



# PPG Industries, Inc.

## Investor Overview



# 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 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, 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 March 15, 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.

# PPG Industries: A Global Leader in Coatings



# History & Overview



- **Founded in 1883 (USA)**
- **Leading supplier of paints, coatings, specialty materials, flat glass and fiber glass**
- **Broad global footprint**
- **Industry-leading technologies and services**
- **Excellent financial results**
- **Fiscally prudent**
- **Shareholder friendly**

# 2013 Key Achievements



## Notable Strategic Portfolio Actions

- Commodity Chemicals separation – Reverse Morris Trust
- Finalized acquisition of AkzoNobel's N.A. Architectural Coatings
- Announced Transitions joint venture ownership interest sale

## Excellent Financial Performance

- Record adjusted EPS each quarter, full year ~30% higher than prior year's record
- Record earnings in each region, including Europe despite weak economic backdrop
- Record cash from operations

## Cash and Cash Deployment

- Dividend increase – 42nd consecutive year
- \$1.75B of cash on balance sheet at year-end



# 2014 Key Achievements



## Strategic Portfolio Actions

- Comex acquisition
- Completed Transitions joint venture ownership interest sale
- Achieved Akzo Nobel NA architectural coatings synergies

## Excellent Financial Performance

- Aggregate volume growth of 3.5%, including higher volumes in all major regions
- Record adjusted EPS up 27% versus previous year
- Record earnings in each region, including a 21% increase in European results

## Cash and Cash Deployment

- \$1.2B of cash and short-term investments on balance sheet as of December 31, 2014
- Quarterly dividend increase of 10%
- Deployed \$750MM for share repurchases

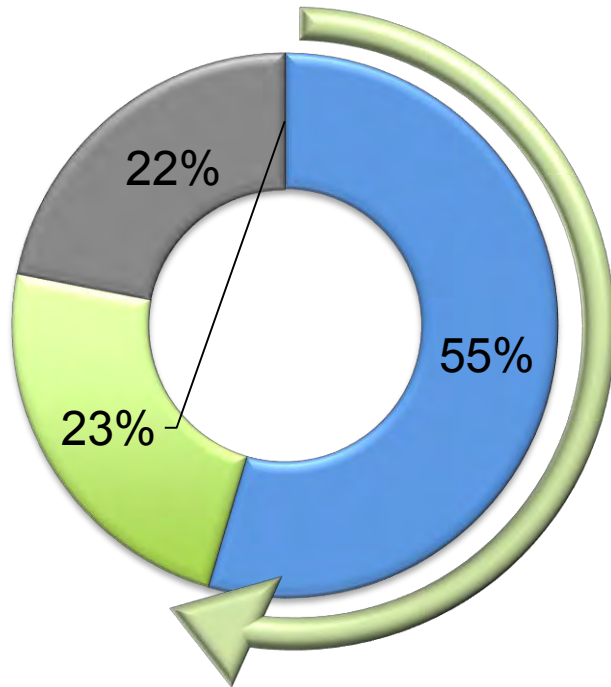


# Significant Portfolio Shift

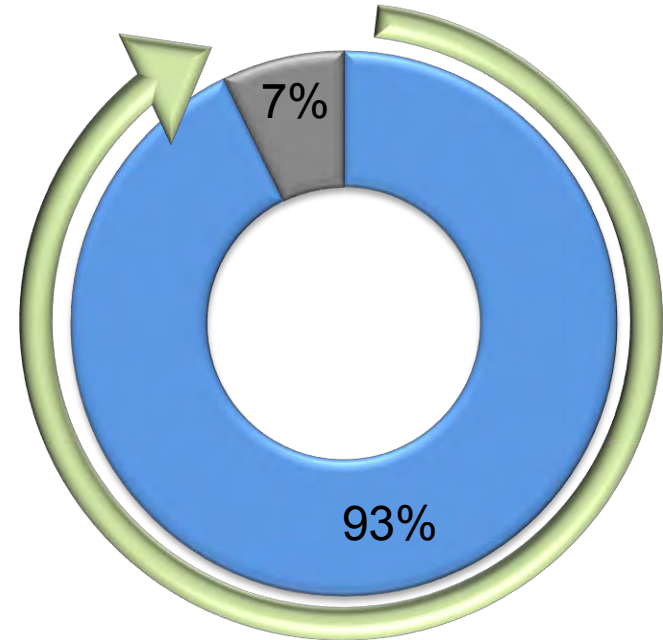
## Sales

2005 - \$10.2B

2014 - \$15.4B



- Coatings
- Chemicals
- Glass



Coatings = \$5.6B

Coatings = \$14.3B



**Coatings growth = ~155%; represents 93% of portfolio**

• Sales from Continuing Operations – as originally reported

# Notable PPG Acquisitions



1997 - 2000	
Acquired From	Business
Akzo Nobel	Auto OEM
Man-Gill	Industrial
BASF	Packaging
MaxMeyer	Refinish
Phillips Paints	Industrial
Keeler & Long	Architectural
Bollig & Kemper	Auto OEM
Courtaulds	Packaging
Orica	Refinish
Sigma	Refinish
Porter Paints	Architectural
ICI	Refinish
ICI	Industrial
Wattyl	Architectural
PRC-Desoto	Aerospace
Monarch	Architectural
<b>Total Sales Value ~\$2B</b>	

2005 - 2008	
Acquired From	Business
Int'l Polarizer	Optical
Crown Coatings	Industrial
Iowa Paint	Architectural
Shanghai Sunpool	Architectural
Intercast	Optical
Eldorado	Aerospace
Ameron	PMC
Dongju (Asia)	Industrial
Protec (Asia)	Refinish
Sierracin	Aerospace
Renner Sayerlack	Architectural
ICI India (Asia)	Refinish
Barloworld (Asia)	Architectural
SigmaKalon	Arch./ PMC / Industrial
Bonny (Asia)	Refinish
BASF Coil (N/A)	Industrial
<b>Total Sales Value ~\$4.5B</b>	

2010 - Present	
Acquired From	Business
Bairun (Asia)	Packaging
Equa-chlor	Chemicals
Dyrup	Architectural
Ducol (S. Africa)	Refinish
Colpisa (Columbia)	Auto OEM/Refinish
Spraylat	Industrial
Akzo Nobel	North America architectural coatings
Deft	Aerospace
Hi-Temp Coatings	Protective
Canal Supplies	Protective
Homax	Architectural
Comex (Mexico)	Architectural
<b>Total Sales Value ~\$3.3B</b>	

**Experienced, Global Acquirer with Excellent Track Record**

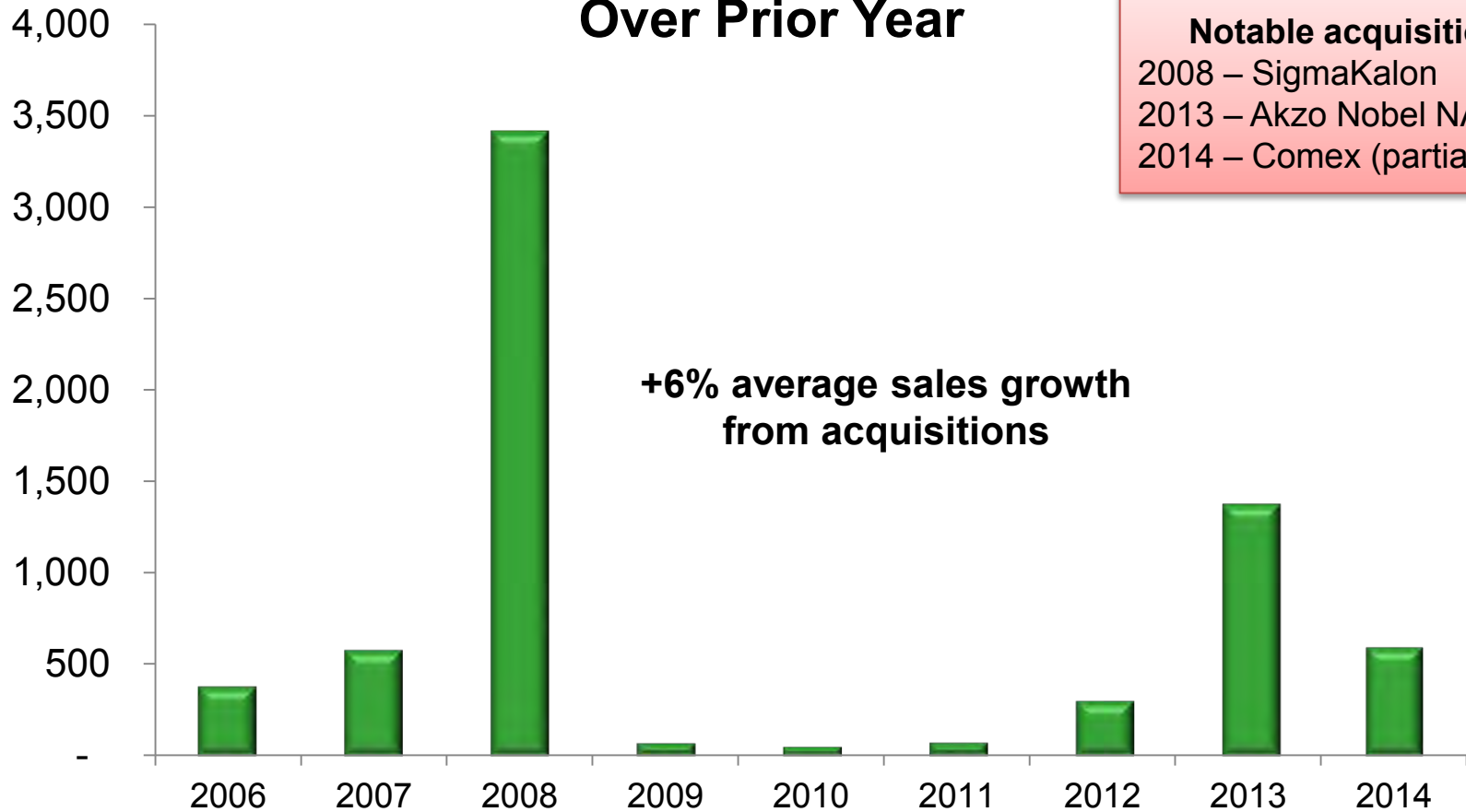


# Acquisitions Contribute to Sales Growth



## Acquisition Sales Growth Over Prior Year

**Notable acquisitions:**  
2008 – SigmaKalon  
2013 – Akzo Nobel NA  
2014 – Comex (partial year)



(MM of USD)

**Acquisitions supplement organic growth**

# Accelerating the Portfolio Transformation



2013

- Separation of commodity chemicals business via Reverse Morris Trust (\$1.7 billion annual sales)
- Acquisition of North America architectural coatings business from AkzoNobel (\$1.5 billion annual sales)

2014

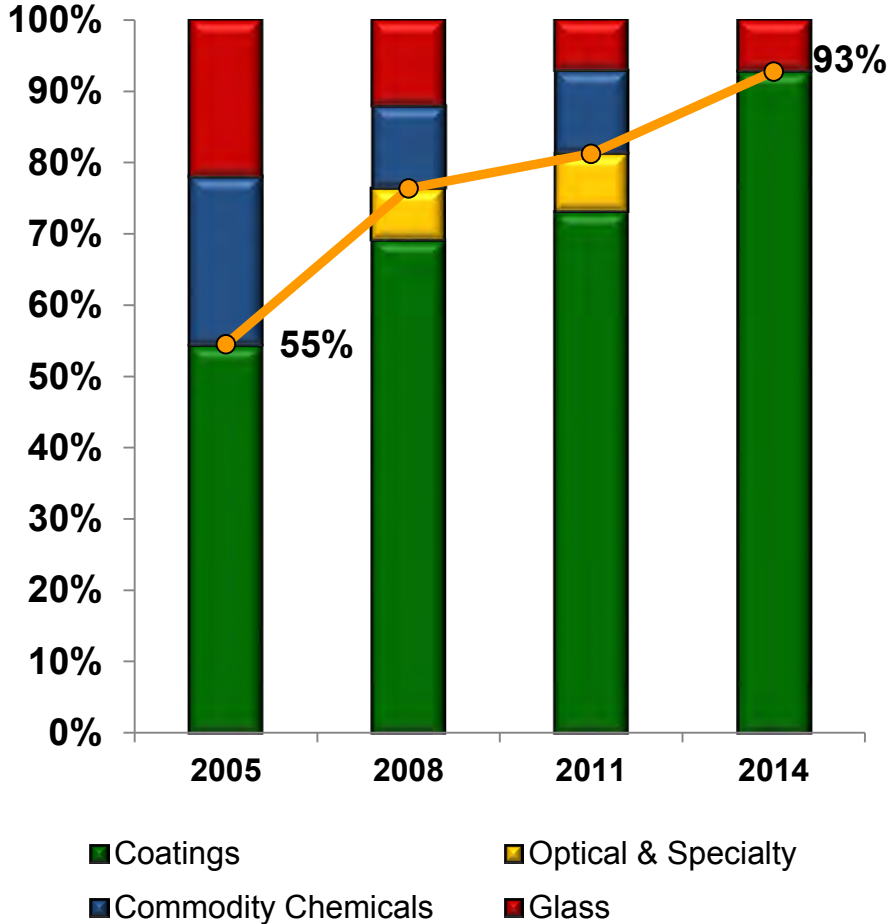
- Sale of PPG's majority interest in Transitions Optical joint venture (\$0.8 billion annual sales)
- Acquisition of Comex – Mexico (\$1.0 billion annual sales)

**Significant increase in coatings via strategic portfolio actions**

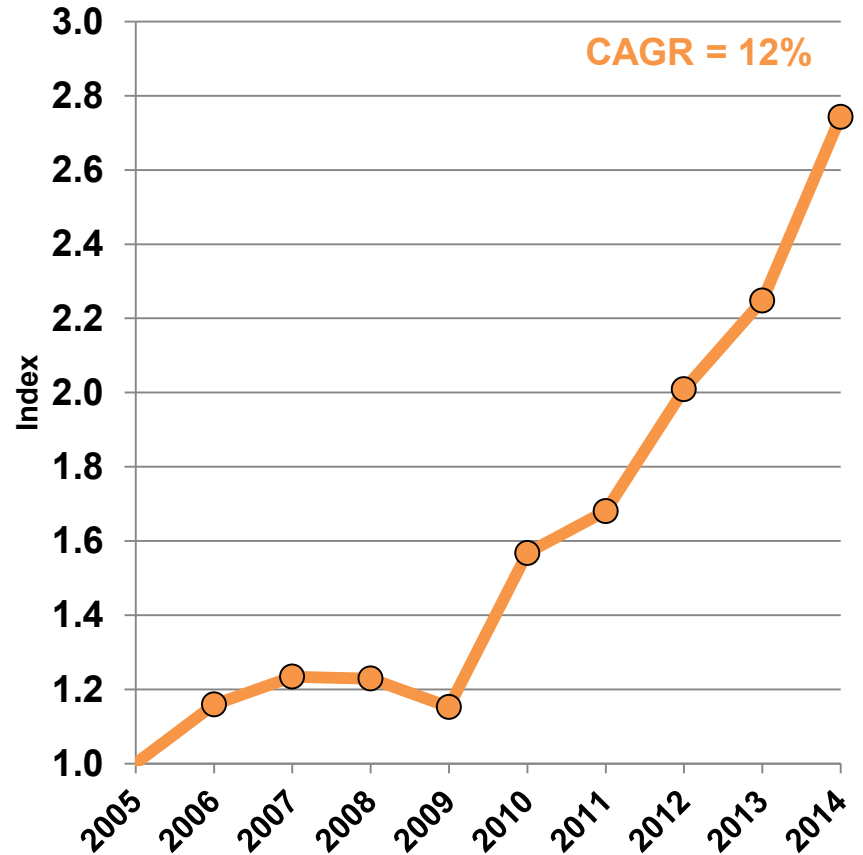
# Strengthen Our Business Portfolio



## PPG Segment Sales \*



## Coatings Segments Earnings Growth (Indexed to 2005)



**Portfolio shift to higher growth coatings end-use markets**

\* Years prior to 2013 as originally reported, not adjusted for business divestitures

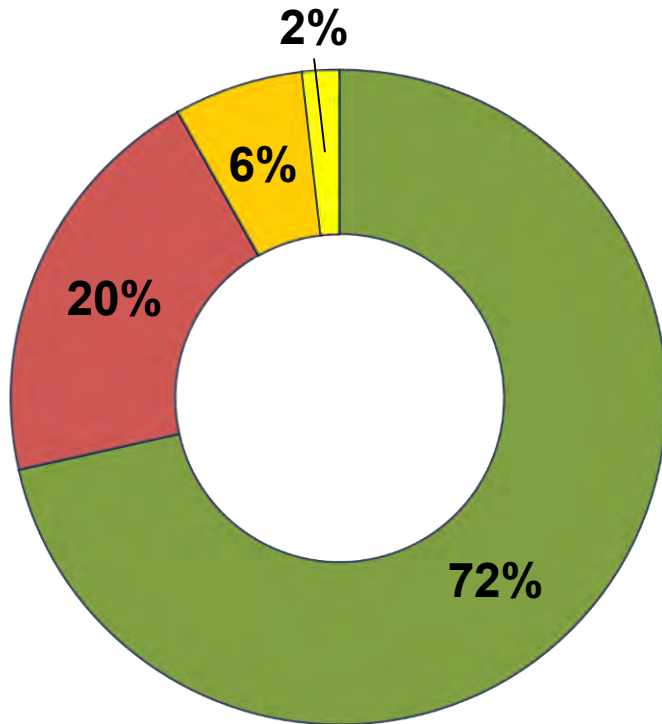
# PPG's Transformation



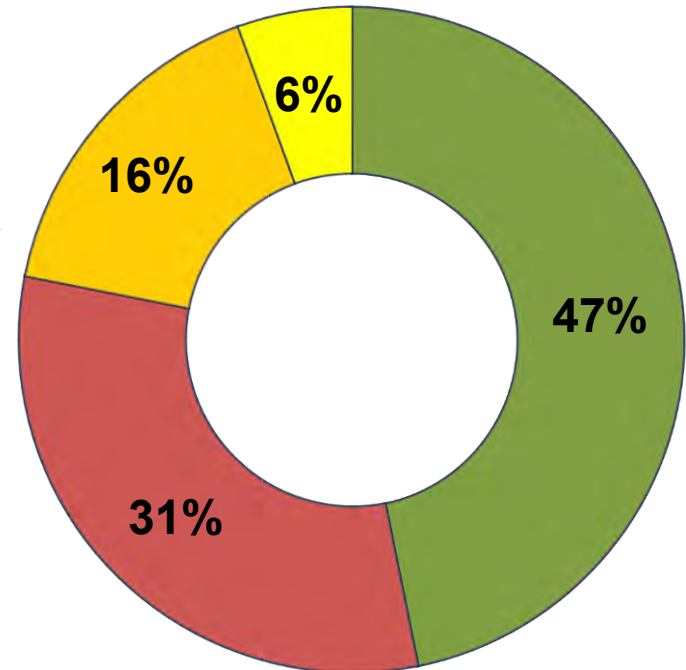
2005 – \$10.2B

Sales

2014 - \$15.4B



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



Emerging Regions = 8%

Emerging Regions = 22%

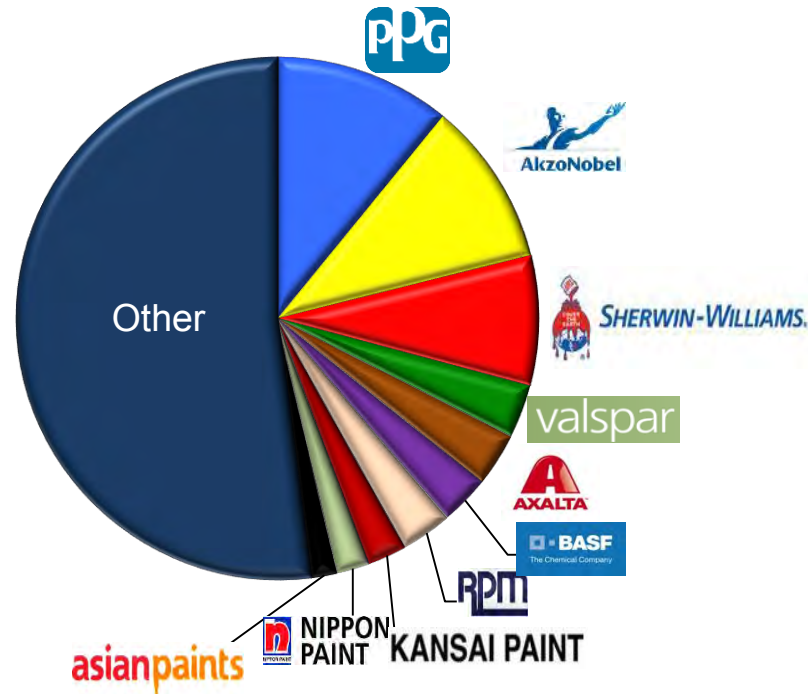
**Improved Geographic Profile with Growing Emerging Regions**

Sales in USD, EMEA includes Europe, Middle East, and Africa

# Global Coatings Industry (~\$130B)



## Competitive Landscape



**PPG a leader in a consolidating industry with many smaller competitors**

## Recent Notable Coatings Transaction/Consolidation Activity:

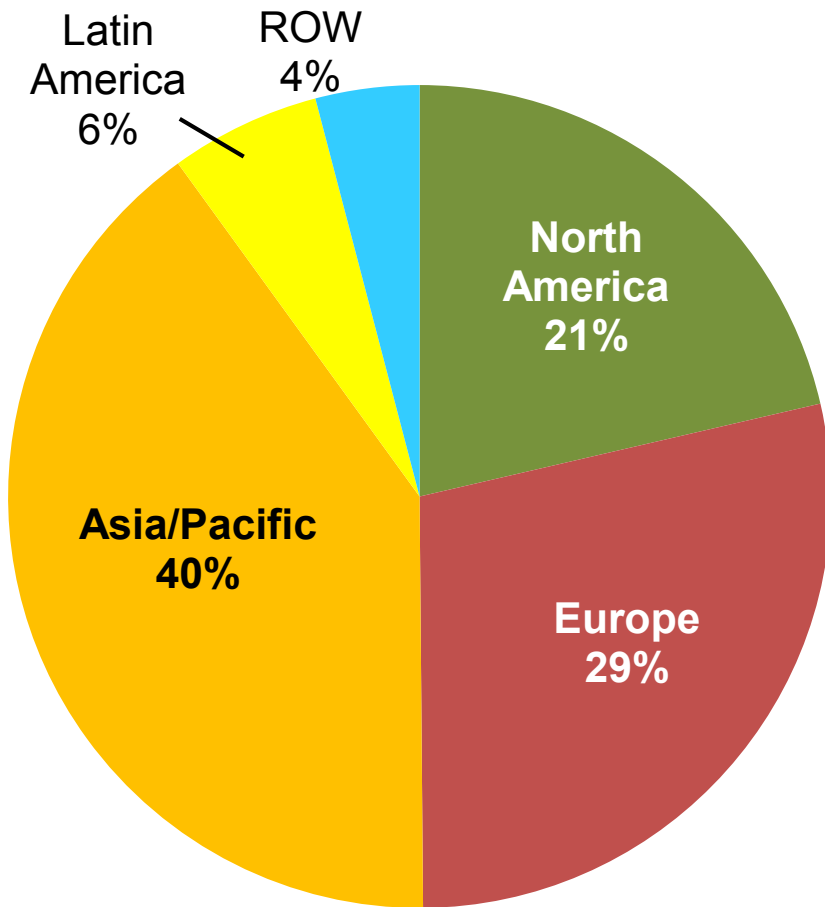
- PPG – SigmaKalon (2008)
- PPG – AkzoNobel N.A. architectural Coatings (2013)
- PPG – Comex Mexico (2014)
- AkzoNobel – ICI (2008)
- Sherwin Williams – Comex (U.S. and Canada only)
- Axalta – Former Dupont Coatings Business (2013)
- Valspar – Wattyl, Ace, Inver (2010/2013/2013)

\* Pro Forma includes PPG's acquisition of Comex Mexico, Sherwin-Williams' acquisition of Comex U.S. and Canada, and Valspar's acquisition of Inver

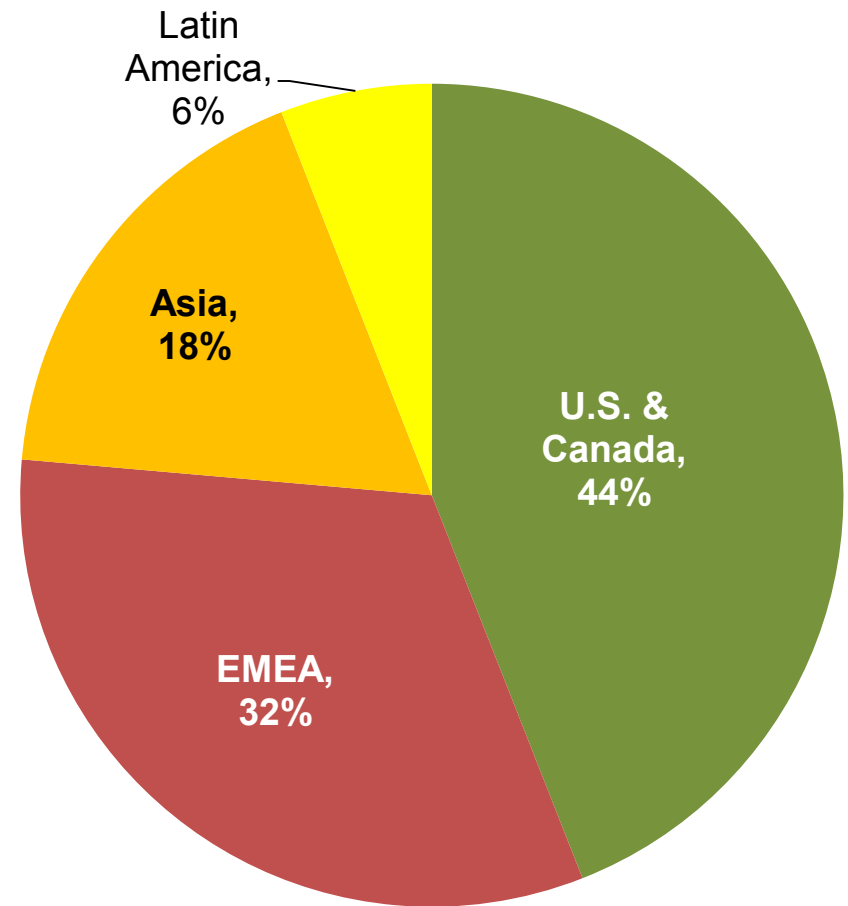
# Coatings Geographic Mix



## Coatings Industry Geographic Sales Mix



## PPG Coatings Geographic Sales Mix



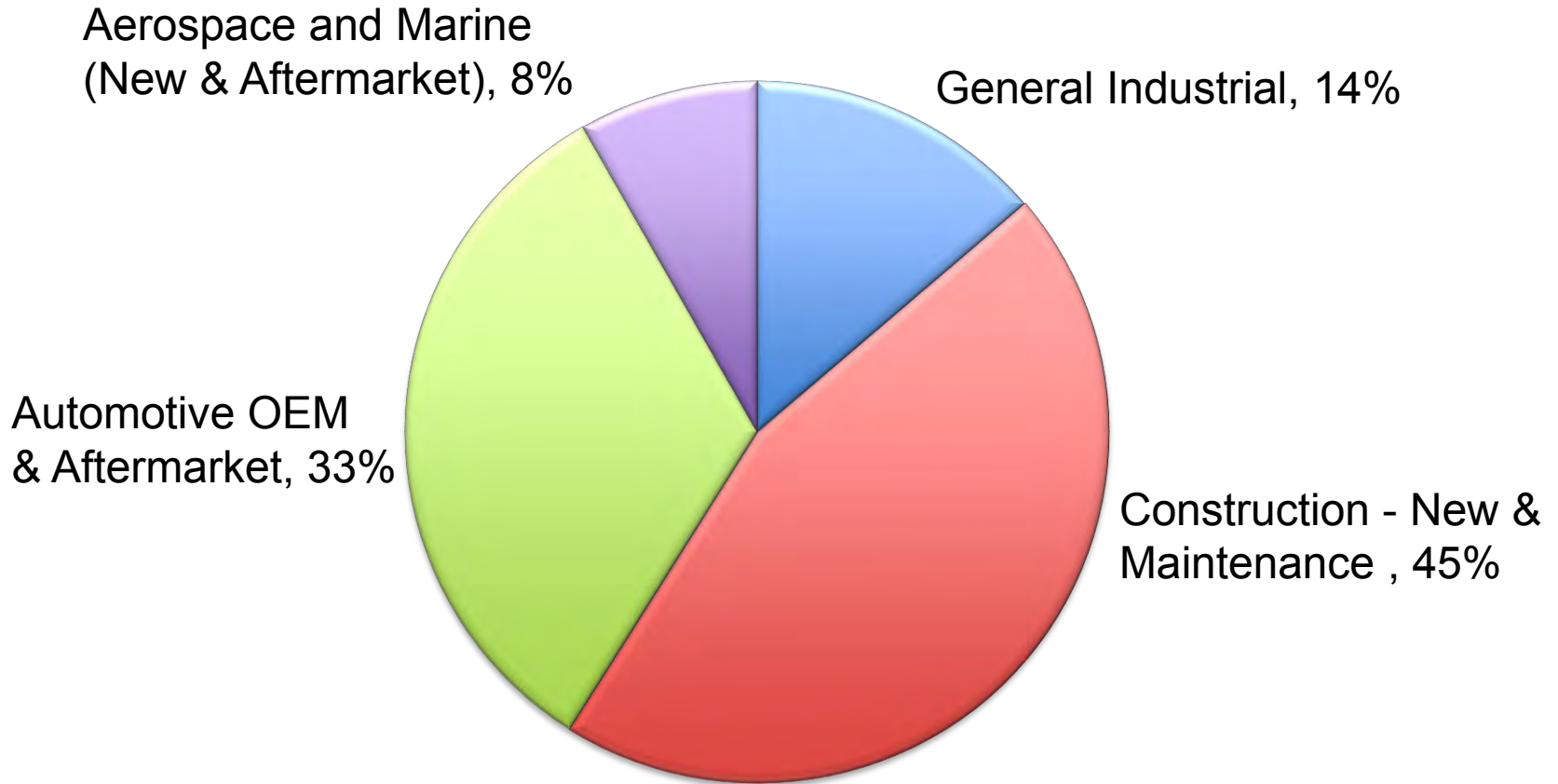
Source: Kusumgar, Nerlfi, & Growney; Company Annual Reports; PPG estimates

**PPG – Considerable growth opportunities remain**

# PPG End-Use Markets



**% of Total PPG Sales\***



**Diversified End-Use Markets**

\* Pro Forma includes PPG's acquisition of Comex

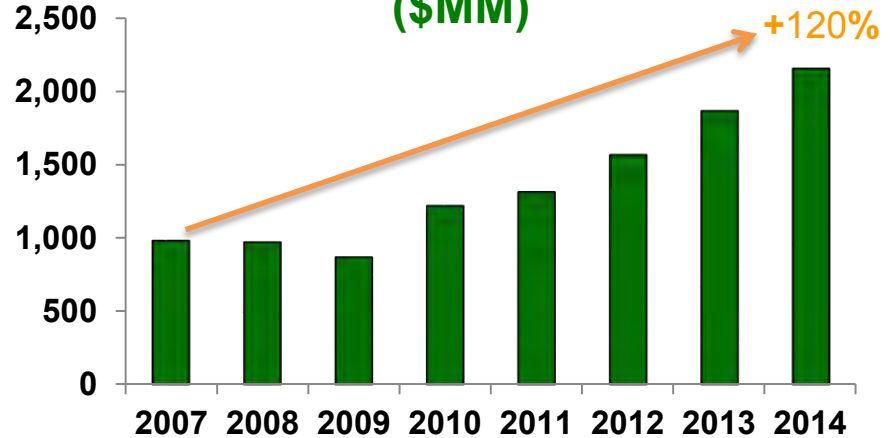
# PPG Coatings Overview



## Why Coatings?

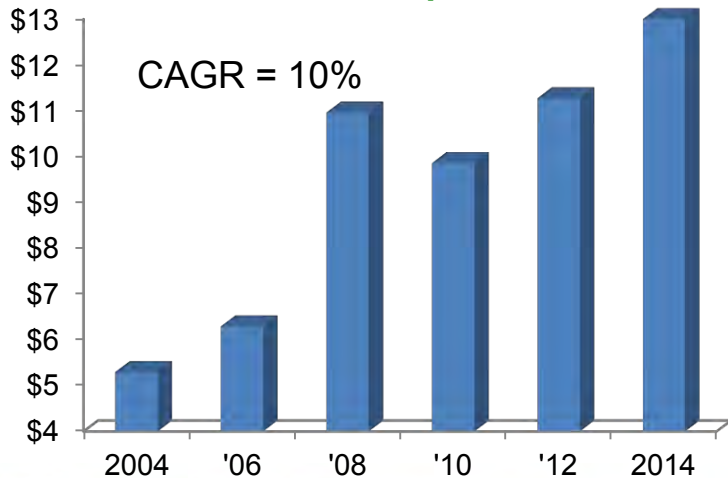
- Stable earnings/cash
- Growth potential
- Low capital intensity
- Technology & service
- Consolidating industry

## Aggregate Coatings Segment Earnings (\$MM)



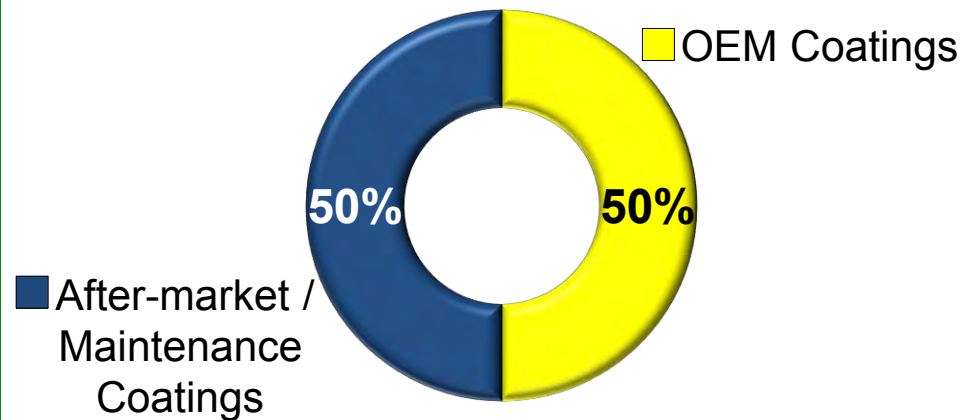
Good Growth; Rapid Recovery From Recession

## PPG Coatings Sales (US\$B) – Includes Acquisitions



Years prior to 2013 as originally reported

## PPG Coatings Sales Orientation



Balanced Sales Orientation



# PPG Global Market Positions



## Position by Coatings Vertical\*

← Lower <---- Level of Consolidation ----> Higher →

	Global Position	Arch. ~\$56B	General Industrial ~\$36B	Ind. Maint/ Protective & Marine ~\$16B	Refinish/ Collision ~\$8B	Auto OEM ~\$10B	Packaging ~\$3B	Aerospace ~\$1B
PPG*	#1	Green	Green	Blue	Green	Green	Green	Green
AkzoNobel*	#2	Blue	Green	Green	Blue	White	Blue	Green
Sherwin-Williams*	#3	Green	Grey	Grey	Grey	White	White	Grey
Valspar*	#4	Grey	Blue	Grey	Grey	White	Green	White
Axalta	#4	White	Grey	White	Green	Blue	White	White
BASF	#6	Grey	Grey	White	Grey	Green	White	White

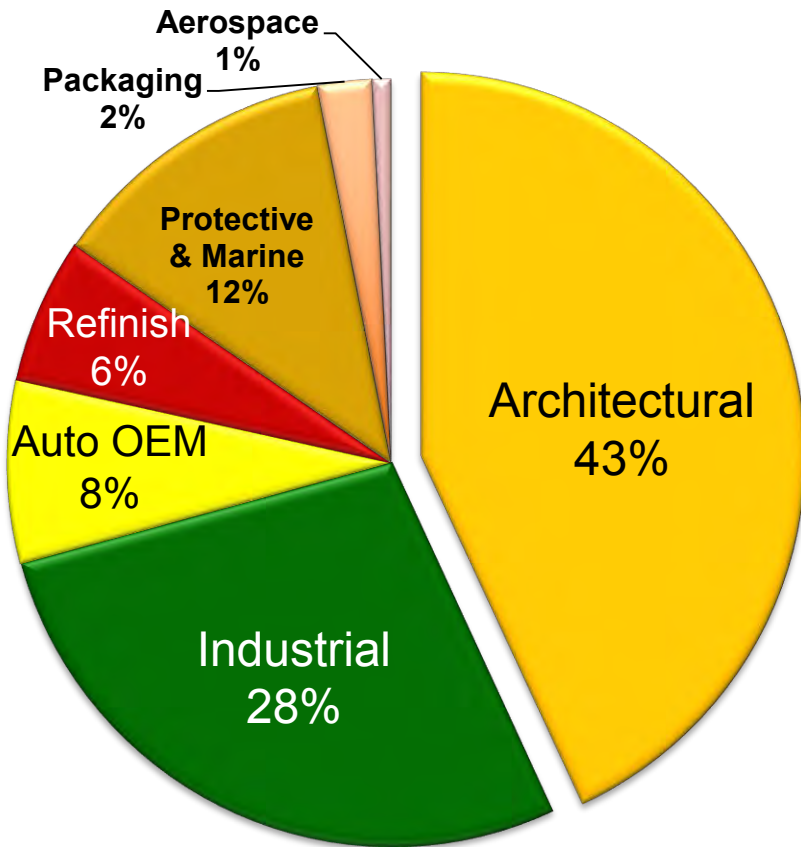
■ #1 Market Position   
 ■ #2 Market Position   
 ■ #3 Market Position   
 ■ #4+ Market Position   
  No Meaningful Presence

**PPG is the only company with participation in all end-use markets**

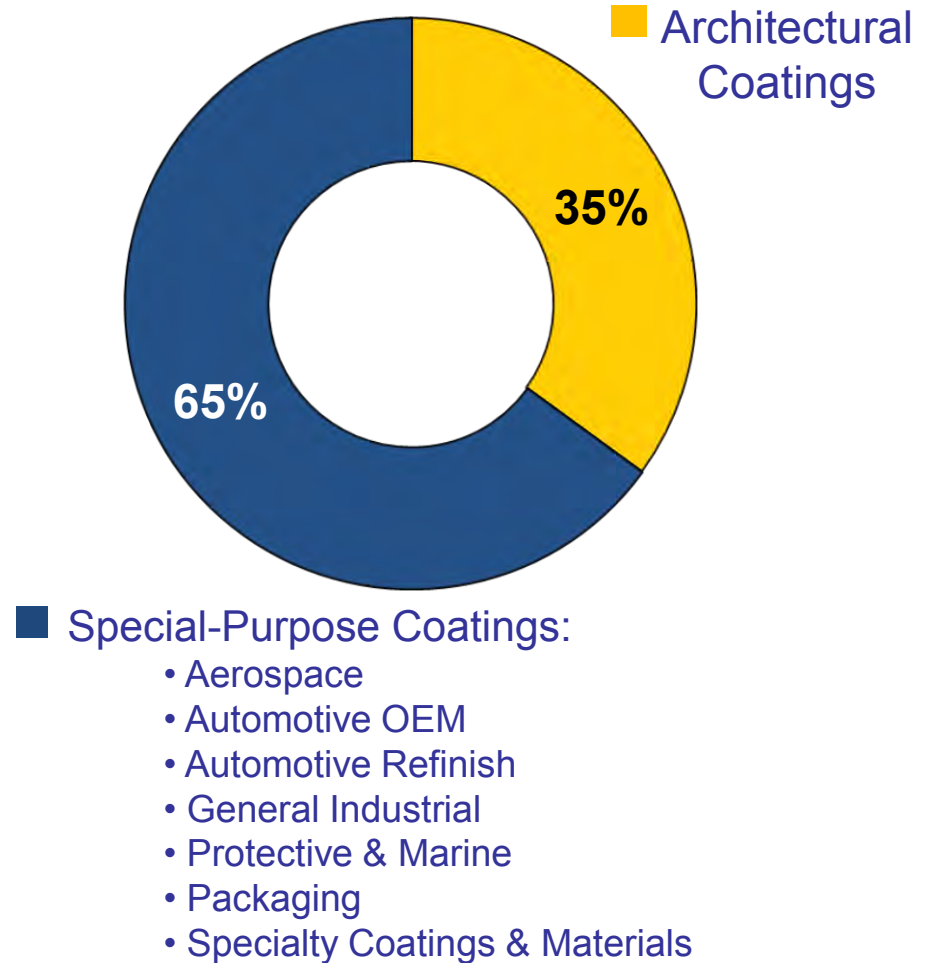
\* Pro Forma includes PPG's acquisition of Comex Mexico, Sherwin-Williams' acquisition of Comex U.S. and Canada, and Valspar's acquisition of Inver

# Coatings End-Use Markets

## Industry End-Market Demand by Dollar Value of Sales



## PPG Coatings End-Use Mix



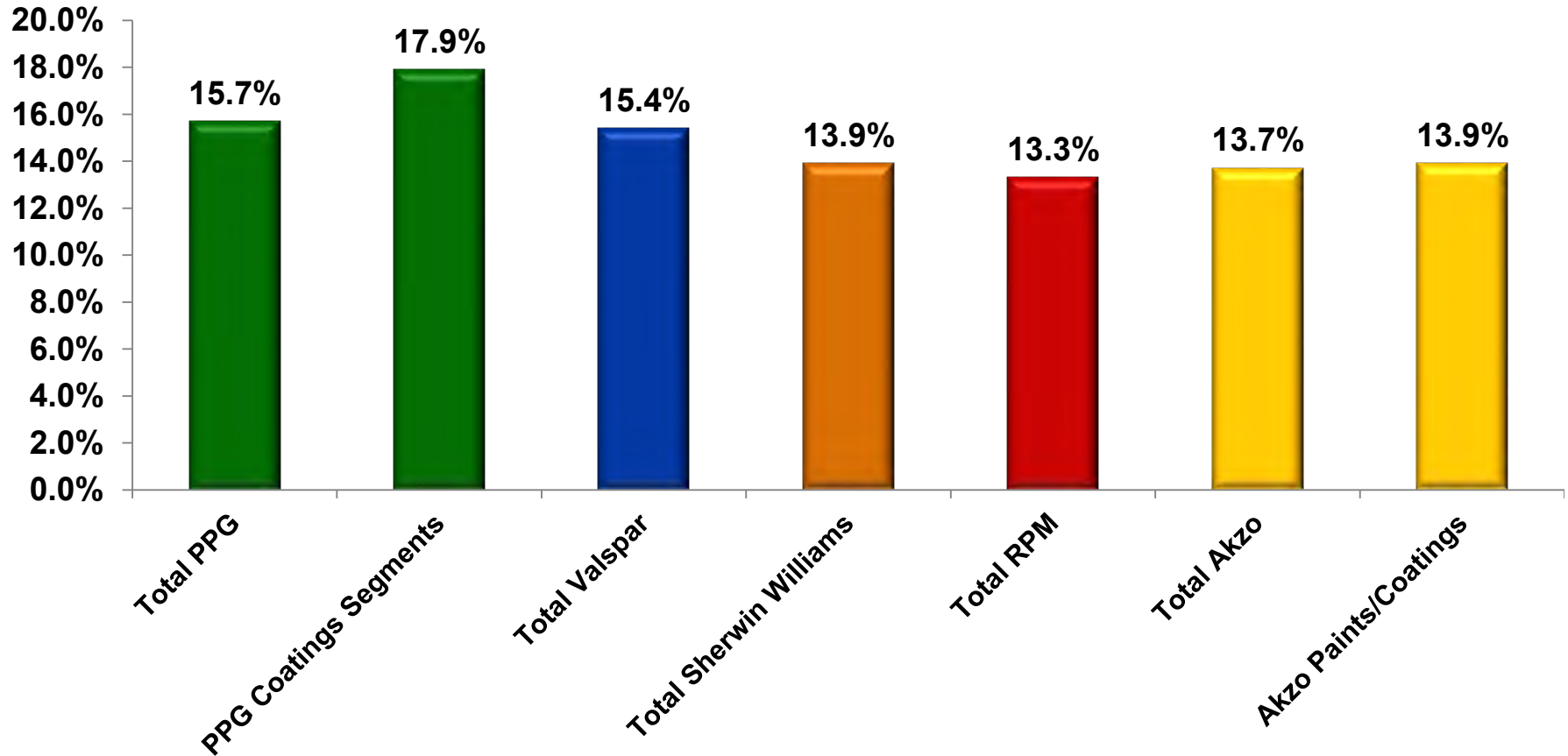
Source: Orr and Boss; Company Annual Reports; PPG estimates

**PPG – Well Balanced End-Market Mix**



# Coatings Peers EBITDA %

## 2014 Full Year EBITDA as % of Sales



**PPG remains a margin leader in the coatings sector**

EBITDA from continuing operations as percent of sales as reported in company reports (excluding unusual items); See Appendix for reconciliations.

# PPG Industries Business Segments



## Performance Coatings

- Automotive Refinish
- Aerospace
- Protective & Marine
- Architectural Coatings Americas & Asia
- Architectural Coatings EMEA (Europe, Middle-East and Africa)

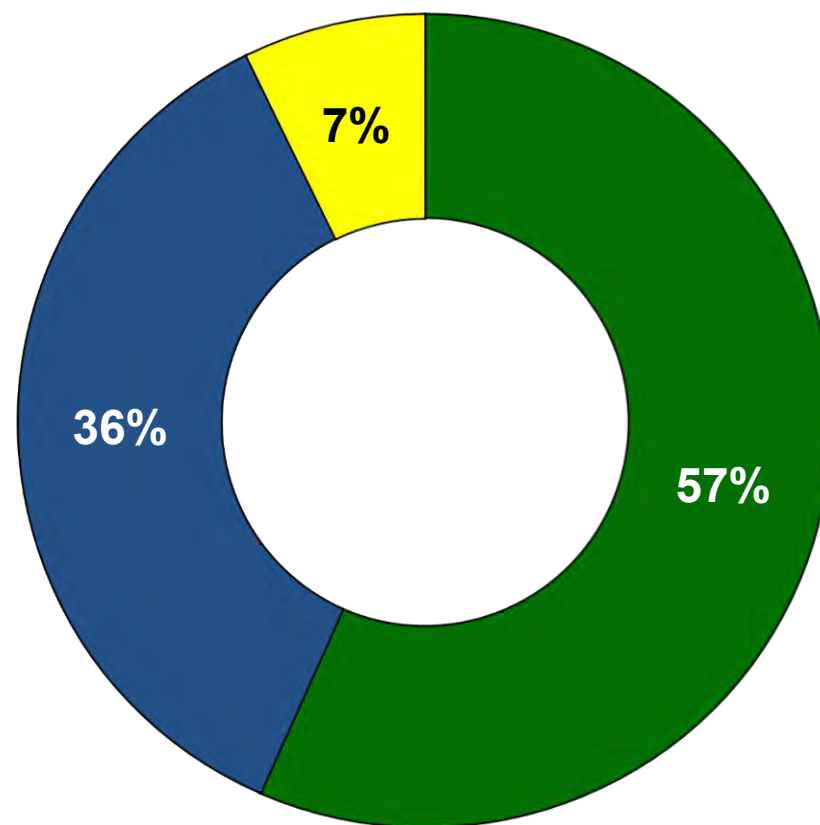
## Industrial Coatings

- Automotive OEM
- Industrial Coatings
- Packaging
- Specialty Coatings & Materials

## Glass

- Fiber Glass
- Flat Glass

2014 PPG Sales Mix



# Performance Coatings Segment



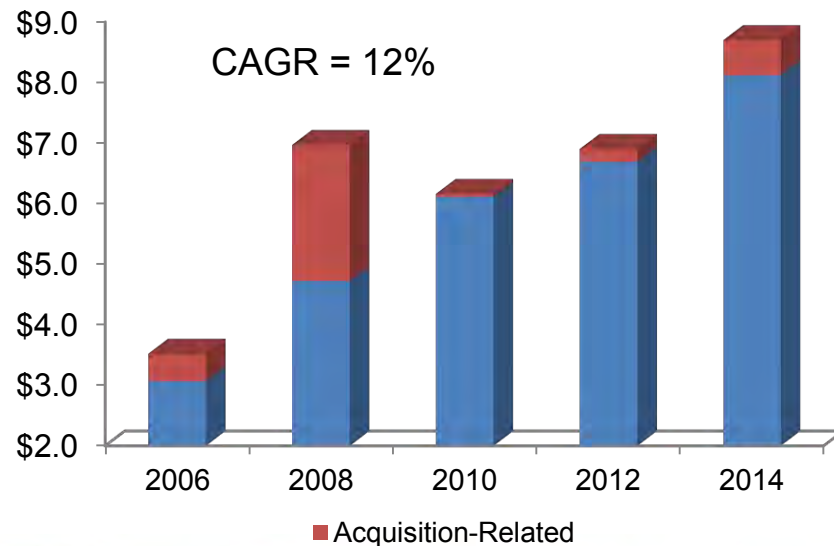
## Strategic Business Units:

- Automotive Refinish
- Aerospace
- Architectural Americas & Asia
- Architectural EMEA
- Protective & Marine

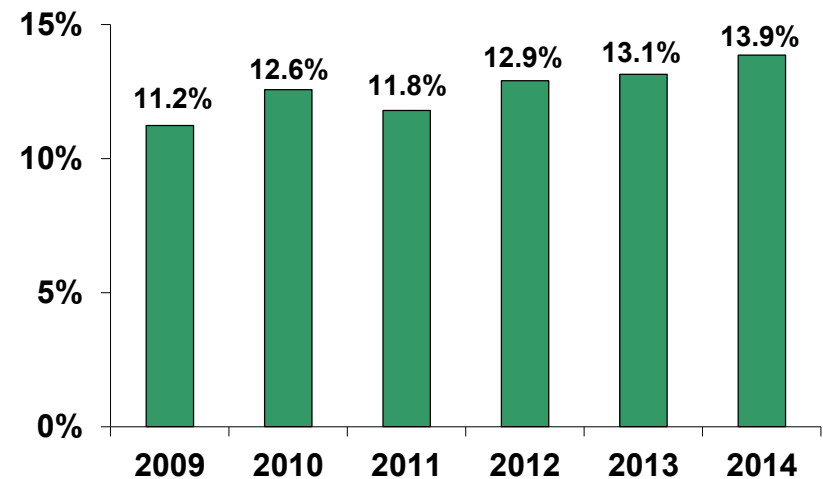
## Segment Traits:

- Operating margins
- Consistent cash
- Stable industries
- Distribution focus

## Sales (US\$B) – Includes Acquisitions



## Segment Operating Margins

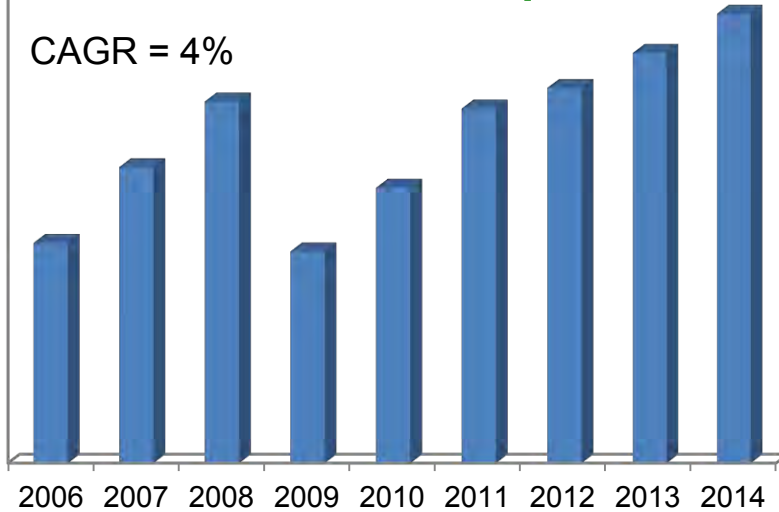


# Automotive Refinish Coatings



## Sales – Includes Acquisitions

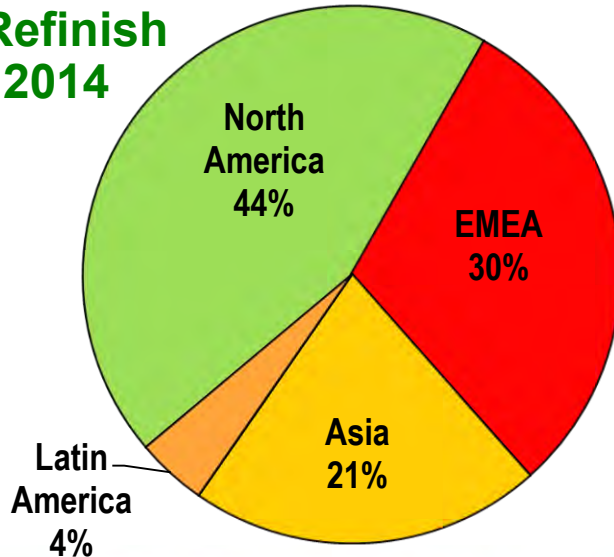
CAGR = 4%



## Key Industry Trends:

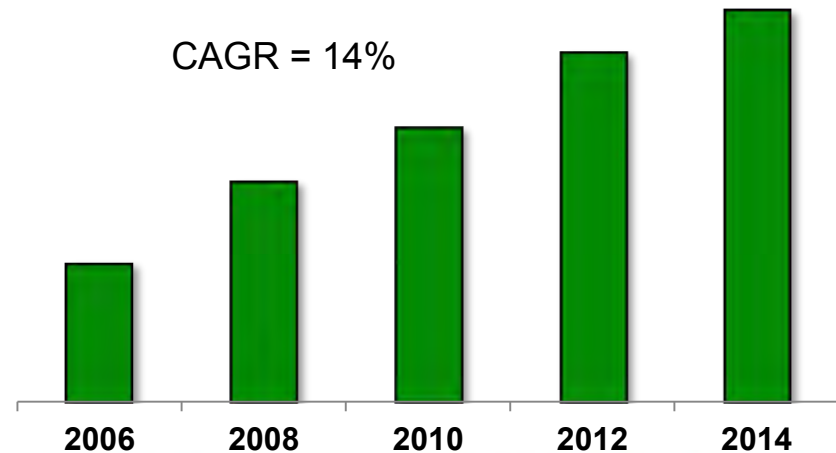
- Emerging regions growth
- Technology shift to waterbase
- Customer service requirement
- Marketplace approach

## PPG Refinish Sales 2014



## PPG Asia-Pacific Refinish Sales

CAGR = 14%

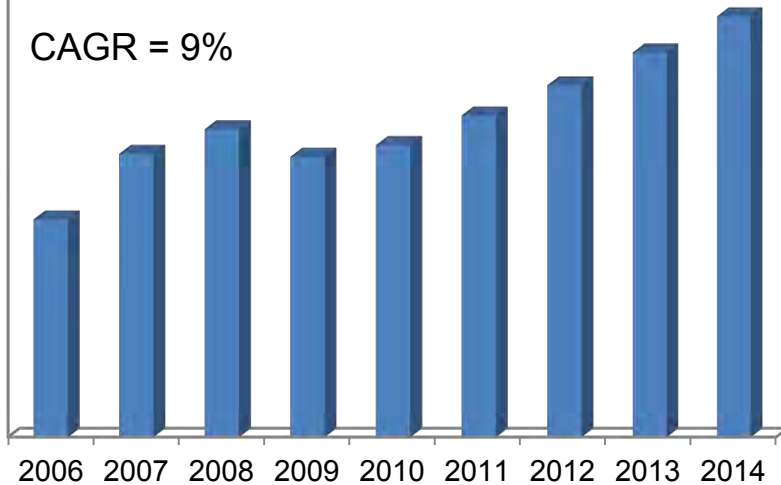


# Aerospace



## Sales – Includes Acquisitions

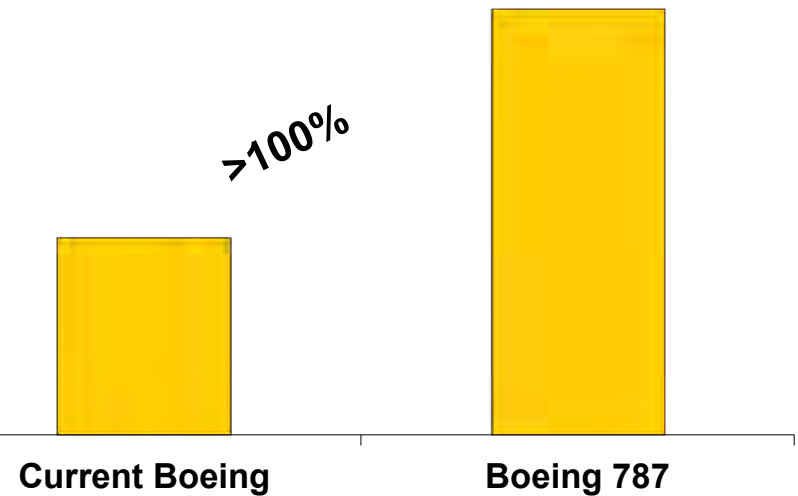
CAGR = 9%



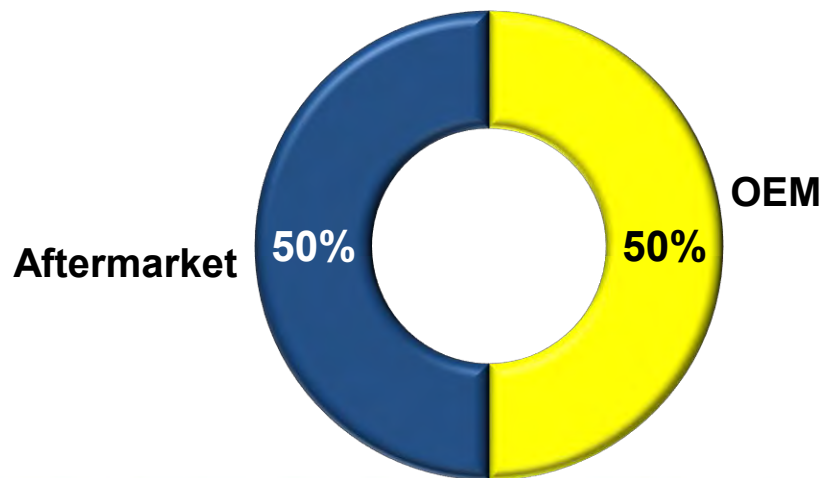
## PPG Aerospace Products

- Coatings
- Sealants
- Transparencies

## PPG Sales Content per Airplane



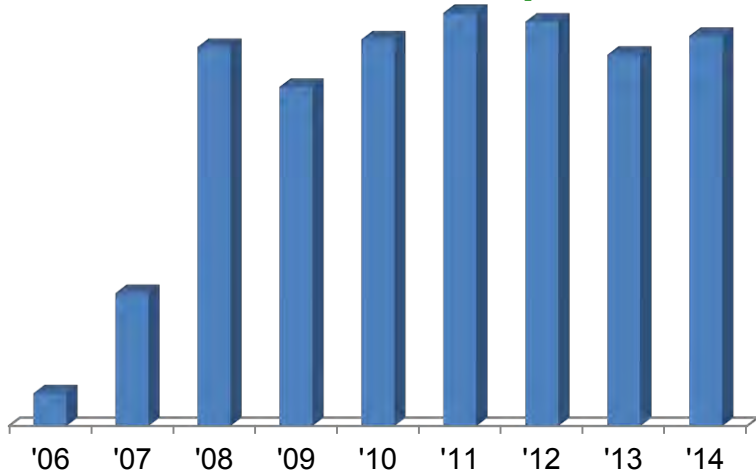
## PPG Aerospace Sales Mix



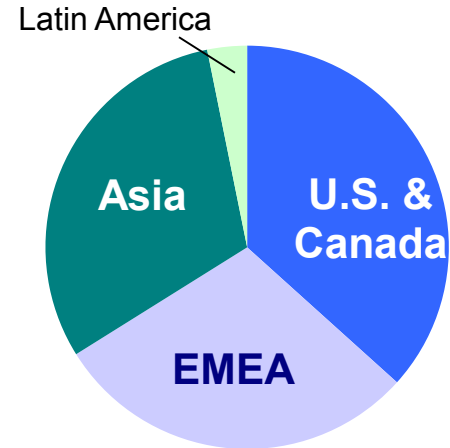
# Protective & Marine Coatings (PMC)



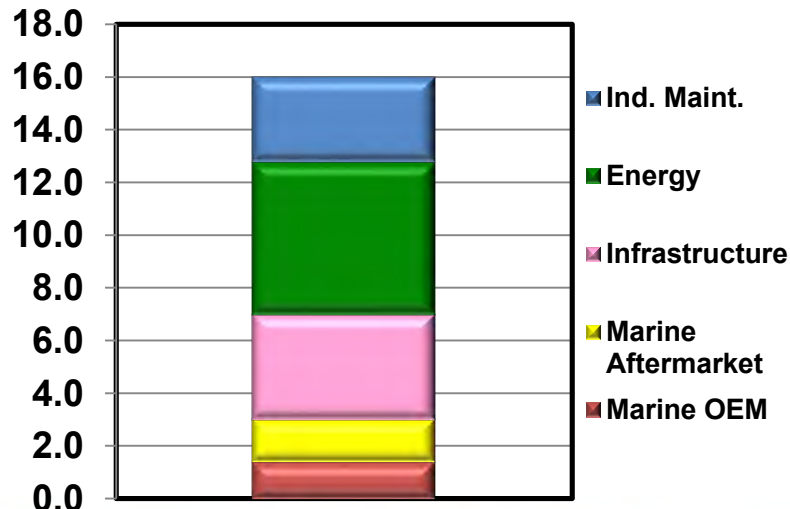
Sales – Includes Acquisitions



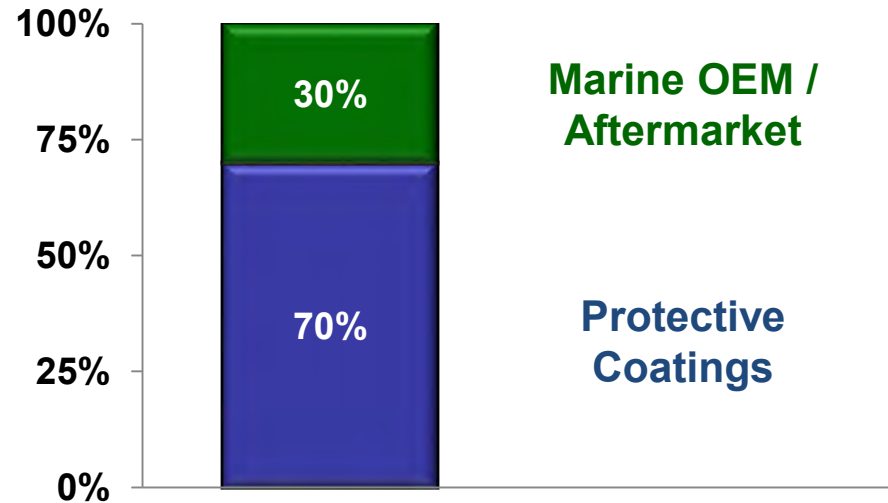
PPG PMC Sales 2014



PMC Industry Segments (\$B)



PPG Sales Mix



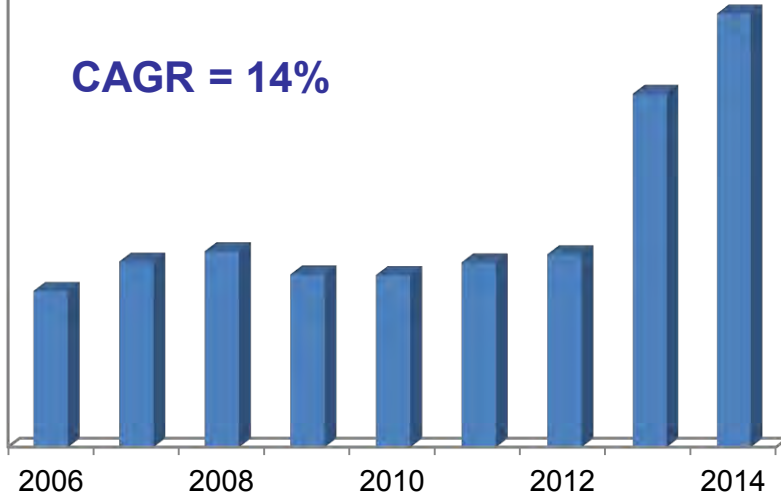


# Architectural Coatings (Americas & Asia)

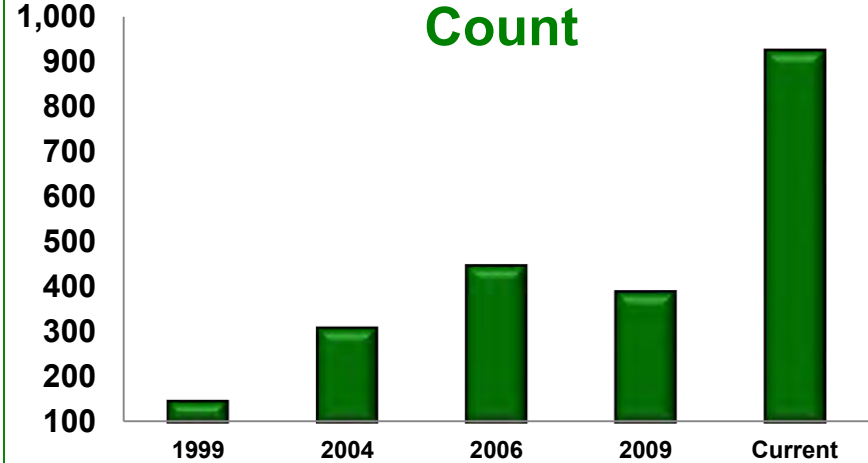


## Sales – Includes Acquisitions

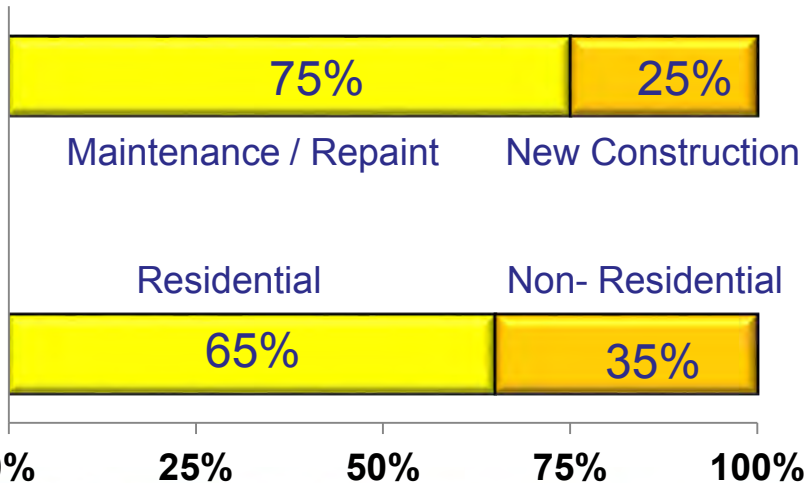
CAGR = 14%



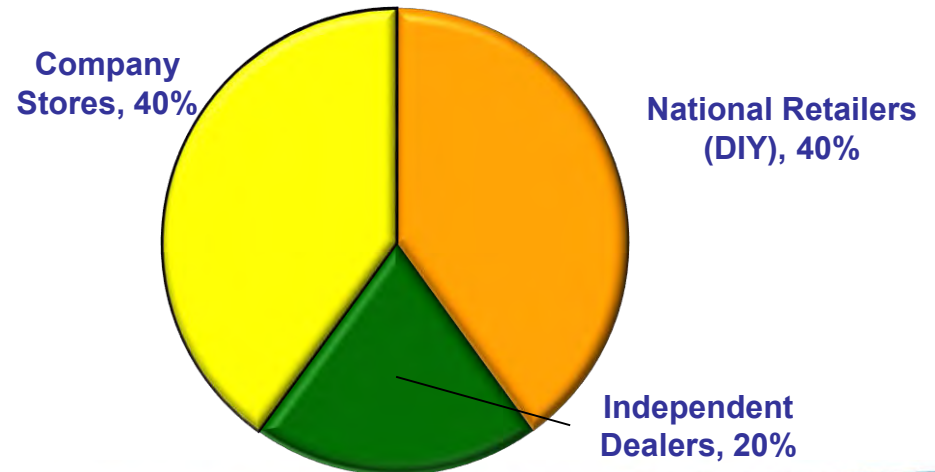
## PPG N.A. Architectural Store Count



## PPG U.S. Architectural Sales Mixes



## PPG Architectural Coatings North America Sales Mix



# Comex Business Overview



- **Founded in 1952**
- **Architectural, Industrial and other Specialty Coatings and Materials**
- **Latin American Based**
  - Sales in Mexico and other Central American countries
  - Customers – ~3,700 independently owned/operated concessionaires as well as regional retailers
  - Leading architectural coatings position in Mexico with well-recognized regional brands



- **8 Manufacturing Plants**
- **6 Distribution Centers**
- **3,900 Employees**



# Comex Financial Summary

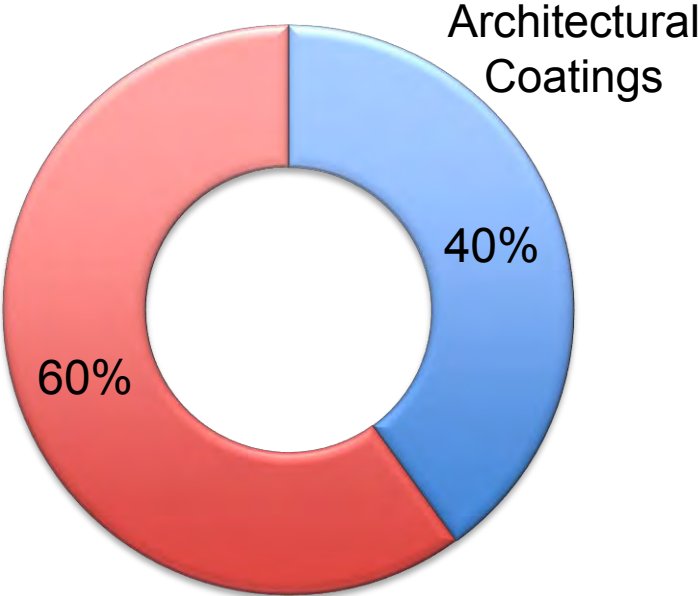


- **Transaction closed November 5, 2014**
- **Purchase Price - \$2.3B**
- **Expected PPG Financial Impact**
  - \$1.0 billion in sales
    - ✦ Anticipate mid-to-high single-digit percentage growth
  - \$0.65 -to- \$0.75 accretion in 2015
    - ✦ Excludes non-recurring acquisition-related charges and any transaction-related financing costs
    - ✦ Includes acquisition-related amortization and depreciation step-up
- **Synergy Earnings Improvement**
  - \$30 million -to- \$40 million – within first 24 months

# PPG Portfolio – Pro-Forma Including Full Year of Comex Results



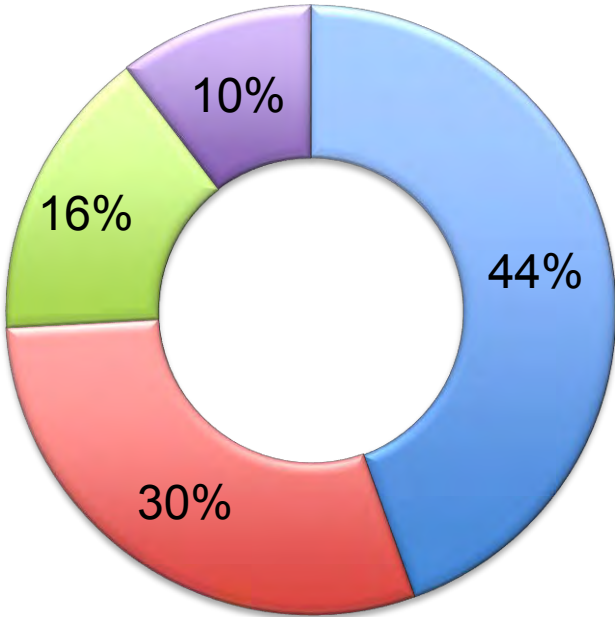
### Coatings Segmentation



#### Special-Purpose Coatings:

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

### Regional Footprint



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

# PPG Architectural Store Network has Room to Grow

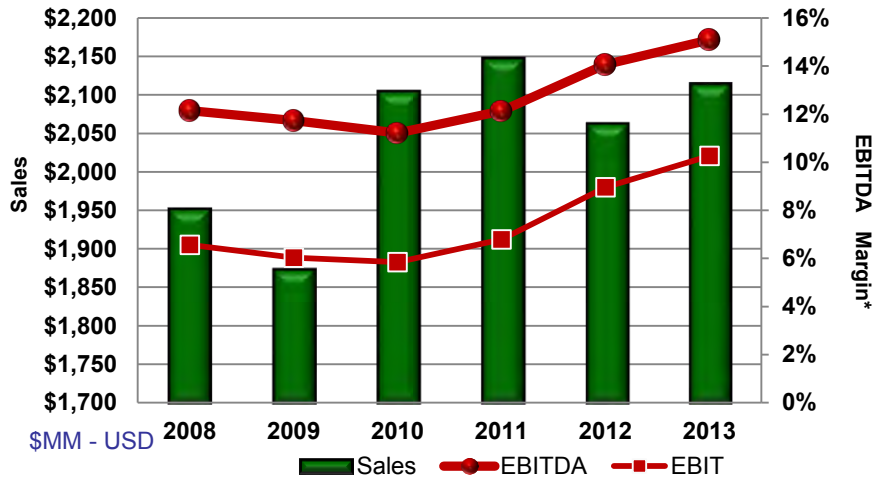
Room for expansion without cannibalization



# Architectural Coatings EMEA



## Business Unit Financial Results



## End-Use Market Demand

New Construction, 20%

Maintenance, 80%



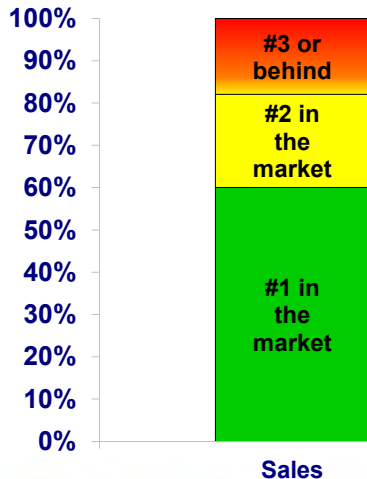
More Stability in End-Market

Source: Company Estimates

\* See Appendix for EBITDA Reconciliation

## Strong Market Positions

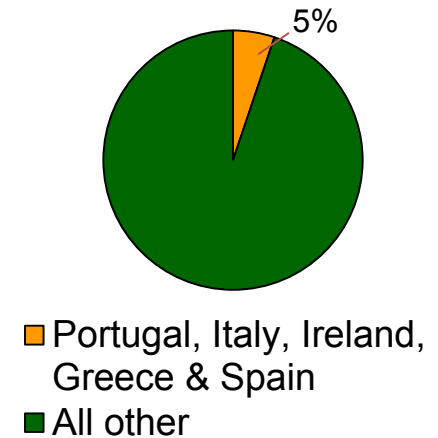
#1 or #2 in 80% of Penetrated Markets



- #1 PPG Position
- #2 PPG Position
- #3 PPG Position
- >#3 PPG Position
- No PPG Participation



## 2014 Arch EMEA Sales Mix



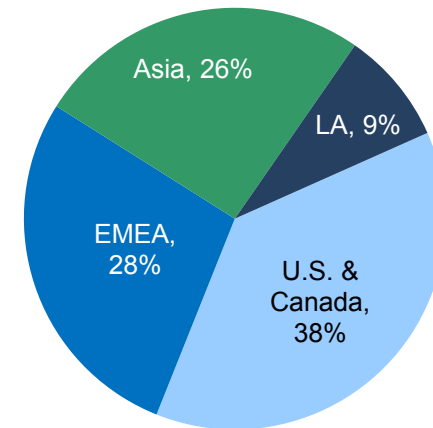
# Industrial Coatings Segment



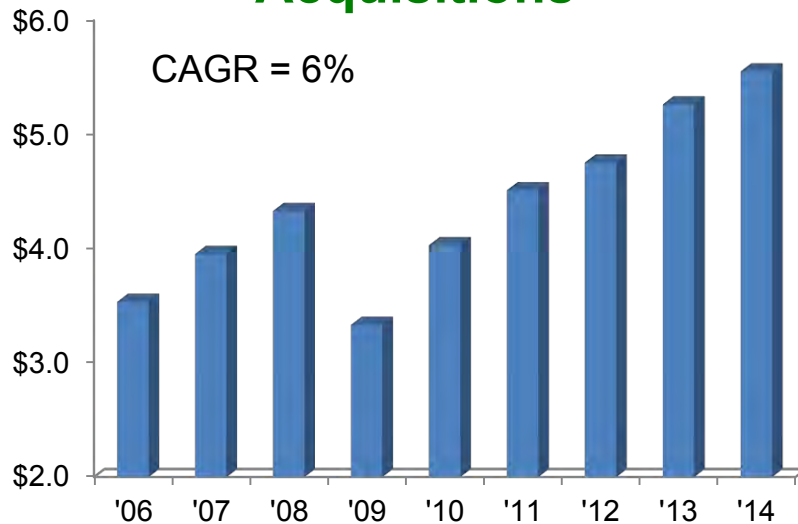
## Strategic Businesses

- Automotive OEM
- Industrial
- Packaging
- Specialty Coatings & Materials

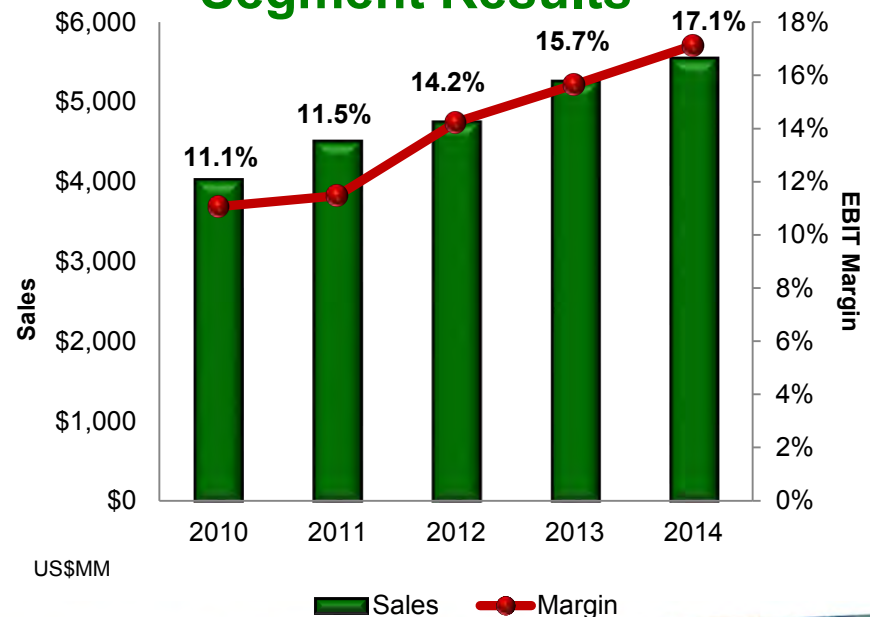
## Segment Sales Mix



## Sales (US\$B) – Includes Acquisitions



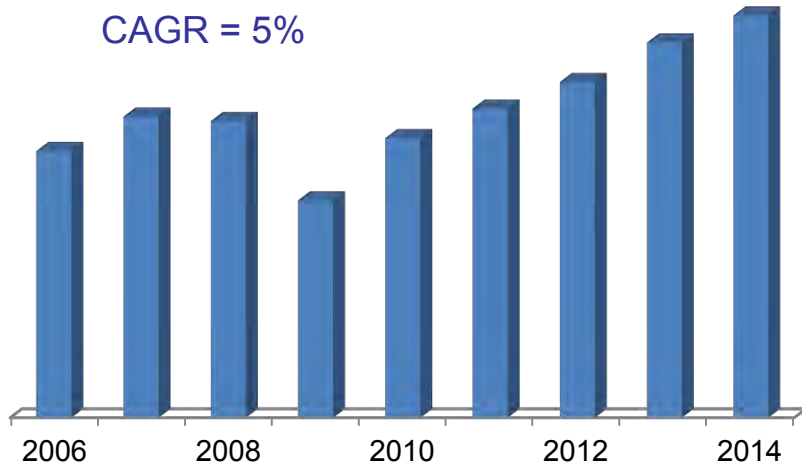
## Segment Results



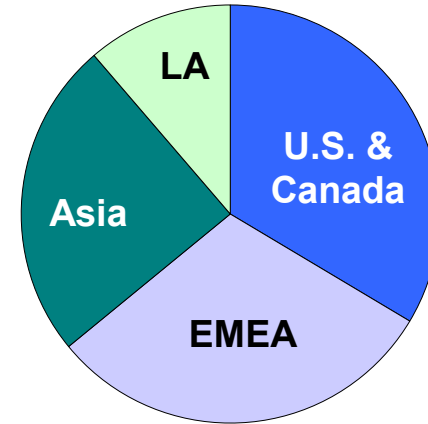
# Automotive OEM Coatings



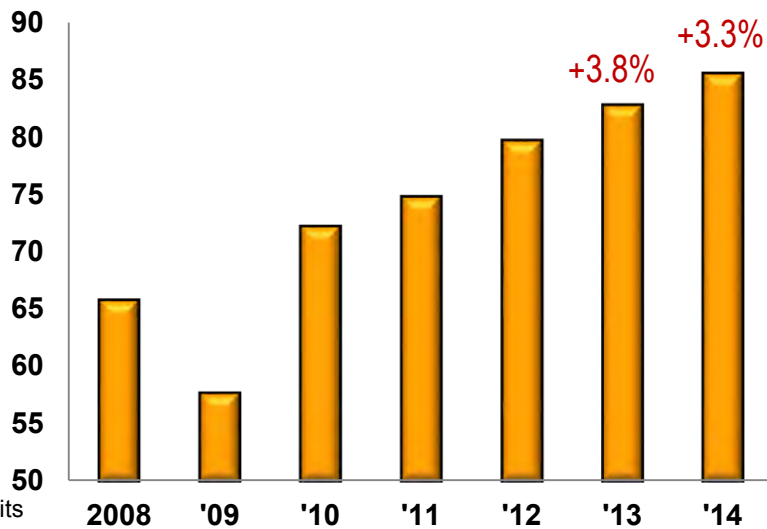
## Sales – Includes Acquisitions



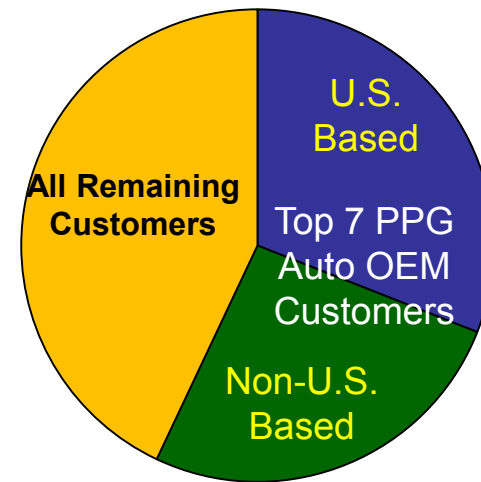
## PPG Automotive OEM Coatings



## Global Auto OEM Production



## PPG Auto OEM Coatings Customer Mix

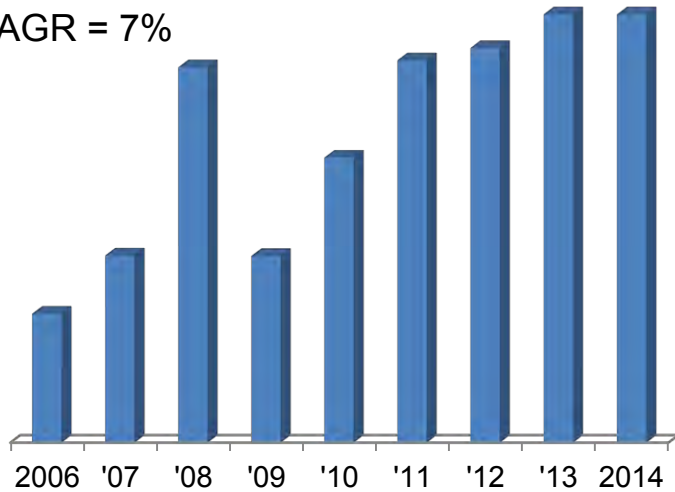




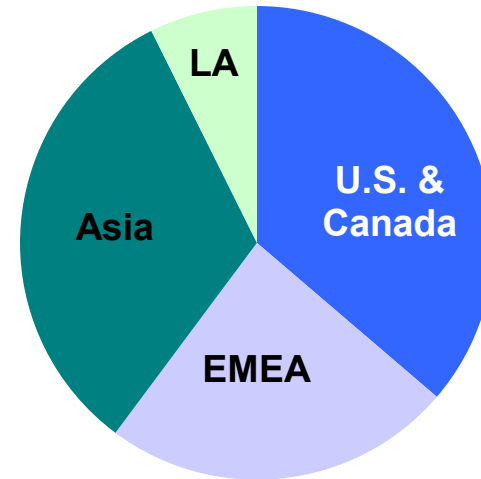
# Industrial Coatings SBU

## Sales – Includes Acquisitions

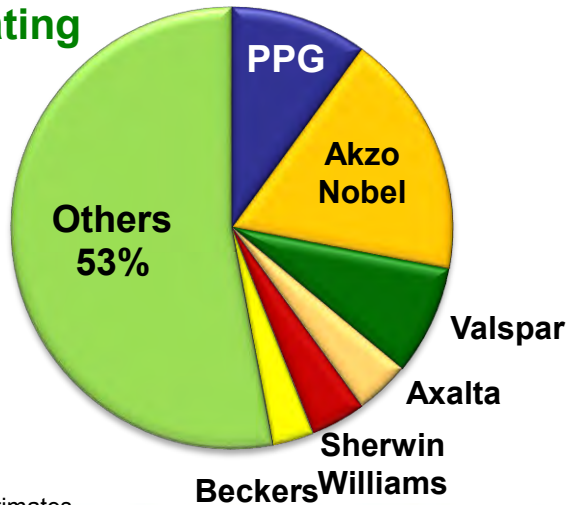
CAGR = 7%



## Industrial Coatings SBU Sales Mix



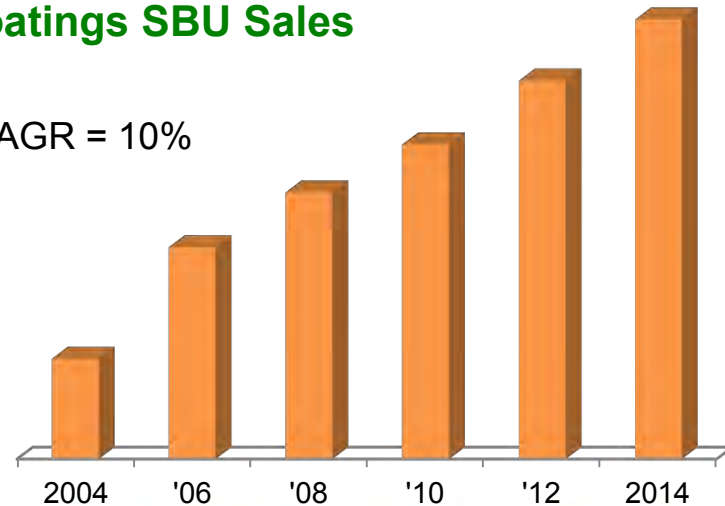
## Fragmented but Consolidating Industry



Source: PPG Estimates

## PPG Asian Industrial Coatings SBU Sales

CAGR = 10%

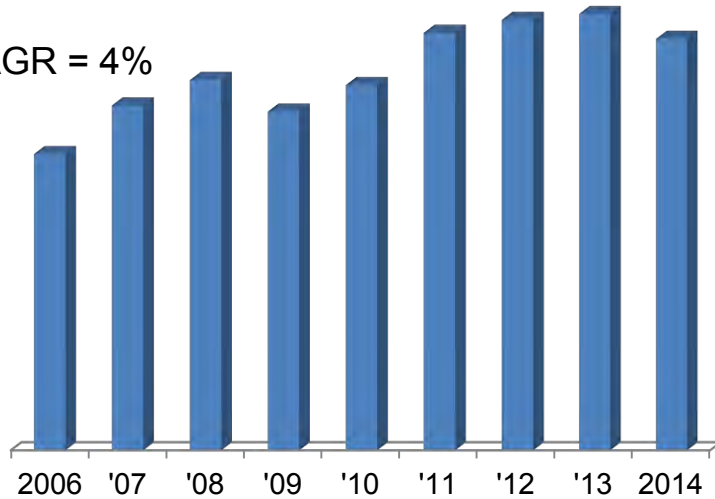


# Packaging Coatings

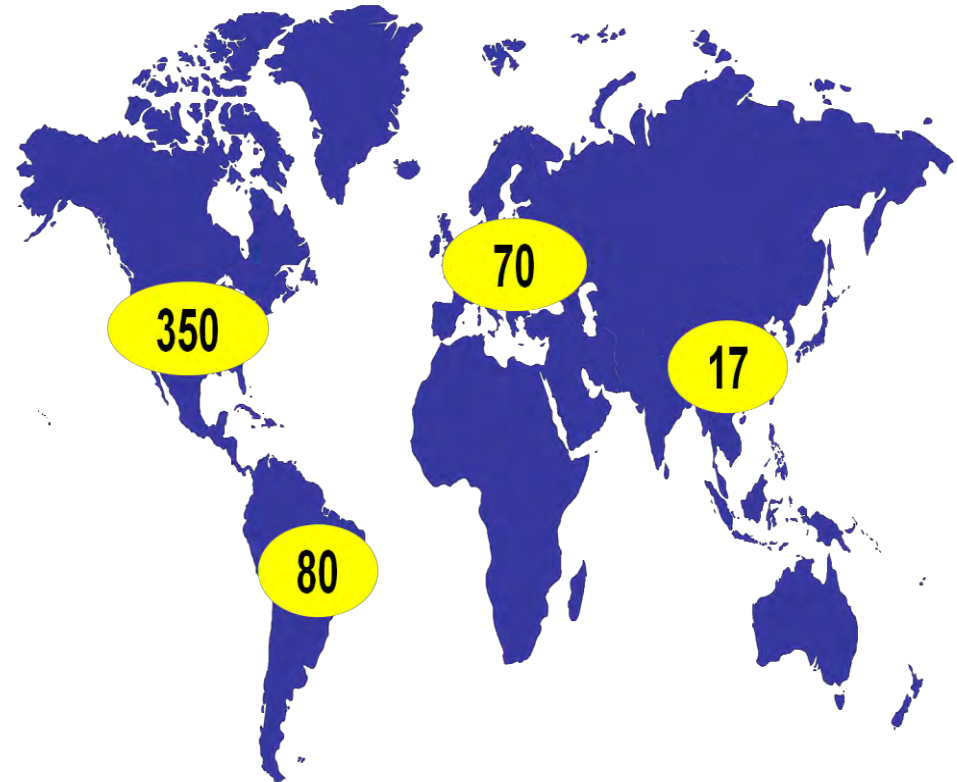


## Sales – Includes Acquisitions

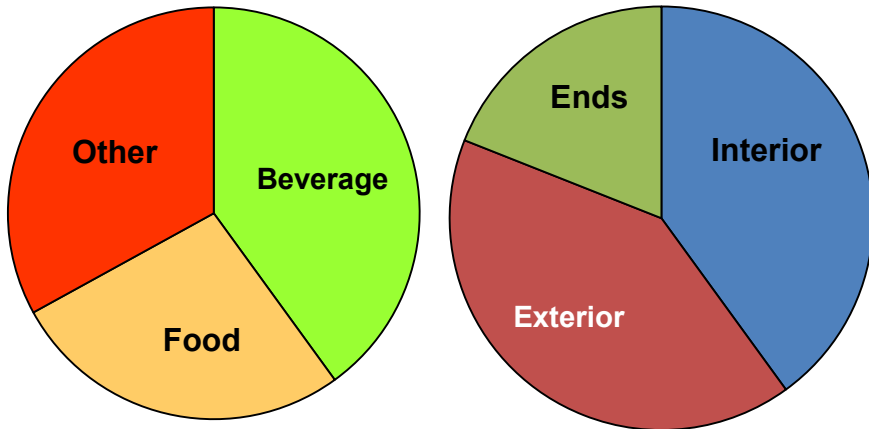
CAGR = 4%



## Annual Beverage Can Consumption



## Industry Container Use

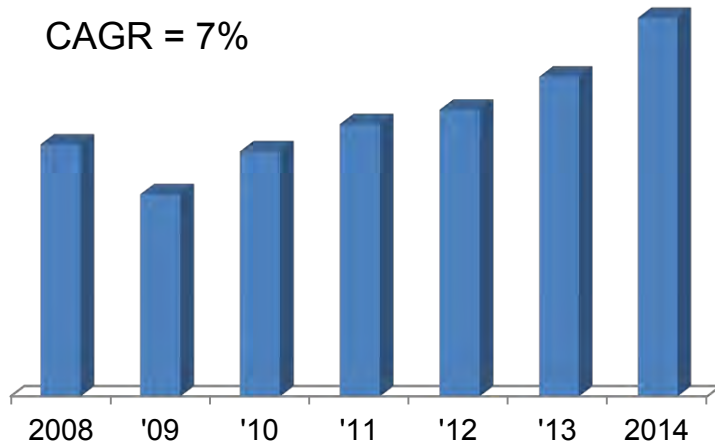


Source: PPG Estimates

# Specialty Coatings & Materials



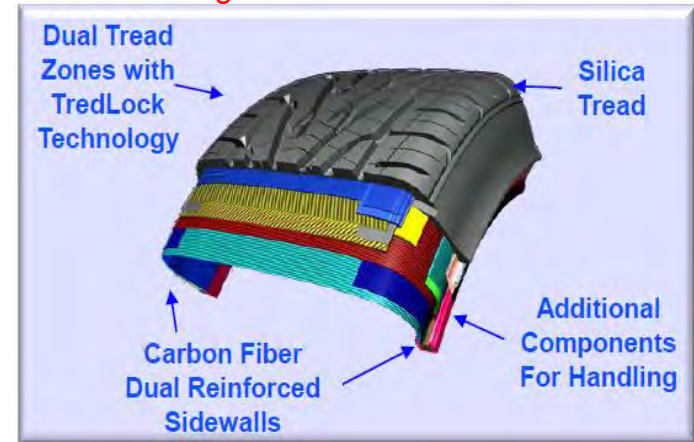
## Sales – Includes Acquisitions



## Key PPG Products / End-Use Markets

- **Silica** – Tires and battery separators, various industrial uses
- **Teslin®** – Printing materials, RFID, various industrial and consumer uses
- **OLED** – Electronics
- **Monomers and Dyes** – Optical

HVA Tire  
(High-Value-Added)  
“high silica content tread”

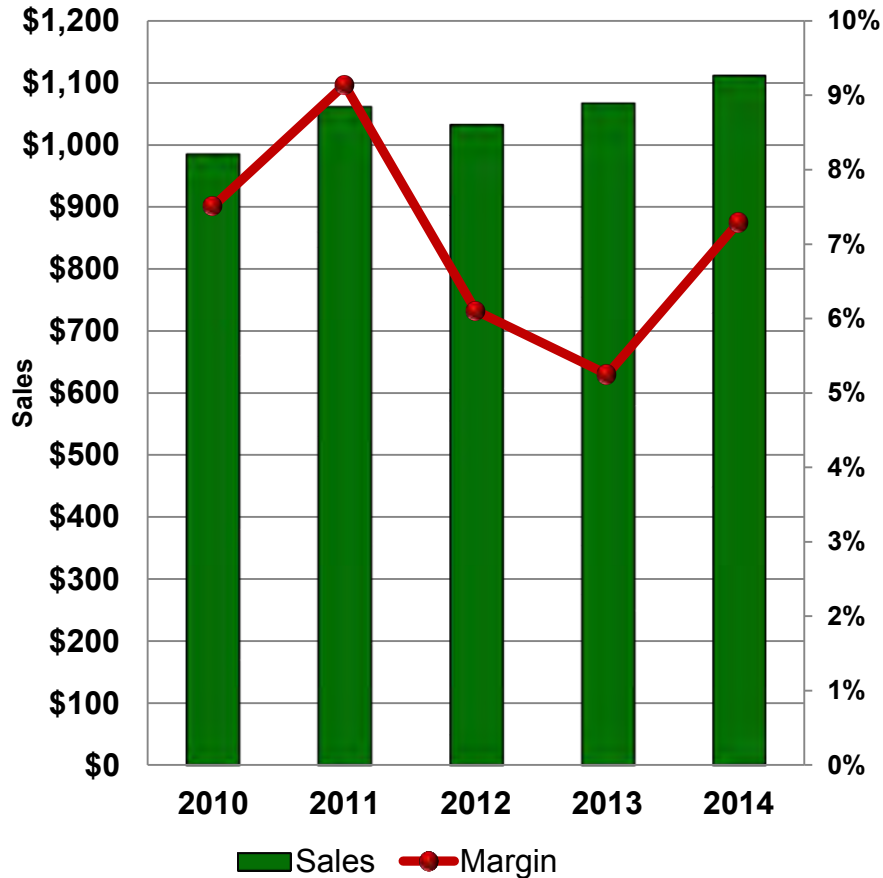


Pressure Sensitive Adhesive

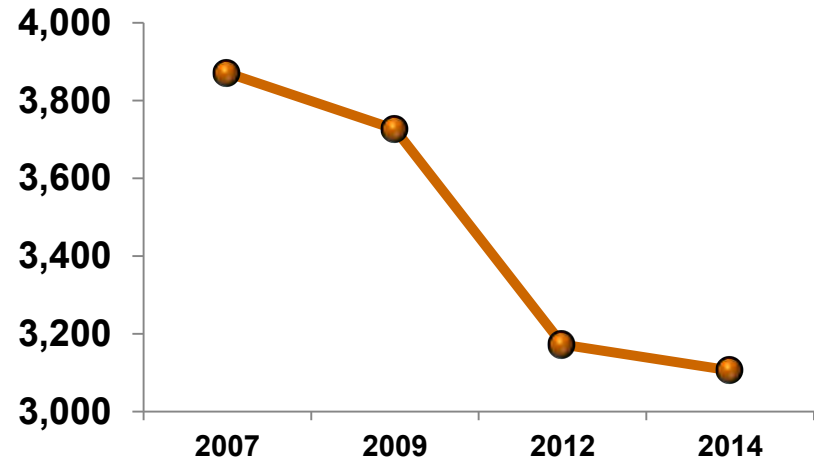
# Glass Segment



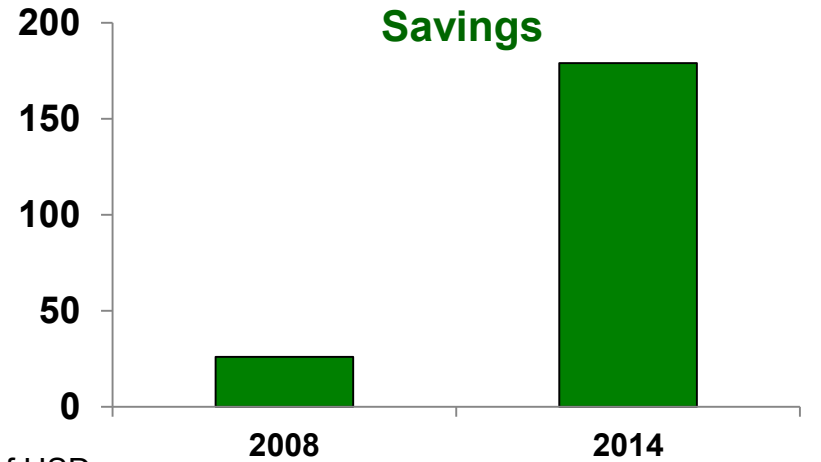
## Segment Financial Results



## Headcount



## Cumulative Manufacturing/Cost Savings



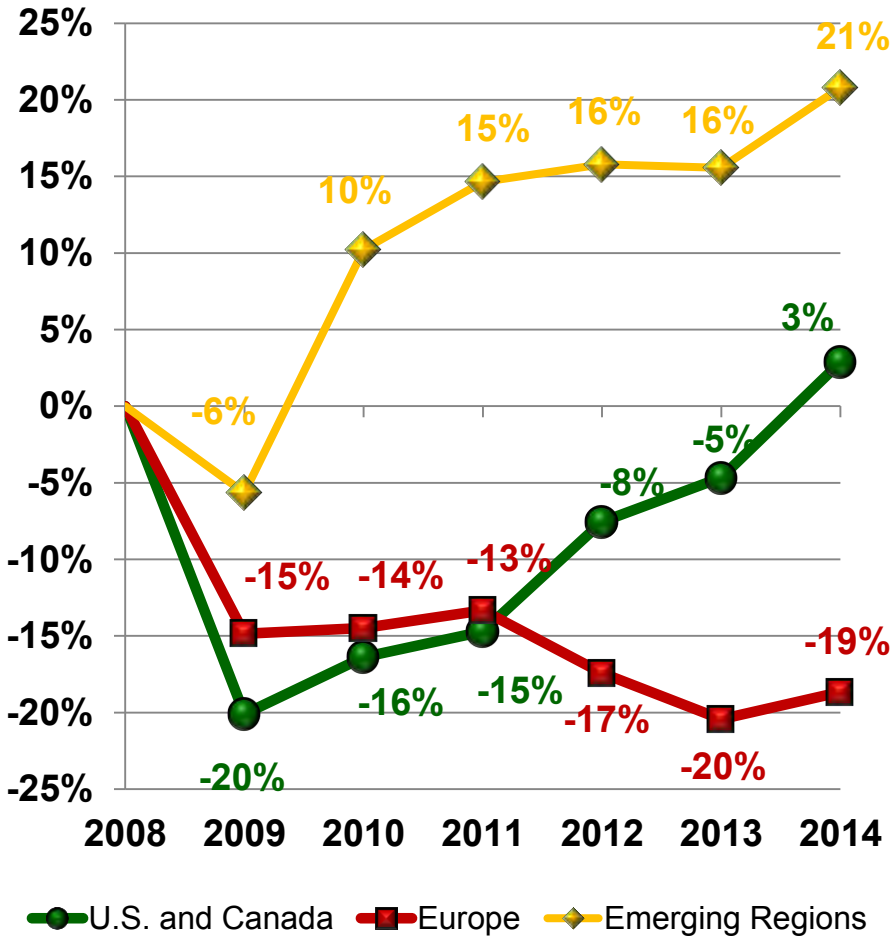
Millions of USD

Ongoing aggressive cost management tempering weak market conditions

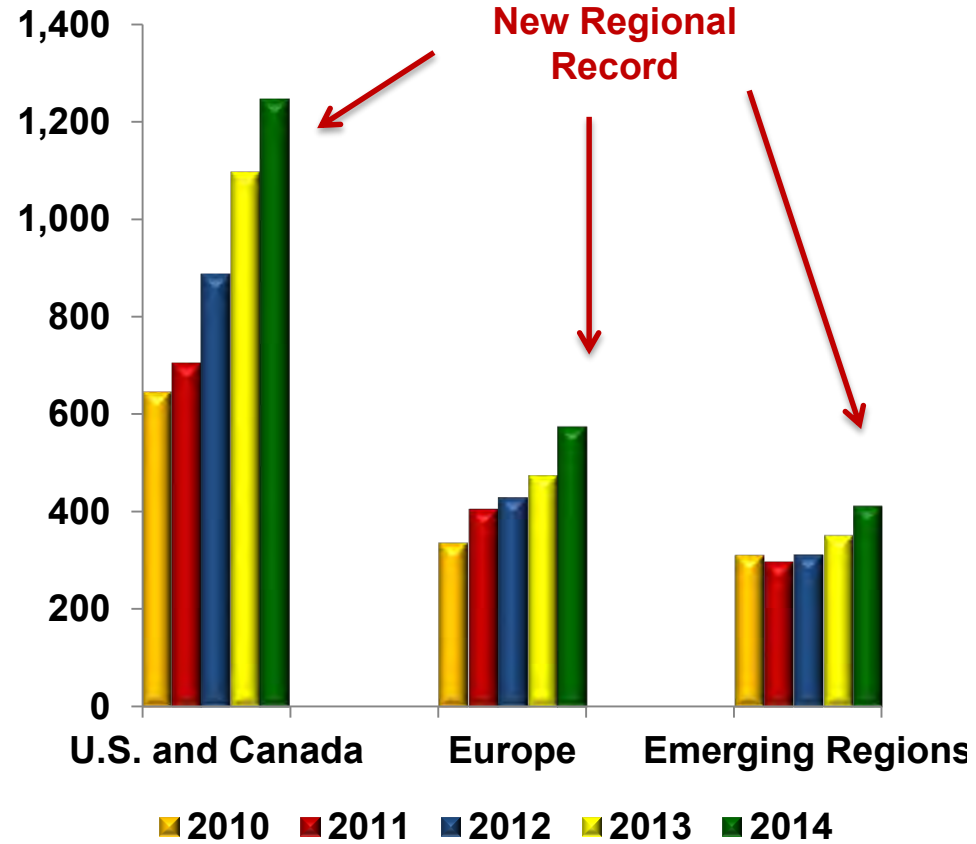


# PPG Full-Year Earnings

## PPG Coatings Volume Trend (Indexed to 2008)



## Full Year Segment Earnings

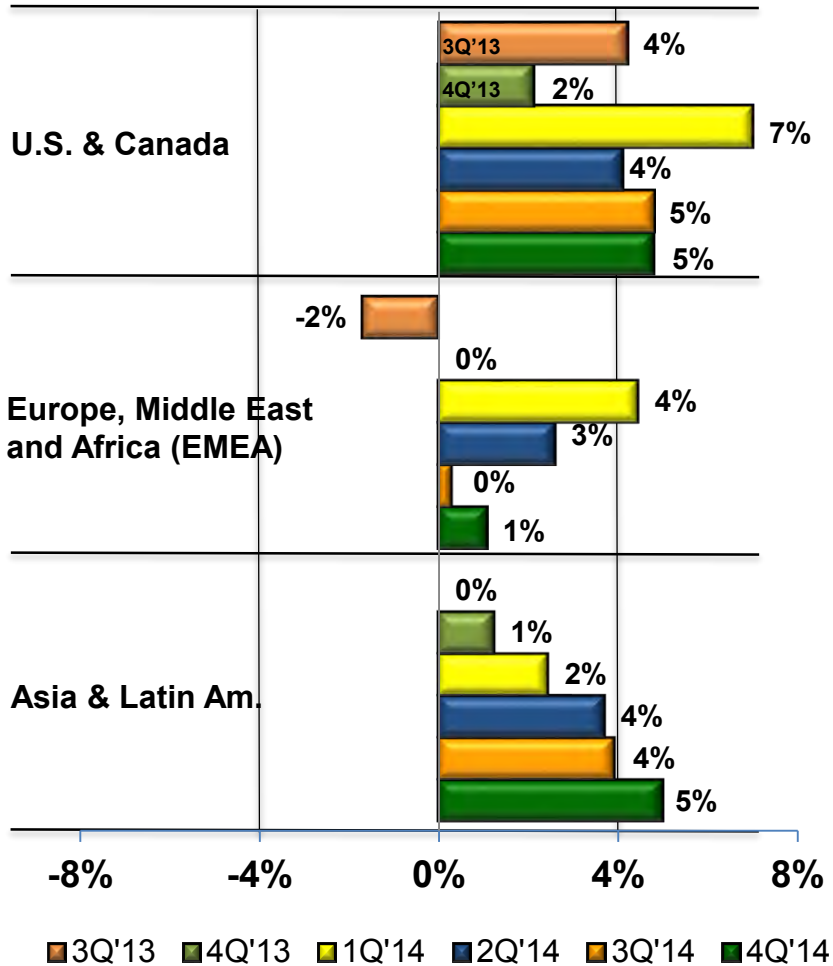


Millions of USD

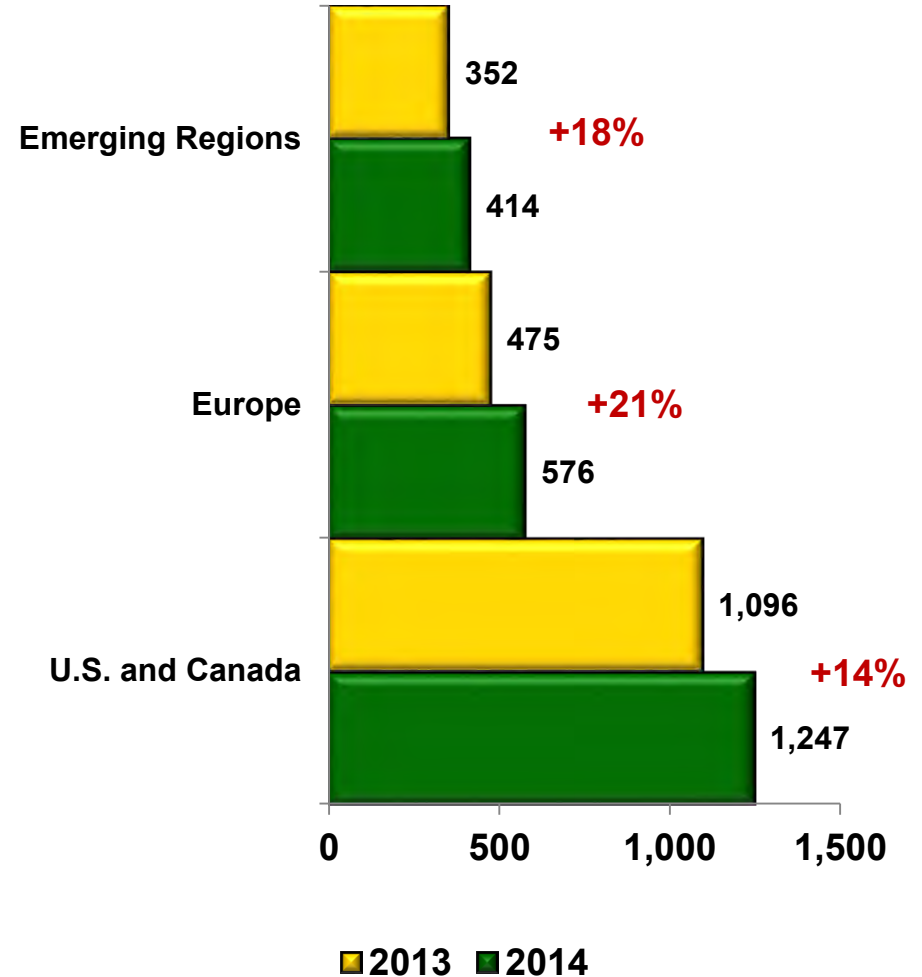


# Full-Year Regional Performance

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



## Full Year Segment Earnings



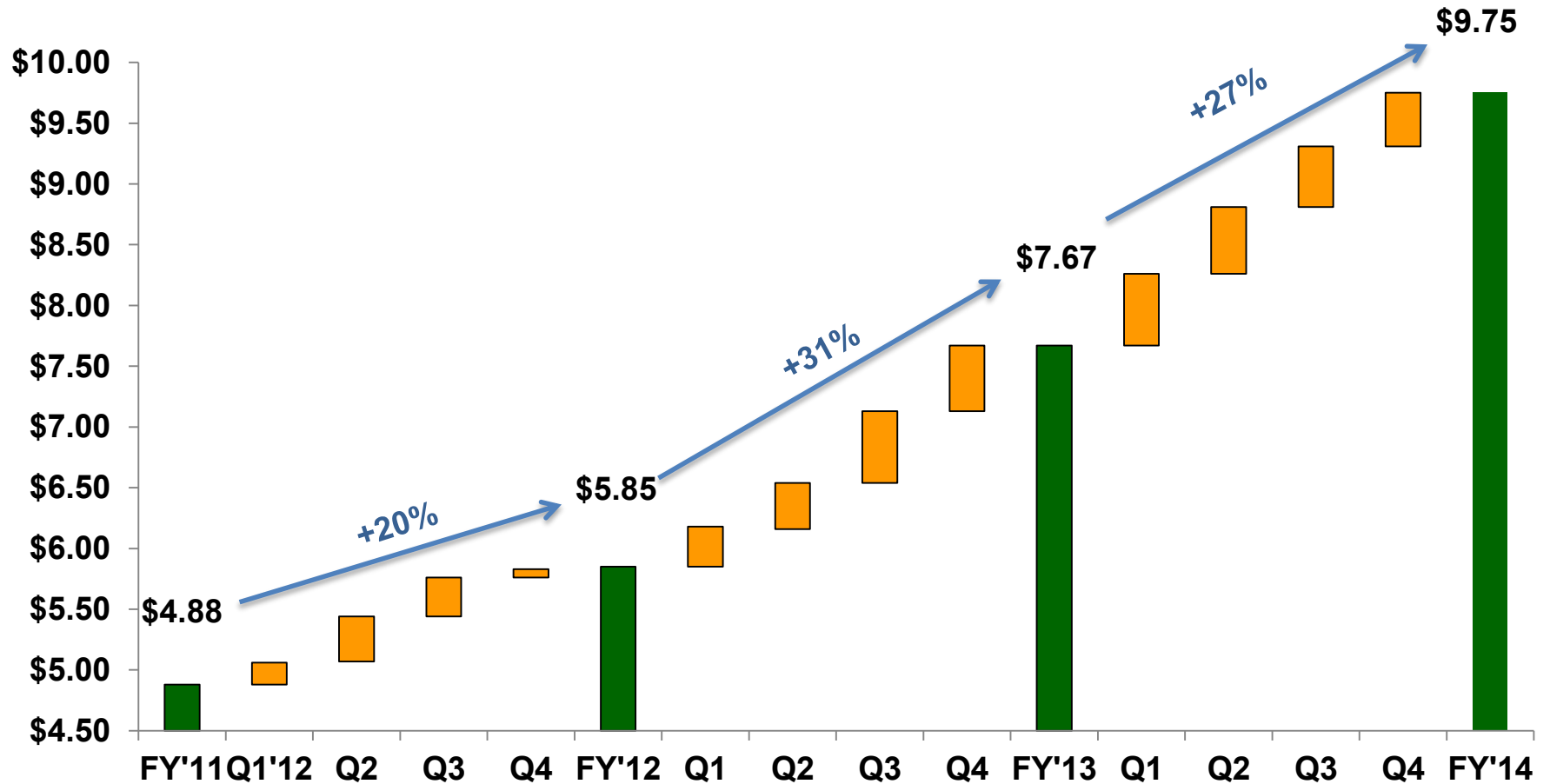
Millions of USD

Prior year figures as originally reported, not adjusted for segment reporting changes or business divestitures

# PPG Adjusted Earnings Per Share Trend\*



All figures have been recast based on PPG's current business portfolio



**Transformed portfolio & accretive cash deployment drives excellent earnings growth**

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

# 2015 Financial Assumptions (current as of January 15, 2015 only)



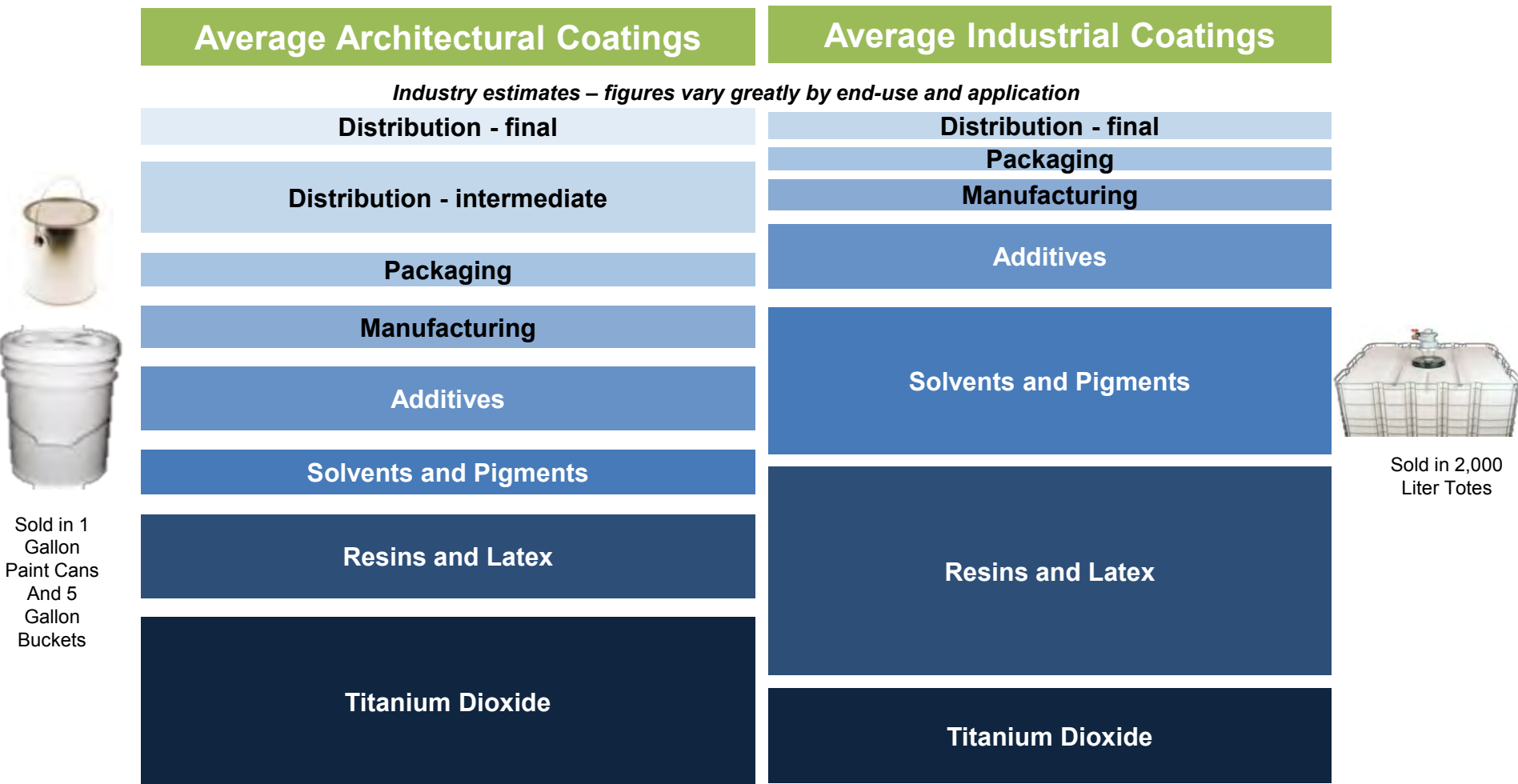
Category	Full Year Sales	Full Year Earnings	Comments:
<i>(\$ as millions of USD unless stated otherwise)</i>			
Comex Acquisition	> \$1B annually; \$800 - \$850 incremental vs. 2014	Mid-teen full year EBIT percentage  Varies by quarter	a. PPG 2014 results included partial year (two months – Nov/Dec) Comex sales and earnings results. b. Full year EBITDA percentage of sales of mid-to-high teens
Unfavorable Foreign Currency Translation	\$650- \$750 (Lower Sales)	\$65- \$75 (Lower Earnings)	Based on recent exchange rates. Impact more prevalent in Q2 and Q3 due to seasonality of businesses.
Increased OPEB & Pension Expense	N/A	\$60 - \$65 (Lower Earnings)	Changes to mortality tables and lower year-end discount rate. Equally distributed throughout the year.
Lower Net Interest Exp. (Debt Refinance)	N/A	\$55 (Higher Earnings)	2015 quarterly net interest savings YOY: 1Q - \$18, 2Q - \$11, 3Q - \$14, 4Q - \$12
Full Year Tax Rate on Ongoing Earnings from Continuing Operations	Expected range of 24.0% -to- 25.0%. Tax rate is higher vs. 2014 comparable rate of 23.9% primarily due to Comex earnings (higher Mexican tax rate).		
Cash Deployment	Cash deployment of \$1.5 -to- \$2.5 billion over years 2015 and 2016 (combined) on acquisitions and share repurchases.		



# Coatings Cost Comparison



Raw material basket and manufacturing/distribution costs are different

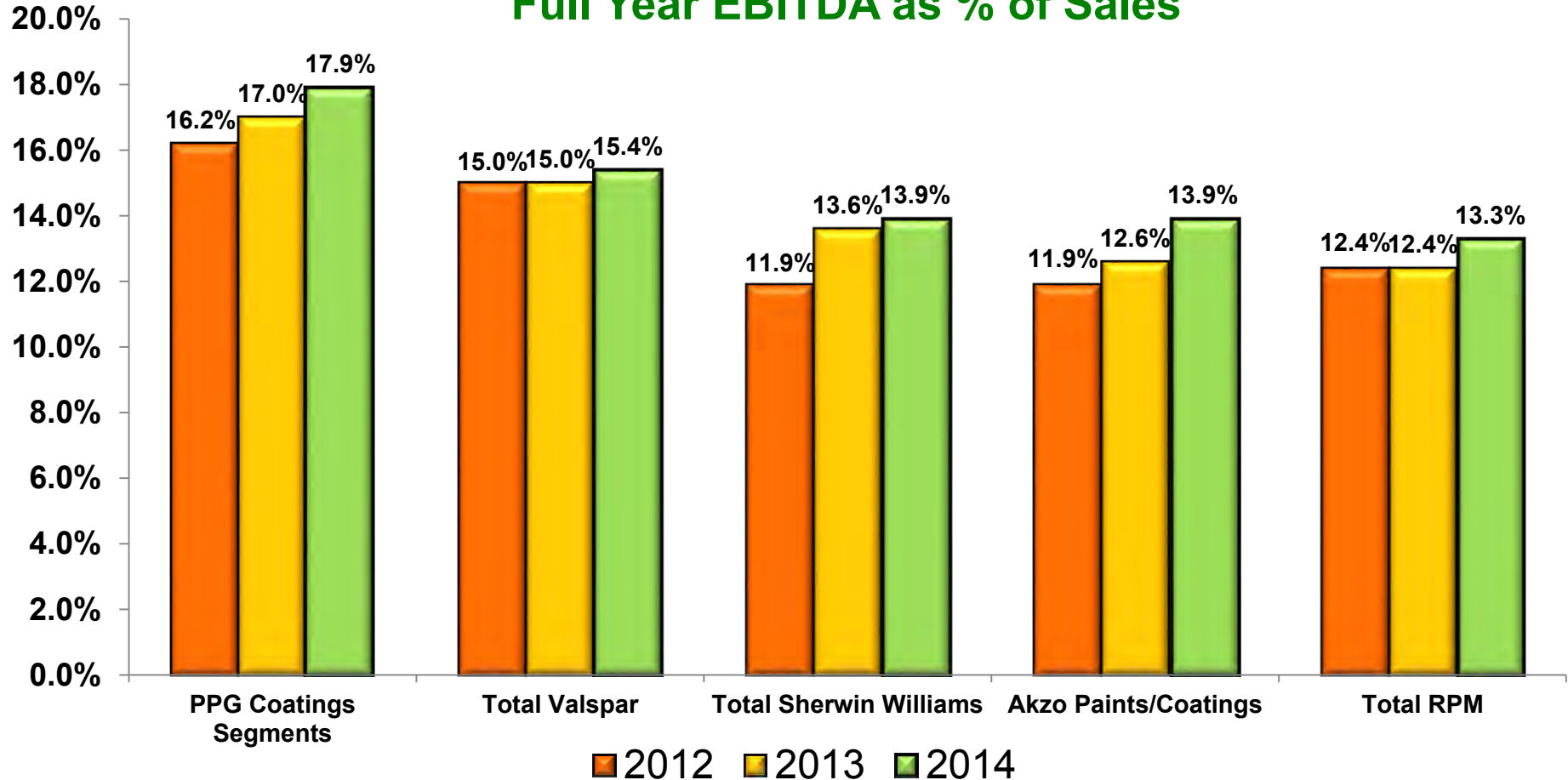


Source: PPG Estimates



# Coatings Peers EBITDA %

## Full Year EBITDA as % of Sales

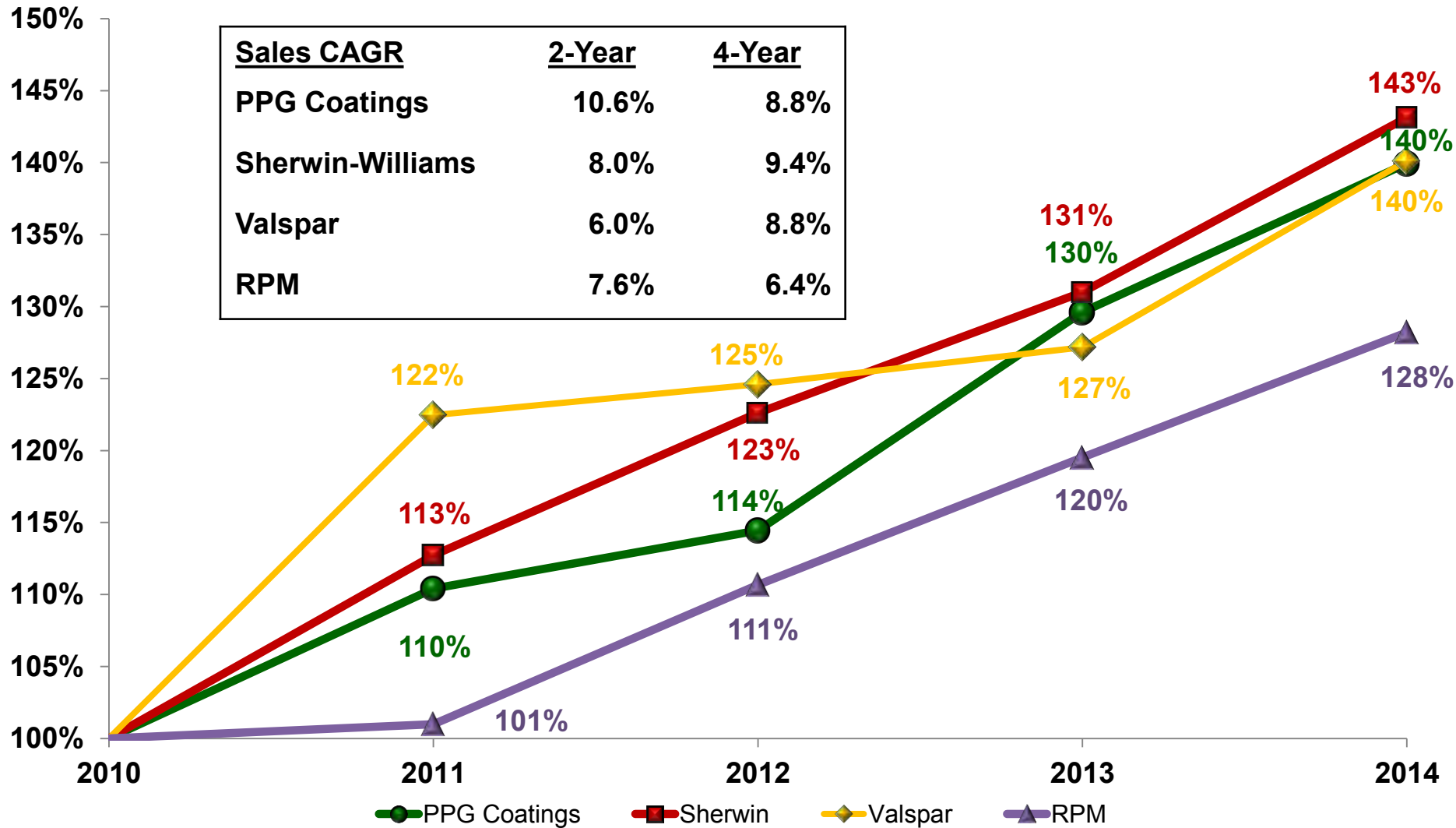


**Coatings industry countering high commodity input costs**

EBITDA from continuing operations as percent of sales as reported in company reports (excluding unusual items); See Appendix for reconciliations.



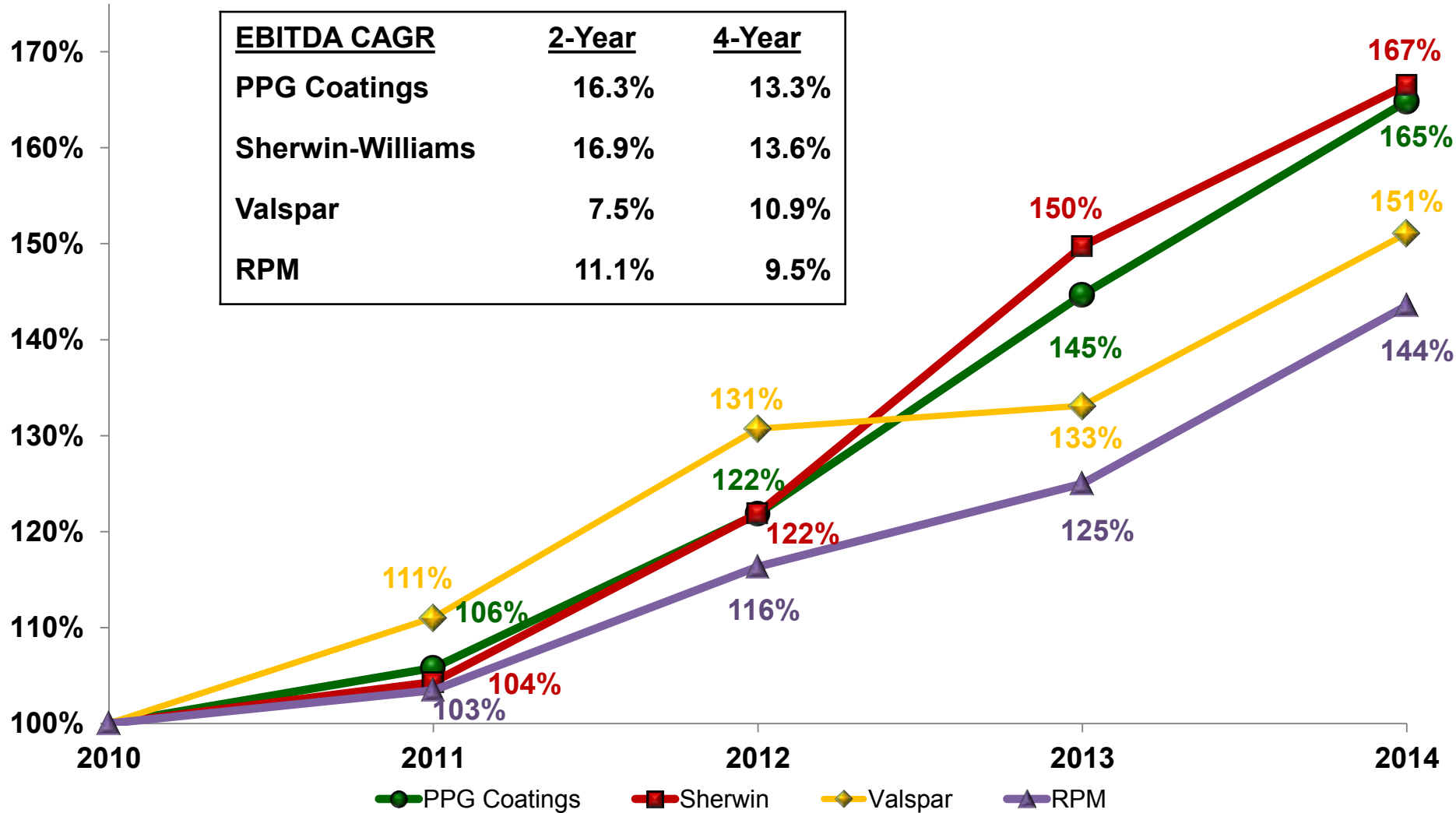
# Coatings Companies Sales Growth



EBITDA from continuing operations as percent of sales as reported in company reports (excluding unusual items); See Appendix for reconciliations.



# Coatings Companies EBITDA Growth

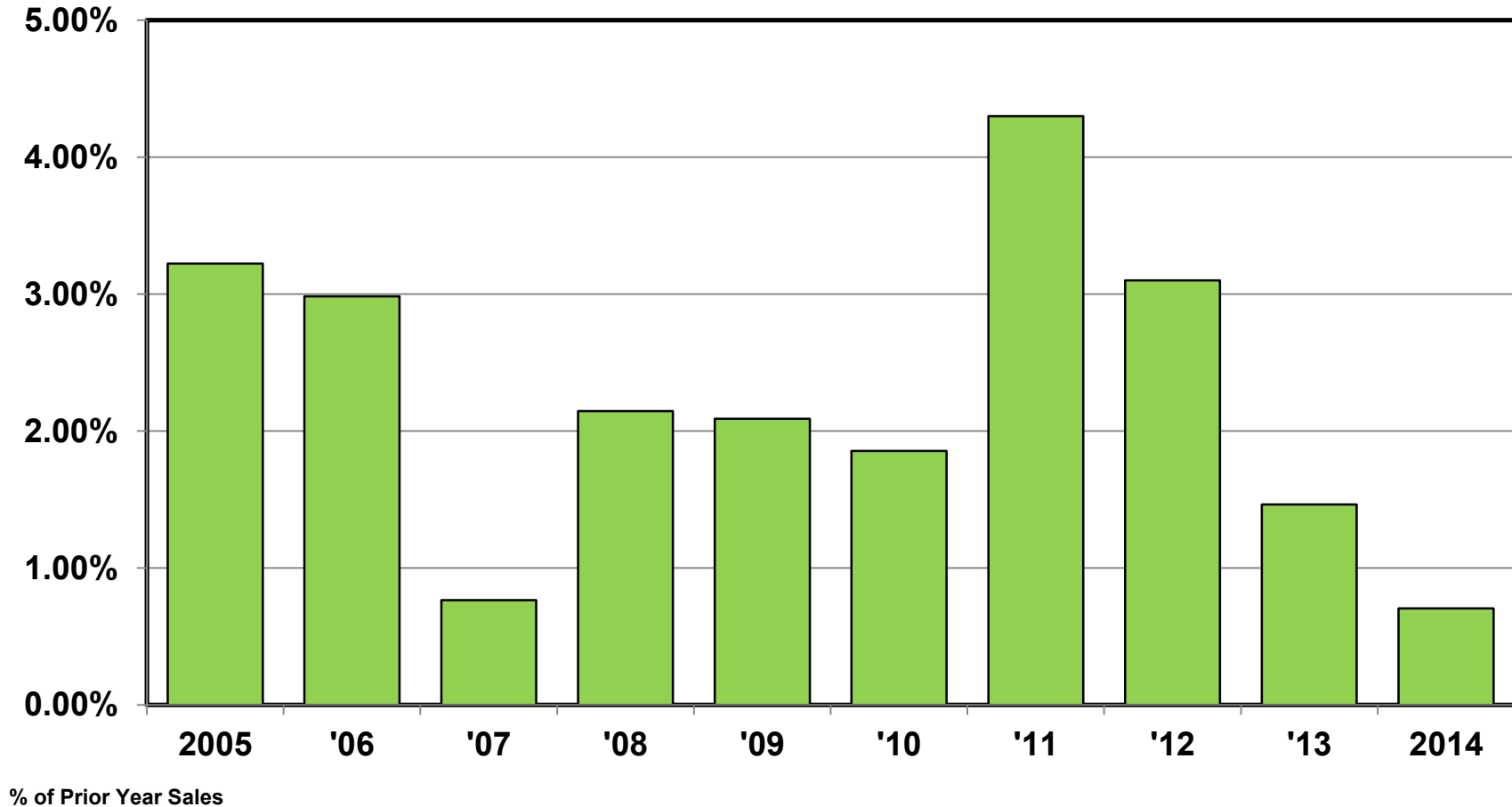


EBITDA from continuing operations as percent of sales as reported in company reports (excluding unusual items); See Appendix for reconciliations.



# Strong Coatings Pricing Discipline Continues

## Year-Over-Year Aggregate PPG Coatings Pricing

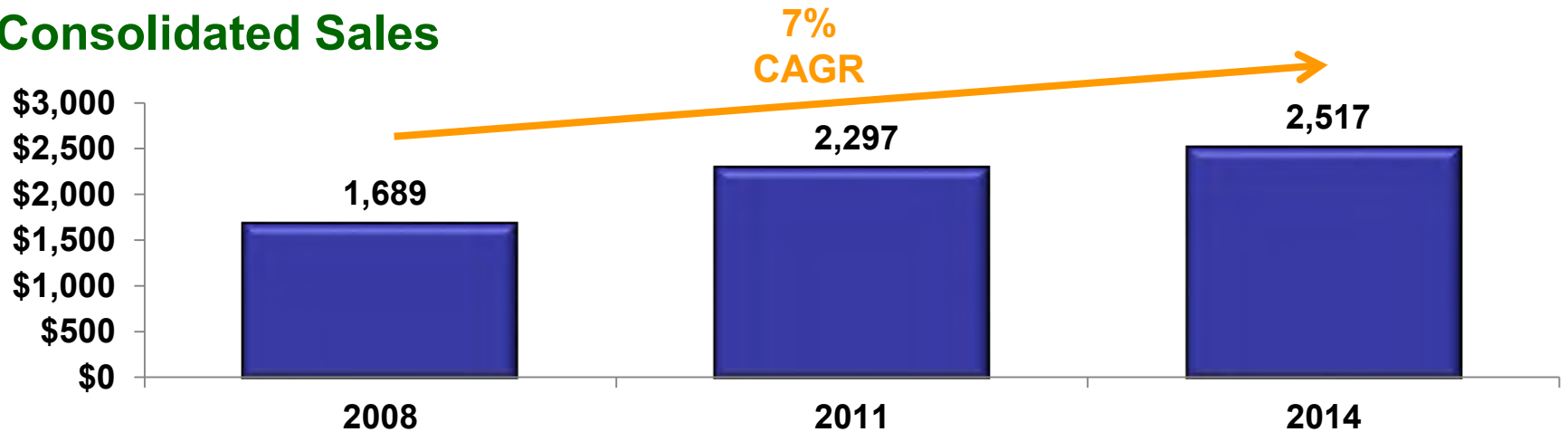


**Consistently higher coatings pricing to counter inflation**

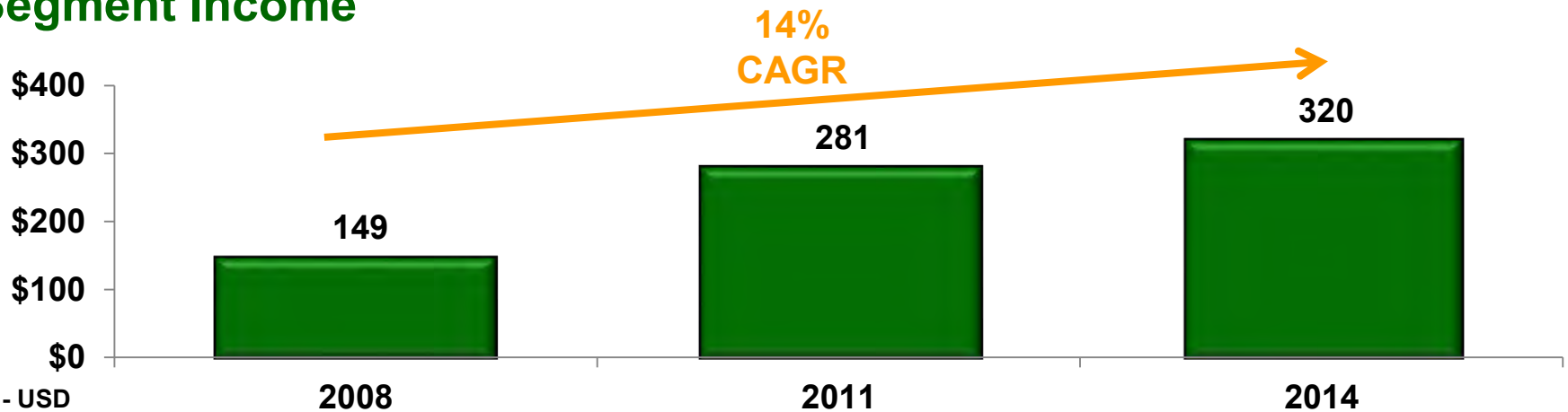
# PPG Asia/Pacific Financials



## Consolidated Sales



## Segment Income



Consistent/significant growth; 13% regional operating margin in 2014

# PPG Europe, Middle East and Africa



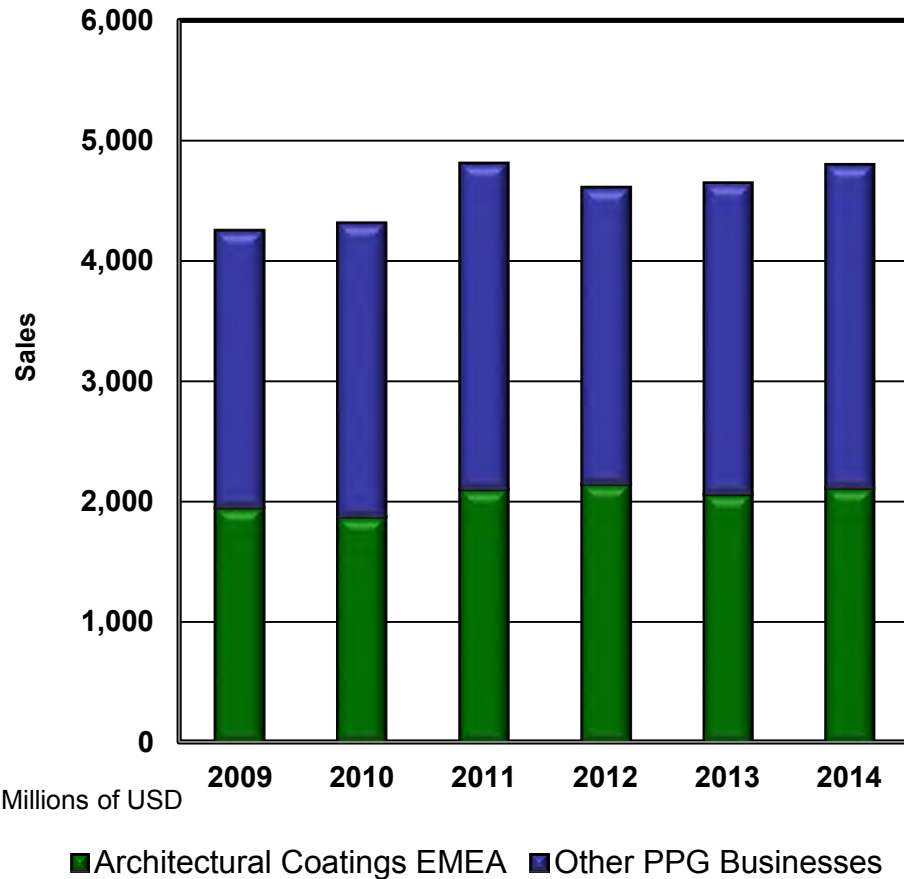
- ★ PPG Europe Headquarters
- Coatings
- Fiber Glass



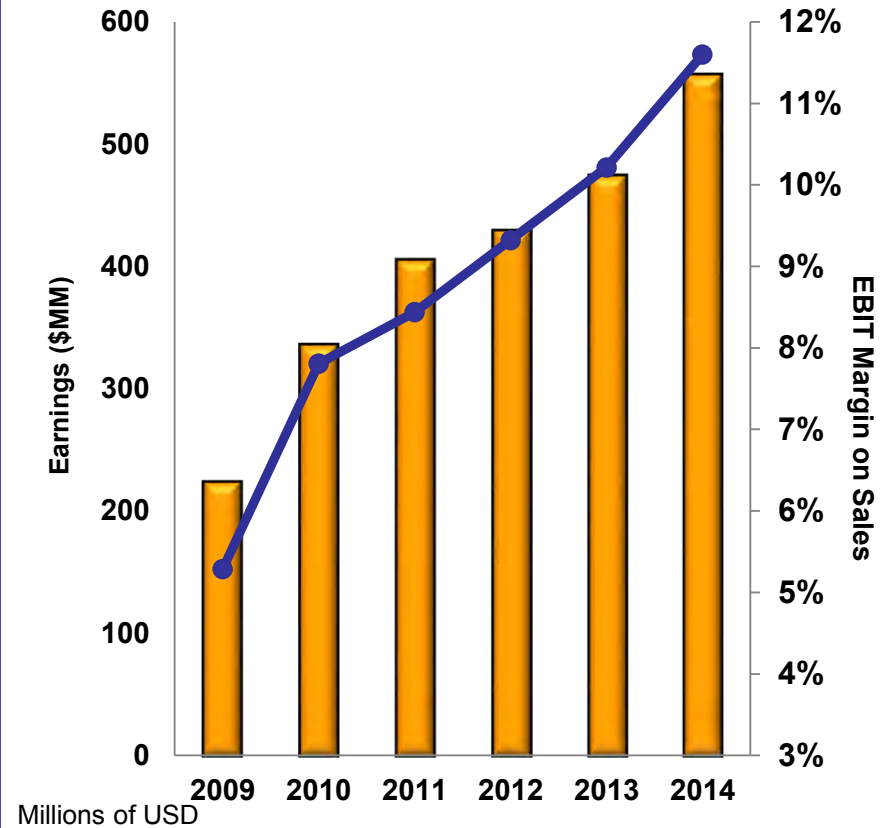


# Total PPG Europe, Middle East and Africa

## PPG Sales Mix



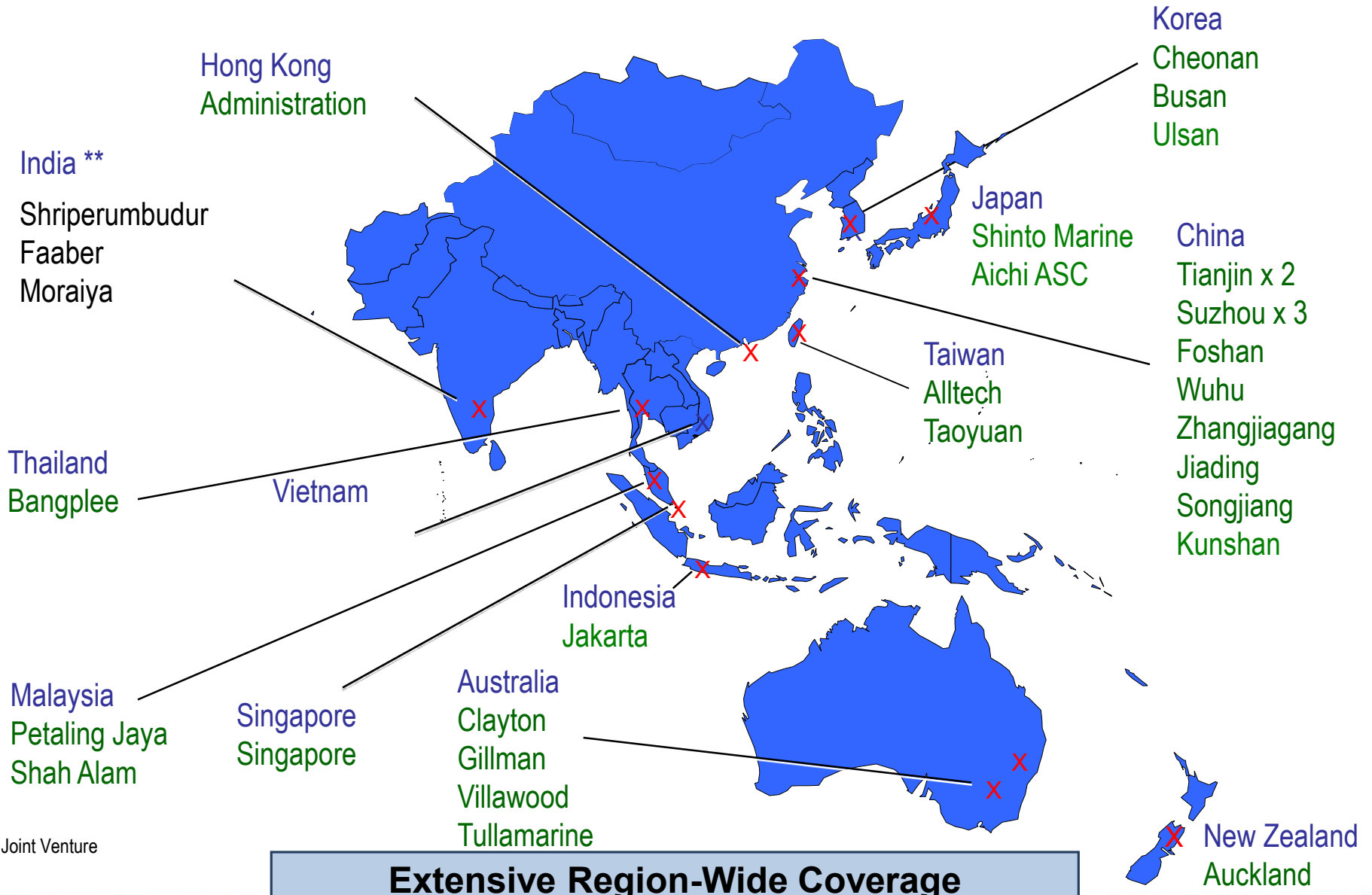
## Earnings



**Record European earnings despite difficult economic conditions the past several years**



# PPG Asia Coatings Footprint

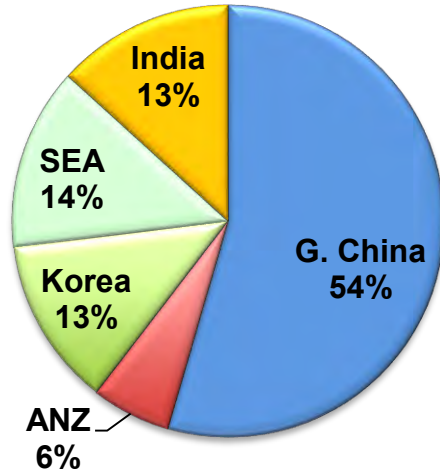


**Extensive Region-Wide Coverage**

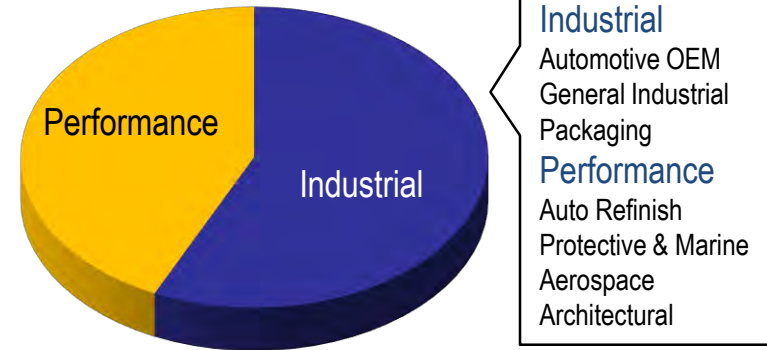
\*\* Joint Venture

# Strong and Growing Asian Presence (excl. Japan)

## Industry Coatings Demand for Asia

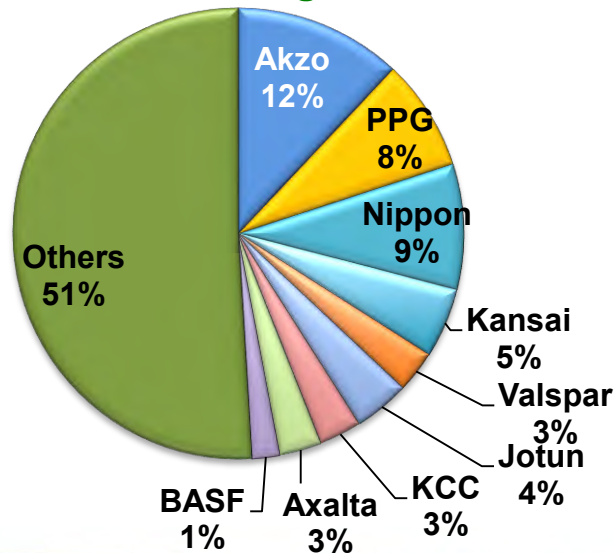


## PPG Asia Sales Mix (2014)



**Broad, Full Coatings Business Portfolio**

## Coatings Industry in Asia Remains Fragmented

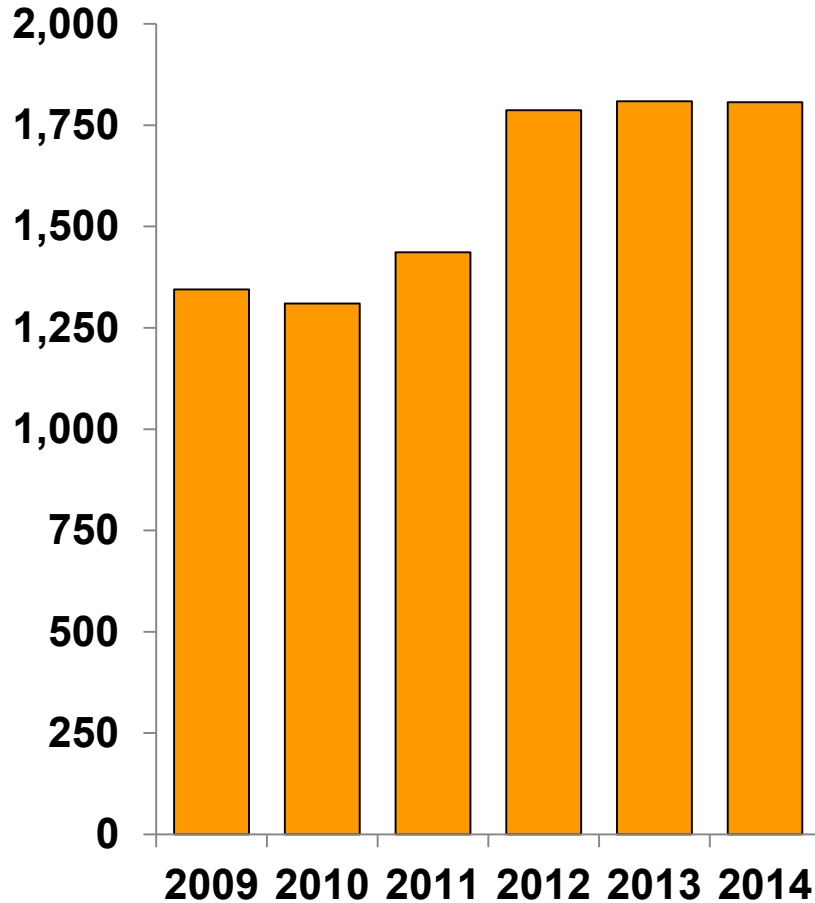


## Many Leading Asia Market (excl. Japan)

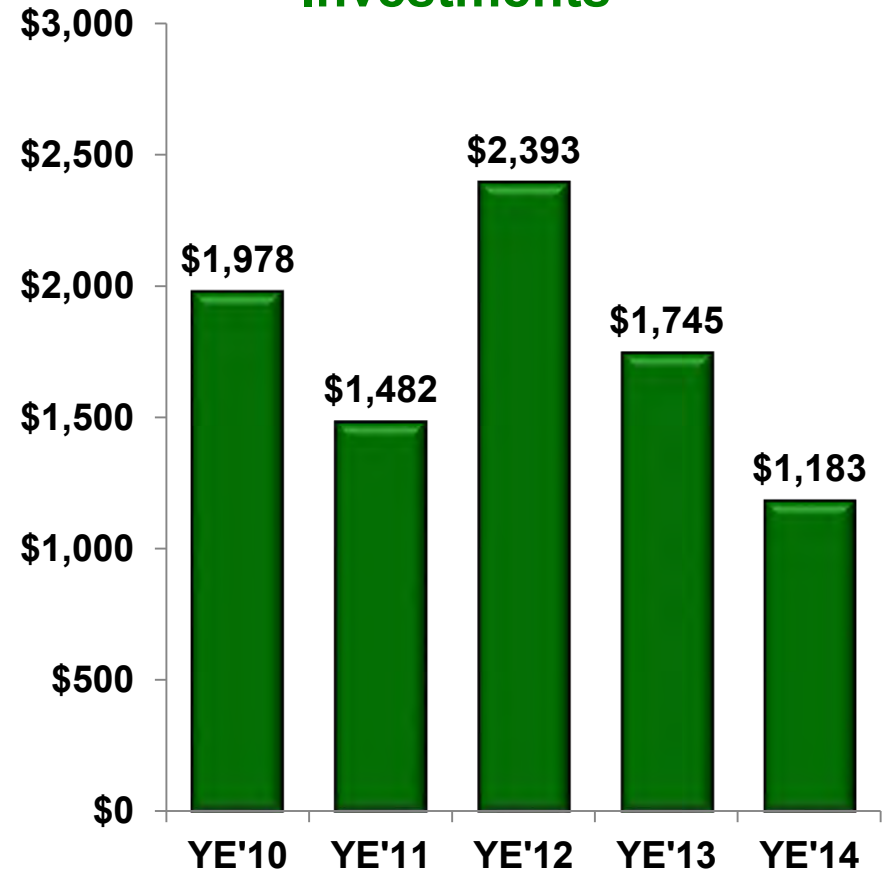
	PPG Market Position	PPG '09 - '14 CAGR
Automotive OEM	#1	19%
General Industrial	#2	14%
Packaging	#1	13%
Auto Refinish	#1	12%
Aerospace	#1	13%
Protective/Marine	#4	-6%
Architectural	#7	5%
<b>Total Coatings</b>	<b>#3</b>	<b>9%</b>

# Cash From Operations

## Cash From Operations \*



## Cash & Short Term Investments

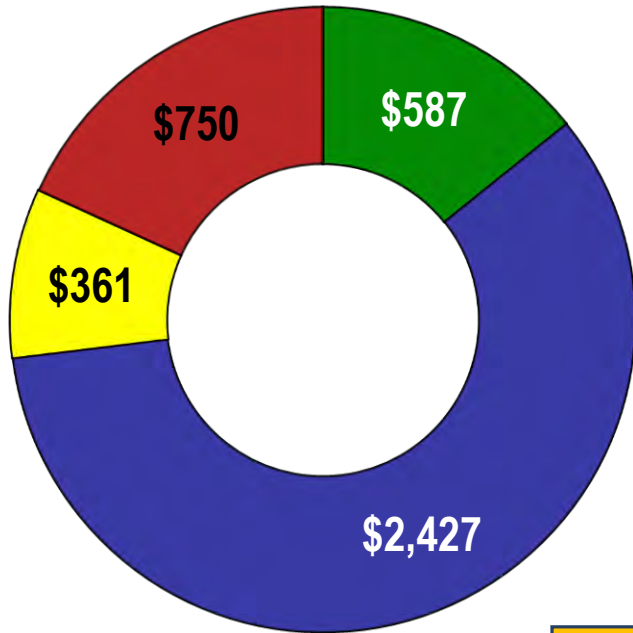


**Strong cash position remains**

Millions of USD – As originally reported, not adjusted for business divestitures

# Balanced Cash Deployment

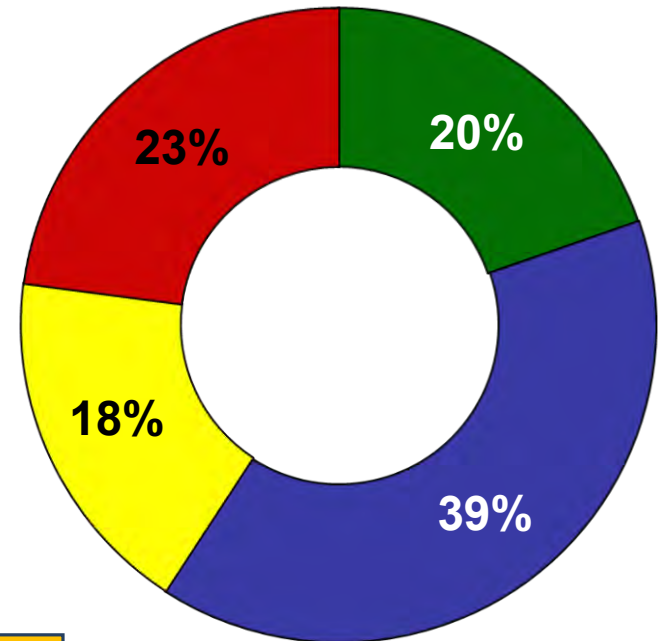
## Year 2014 Cash Uses



2014 acquisition spending includes acquired and repaid Comex debt

## Past 10 Years (~\$19B) (2005 – 2014)

- Capital Spending
- Acquisitions
- Dividends
- Share Repurchases

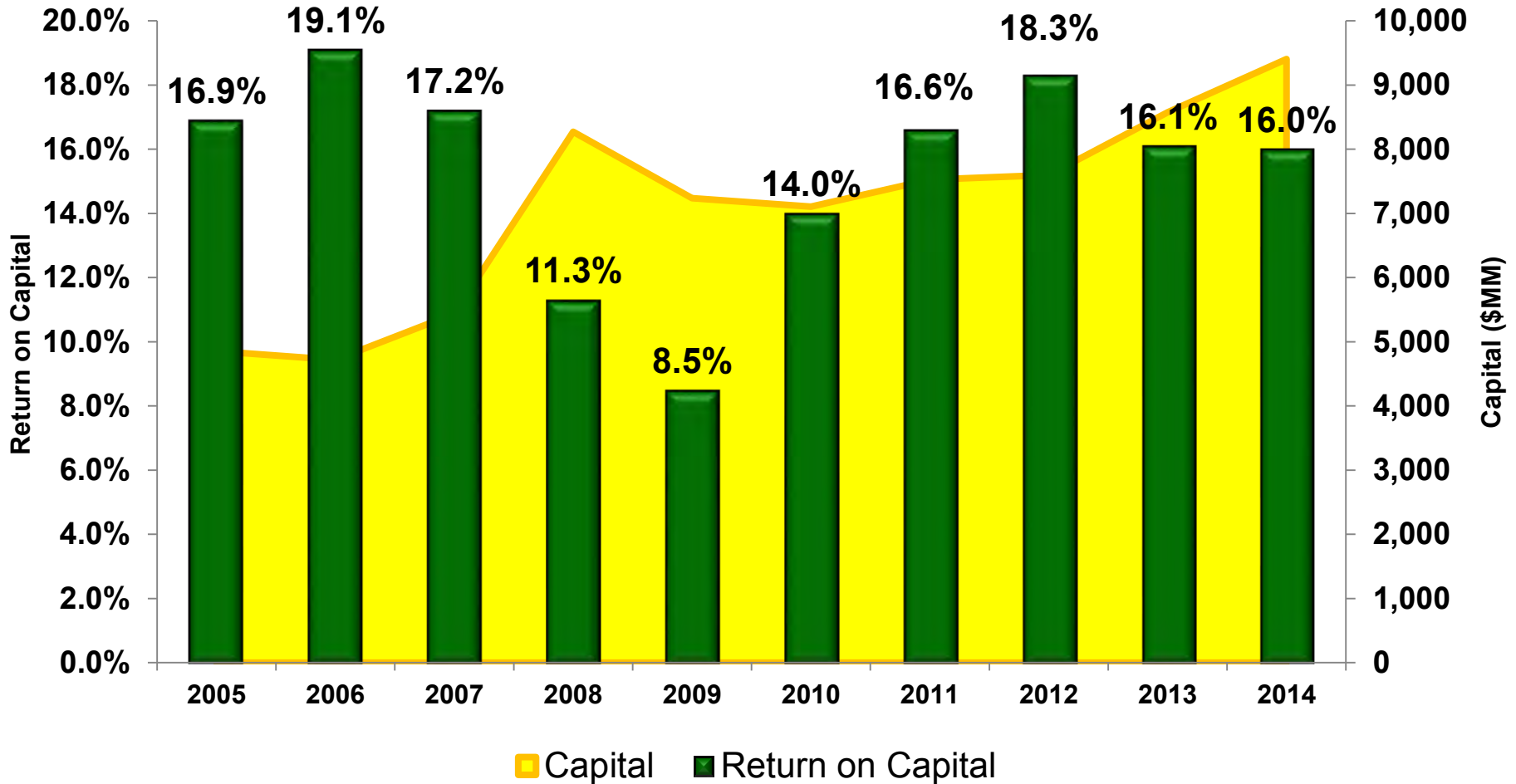


**Cash Use Summary:**  
**Grow Business ~60%**  
**Return to Shareholders ~40%**

**Legacy of consistent and prudent cash deployment**



# PPG Return on Capital (adjusted)\*



**ROC returning toward pre-2008 levels on (~75%) higher capital base**

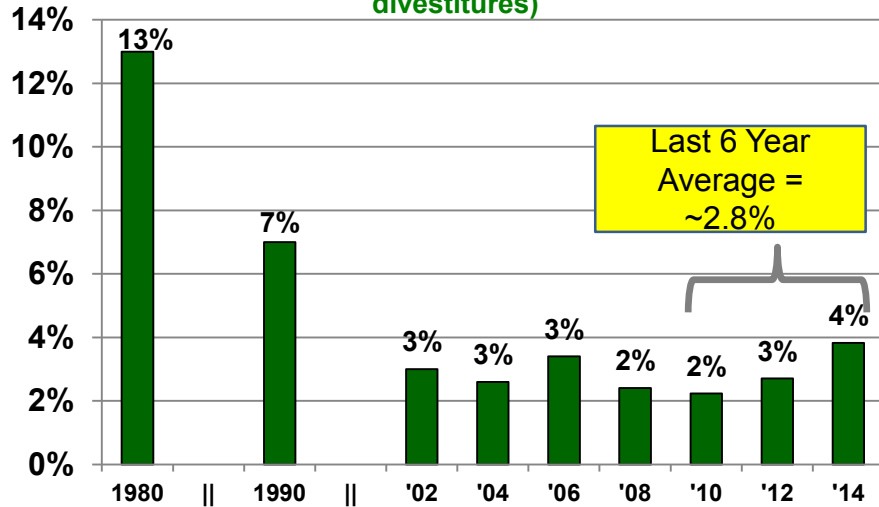
\* Adjusted to exclude unusual charges, see appendix for reconciliation. All years as originally reported, not adjusted for business divestitures.

# PPG Financial Hallmarks

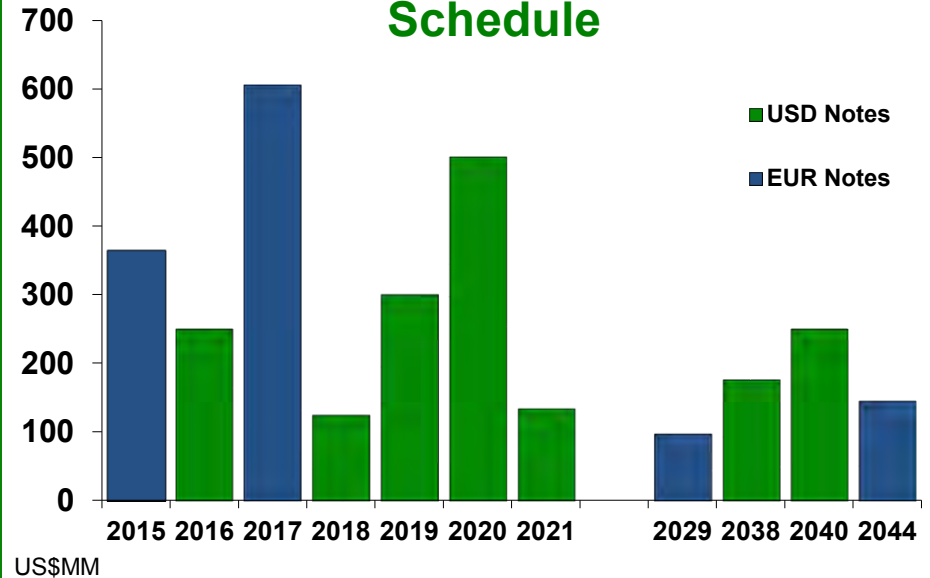


## Capital Spending as % of Sales

(As originally reported, not adjusted for business divestitures)

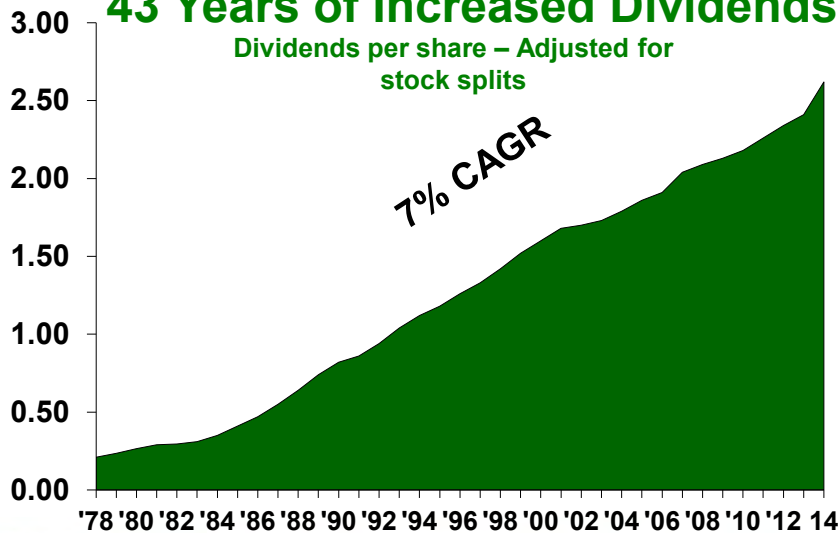


## Long-Term Debt Maturity Schedule

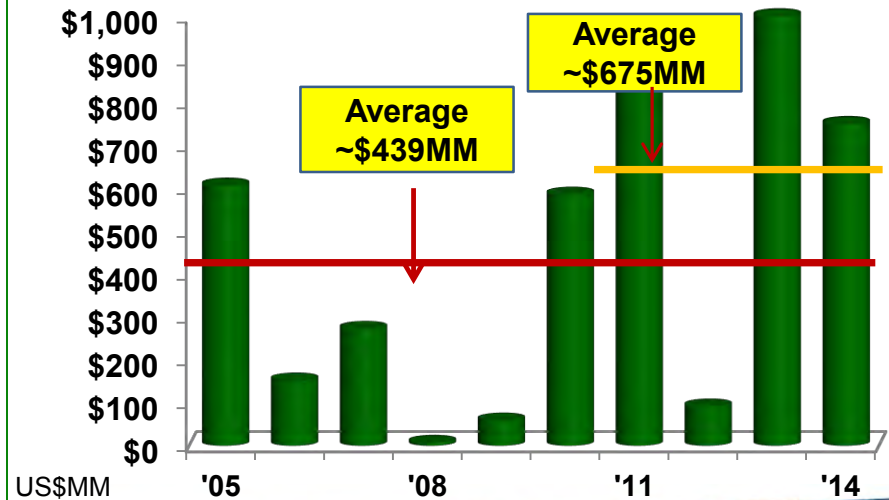


## 43 Years of Increased Dividends

Dividends per share – Adjusted for stock splits



## PPG Share Repurchases



# PPG Shared Services Centers





# Additional Materials and Appendix

[www.ppg.com](http://www.ppg.com)





# Adjusted Net Earnings



Full Year	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Earnings as Reported	\$1,133	\$1,034	\$941	\$1,095	\$769	\$336
<b>Adjustments:</b>						
Debt Refinancing Charge	200	-	-	-	-	-
Business Restructuring	-	73	163	-	-	141
Divestiture-related costs	-	-	-	-	-	-
Acquisition-related costs	42	28	27	-	-	-
Environmental Remediation Charge	86	64	99	-	-	-
Pension Protection Act – Deferred Tax Adjustment	-	13	-	-	85	-
Impairments/Other	-24	-10	-	-	-	-
Gain on Asset Disposition	-73	-	-	-	-	-
<b>Total Net Adjustments</b>	<b>\$231</b>	<b>\$168</b>	<b>\$289</b>	<b>-</b>	<b>\$85</b>	<b>\$141</b>
<b>Adjusted Net Earnings</b>	<b>\$1,364</b>	<b>\$1,202</b>	<b>\$1,230</b>	<b>\$1,095</b>	<b>\$854</b>	<b>\$477</b>

Amounts in Millions of USD – Not adjusted for Transitions separation for comparative purposes

# Adjusted Return on Capital

Full Year	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Adjusted Net Earnings	\$1,364	\$1,202	\$1,230	\$1,095	\$854	\$477
Net Interest Expense (after-tax)	<u>143</u>	<u>149</u>	<u>157</u>	<u>158</u>	<u>140</u>	<u>135</u>
Adjusted Net Earnings + Net Interest Expense	\$1,507	\$1,351	\$1,387	\$1,253	\$994	\$612

Capital (Average Debt & Average Equity) as Reported	\$9,174	\$8,235	\$7,598	\$7,526	\$7,020	\$7,096
Net Adjustment (see Net Earnings Reconciliations)	<u>231</u>	<u>168</u>	=	=	<u>85</u>	<u>141</u>
Adjusted Capital	\$9,405	\$8,403	\$7,598	\$7,526	\$7,105	\$7,237

Adjusted Return on Capital	16.0%	16.1%	18.3%	16.6%	14.0%	8.5%
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Amounts in Millions of USD, except percents - Not adjusted for Transitions separation for comparative purposes

# Adjusted Net Earnings



<b>FULL YEAR</b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Net Earnings as Reported</b>	<b>\$538</b>	<b>\$834</b>	<b>\$711</b>	<b>\$596</b>
<b>Adjustments:</b>				
<b>Business Restructuring</b>	<b>110</b>	<b>-</b>	<b>23</b>	<b>-</b>
<b>Divestiture-related costs</b>	<b>9</b>	<b>30</b>	<b>-</b>	<b>-</b>
<b>Acquisition-related costs</b>	<b>100</b>	<b>4</b>	<b>-</b>	<b>-</b>
<b>Environmental Charge</b>	<b>-</b>	<b>-</b>	<b>106</b>	<b>-</b>
<b>Legal Settlement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117</b>
<b>Debt Refinancing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>
<b>Impairments/Other</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>38</b>
<b>Total Net Adjustments</b>	<b>\$219</b>	<b>\$34</b>	<b>\$131</b>	<b>\$167</b>
<b>Adjusted Net Earnings</b>	<b>\$757</b>	<b>\$868</b>	<b>\$842</b>	<b>\$763</b>

Amounts in Millions of USD, except percents - Not adjusted for Transitions separation for comparative purposes

# Adjusted Return on Capital

Full Year	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Adjusted Net Earnings	\$757	\$868	\$842	\$763
Net Interest Expense (after-tax)	<u>175</u>	<u>66</u>	<u>61</u>	<u>57</u>
Adjusted Net Earnings + Net Interest Expense	\$932	\$934	\$903	\$820
Capital (Average Debt & Average Equity) as Reported	\$8,053	\$5,403	\$4,587	\$4,686
Net Adjustment (see Net Earnings Reconciliations)	<u>219</u>	<u>34</u>	<u>131</u>	<u>167</u>
Adjusted Capital	\$8,272	\$5,437	\$4,718	\$4,853
Adjusted Return on Capital	11.3%	17.2%	19.1%	16.9%

Amounts in Millions of USD, except percents - Not adjusted for Transitions separation for comparative purposes



# 2014 EBITDA Reconciliation

EBITDA as % of Sales (excluding specials\*):

	Total PPG	PPG Coatings Segments	Total Sherwin Williams	Total Valspar	Total RPM	Total Akzo	Akzo Paints & Coatings
<b>Currency</b>	USD	USD	USD	USD	USD	Euro	Euro
<b>Sales</b>	15,360	14,250	11,130	4,522	4,376	14,296	9,498
<b>Segment/Net Income</b>	1,133	2,156	866	345	306	600	793
<b>Unusual Charges</b>	408	--	26	41	--	338	228
<b>Income Taxes</b>	259	--	392	146	119	252	--
<b>Interest</b>	137	--	61	65	65	156	--
<b>Depreciation &amp; Amortization</b>	476	401	199	101	90	618	299
<b>EBITDA</b>	2,413	2,557	1,544	698	580	1,964	1,320
<b>% of Sales</b>	15.7%	17.9%	13.9%	15.4%	13.3%	13.7%	13.9%

Amounts in millions, except percents, reflects most recent year-end



# 2013 EBITDA Reconciliation

EBITDA as % of Sales (excluding specials\*):

	Total PPG	PPG Coatings Segments	Total Sherwin Williams	Total Valspar	Total RPM	Total Akzo *	Akzo Paints & Coatings
<b>Currency</b>	USD	USD	USD	USD	USD	Euro	Euro
<b>Sales</b>	14,265	13,198	10,186	4,104	4,079	14,590	9,745
<b>Segment/Net Income *</b>	950	1,867	753	289	256	661	725
<b>Unusual Charges</b>	253	--	54	40	--	273	207
<b>Income Taxes</b>	342	--	333	135	106	111	--
<b>Interest</b>	153	--	59	63	60	200	--
<b>Depreciation &amp; Amortization</b>	452	377	188	88	84	616	300
<b>EBITDA</b>	2,150	2,244	1,388	615	505	1,861	1,232
<b>% of Sales</b>	15.1%	17.0%	13.6%	15.0%	12.4%	12.8%	12.6%

Amounts in millions, except percents, reflects most recent year-end



# 2012 EBITDA Reconciliation

EBITDA as % of Sales (excluding specials\*):

	Total PPG	PPG Coatings Segments	Total Sherwin Williams	Total Valspar	Total RPM	Total Akzo *	Akzo Paints & Coatings
<b>Currency</b>	USD	USD	USD	USD	USD	Euro	Euro
<b>Sales</b>	12,686	11,654	9,534	4,021	3,777	15,390	9,999
<b>Segment/Net Income *</b>	663	1,567	631	292	234	(1,593)	650
<b>Unusual Charges</b>	346	--	4	25	--	2,449	230
<b>Income Taxes</b>	251	--	276	125	94	203	--
<b>Interest</b>	170	--	40	68	68	205	--
<b>Depreciation &amp; Amortization</b>	399	323	179	94	74	625	307
<b>EBITDA</b>	1,829	1,890	1,130	604	470	1,889	1,187
<b>% of Sales</b>	14.4%	16.2%	11.9%	15.0%	12.4%	12.3%	11.9%

Amounts in millions, except percents, reflects most recent year-end



# EBITDA Reconciliation

## PPG Architectural Coatings - EMEA

	2014	2013	2012	2011	2010	2009	2008
Sales	\$2,114	\$2,062	\$2,147	\$2,104	\$1,874	\$1,952	\$2,249
Segment Earnings	217	185	145	123	113	128	141
Depreciation & Amortization	102	105	115	113	107	109	121
Earnings Before Depreciation & Amortization (EBITDA)	<b>319</b>	<b>290</b>	<b>260</b>	<b>236</b>	<b>220</b>	<b>237</b>	<b>262</b>
<i>EBITDA % of Sales</i>	<b>15.1%</b>	<b>14.1%</b>	<b>12.1%</b>	<b>11.2%</b>	<b>11.7%</b>	<b>12.1%</b>	<b>11.6%</b>

Amounts in Millions of USD except percents





# Adjusted EPS Reconciliation

## 1<sup>st</sup> Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
<b>Year 2014</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 277	\$ 1.97	\$ 985	\$ 7.00	\$ 1,262	\$ 8.97
Acquisition-related costs	2	0.01	--	--	2	0.01
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	\$ 279	\$ 1.98	\$ 985	\$ 7.00	\$ 1,264	\$ 8.98
<b>Year 2013</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 191	\$ 1.29	\$ 2,219	\$ 15.02	\$ 2,410	\$ 16.31
Legacy pension and environmental costs	21	0.14	--	--	21	0.14
Acquisition-related costs	5	0.03	--	--	5	0.03
U.S. tax law change enacted in 2013	(10)	(0.07)	--	--	(10)	(0.07)
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	\$ 207	\$ 1.39	\$ 2,219	\$ 15.02	\$ 2,426	\$ 16.41
<b>Year 2012</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ (77)	\$ (0.50)	\$ 90	\$ 0.58	\$ 13	\$ 0.08
Business restructuring	137	0.89	26	0.17	163	1.06
Environmental remediation costs	99	0.64	--	--	99	0.64
Acquisition-related costs	4	0.03	--	--	4	0.03
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	\$ 163	\$ 1.06	\$ 116	\$ 0.75	\$ 279	\$ 1.81
<b>Year 2011 (no adjustments)</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 144	\$ 0.88	\$ 84	\$ 0.52	\$ 228	\$ 1.40

Amounts in Millions of USD except EPS



# Adjusted EPS Reconciliation

## 2<sup>nd</sup> Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
<b>Year 2014</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 393	\$ 2.80	\$ (7)	\$ (0.05)	\$ 386	\$ 2.75
Pension Settlement Loss	3	0.02	--	--	3	0.02
Acquisition-related costs	2	0.01	--	--	2	0.01
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	<b>\$ 398</b>	<b>\$ 2.83</b>	<b>\$ (7)</b>	<b>\$ (0.05)</b>	<b>\$ 391</b>	<b>\$ 2.78</b>
<b>Year 2013</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 318	\$ 2.19	\$ 23	\$ 0.16	\$ 341	\$ 2.35
Acquisition-related costs	13	0.09	2	0.01	15	0.10
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	<b>\$ 331</b>	<b>\$ 2.28</b>	<b>\$ 25</b>	<b>\$ 0.17</b>	<b>\$ 356</b>	<b>\$ 2.45</b>
<b>Year 2012</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 295	\$ 1.90	\$ 67	\$ 0.44	\$ 362	\$ 2.34
Business separation costs	--	--	3	0.02	3	0.02
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	<b>\$ 295</b>	<b>\$ 1.90</b>	<b>\$ 70</b>	<b>\$ 0.46</b>	<b>\$ 365</b>	<b>\$ 2.36</b>
<b>Year 2011 (no adjustments)</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 245	\$ 1.53	\$ 95	\$ 0.59	\$ 340	\$ 2.12

Amounts in Millions of USD except EPS

# Adjusted EPS Reconciliation



## 3<sup>rd</sup> Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
<b>Year 2014</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 377	\$ 2.70	\$ (6)	\$ (0.04)	\$ 371	\$ 2.66
Gain on asset sales	(73)	(0.52)	--	--	(73)	(0.52)
Increase to legacy environmental reserves	86	0.61	--	--	86	0.61
Pension settlement charge	2	0.01	--	--	2	0.01
Acquisition-related costs	2	0.02	--	--	2	0.02
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	\$ 394	\$ 2.82	(6)	\$ (0.04)	\$ 388	\$ 2.78
<b>Year 2013</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 204	\$ 1.41	\$ 22	\$ 0.15	\$ 226	\$ 1.56
Business restructuring	73	0.50	--	--	73	0.50
Increase to legacy environmental reserves	56	0.39	--	--	56	0.39
Acquisition-related costs	3	0.02	1	0.01	4	0.03
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	\$ 336	\$ 2.32	23	\$ 0.16	\$ 359	\$ 2.48
<b>Year 2012</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 269	\$ 1.73	\$ 70	\$ 0.45	\$ 339	\$ 2.18
Business separation costs	--	--	9	0.06	9	0.06
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	\$ 269	\$ 1.73	\$ 79	\$ 0.51	\$ 348	\$ 2.24
<b>Year 2011 (no adjustments)</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 223	\$ 1.41	\$ 88	\$ 0.55	\$ 311	\$ 1.96

Amounts in Millions of USD except EPS



# Adjusted EPS Reconciliation

## 4<sup>th</sup> Quarter Reporting Period

	Continuing Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
<b>Year 2014</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 86	\$ 0.62	\$ (3)	\$ (0.02)	\$ 83	\$ 0.60
Debt refinancing charge	200	1.44			200	1.44
Transaction-related costs	36	0.26			36	0.26
Favorable foreign tax ruling	(29)	(0.21)			(29)	(0.21)
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	<b>\$ 293</b>	<b>\$ 2.11</b>	<b>\$ (3)</b>	<b>\$ (0.02)</b>	<b>\$ 290</b>	<b>\$ 2.09</b>
<b>Year 2013</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 237	\$ 1.66	\$ 17	\$ 0.12	\$ 254	\$ 1.78
Transaction-related costs	3	0.02	1	0.01	4	0.03
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	<b>\$ 240</b>	<b>\$ 1.68</b>	<b>\$ 18</b>	<b>\$ 0.13</b>	<b>\$ 258</b>	<b>\$ 1.81</b>
<b>Year 2012</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 175	\$ 1.12	\$ 52	\$ 0.34	\$ 227	\$ 1.46
Business separation costs	--	--	8	0.05	8	0.05
Transaction-related costs	3	0.02	--	--	3	0.02
<b>Adjusted Net Income/(Loss) Attributable to PPG</b>	<b>\$ 178</b>	<b>\$ 1.14</b>	<b>\$ 60</b>	<b>\$ 0.39</b>	<b>\$ 238</b>	<b>\$ 1.53</b>
<b>Year 2011 (no adjustments)</b>						
<b>Net Income/(Loss) Attributable to PPG as Reported</b>	\$ 166	\$ 1.07	\$ 50	\$ 0.32	\$ 216	\$ 1.39

Amounts in Millions of USD except EPS

# PPG Adjusted Earnings Per Share Trend Reconciliation



Period	Adjusted EPS from Continuing Operations				Y-O-Y Change in Adjusted EPS from Continuing Operations		
	2011	2012	2013	2014	2012 vs. 2011	2013 vs. 2012	2014 vs. 2013
1Q	\$ 0.88	\$ 1.06	\$ 1.39	\$ 1.98	\$ 0.18	\$ 0.33	\$ 0.59
2Q	1.53	1.90	2.28	2.83	0.37	0.38	0.55
3Q	1.41	1.73	2.32	2.82	0.32	0.59	0.50
4Q	1.07	1.14	1.68	2.11	0.07	0.54	0.43
Full Year*	\$ 4.88	\$ 5.85	\$ 7.67	\$ 9.75	\$ 0.97	\$ 1.82	\$ 2.08
<b>Year over year percentage increase in EPS</b>					<b>+20%</b>	<b>+31%</b>	<b>+27%</b>

\*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

# 2014 Quarterly Financial Results by Reportable Segment



PPG INDUSTRIES AND CONSOLIDATED SUBSIDIARIES (Continuing Operations)  
BUSINESS SEGMENT INFORMATION (unaudited)

	<u>Q1</u> <u>2014</u>	<u>Q2</u> <u>2014</u>	<u>Q3</u> <u>2014</u>	<u>Q4</u> <u>2014</u>	<u>Full Year</u> <u>2014</u>
Net sales					
Performance Coatings	\$ 2,007	\$ 2,343	\$ 2,257	\$ 2,091	\$ 8,698
Industrial Coatings	1,363	1,450	1,395	1,344	5,552
Glass	<u>266</u>	<u>289</u>	<u>283</u>	<u>272</u>	<u>1,110</u>
<b>TOTAL</b>	<b>\$ 3,636</b>	<b>\$ 4,082</b>	<b>\$ 3,935</b>	<b>\$ 3,707</b>	<b>\$ 15,360</b>
Segment income					
Performance Coatings	\$ 248	\$ 373	\$ 345	\$ 239	\$ 1,205
Industrial Coatings	231	257	240	223	951
Glass	<u>4</u>	<u>11</u>	<u>33</u>	<u>33</u>	<u>81</u>
<b>TOTAL</b>	<b>483</b>	<b>641</b>	<b>618</b>	<b>495</b>	<b>2,237</b>
Items not allocated to segments					
Debt refinancing charge	-	-	-	(317)	(317)
Transaction-related costs	(3)	(3)	(4)	(52)	(62)
Legacy items	(10)	(11)	(23)	(5)	(49)
Interest expense, net of interest income	(35)	(35)	(34)	(33)	(137)
Other corporate expense	<u>(63)</u>	<u>(68)</u>	<u>(58)</u>	<u>(67)</u>	<u>(256)</u>
<b>INCOME BEFORE INCOME TAXES</b>	<b>\$ 372</b>	<b>\$ 524</b>	<b>\$ 499</b>	<b>\$ 21</b>	<b>\$ 1,416</b>

Amounts in Millions of USD



Thank you for your interest in PPG  
Industries, Inc.

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