

PPG INDUSTRIES INC
Form 8-K
November 02, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

November 2, 2007

PPG INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction

of incorporation)

001-01687
(Commission File Number)

25-0730780
(IRS Employer

Identification No.)

One PPG Place, Pittsburgh, Pennsylvania
(Address of principal executive offices)

15272
(Zip code)

Registrant's telephone number, including area code: (412) 434-3131

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

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- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure

In the third quarter of 2007, PPG Industries, Inc. (the Company) announced that it had entered into separate agreements to sell both its automotive glass and automotive replacement glass and services businesses and its fine chemicals business. Based on the third quarter commitments to sell these businesses, the Company determined that the accounting requirements of Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets for classifying these businesses as assets held for sale and reporting their results of operations and cash flows as discontinued operations were met. The condensed consolidated financial statements filed in the Quarterly Report on Form 10-Q for the period ended September 30, 2007 presented these businesses as assets held for sale and reported their results as discontinued operations. The financial information below presents the sales and earnings of the Company and of its reportable segments for the year ended December 31, 2006 and for all quarters in 2006 after adjustment to reclassify the results of operations of the automotive glass and automotive replacement glass and services businesses and fine chemicals business to discontinued operations.

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| | 2006 Financial Information | | | | |
|---|----------------------------|---------------------------|--|---------------------------------------|--|
| | 3 Months Ended March 31 | 3 Months Ended June 30 | 3 Months Ended September 30 2006 | 3 Months Ended December 31 2006 | 12 Months Ended December 31 2006 |
| | 2006 | 2006 | 2006 | 2006 | 2006 |
| (millions, except per share data) | | | | | |
| Net sales | | | | | |
| Performance and Applied Coatings | \$ 678 | \$ 774 | \$ 800 | \$ 836 | \$ 3,088 |
| Industrial Coatings | 767 | 811 | 811 | 847 | 3,236 |
| Optical and Specialty Materials | 219 | 241 | 230 | 214 | 904 |
| Commodity Chemicals | 401 | 372 | 371 | 339 | 1,483 |
| Glass | 286 | 308 | 292 | 264 | 1,150 |
| TOTAL | \$ 2,351 | \$ 2,506 | \$ 2,504 | \$ 2,500 | \$ 9,861 |
| Segment income | | | | | |
| Performance and Applied Coatings | \$ 105 | \$ 144 | \$ 131 | \$ 134 | \$ 514 |
| Industrial Coatings | 91 | 104 | 83 | 71 | 349 |
| Optical and Specialty Materials | 60 | 60 | 53 | 44 | 217 |
| Commodity Chemicals | 87 | 86 | 77 | 35 | 285 |
| Glass | 22 | 32 | 25 | 20 | 99 |
| TOTAL | 365 | 426 | 369 | 304 | 1,464 |
| Restructuring | (33) | (2) | | | (35) |
| Legacy costs (Note A) | (20) | 3 | (203) | (13) | (233) |
| Asbestos settlement - net | (9) | (8) | (6) | (5) | (28) |
| Interest - net | (17) | (18) | (18) | (16) | (69) |
| Unallocated stock based compensation (Note B) | (8) | (10) | (10) | (6) | (34) |
| Other unallocated corporate expense | (28) | (20) | (31) | (24) | (103) |
| INCOME BEFORE INCOME TAXES AND MINORITY INTEREST | 250 | 371 | 101 | 240 | 962 |
| Income tax expense | 59 | 94 | 14 | 74 | 241 |
| Minority interest | 19 | 16 | 17 | 16 | 68 |
| INCOME FROM CONTINUING OPERATIONS | 172 | 261 | 70 | 150 | 653 |
| Income from discontinued operations, net of tax | 12 | 19 | 20 | 7 | 58 |
| NET INCOME | \$ 184 | \$ 280 | \$ 90 | \$ 157 | \$ 711 |
| Earnings per common share | | | | | |
| Income from continuing operations | \$ 1.04 | \$ 1.57 | \$ 0.42 | \$ 0.91 | \$ 3.94 |
| Income from discontinued operations | \$ 0.07 | \$ 0.12 | \$ 0.12 | \$ 0.04 | \$ 0.35 |
| NET INCOME | \$ 1.11 | \$ 1.69 | \$ 0.54 | \$ 0.95 | \$ 4.29 |
| Earnings per common share - assuming dilution | | | | | |
| Income from continuing operations | \$ 1.04 | \$ 1.56 | \$ 0.42 | \$ 0.90 | \$ 3.92 |
| Income from discontinued operations | \$ 0.07 | \$ 0.12 | \$ 0.12 | \$ 0.04 | \$ 0.35 |
| NET INCOME | \$ 1.11 | \$ 1.68 | \$ 0.54 | \$ 0.94 | \$ 4.27 |

Note A:

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Legacy costs include current costs related to former operations of the Company, including certain environmental remediation, pension and other postretirement benefit costs and certain charges which are considered to be unusual or non-recurring. For the three months ended September 30, 2006, these costs included a pretax charge of \$165 million for environmental remediation and a charge for the settlement of a legal matter of \$23 million.

Note B:

Unallocated stock based compensation includes the cost of stock options, restricted stock units and contingent share grants which are not allocated to the operating segments.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 2, 2007

PPG INDUSTRIES, INC.
(Registrant)

By: /s/ William H. Hernandez
William H. Hernandez
Senior Vice President, Finance, Chief Financial Officer and
Treasurer