

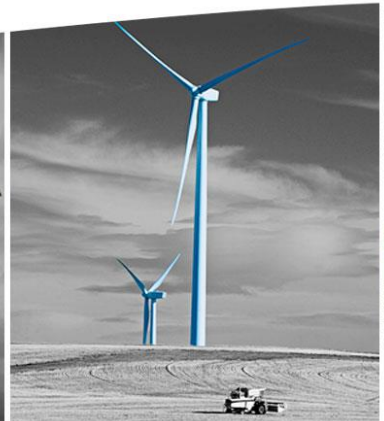



PPG Industries
Bringing innovation to the surface.™

PPG Industries, Inc. – Second Quarter 2015 Financial Results

Charles E. Bunch, Chairman and Chief Executive Officer
Michael H. McGarry, President and Chief Operating Officer
Frank S. Sklarsky, Executive Vice President and Chief Financial Officer
Vincent J. Morales, Vice President Investor Relations and Treasurer

Information current as of July 16, 2015



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.

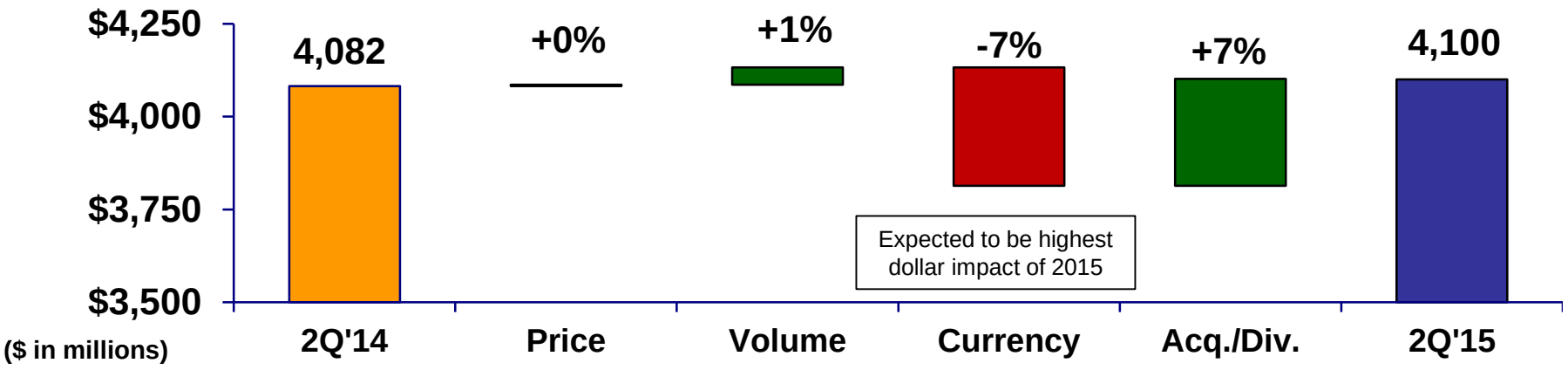
Second Quarter 2015 Financial Highlights

- **Sales up 8 percent in local currencies**
  - Aggregate volumes up one percent year-over-year (excluding acquisitions).
  - Acquisition-related sales (primarily Comex) contributed 7 percent.
  - Currency translation reduced sales more than 7 percent (~$320 million).

- **Continued, strong earnings growth; operational focus remains**
  - All-time record adjusted earnings per diluted share from continuing operations up 18 percent versus the prior year, including $0.11 unfavorable foreign currency translation impact.
  - Segment income improved 17 percent in local currencies, aided by increases from all segments.
  - Initiated restructuring program during the quarter with cost savings of $100-$105 million when full-year run rate savings are achieved in 2017, including 2015 savings of $15-$20 million.

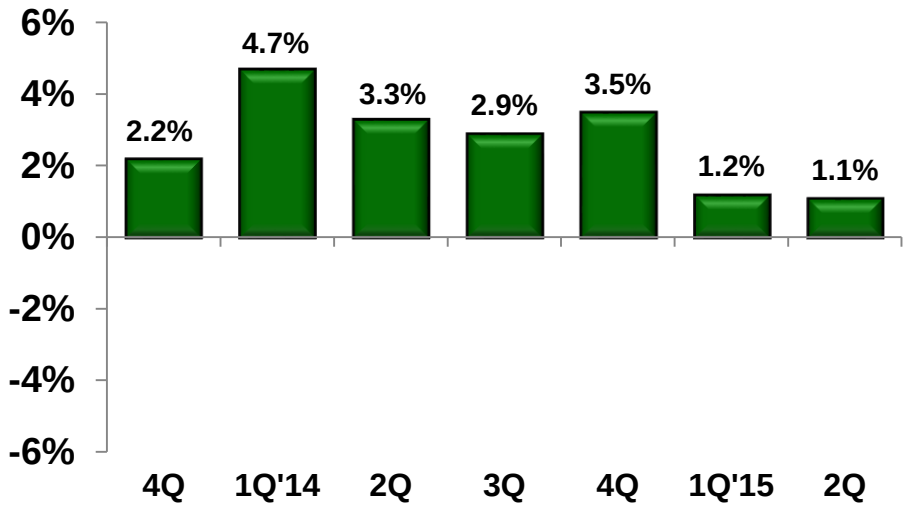
- **Cash deployment yielding results**
  - Comex acquisition sales up high single-digit percentage versus prior year pre-acquisition period.
  - Cash deployment focused on earnings-accretion continues.
    - Completed 2 acquisitions: REVOCOAT and Consorcio Latinoamericano.
    - Three announced acquisitions close or expected to close in the second half of 2015: Cuming Microwave, IVC Industrial Coatings, and Le Joint Francais (LJF).
    - Share repurchases totaled $150 million in the second quarter; $350 million year-to-date.
  - Cash and short-term investments totaled $1.2 billion at quarter-end.

PPG Quarterly Net Sales



PPG Y-O-Y Volume Trends

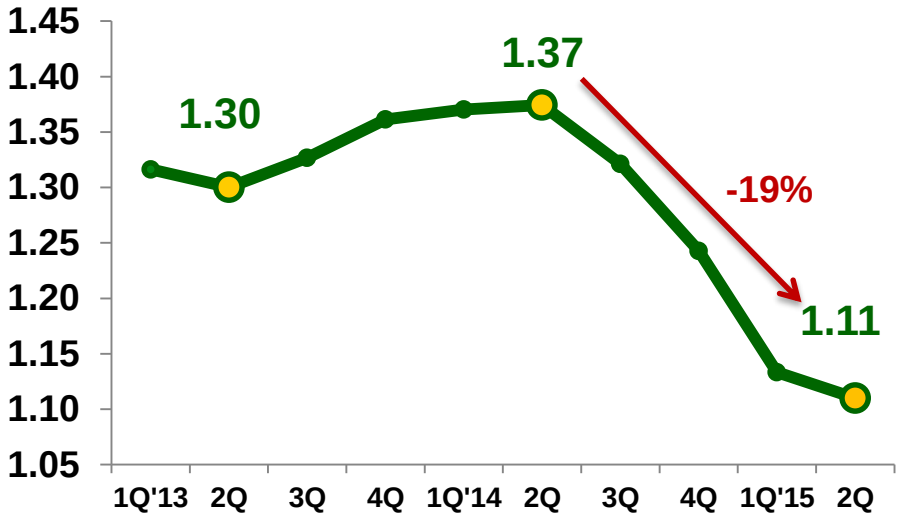
(excludes price, currency and acquisition impacts)



Growth continues; Consistent with prior quarter

Dollar/Euro Conversion Rate

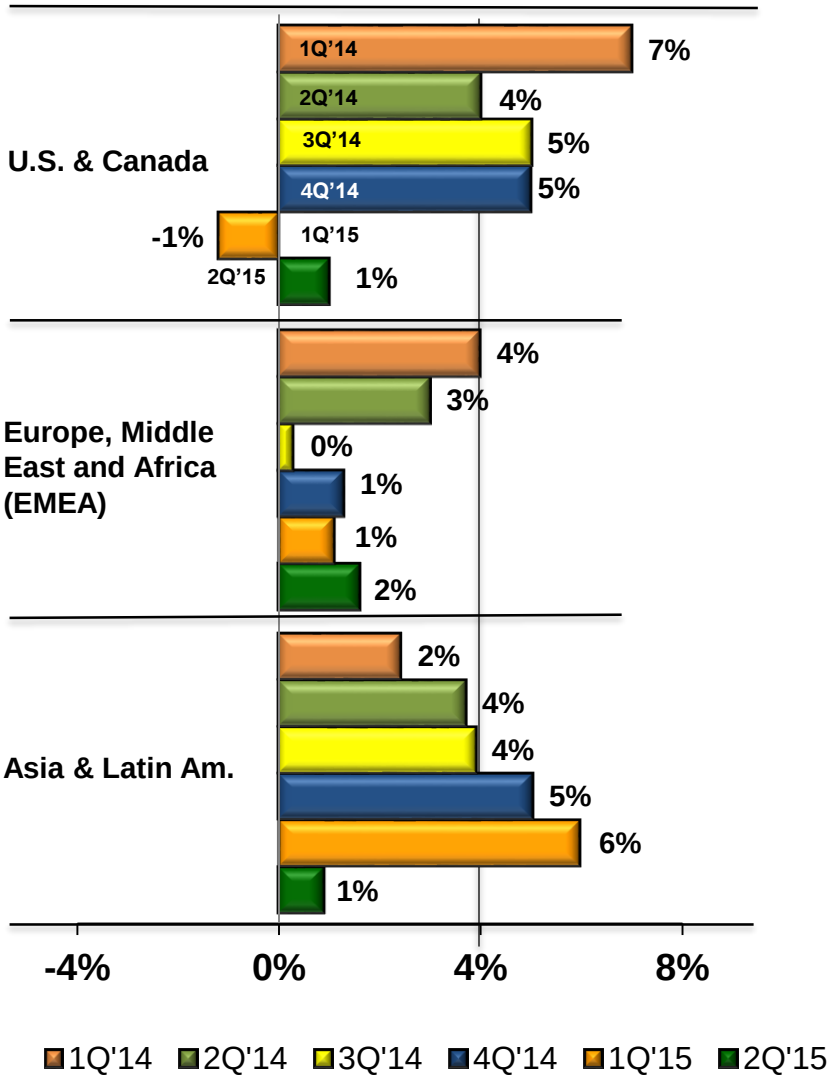
(Quarter rate = 3-month average)



Euro down ~19%, one of many currency declines vs. USD

Net Sales Volume Trends – Coatings Segments

PPG Coatings Y-O-Y Regional Volume Trends
(excludes price, currency and acquisition impacts)



2Q 2015 Commentary Y-O-Y (versus 2Q 2014):

U.S. & Canada:

Modest volume growth versus relatively strong prior year comparable period.

Year-over-year volume results were mixed by business. Growth led by automotive refinish, automotive OEM, and packaging coatings. Overall business trends point toward continued regional growth. Differences by end-use market remain.

Europe, Middle East & Africa:

Solid growth continues in the region. Demand trends remained uneven by country, consistent with previous quarters, with certain countries delivering growth and others contracting.

Business unit growth led by automotive OEM, packaging, protective and marine, and automotive refinish coatings. Architectural coatings EMEA was flat.

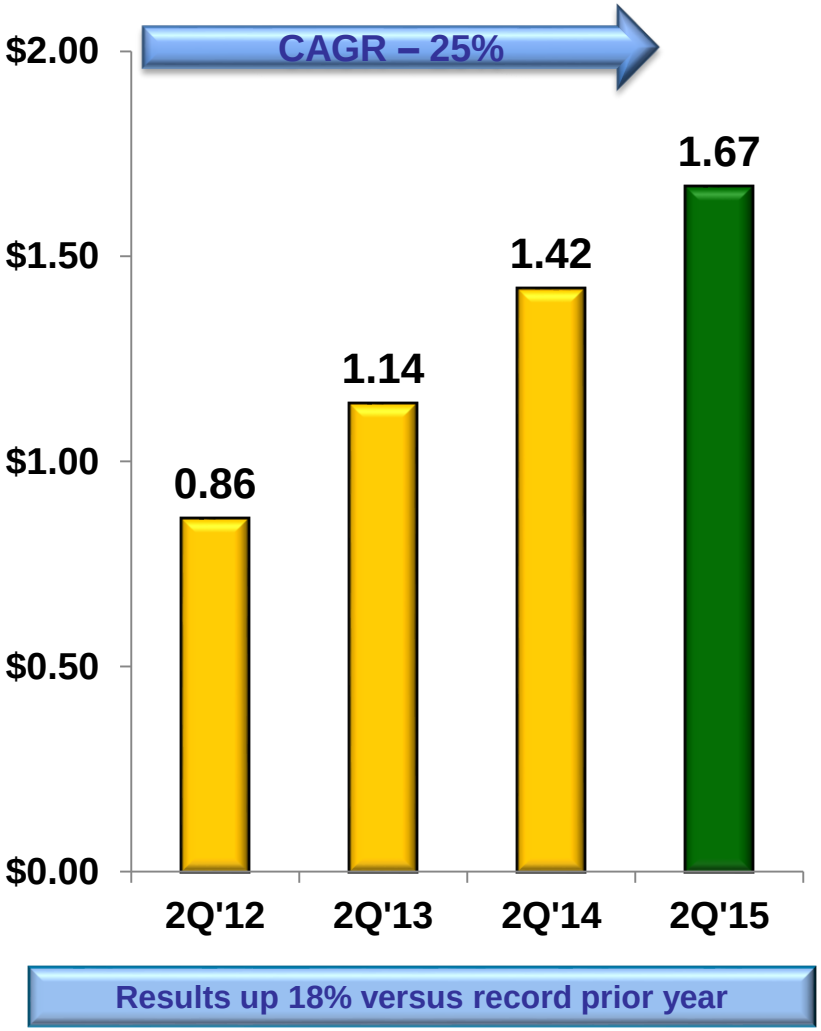
Asia & Latin America (emerging regions):

Growth moderated in emerging regions. Asian demand was favorable but varied by end-use market. Latin American volume was negative overall (excluding acquisitions.)

Emerging region growth led by automotive OEM, packaging, and aerospace coatings. Sequential decline due to overall lower industrial activity.

PPG Second Quarter Earnings Per Share

Adjusted Earnings Per Diluted Share*



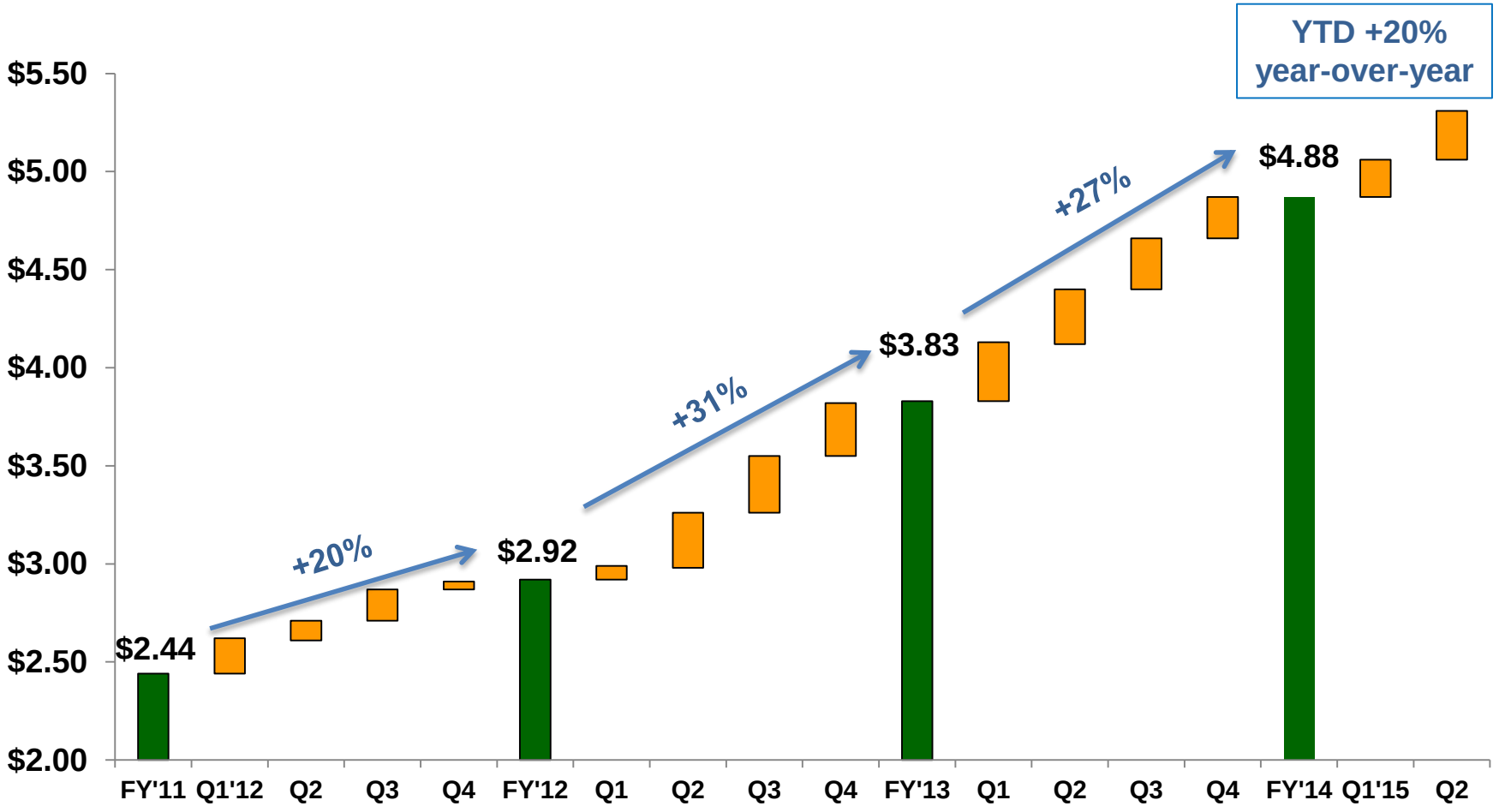
Second Quarter Comments

- ✓ Reporting segment updates included on succeeding slides. Aggregate items embedded in segment reviews:
  - ❖ Acquisition-related income benefits
  - ❖ Unfavorable currency translation Y-O-Y impact (~$40MM pre-tax)
  - ❖ Pension/OPEB expense 2Q'15 ~$10 million higher vs. prior year
- ✓ Lower corporate net interest cost (4Q'14 debt refinance):
  - ✓ 2Q'15 net interest total = $24MM
  - ✓ 2Q'14 net interest total = $35MM
- ✓ Higher effective income tax rate on adjusted net income from continuing operations (including Comex income):
  - ✓ 2Q 2015 = 24.5%
  - ✓ 2Q 2014 = 24.1%
- ✓ Average diluted shares outstanding down 2 percent vs. prior-year quarter

*** Adjusted EPS (from continuing operations) – see presentation appendix for reconciliation to reported EPS**

PPG Adjusted Earnings Per Share Trend*

All figures have been recast based on PPG's current business portfolio and reflect the June 2015 2:1 stock split



Transformed portfolio and accretive cash deployment drives excellent earnings growth

*** Adjusted Earnings Per Diluted Share from Continuing Operations – See appendix for reconciliations to reported EPS**

Performance Coatings

$MM (USD)	2Q14	2Q15	Chg	%
Net Sales	2,343	2,410	67	3%
Income	373	411	38	10%
Margin %	15.9%	17.1%	--	--

Select Net Sales Detail	Total	Volume	Currency
2Q Y-O-Y Change	3%	+1%	-9%

Comex Acquisition – Updated Synergy 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

* June 2015

Comex acquisition exceeding expectations

Second Quarter (Y-O-Y):

- ✓ Continued automotive refinish and aerospace coatings organic sales growth in local currencies
- ✓ Protective & marine coatings volumes improved, led by North America and Europe
- ✓ Architectural coatings U.S. and Canada volume growth led by national accounts (DIY) and company-owned store growth
- ✓ Architectural coatings EMEA volumes flat overall, results remained varied by country
- ✓ Acquisition-related sales of approximately $235 million including Comex and several smaller acquisitions
- ✓ Currency negatively impacted segment sales (~$200MM) and income (~$25MM)

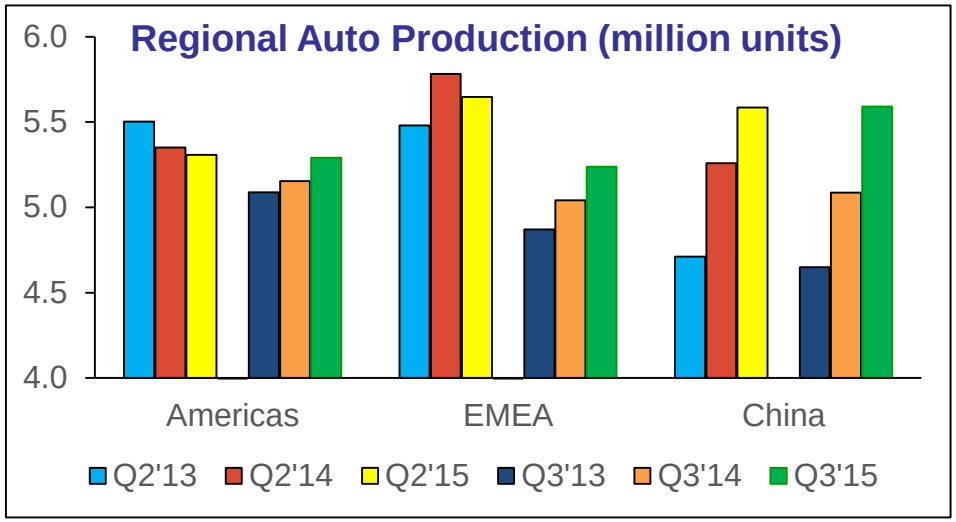
Third Quarter 2015 Outlook:

- ✓ Seasonally lower quarter for segment; normal seasonal trends expected
- ✓ Organic growth expected for aerospace, automotive refinish, and protective and marine coatings
- ✓ Continuing industry growth in architectural coatings U.S. and Canada
- ✓ Modest volume growth in architectural coatings EMEA led by higher demand in certain countries
- ✓ Acquisition-related sales of $220MM-to-$240MM, primarily Comex
- ✓ Currency translation impact lower sequentially due to current exchange rates, business seasonality, and weakening foreign currencies in the prior year quarter

Industrial Coatings

$MM (USD)	2Q14	2Q15	Chg	%
Net Sales	1,450	1,411	-39	-3%
Income	257	260	3	1%
Margin %	17.7%	18.4%	--	--

Select Net Sales Detail	Total	Volume	Currency
2Q Y-O-Y Change	-3%	+2%	-7%



Source: IHS Global Insights

Second Quarter (Y-O-Y):

- ✓ Mid single-digit percentage PPG global automotive OEM coatings volume growth:
  - Each region delivered solid growth, led by strengthening Europe and solid but moderating Asia demand
  - PPG outpaced global industry auto production growth of ~1%
- ✓ High single-digit percentage packaging coatings volume growth; all regions positive
- ✓ Industrial coatings volumes declined modestly; results uneven by end-use market and region
- ✓ Currency negatively impacted segment sales (~$110MM) and income (~$15MM)

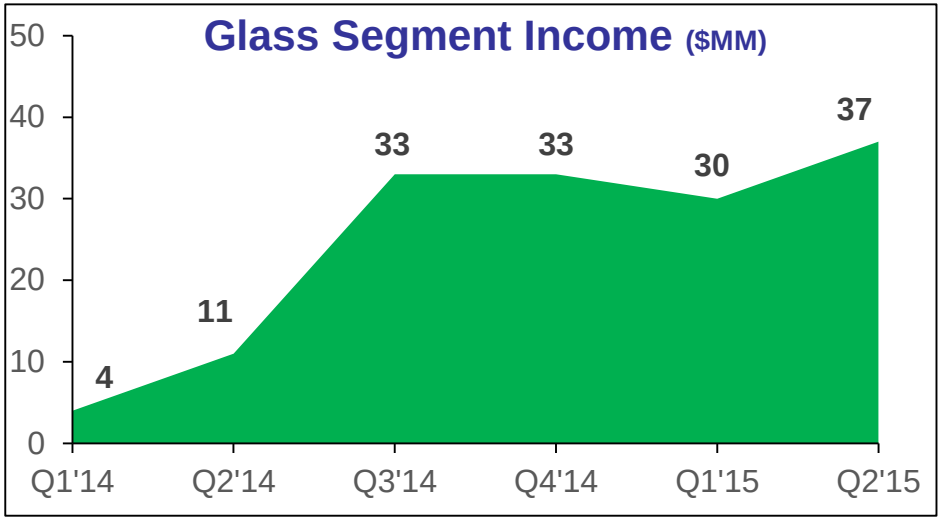
Third Quarter 2015 Outlook:

- ✓ Lower sequential segment sales due to business seasonality
- ✓ Global automotive OEM industry production growth year-over-year continues; sequentially lower builds due to industry seasonality
- ✓ Packaging coatings growth expected to continue
- ✓ General industrial and specialty coatings and materials demand anticipated to remain varied by end-use market, but positive overall
- ✓ Less negative Y-O-Y currency translation impact based on current exchange rates, business seasonality, and weakening foreign currencies in the prior year quarter

Glass

$MM (USD)	2Q14	2Q15	Chg	%
Net Sales	289	279	-10	-3%
Income	11	37	26	236%
Margin %	3.8%	13.3%	--	--

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



Second Quarter (Y-O-Y):

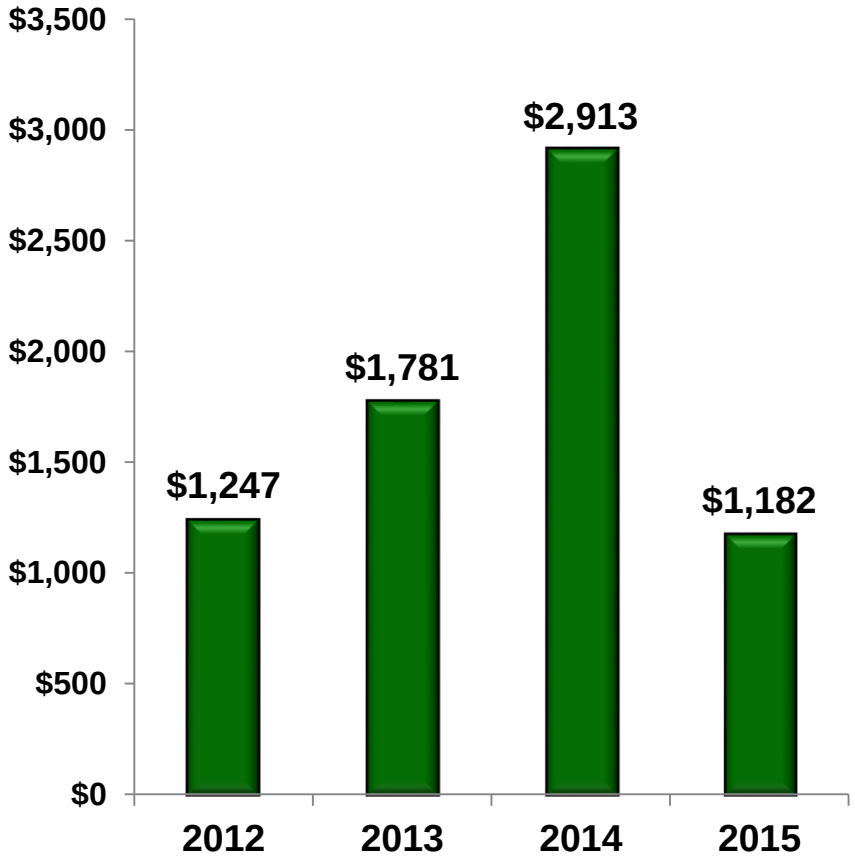
- ✓ Improved pricing aided by higher end-use market demand in both businesses
- ✓ Lower manufacturing costs and volumes related to 2014 flat glass facility sale
- ✓ Improved flat glass value-added product mix (facility sale)
- ✓ Fiber glass sales volumes consistent with prior year
- ✓ Prior year included modest maintenance and repair expenses that did not recur
- ✓ Currency negatively impacted segment sales (~$10MM) and income (~$1MM)

Third Quarter 2015 Outlook:

- ✓ Consistent market demand trends expected in both businesses; modest increase in segment sales due to business seasonality
- ✓ Sustained favorable flat glass product mix
- ✓ Continued strong focus on operational cost management
- ✓ Higher maintenance and repair costs of ~$5MM year-over-year and sequentially (scheduled projects)
- ✓ Negative currency impact on sales expected to be slightly less than second quarter

Balance Sheet and Cash

2Q Cash & Short Term Investments ($MM)



Note: Year 2014 includes positive $1.7B cash impact of gross proceeds from businesses divested on March 31, 2014. Year 2013 includes $900MM of cash received from commodity chemicals business separation.

Second Quarter 2015 Activity

- ✓ Second Quarter 2015 Cash Uses:
  - ❖ Capital Spending ~$90MM
  - ❖ Dividends ~$100MM
  - ❖ Share Repurchases ~$150MM
- ✓ Strong cash position remains; continued focus on timely, disciplined cash deployment for earnings accretion
  - ❖ Completed acquisitions of REVOCOAT and Consorcio Latinoamericano
  - ❖ Announced acquisitions of Cuming Microwave, IVC Industrial Coatings, and Le Joint Francais (LJF) closed or expected to close in the second half of 2015
  - ❖ Share repurchases remain an integral part of cash deployment

Summary

✓ Record second quarter financial performance

- All-time record adjusted earnings per share up 18 percent despite unfavorable foreign currency translation impacts.
- Record coatings segment earnings benefit from strong operational focus.
- Cash deployment contributed to net sales, adjusted earnings per share records.

✓ Ongoing strategy execution and operational excellence

- Aggressive cost management; proactive restructuring program initiated.
- Sales up 8 percent in local currencies including acquisitions.
- Increased Comex acquisition cost synergy targets, new revenue synergies.

• Ongoing shareholder focus and balance sheet flexibility

- Active acquisition pipeline; ~$400 million of acquisitions announced or closed year-to-date.
- Quarterly dividend increased 7 percent in April 2015
- Share repurchases of $150 million in quarter; $350 million year-to-date.
- Cash and short-term investments totaling $1.2 billion at quarter-end.





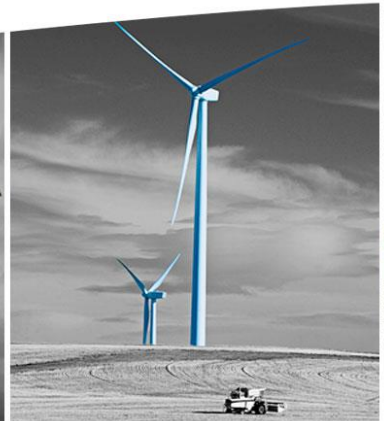

PPG Industries
Bringing innovation to the surface.™
www.ppg.com

Additional Materials and Appendix

Thank you for your interest in PPG Industries, Inc.
Contact Information:

Investors:
Scott Minder - (412) 434-3466

Media:
Mark Silvey - (412) 434-3046



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