed the acquisition of Cuming Microwave in July 2015, and announced the acquisition of IVC Industrial Coatings in June 2015. In addition to these, the pending acquisition of Le Joint Francais (LJF) was announced in the first quarter of 2015. The company's acquisition pipeline remains active globally.

The company's balance sheet remains strong, with $1.2 billion of cash and short-term investments at quarter-end. Earnings accretive cash deployment remains a focus.

The company also continue its legacy of rewarding shareholders and raised the quarterly dividend to 36 cents per share in April, an increase of over 7 percent.



PPG Industries
Bringing innovation to the surface.™
www.ppg.com

Additional Materials and Appendix

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

1st Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Year 2015						
Net Income/(Loss) Attributable to PPG as Reported	$ 321	$ 1.16	$ 1	$ 0.01	$ 322	$ 1.17
Transaction-related costs	6	0.02	–	–	6	0.02
Adjusted Net Income/(Loss) Attributable to PPG	$ 327	$ 1.18	$ 1	$ 0.01	$ 328	$ 1.19
Year 2014						
Net Income/(Loss) Attributable to PPG as Reported	$ 277	$ 0.98	$ 985	$ 3.50	$ 1,262	$ 4.48
Transaction-related costs	2	0.01	–	–	2	0.01
Adjusted Net Income/(Loss) Attributable to PPG	$ 279	$ 0.99	$ 985	$ 3.50	$ 1,264	$ 4.49
Year 2013						
Net Income/(Loss) Attributable to PPG as Reported	$ 191	$ 0.64	$ 2,219	$ 7.51	$ 2,410	$ 8.15
Legacy pension costs	13	0.04	–	–	13	0.04
Environmental costs	8	0.03	–	–	8	0.03
Transaction-related costs	5	0.01	–	–	5	0.01
U.S. tax law change enacted in 2013	(10)	(0.03)	–	–	(10)	(0.03)
Adjusted Net Income/(Loss) Attributable to PPG	$ 207	$ 0.69	$ 2,219	$ 7.51	$ 2,426	$ 8.20
Year 2012						
Net Income/(Loss) Attributable to PPG as Reported	$ (49)	$ (0.16)	$ 61	$ 0.20	$ 12	$ 0.04
Business restructuring	137	0.45	26	0.08	163	0.53
Environmental reserves	99	0.32	–	–	99	0.32
Transaction-related costs	4	0.01	–	–	4	0.01
Adjusted Net Income/(Loss) Attributable to PPG	$ 191	$ 0.62	$ 116	$ 0.28	$ 279	$ 0.90
Year 2011 (no adjustments)						
Net Income/(Loss) Attributable to PPG as Reported	$ 144	$ 0.44	$ 84	$ 0.26	$ 228	$ 0.70

Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation

2nd Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Year 2015						
Net Income/(Loss) Attributable to PPG as Reported	$ 337	$ 1.23	–	–	$ 337	$ 1.23
Transaction-related costs	15	0.05	–	–	15	0.05
Business restructuring charge	106	0.39	–	–	106	0.39
Adjusted Net Income/(Loss) Attributable to PPG	$ 458	$ 1.67	–	–	$ 458	$ 1.67
Year 2014						
Net Income/(Loss) Attributable to PPG as Reported	$ 393	$ 1.40	$ (7)	$ (0.02)	$ 386	$ 1.38
Pension settlement charge	3	0.01	–	–	3	0.01
Transaction-related costs	2	0.01	–	–	2	0.01
Adjusted Net Income/(Loss) Attributable to PPG	$ 398	$ 1.42	$ (7)	$ (0.02)	$ 391	$ 1.40
Year 2013						
Net Income/(Loss) Attributable to PPG as Reported	$ 318	$ 1.09	$ 23	$ 0.08	$ 341	$ 1.17
Transaction-related costs	13	0.05	2	0.01	15	0.06
Adjusted Net Income/(Loss) Attributable to PPG	$ 331	$ 1.14	$ 25	$ 0.09	$ 356	$ 1.23
Year 2012						
Net Income/(Loss) Attributable to PPG as Reported	$ 266	$ 0.86	$ 96	$ 0.31	$ 362	$ 1.17
Business separation costs	–	–	3	0.01	3	0.01
Adjusted Net Income/(Loss) Attributable to PPG	$ 266	$ 0.86	$ 99	$ 0.32	$ 365	$ 1.18
Year 2011 (no adjustments)						
Net Income/(Loss) Attributable to PPG as Reported	$ 245	$ 0.76	$ 95	$ 0.30	$ 340	$ 1.06

Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation

3rd Quarter Reporting Period

	Continued Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Year 2014						
Net Income Attributable to PPG as Reported	$ 377	$ 1.35	$ (6)	$ (0.02)	$ 371	$ 1.33
Transaction-related costs	2	0.01	-	-	2	0.01
Pension settlement charge	2	0.01	-	-	2	0.01
Increase to legacy environmental reserves	86	0.30	-	-	86	0.30
Gain on asset sales	(73)	(0.26)	-	-	(73)	(0.26)
Adjusted Net Income Attributable to PPG	$ 394	$ 1.41	$ (6)	$ (0.02)	$ 388	$ 1.39
Year 2013						
Net Income Attributable to PPG as Reported	$ 204	$ 0.70	$ 22	$ 0.08	$ 226	$ 0.78
Transaction-related costs	3	0.01	1	-	4	0.01
Increase to legacy environmental reserves	56	0.19	-	-	56	0.19
Business restructuring	73	0.25	-	-	73	0.25
Adjusted Net Income Attributable to PPG	$ 336	$ 1.15	$ 23	$ 0.08	$ 359	$ 1.23
Year 2012						
Net Income Attributable to PPG as Reported	$ 269	$ 0.86	$ 70	$ 0.23	$ 339	$ 1.09
Business separation costs	-	-	9	0.03	9	0.03
Adjusted Net Income Attributable to PPG	$ 269	$ 0.86	$ 79	$ 0.26	$ 348	$ 1.12
Year 2011						
Net Income Attributable to PPG as Reported	$ 223	$ 0.70	$ 88	$ 0.28	$ 311	$ 0.98

Amounts in Millions of USD except EPS

Adjusted EPS Reconciliation

4th Quarter Reporting Period

	Continued Operations		Discontinued Operations		Total PPG	
Year 2014	Net Income	EPS	Net Income	EPS	Net Income	EPS
Net Income Attributable to PPG as Reported	$ 86	$ 0.31	$ (3)	$ (0.01)	$ 83	$ 0.30
Debt refinancing charge	200	0.72	-	-	200	0.72
Transaction-related costs	36	0.13	-	-	36	0.13
Favorable foreign tax ruling	(29)	(0.11)	-	-	(29)	(0.11)
Adjusted Net Income Attributable to PPG	$ 293	$ 1.05	$ (3)	$ (0.01)	$ 290	$ 1.04
Year 2013						
Net Income Attributable to PPG as Reported	$ 237	$ 0.83	$ 17	$ 0.05	$ 254	$ 0.88
Transaction-related costs	3	0.01	1	0.01	4	0.02
Adjusted Net Income Attributable to PPG	$ 240	$ 0.84	$ 18	$ 0.06	$ 258	$ 0.90
Year 2012						
Net Income Attributable to PPG as Reported	$ 175	$ 0.56	$ 52	$ 0.17	$ 227	$ 0.73
Business separation costs	3	0.01	8	0.02	11	0.03
Adjusted Net Income Attributable to PPG	$ 178	$ 0.57	$ 60	$ 0.19	$ 238	$ 0.76
Year 2011						
Net Income Attributable to PPG as Reported	$ 166	$ 0.53	$ 50	$ 0.16	$ 216	$ 0.69

Amounts in Millions of USD except EPS

PPG Adjusted Earnings Per Share Trend Reconciliation

	Adjusted EPS from Continuing Operations					Y.O.Y Change in Adjusted EPS from Continuing Operations			
Period	2011	2012	2013	2014	2015	2012 vs. 2011	2013 vs. 2012	2014 vs. 2013	2015 vs. 2014
1Q	$ 0.44	$ 0.62	$ 0.69	$ 0.99	$ 1.18	$ 0.18	$ 0.07	$ 0.30	$ 0.19
2Q	0.76	0.86	1.14	1.42	1.67	0.10	0.28	0.28	0.25
3Q	0.70	0.86	1.15	1.41	–	0.16	0.29	0.26	–
4Q	0.53	0.57	084	1.05	–	0.04	0.27	0.21	–
Full Year*	$ 2.44	$ 2.92	$ 3.83	$4.88	–	$ 0.48	$ 0.91	$ 1.05	–
Year over year percentage increase in EPS (2015 based on partial year)						+20%	+31%	+27%	+20%

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

Amounts in Millions of USD except EPS

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 thereunder. 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 timing 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 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. All information in this presentation speaks only as of July 16, 2015, and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information. PPG undertakes no obligation to update any forward-looking statement, except as otherwise required by applicable law.