



*where leadership in research
leads to a better life for you*



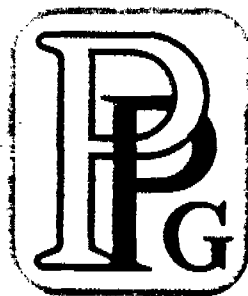
PITTSBURGH
PLATE GLASS COMPANY
ANNUAL REPORT 1962
PAINTS GLASS CHEMICALS FIBER GLASS

BB 0001946

An experimental 'batch' of glass is fired, poured, cooled, then analyzed by PPG's research scientists



Colorant mixture computers at the Springdale, Pa. Color Laboratory are reflected in chromaticity diagram.



where leadership in research leads to a better life

Our cover picture for this report shows an asbestos-clad scientist (top of page) at PPG's Glass Research Center pouring an experimental sample of molten glass from a glowing crucible. The other photographs (above) illustrate research activities of the Chemical Division, Coatings and Resins Division, and Fiber Glass Division.

New products from these PPG laboratories have contributed to the success of Project Mercury; have made daily work more pleasant for millions because of

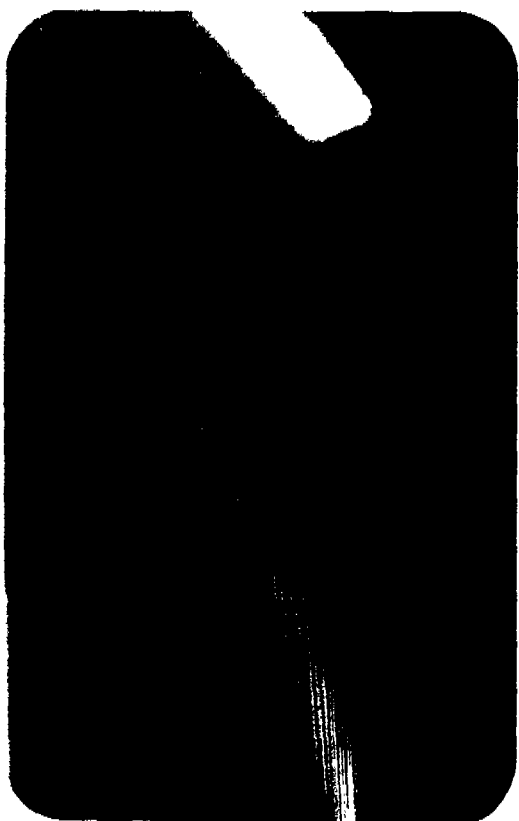
glass-clad offices and color-bedecked factories; and have benefited the health and welfare of the nation in its hospitals and schools. But, in addition to these noteworthy contributions, new PPG products (as our Company slogan indicates) also help create a "better life for you."

This "better life," specifically, involves the average American's interest in travel, sports, backyard fun, and other leisurely pursuits related to the highest standard of living in the world. And while investing in

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Double image of a PPG chemist is reflected in glass case containing flasks used for corrosion testing. Multiple strands of fiber glass resemble a golden harp as they are drawn from the "throat" of furnace.



er life for you!

sports cars, boats, vacations, swimming pools, toys, portable TVs, resort homes, and sports equipment may be fun, it certainly isn't financially frivolous. The \$40 billion that Americans spend annually on recreation gives the American economy (and the economy of the Pittsburgh Plate Glass Co.) a substantial boost.

A full-color section, which demonstrates the role PPG research plays in this phase of your life, follows the financial data section of this report.

PITTSBURGH PLATE GLASS COMPANY

BOARD OF DIRECTORS

CLIFFORD J. BACKSTRAND	JAMES F. JENSEN
ROBINSON F. BARKER	JOSEPH A. NEUBAUER
GUY J. BERGHOFF	W. ERIC PHILLIPS
FRANK R. DENTON	NATHAN PETERSON
LELAND HAZARD	RAYMOND P. LAGAN
DAVID G. HILL	GEORGE D. WOODS

**Chairman, Executive Committee*
**Member, Executive Committee* (Resigned Dec. 31, 1963)

OFFICERS

DAVID G. HILL, <i>President</i>
ROBINSON F. BARKER <i>Vice President - Glass and Fiber Division</i>
ROBERT M. HAINSEFURHER <i>Vice President - Assistant General Manager - Glass Division</i>
MARVIN W. MARSHALL <i>Vice President - Automotive Sales - Glass Division</i>
GUY J. BERGHOFF <i>Vice President and General Manager - Containers and Resins Division</i>
CHARLES R. HOLMAN <i>Vice President - Manufacturing - Containers and Resins Division</i>
HOWARD J. MAPHER <i>Vice President - Industrial Sales - Containers and Resins Division</i>
FELIX T. HUGHES <i>Vice President and General Manager - Merchandising Division</i>
PAUL A. KETCHUM <i>Vice President - Glass Sales, Merchandising Division</i>
JOSEPH A. NEUBAUER <i>Vice President and General Manager, Chemical Division</i>
CHRIS F. BINGHAM <i>Vice President - Chemical Sales, Chemical Division</i>
J. EARL BURRELL <i>Vice President - Operations, Chemical Division</i>
JOSEPH T. OWENS <i>Vice President - General Counsel and Secretary</i>
FRANCIS W. THEIS <i>Vice President - International</i>
EDWARD H. EATON <i>President</i>
L. STANTON WILLIAMS <i>President</i>

TRANSFER AGENTS

PITTSBURGH NATIONAL BANK
P.O. BOX 746, PITTSBURGH 30, PA.
FIRST NATIONAL CITY BANK
55 WALL STREET, NEW YORK 15, N.Y.

REGISTRARS

MELLON NATIONAL BANK AND TRUST COMPANY
MELLON SQUARE, PITTSBURGH 30, PA.
MORGAN GUARANTY TRUST COMPANY OF NEW YORK
140 BROADWAY, NEW YORK 15, N.Y.

The following registered trademarks of the Pittsburgh Plate Glass Company are used in this issue: PPG monogram, CR-39, Dacryl, Gateway, Gold Stripe, Hi-Si, High Fidelity, Nesa, Pittabs, Pittchlor, Pittco, Pittsburgh, Pittsburgh Sun Proof, Rez, Selectron, Solargray, Tintindon, Spandacrite, Teleglas, Tri-Ethane, Tintindon, and Walkhule.

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FINANCIAL HIGHLIGHTS OF

1962 1961

NET SALES	\$656,670,000	\$602,722,000
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INCOME TAXES	\$42,700,000	\$32,200,000
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NET EARNINGS	\$43,004,000	\$34,627,000
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NET EARNINGS PER SHARE	\$4.05	\$3.23*
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CASH DIVIDENDS PER SHARE	\$2.20	\$2.20
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STOCK DIVIDENDS PER SHARE	2%	2%
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EXPENDITURES FOR PROPERTY AND INVESTMENT	\$37,906,000	\$31,374,000
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UNEXPENDED AUTHORIZATIONS FOR PROPERTY AND INVESTMENT	\$94,000,000	\$38,000,000
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WORKING CAPITAL	\$217,245,000	\$208,146,000
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NUMBER OF EMPLOYEES	33,400	32,000
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NUMBER OF SHAREHOLDERS	26,000	23,200
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TO THE SHAREHOLDER

In 1962, Pittsburgh Plate Glass Company increased its sales by 9% over the preceding year to establish a new high of \$656,670,000. This achievement, due in large part to the general high level of the American economy, also reflects favorably the Company's determination to improve market positions through intensified selling efforts and new products.

Earnings of \$43,004,000, an improvement of 24% over the preceding year, were equivalent to \$4.05 per share after the 2% stock dividend paid January 21, 1963. The earnings increase resulted from a combination of many cost improvements and the larger sales volume. The Company has taken full advantage of the tax effects of the 7% investment credit and the new depreciation guideline procedures with the result that cash flow was improved. However, the higher depreciation allowed for tax purposes was not charged against earnings; consequently, earnings in 1962 were not reduced. The benefits of the investment credit will be reflected in earnings over the life of the equipment acquired.

The management is pleased to be able to report significant improvement in earnings, but is fully aware that profits in some prior years were higher on smaller sales volumes. In 1962 as in the several years immediately preceding, prices for many of our products continued to decline. Meanwhile, as in prior years, the cost of wages and fringe benefits per man-hour continued to rise. The introduction of labor-saving equipment and improved methods partially offset the effect of these higher wage costs. Still, the cost-price squeeze which is impairing the profitability of American industry is also affecting PPG. The future course of this squeeze involves factors beyond the responsibility of business. Foremost among these are the attitudes of government and the implementation of such attitudes through legislation, regulation, and other forms of control.

Despite the uncertainties of the times, we continue to be optimistic about possibilities for future earnings improvement. Essential to such optimism is a willingness to spend substantial sums for research and for capital improvements and expansion. During 1962, almost \$20 million was spent for research in the laboratories of the divisions; current budgets are even higher. The total of capital expenditures and investments in affiliates in 1962 amounted to \$37,906,000. Commitments at the end of the year for such future expenditures totaled \$94,000,000.

*Adjusted for subsequent stock dividend

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Glass Division volume improved significantly in 1962, but was still short of earlier highs.

The Division concluded a license agreement under which it will become the first manufacturer to produce glass by the Float process in the United States. In this new and highly efficient process, glass is formed on the surface of a pool of molten metal, thus eliminating the need for costly grinding and polishing. Quality of the glass is excellent, comparing favorably with that of all types of commercially produced flat glass. Float Glass has already achieved good market acceptance in Great Britain. Plans are well under way for a new plant at Cumberland, Maryland, to employ this process. Construction will begin as soon as weather conditions permit.

A new high-strength safety glass was perfected and successfully introduced in selected markets during 1962. A new process, developed at the Company's Glass Research Center, produces glass with greater strength per unit of thickness and better optical properties than previously attainable in commercial production. Its ability to produce thinner safety glass and its economic advantages are expected to stimulate significantly the growth of safety glass markets.

Record volume in the Paint and Brush Division resulted from a substantial increase in sales of industrial finishes coupled with continued growth in consumer product sales.

In previous reports, mention has been made of the changing nature of the paint industry. Modern paint technology has consistently moved in the direction of more complex chemical materials and processes. This pattern is being formally recognized by a change in the name of our Paint and Brush Division; hereafter it will be known as the Coatings and Resins Division. The new name more accurately reflects the broad range of the Division's activities. For example, construction of a new resin plant at Circleville, Ohio, announced last year, was completed in 1962. This highly automated plant is now in full operation, producing the sophisticated resins used by the Division's other plants in the manufacture of modern coatings based on advanced polymer technology. By the purchase of a plant at Bloomfield, New Jersey, the Division has extended its activities in the growing field of industrial adhesives.

The favorable sales trend in the Chemical Division noted in last year's report continued through 1962 with the result that Division sales again reached a new high.

Production facilities completed in 1962 in-

clude plants for producing sodium chlorate, *Tri-Ethane*, and an organic catalyst at Lake Charles, Louisiana; and a barium chemicals unit at the Natrium Plant near New Martinsville, West Virginia. The new chromium chemicals plant at Corpus Christi, Texas, was placed in full operation. New construction initiated during the year includes a carbon bisulfide plant and expanded ammonia facilities at Natrium; and East and West Coast distribution terminals. A major modernization of the Company's cement plant near Zanesville, Ohio, was also begun.

Columbia Nitrogen Corporation was formed early in the year with Staatsmijnen in Limburg (Netherlands) to produce and market ammonia and related products for fertilizer applications. Construction was begun on a nitrogen fertilizer complex at Augusta, Georgia, which will have an initial annual capacity in excess of 100,000 tons of nitrogen. The basic unit will be an ammonia plant, with process units for manufacturing nitrogen solutions, ammonium nitrate, ammonium nitrate-limestone and nitric acid. Bradley & Baker, nationally known and well established in the marketing and distribution of fertilizer and feed materials, became a division of Columbia Nitrogen Corporation and will handle sales and distribution of its products. New distribution terminals will be constructed in the South Atlantic States prior to completion of the plant later in 1963.

Encouraging progress in sales and earnings was made by the Fiber Glass Division in 1962. This progress was made in spite of continuing price instability, and is attributable to strict control of costs and quality, coupled with intensified sales efforts and product and process development.

The Merchandising Division is the Company's principal selling and distributing arm for consumer sales of paint and for all glass products except optical glass and that used as original equipment by automobile manufacturers. To carry out these functions, it is organized into a system of seven zones which comprise 39 districts, 223 branches, and 52 paint stores. In 1962, sales of glass and paint by the Merchandising Division reached an all-time high.

The Division sells in many ways, ranging from factory carload sales to independent distributors and other factory buyers, to sales of lesser quantities from branches and stores to dealers, maintenance accounts, painters and consumers. An important segment of its business derives from its activity in the installation of glass in modern (continued on next page)

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to the shareholders—continued buildings, such as the Pan Am Building in New York and the Dulles International Air Terminal near Washington, D.C. The Division is also actively engaged in the erection of metal and glass curtain walls for buildings of all types and sizes.

Continued international activities pave the way for the Company's greater participation in growing markets outside the United States. A site was selected and construction begun on the sheet glass plant of a subsidiary, Pennitalia, S.p.A., at Salerno, Italy. During the year, Societa Edison, S.p.A., an important Italian company, purchased a minority interest in this venture. Majority stock interest in Peintures Corona, a leading manufacturer of paint in France, was purchased early in the year. The fiber glass plant of N. V. Silenka AKU-Pittsburgh, Netherlands is expected to commence production in 1963. Continued progress on engineering and design of a chemical plant in Italy for Chimica Sarda, S.p.A., jointly owned by PPG and Rumianca, S.p.A., was made during the year. Exploratory work on the potash mining project in Canada continues to develop in an encouraging manner. Kalium Chemicals Limited, a joint venture with Armour and Company, continues to work on this project.

The Board accepted with regret the resignation of George D. Woods effective December 31, 1962. The resignation of Mr. Woods was occasioned by his election as President of the International Bank for Reconstruction and Development (World Bank). Virgil C. Sullivan of Minneapolis, Minn., was elected as Director on February 6, 1963, to replace Mr. Woods.

The sales and earnings of Pittsburgh Plate Glass Company in 1963 will depend in large part on levels of activity in the industries that buy its products. Assuming that conditions of the markets in which we sell will not be appreciably different from those experienced in 1962, the Company should register some further improvement in both sales and earnings.

In making this report to you, I should like to acknowledge our dependence for success on our shareholders, employees, customers and suppliers, and to take this opportunity to express the appreciation of management for the vital contributions that each group has made.

February 6, 1963

Submitted on behalf of the Board of Directors

David G. Hill

David G. Hill
President

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how the 1962 dollar was spent



45.4¢ materials & services purchased from others



35.3¢ wages, salaries & employee benefits



7.6¢ taxes (except Social Security taxes)



5.3¢ depreciation of plant & equipment



3.0¢ invested in the assets of the business



3.4¢ cash dividends paid to shareholders

ten-year DIGEST

INCOME (Millions of Dollars)	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953
Net Sales.....	856.7	602.7	628.0	606.9	513.6	620.8	596.6	582.0	431.0	452.0
Earnings Before Income Taxes.....	85.7	66.8	92.0	85.8	59.7	112.8	116.2	130.9	73.9	76.2
Income Taxes.....	42.7	32.2	44.4	41.7	27.6	54.8	60.8	69.5	35.3	39.3
Net Earnings.....	43.0	34.6	47.6	44.1	32.1	58.0	55.4	61.4	38.6	36.9
Cash Flow From Operations.....	81.0	71.0	85.6	81.0	67.6	89.0	79.6	84.7	57.5	53.3
Dividends.....	23.0	22.7	22.3	21.8	21.8	27.2	27.1	23.8	20.7	20.4

BALANCE SHEET (Millions of Dollars)

Current Assets.....	305.0	289.3	287.2	268.4	218.8	240.2	261.4	287.9	209.6	219.4
Current Liabilities.....	87.7	81.2	95.9	108.8	75.8	99.3	108.9	113.7	76.0	101.5
Working Capital.....	217.3	208.1	191.3	159.6	143.0	140.9	152.5	174.2	133.6	117.9
Plant and Equipment (Less Depreciation)...	308.7	314.7	321.3	333.3	320.3	313.5	277.3	223.0	203.4	196.7
Total Assets.....	637.7	620.3	624.8	619.3	561.4	574.8	555.3	532.1	443.1	441.6
Long-term Debt.....	19.3	24.6	29.0	33.5	39.1	44.1	49.1	54.1	53.0	54.0
Capital and Retained Earnings.....	494.0	481.3	466.5	442.2	418.2	407.0	374.6	344.7	298.2	271.8
Expenditures For Property and Investment	37.9	31.4	25.4	43.2	40.3	69.7	70.7	36.0	25.6	23.3

PER SHARE

Net Earnings Reported Each Year.....	4.05	3.29	4.62	4.36	3.24	5.86	5.62	6.26	4.18	4.07
Adjusted For All Stock Dividends to Date.	4.05	3.23	4.44	4.11	2.99	5.41	5.19	5.78	3.68	3.58
Dividends Reported Each Year.....	2.20*	2.20*	2.20*	2.20*	2.20	2.75	2.75	2.50†	2.25	2.25
Adjusted For All Stock Dividends to Date.	2.16	2.11	2.07	2.03	2.03	2.54	2.54	2.20	1.98	1.98
Equity Reported Each Year.....	46.55	45.74	45.22	43.62	42.22	41.13	38.03	35.13	32.29	30.00
Adjusted For All Stock Dividends to Date.	46.55	44.84	43.46	41.10	39.01	38.00	35.13	32.46	28.42	26.39

EMPLOYEES

Number of Employees (Thousands).....	33.4	32.0	33.5	34.5	32.4	35.3	35.0	33.2	29.7	31.0
Payroll and Benefits (Millions of Dollars)...	234.3	216.9	218.8	216.7	183.5	216.4	204.4	189.6	159.8	158.5

*Plus 2% Stock Dividend

†Plus 5% Stock Dividend

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SUMMARY OF FINANCIAL ACTIVITIES

1962

SOURCES OF FUNDS:

From operations*.....	\$81,035,000
From miscellaneous sources (net).....	1,561,000
TOTAL.....	\$82,596,000

USES OF FUNDS:

Expenditures for property and investments.....	\$37,906,000
Purchase of treasury stock.....	7,322,000
Cash dividends paid.....	22,968,000
Retirement of long-term debt (including current maturities).....	5,301,000
Increase in working capital.....	9,099,000
TOTAL.....	\$82,596,000

*Composed of Net Income, \$43,004,000, depreciation and depletion, \$35,231,000, and deferred income taxes, \$2,800,000.

CONSOLIDATED BALANCE SHEET

December 31, 19 2 and 1961

ASSETS	December 31	
	1962	1961
CURRENT ASSETS:		
Cash.....	\$ 41,037,000	\$ 38,379,000
United States Government and other marketable securities at lower of cost or market (Quoted market value; 1962, \$36,559,000; 1961, \$28,565,000)	36,542,000	28,487,000
Notes and accounts receivable (less estimated losses: 1962, \$4,058,000; 1961, \$4,450,000)	86,921,000	84,432,000
Inventories.....	133,762,000	133,012,000
Prepayments and other current assets.....	6,692,000	4,974,000
TOTAL CURRENT ASSETS.....	\$304,954,000	\$289,284,000
INVESTMENTS—At cost or less:		
Investments in subsidiaries not consolidated.....	\$ 10,268,000	\$ 6,786,000
Other.....	6,180,000	5,004,000
TOTAL INVESTMENTS.....	\$ 16,448,000	\$ 11,790,000
PROPERTY—At cost, less accumulated depreciation and depletion.....	\$308,715,000	\$314,747,000
DEFERRED CHARGES.....	\$ 7,619,000	\$ 4,517,000
TOTAL.....	\$637,736,000	\$620,338,000
LIABILITIES		
CURRENT LIABILITIES:		
Notes payable—bank.....	\$ 351,000	\$ 248,000
Current maturities of long-term debt.....	1,000,000	1,000,000
Accounts payable and sundry accruals.....	56,833,000	53,021,000
Domestic and foreign taxes on income.....	29,525,000	26,869,000
TOTAL CURRENT LIABILITIES.....	\$ 87,709,000	\$ 81,138,000
LONG-TERM DEBT:		
3% Sinking Fund Debentures.....	\$ 13,234,000	\$ 16,955,000
3½% Promissory Notes.....	5,000,000	6,000,000
Other.....	1,050,000	1,630,000
TOTAL LONG-TERM DEBT.....	\$ 19,284,000	\$ 24,585,000
DEFERRED CREDITS:		
Deferred income tax.....	\$ 25,000,000	\$ 22,200,000
Other.....	1,827,000	1,273,000
TOTAL DEFERRED CREDITS.....	\$ 26,827,000	\$ 23,473,000
ACCUMULATED PROVISIONS FOR:		
Maintenance and repairs.....	\$ 5,465,000	\$ 5,772,000
Insurance and unfunded and uninsured pensions.....	3,952,000	3,571,000
Foreign operations.....	543,000	543,000
TOTAL ACCUMULATED PROVISIONS.....	\$ 9,960,000	\$ 9,886,000
CAPITAL AND RETAINED EARNINGS:		
Common stock—authorized, 12,500,000 shares, par value \$10 each; issued 1962, 10,740,494 shares; 1961, 10,529,873 shares.....	\$205,822,000	\$196,094,000
Earnings retained for use in the business (after transfers to capital).....	296,112,000	285,818,000
Less common stock in treasury (1962, 129,769 shares; 1961, 9,283 shares) at cost.....	(7,978,000)	(656,000)
CAPITAL AND RETAINED EARNINGS.....	\$493,956,000	\$481,256,000
TOTAL.....	\$637,736,000	\$620,338,000

Note: Reference is made to "Notes to Financial Statements" appearing on Page 10.

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SUMMARY OF CONSOLIDATED EARNINGS

and earnings retained for us in the business
for the years ended December 31, 1962 and 1961

	1962	1961
NET SALES	\$656,670,000	\$602,722,000
DIVIDENDS AND INTEREST		
FROM SUBSIDIARIES NOT CONSOLIDATED	3,948,000	2,431,000
OTHER EARNINGS	4,309,000	4,246,000
TOTAL	<u>\$664,927,000</u>	<u>\$609,399,000</u>
DEDUCT:		
Cost of sales	\$421,921,000	\$399,057,000
Selling, general and administrative expenses	103,749,000	93,057,000
Depreciation and depletion	35,231,000	35,192,000
Domestic and foreign taxes on income	42,700,000	32,200,000
Other taxes	14,542,000	13,072,000
Interest	828,000	1,020,000
Other charges—net	2,952,000	1,174,000
TOTAL	<u>\$621,923,000</u>	<u>\$574,772,000</u>
NET EARNINGS	\$ 43,004,000	\$ 34,627,000
EARNINGS RETAINED FOR USE IN THE BUSINESS, JANUARY 1	285,818,000	287,193,000
TOTAL	<u>\$328,822,000</u>	<u>\$321,820,000</u>
DIVIDENDS PAID:		
Common stock—Cash (\$2.20 per share)	\$ 22,968,000	\$ 22,693,000
—Stock	9,742,000	13,309,000
TOTAL	<u>\$ 32,710,000</u>	<u>\$ 36,002,000</u>
EARNINGS RETAINED FOR USE IN THE BUSINESS, DECEMBER 31 ..	<u>\$296,112,000</u>	<u>\$285,818,000</u>

Note: Reference is made to "Notes to Financial Statements" appearing on Page 10.

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ACCOUNTANTS' OPINION

PITTSBURGH PLATE GLASS COMPANY,
ITS SHAREHOLDERS AND DIRECTORS:

We have examined the financial statements of Pittsburgh Plate Glass Company and its consolidated subsidiaries, except certain Canadian subsidiaries, for the year ended December 31, 1962. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. As to the Canadian subsidiaries referred to above, we were

furnished with reports of other accountants on their examination of the financial statements of those subsidiaries for the year.

In our opinion, which in so far as it relates to the amounts included for certain Canadian subsidiaries is based solely upon the reports of other accountants, the accompanying consolidated balance sheet, summary of consolidated earnings and earnings retained for use in the business, and summary of financial activities present fairly the financial position of Pittsburgh Plate Glass Company and consolidated subsidiaries at December 31, 1962 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Pittsburgh, Pennsylvania
February 4, 1963

HASKINS & SELLS

NOTES TO FINANCIAL STATEMENTS

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include all domestic subsidiary companies in which ownership is more than 51% and all Canadian and European subsidiaries which are wholly owned. Items in foreign currencies have been converted into United States dollars generally at the current rate of exchange as to current assets and current liabilities and at the average rate of exchange as to profit and loss accounts. As to property and investments, long-term liabilities, and capital accounts, conversions have been made on the basis of the rates of exchange at the date acquired or incurred.

INVESTMENTS

The Company's equity in undistributed earnings of subsidiaries not consolidated since dates of acquisition was \$22,240,000 at December 31, 1962. Dividends received in 1962 exceeded the Company's equity in the earnings of such subsidiaries by \$1,730,000.

INVENTORIES

Inventories are stated generally at the lower of cost or market, with cost being determined at average or standard excluding certain fixed expenses.

Description	December 31	
	1962	1961
Finished Products . . .	\$ 78,531,000	\$ 79,086,000
Work in Process	12,302,000	11,102,000
Raw Materials	20,930,000	20,778,000
Supplies	21,999,000	22,046,000
TOTAL INVENTORIES . .	\$133,762,000	\$133,012,000

PROPERTY

A summary of property accounts follows:

	December 31	
	1962	1961
Land	\$ 10,467,000	\$ 10,275,000
Buildings, equipment, etc. . . .	678,292,000	651,084,000
Less investment credit (1,158,000)		—
TOTAL	\$687,601,000	\$661,359,000
Depreciation and depletion	378,886,000	346,612,000
PROPERTY—NET	\$308,715,000	\$314,747,000

The estimated investment credit on new facilities, allowed by the Revenue Act of 1962 as a reduction of taxes payable has been applied against property. The permanent tax saving, approximately 48% of the credit at current tax rates, will be included in income over the life of the facilities.

PROPOSED EXPENDITURES FOR PROPERTY AND INVESTMENTS

Approximately \$94,000,000 will be required to complete capital projects approved prior to December 31, 1962, and for investments in other companies.

LONG-TERM DEBT

During 1962, the Company retired \$5,301,000 (including current maturities) of its long-term debt.

As of December 31, 1962, the long-term debt consisted of \$13,234,000 of 3% Sinking Fund Debentures due in annual installments on April 1 of each of the years 1964 through 1967, \$5,000,000 of 3½% Promissory Notes due in annual installments on May 1 of each of the years 1964 through 1967 and an obligation for \$1,050,000 payable in 1965. The latter could, provided certain conditions are satisfied, require the payment of \$5,000,000.

STOCK OPTION PLANS

As of December 31, 1962, 362,601 shares of the Company's common stock were reserved for issuance upon exercise of employee stock options, and at that date there were outstanding options on 256,090 shares at prices ranging from \$45.06 to \$70.33 per share. Options were granted during 1962 to purchase 74,925 shares at \$45.06 per share (adjusted for the stock dividend declared in 1962). During 1962 options on 23 shares were exercised under these plans.

DEFERRED INCOME TAXES

Depreciation for income tax purposes on certain facilities currently exceeds normal depreciation as recorded in the accounts. To offset the effect of this difference, deferred income taxes of \$2,800,000 have been included in the 1962 tax provision. In later years, when depreciation recorded in the accounts will exceed that deductible for tax purposes, the amount so deferred will be credited to income. At the end of 1962, accumulated tax deferrals amounted to \$25,000,000, of which \$3,500,000 resulted from adoption of the new depreciation guideline procedures and \$21,500,000 resulted from accelerated amortization of emergency facilities.

DIVIDENDS

Cash dividends amounted to \$22,968,000 on common stock and consisted of four quarterly payments of \$.55 for a total of \$2.20 per share then outstanding. The Company also declared a 2% stock dividend amounting to 210,598 shares payable on January 21, 1963, to shareholders of record on November 30, 1962. The market value of these shares on the declaration date was transferred from retained earnings to the capital accounts.

PENSIONS AND RETIREMENT PLANS

The Company has non-contributory pension plans covered by agreements with a number of labor unions, contributory retirement plans covered by group annuity contracts, and a voluntary plan under which the Company, in its sole discretion, grants pensions, retirement allowances, or relief. With the exception of the voluntary plan, the plans are insured or are being funded through a trustee. The contributory retirement plan applicable to most salaried employees was revised and became a non-contributory plan on December 24, 1962. Total pension costs charged to income in 1962 amounted to \$5,266,000.



*research
begins here
with an
idea*

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*and
ends
with the
following
familiar
products...*



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AMERICANS spend about \$20 billion every year for new cars—partly out of necessity, but also for pleasure. The fact that Detroit introduced more fancy sports cars in the 1963 model year than ever before is a good indication that the automobile continues to be a possession prized far beyond its basic transportation value.

But whatever motivates Americans to buy, PPG benefits in several ways from almost every new car sale. The bright, durable seats in this popular **Sports Coupe** (above) are made of a versatile synthetic material known as polyvinyl chloride. PPG

chlorine and ethylene dichloride are supplied to numerous manufacturers for processing this plastic material. The shiny trim which adorns this and other models is processed with PPG chrome chemicals. And a PPG reinforcing pigment, *Hi-Sil*, is used in the manufacture of automobile tires and other rubber parts to give them added life and strength.

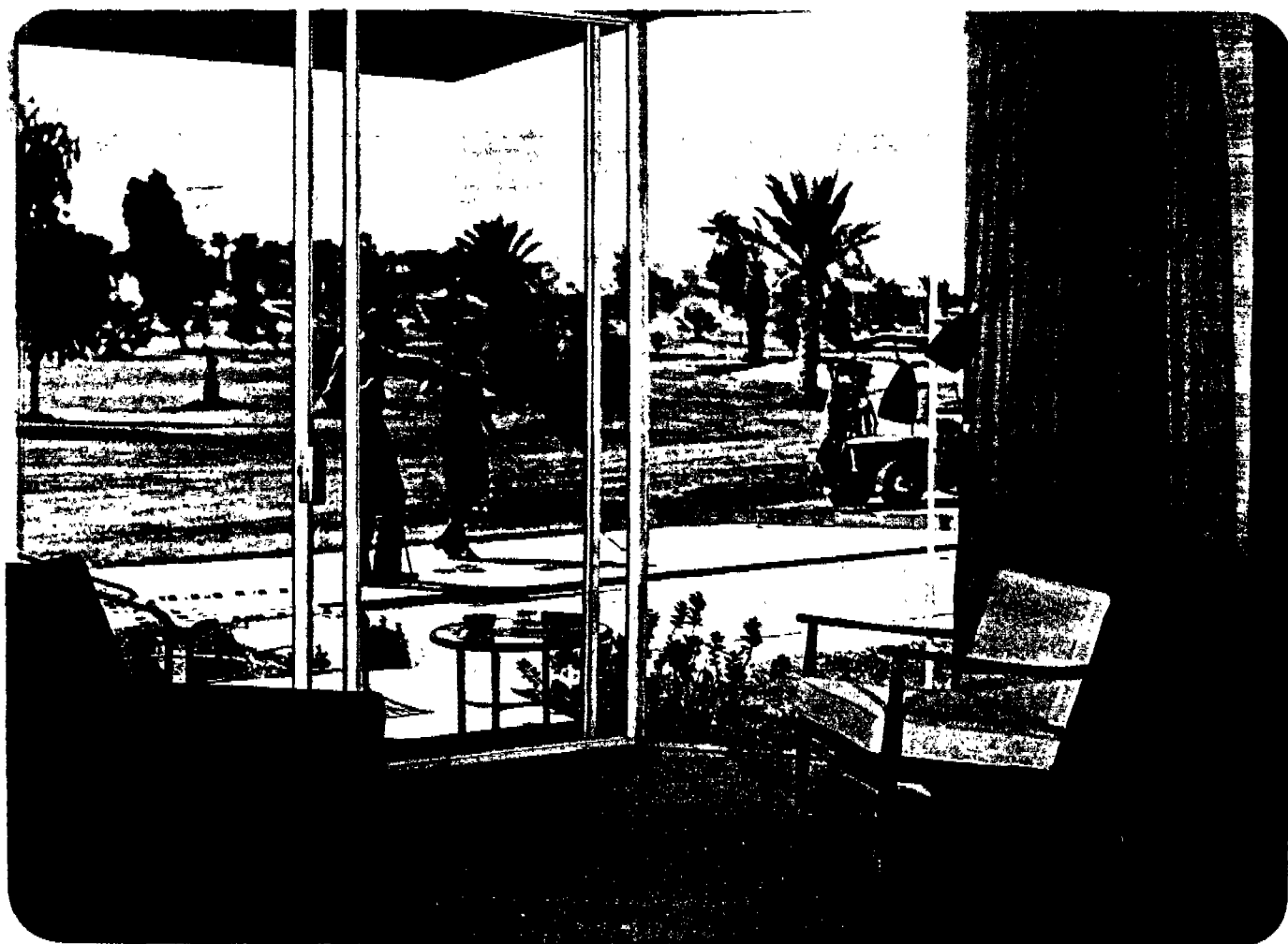
While our chemicals play a "hidden" role in automotive production, the PPG emblem is quite familiar to many motorists who see it on the safety glass windshields and windows of many popular models. And the brilliant finish on today's biggest selling new cars (it retains its luster without waxing) is PPG *Duracryl*—a revolutionary development from the Coatings and Resins Division's Research Center. Steering wheels also use colorful PPG finishes.

But the role PPG plays in the automotive industry doesn't end there. The new Studebaker sports car, the *Avanti*, has a reinforced plastic body made with PPG Fiber Glass. Fiber Glass mat is also used under the hood and elsewhere in many models as an insulating material.

WHILE the nation still travels primarily on wheels, an increasing number of Americans are taking to the air. Although most of the 38 billion passenger miles flown last year represented business trips, an increasing number of pleasure-seekers are taking to the jets. And as air travel grows, so will PPG. Giant new air terminals such as **O'Hare Field** (lower left) in Chicago employ scores of PPG architectural materials in their construction. The huge windows at O'Hare, for example, are heat-absorbing, glare-reducing, *Solargray* *Twin-dow* polished plate glass with a matching opaque glass wall panel of PPG *Spandrelite* (background). Both are products from the PPG Glass Research Center.

PPG also shared in the construction of the sleek Boeing 720 seen approaching the ramp in this picture. Its windshield is made of PPG *Nesa* glass—a special de-icing glass, developed after exhaustive research, which conducts electricity. The 720's reinforced plastic ductwork, radome, and a handy, detachable luggage pod all use PPG Fiber Glass and *Selectron* resin in their construction. The aluminum in today's transport planes is processed with PPG caustic soda and soda ash. And, in addition, the leather in the young lady's matching handbag, gloves, and shoes was processed with PPG chrome and barium chemicals.

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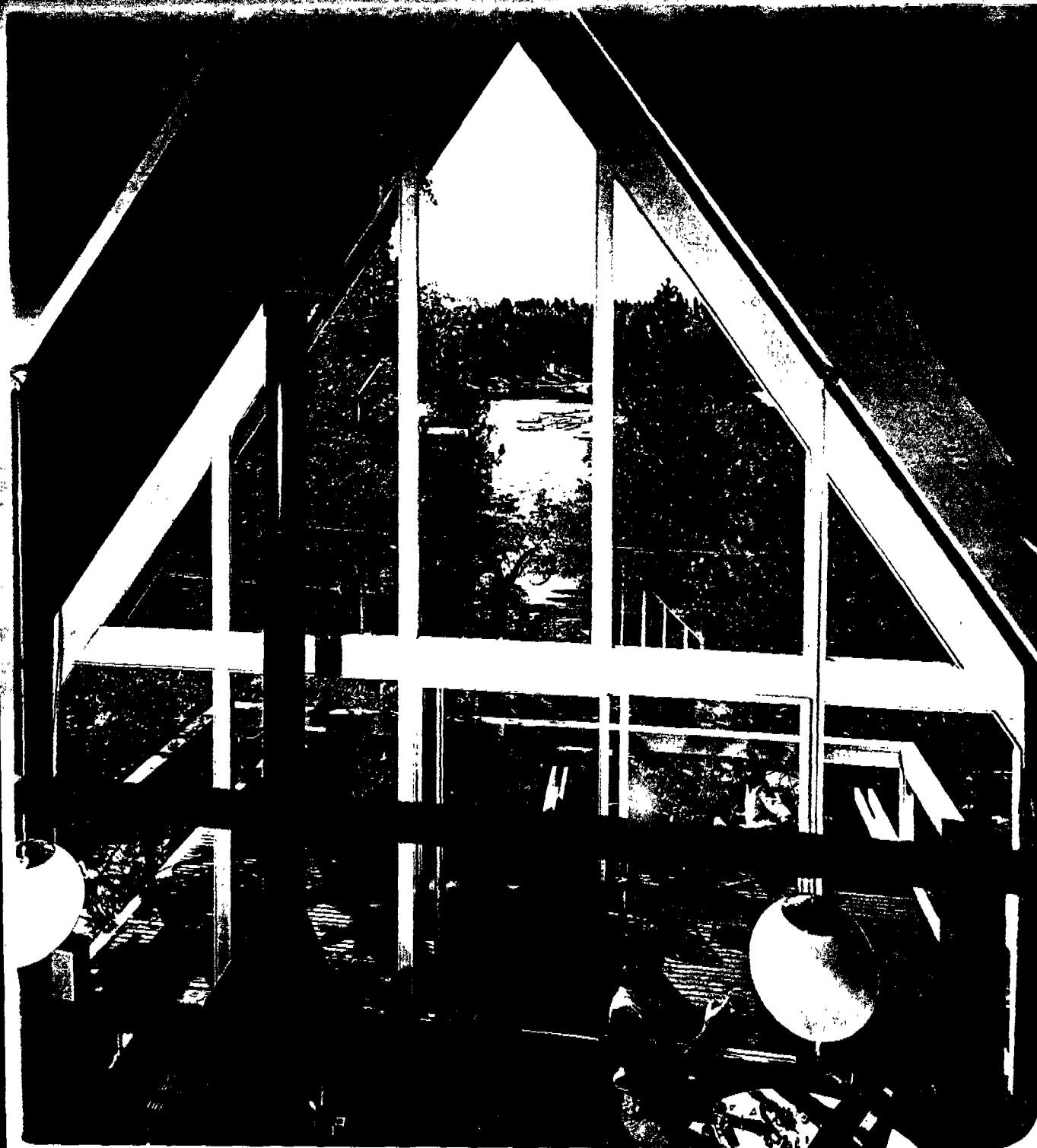
WHETHER they go by plane, train, or car, more Americans every year are getting the urge to travel. This growing desire to "get away from it all" has created two major new markets for PPG products—motels and resort homes.

Unlike the hotels, which cater primarily to businessmen, the motels have grown almost in direct proportion to the wanderlust of the American tourist. And what a substantial growth it's been! Of the 60,500 motels in America, half were built in just the last decade. New units, such as this

Resort Motel (above) in Palm Springs, Calif., currently are being built at the rate of 1,500 per year.

The new motels and motor inns represent a particularly broad market for the products of PPG. Items such as *Pittco* and *Gateway* sliding glass doors are especially adaptable to motel construction. And every room is a prospect for several PPG *High-Fidelity* mirrors and Fiber Glass drapes. To decorate and maintain the units in colorful fashion also requires thousands of gallons of *Pittsburgh Paints*.

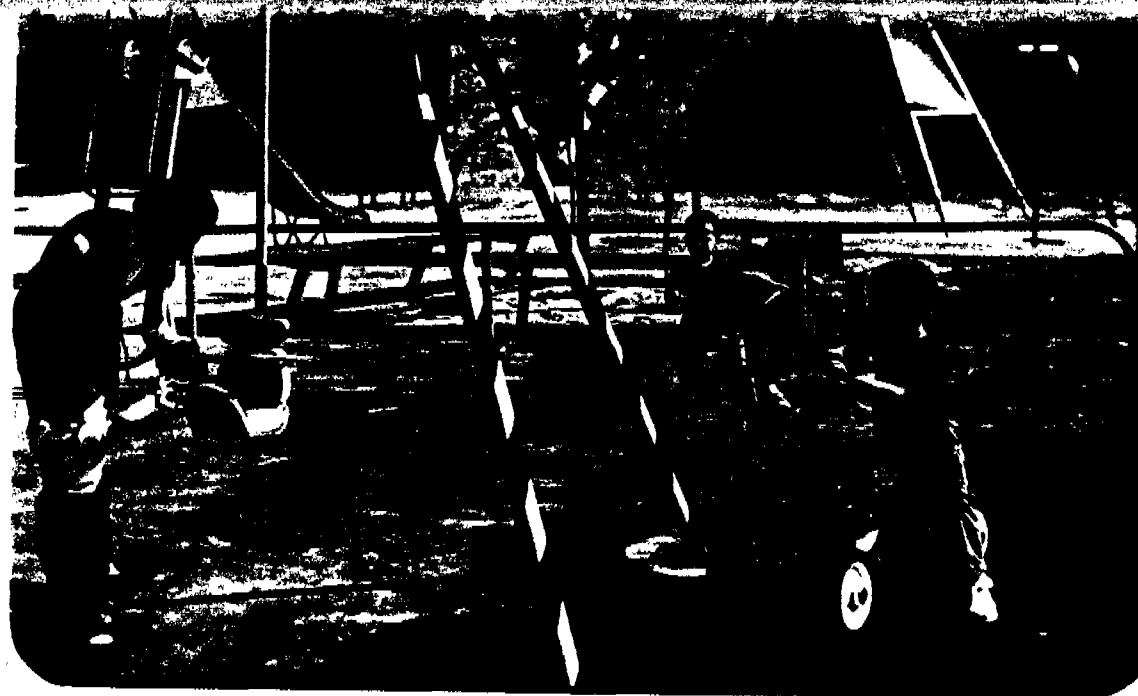
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IF THE millions of Americans who like to escape the city, not all are nomads. Many like to find a secluded spot by a lake, the seashore, or in the mountains—and the result is the resort home. This desire for a home-away-from-home has created another leisure phenomenon—the resort home. The second or third home, once the exclusive domain of the very wealthy, now belongs to over a million Americans. And newcomers each year are spending a half-billion dollars to build their own rustic retreats. The A-frame is the most popular design for these new hide-

aways is an architectural style known as the A-frame. This **Resort Home** (above) at Lake Arrowhead, Calif., is typical of this design. Virtually nothing but a steep roof with glass at both ends, the A-frame is dramatic, economical, and versatile. Since many of these homes hug the shores of rivers, lakes and oceans, they represent an excellent market for PPG's newly developed, glare-reducing gray glasses. And the great, vaulted roof-decks require substantial quantities of *Pittsburgh Paints, Rez Wood Tones*, and varnishes.

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WHILE many Americans seek their pleasure in faraway places, a great percentage still finds ample diversion in family outings and sports activities close at hand. Camping, picnics, new-type municipal playgrounds, and the ever-popular golf course provide pleasure outlets a few minutes to several hours from home.

While it hasn't received as much publicity as bowling and other glamor sports, growth in golf has been as steady as a professional's swing. With an annual four per cent growth, the game attracted nearly six million golfers last year who chipped their way around 6,385 courses. And, in the constant search to improve their game, they spent \$100 million on new equipment.

Biggest news in golf equipment last year (and for many years) was the new Cushman Gasoline Golfster shown at **Mt. Lebanon Country Club** (photo, far right) in Pittsburgh. Because of its fine styling and light, durable, reinforced plastic body (which uses PPG Fiber Glass and *Selectron* resin in its construction), the Cushman golf car was an instant success last year at pro shops across the nation. And Cushman's predictions indicate the sale of the car probably will double this year.

To keep pace with the increased activity on the links, clubhouse expansion is providing a growing market for PPG materials, too. The building in the immediate background at Mt. Lebanon, for example, is a recent addition which incorporates PPG window insulating glass in its design. Furthermore, maintenance of existing clubhouses everywhere requires countless gallons of *Pittsburgh Sun-Proof* and other exterior paints as well as *Gold Stripe* brushes.

WHAT must certainly rank as a new record for togetherness, 20 million American families were registered vacationers, campers, and picnickers at state and national parks last year. This **Family Picnic** (lower left) at a Maryland lakeside is typical of such casual outings and indicates the multi-billion dollar business it represents.

The Coleman stove (foreground) is both beautifully decorated and protected from weather elements by a special PPG industrial paint finish. The paper picnic plates and cups were produced with the help of the Chemical Division's chlorine, caustic and sulfuric acid. PPG Fiber Glass insulation in the Scotch Kooler helps keep the picnic perishables cold, and PPG finishes on interiors protect the food purity. For the sportsman in the crowd, there's the Shakespeare fishing rod made of glass. The boat, one of eight million owned

by leisure-minded Americans, represents a 90 million pound annual market for polyester resin and fiber glass. And the Johnson outboard motor, as well as other nautical accessories, employs special PPG protective industrial finishes. The motor housing is related to PPG, too. It is reinforced plastic which uses PPG *Selectron* and Fiber Glass in its construction.

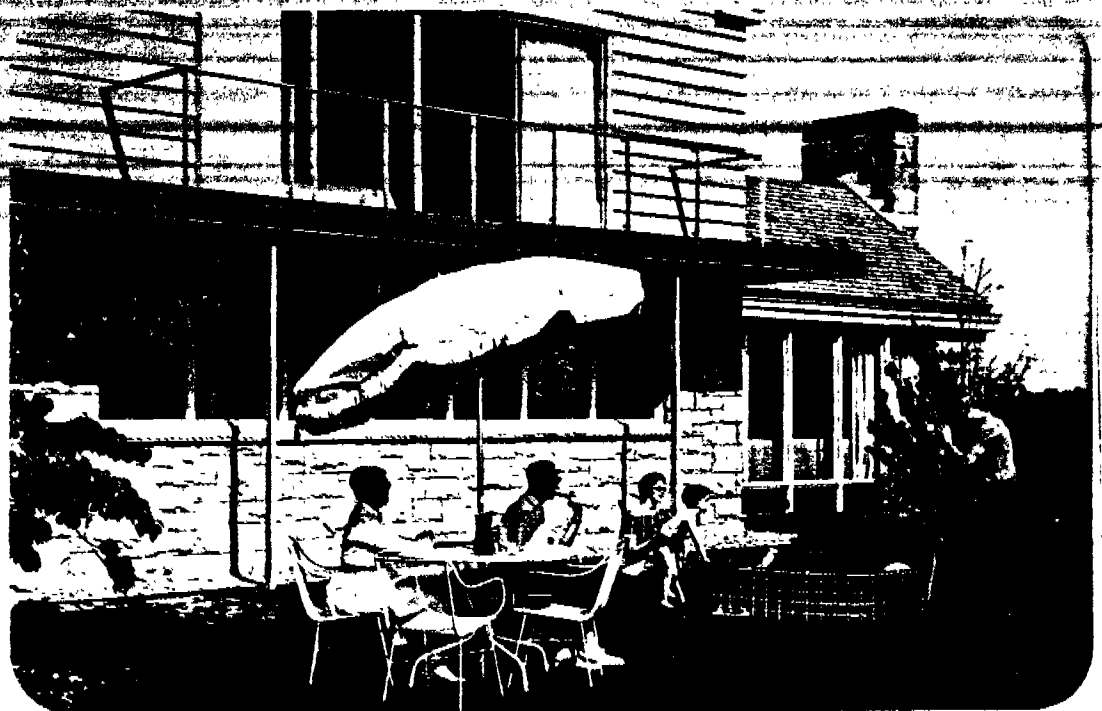
NOT even the vacant corner lot has escaped the Twentieth Century's swing to organized leisure. **Municipal Playgrounds** (top, left) such as this are architect-designed and professionally landscaped. The new playgrounds feature modernistic sprinklers, forts, mazes, and imaginative swings like the Donald Duck model (left, foreground). Manufactured by the Structurlite Company for American Playground Equipment Company, the Donald Duck reinforced plastic swing chair uses both PPG's *Selectron* resin and Fiber Glass in its construction. The Radio Flyer wagon is a popular sample from the two billion dollar toy industry which utilizes PPG's industrial finishes.



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Thousands of Americans own their homes and embrace do-
 wife is cultivating her flowers with Tru-

Additional \$375 million in power plants. And the million or more new homes built annually are
 PPG chemicals
 N A typical Backyard Patio flower
 market for a multitude of PPG products is
 evident. The children here are splashing
 100,000 of these



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portable pools, which use PPG chlorine and ethylene dichloride to process the plastic.

He also has the choice of shatterproof sun glasses made from the PPG Chemical Division's CR-39 plastic. As for the attractive home itself, the lap side is protected by Pittsburgh Paints and the insulating windows are metal edge window units fabricated from PPG polished plate glass.



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portable pools which use PPG chlorine, ethylene dichloride to process the plastic. PPG Pitcher and Pillars (calcium hypochlorite in granular and tablet form) are used by home owners to purify the water in these small pools.

The young mother at bedside is wearing sun glasses made from PPG optical glass. She also has the choice of shatterproof sun glasses made from the PPG Chemolux Division's crystal plastic. For the attractive home feel, the lamp is protected by Pittsburgh Paints and the insulating windows are metal edge window units fabricated from PPG polished plate glass.

While mother and dad spend most of their time on lawn care or home improvement projects, the children definitely prefer a television set or colorful new toys to occupy their leisure time. In Living Rooms (right) such as this, there are currently about 55 million television sets in use in this country. An additional six million sets, many as replacements, join the scene every year. PPG furnished the *Tele-glas* for the safety face plate of this Zenith portable model. It is laminated to the front of the picture tube with PPG *Selectron* resin. PPG barium carbonate and hydrogen sulfide are among the chemicals used inside the picture tube.

Occupying the interest of the toddlers are a variety of toys produced by leading American manufacturers. The camel, a rubber toy by Remple, gets its luster from a PPG industrial coating. The polyethylene fire truck and ball are made from a plastic that was processed with a PPG chemical known as IPP. The coffee table has a plate glass top, and walls are painted with the new *Wallhide Latex One Coat Flat* wall paint.

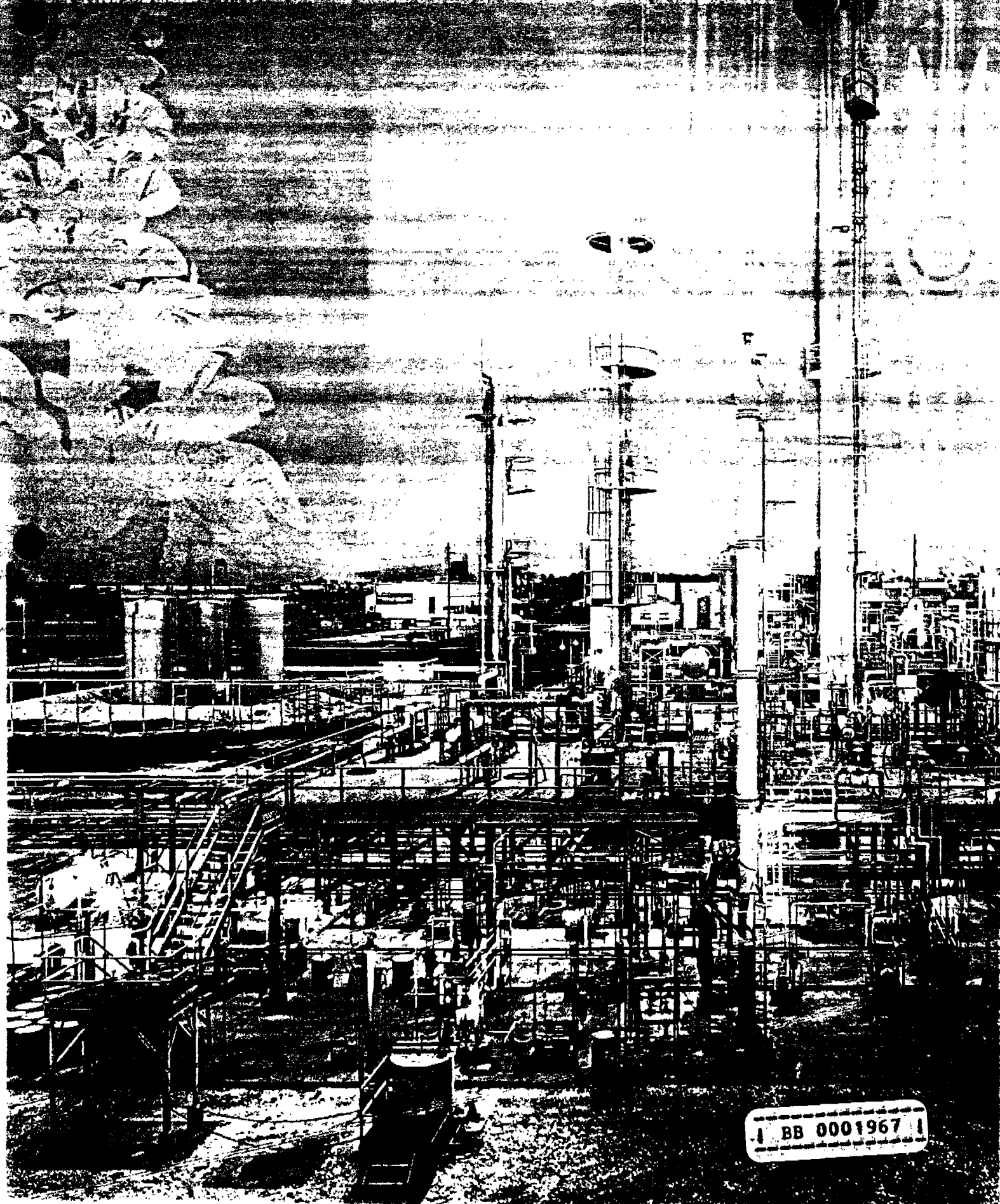


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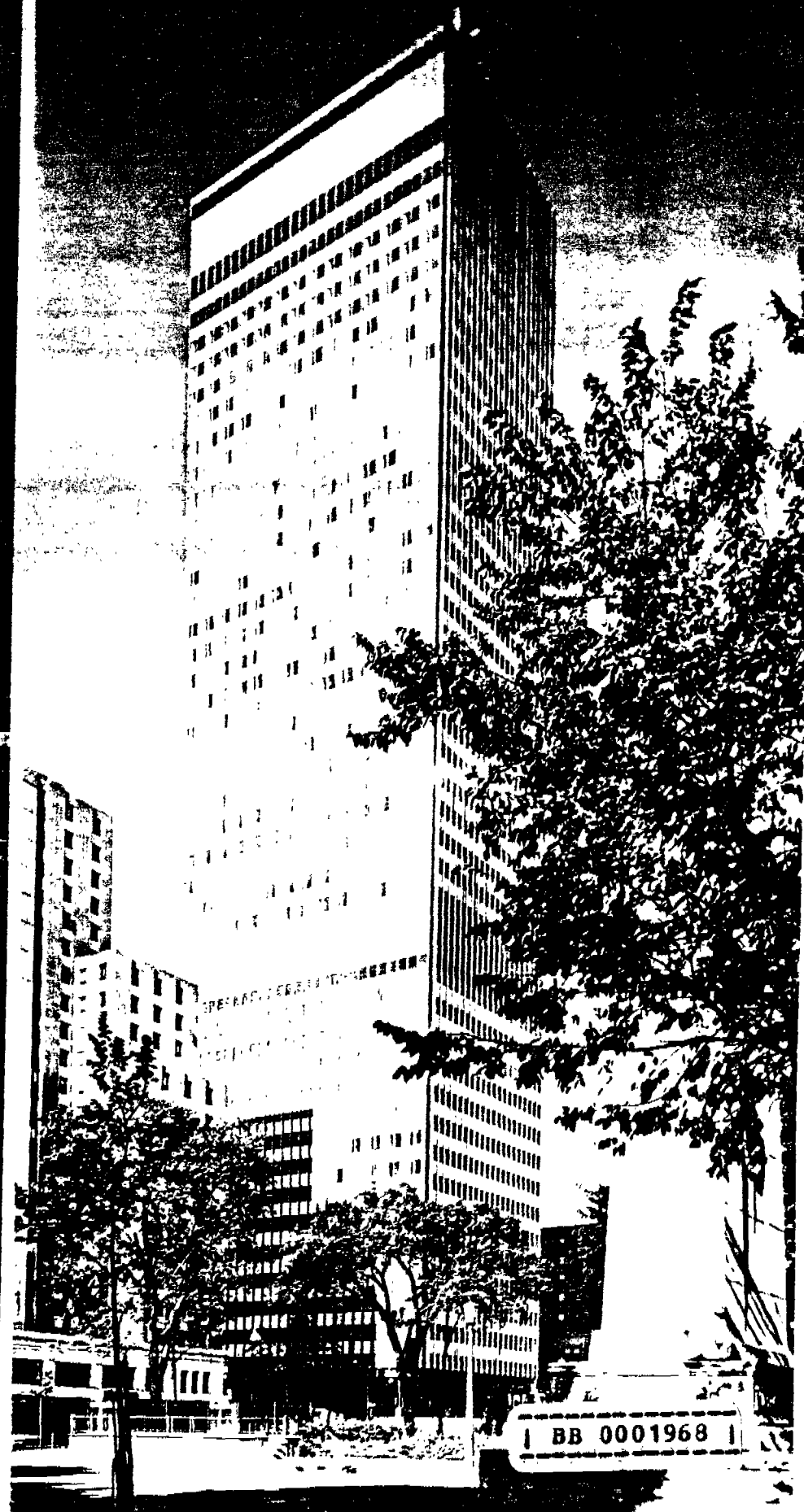
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PPG's progressive expansion in the chemical manufacturing field is illustrated by this twilight view of the new methyl chloroform unit which went on stream in mid-1962 at the Leno Chemical Division Plant of the Chemical Division. Marketed under the name Tri-Ethane, this product rounds out PPG's line of chlorinated solvents (this new plant is color styled with PPG chemical resistant coatings). Another new unit for production of Sodium Chlorate for the paper industry also went on stream in 1962 at Leno Chemical, as well as a double new Sodium Chlorate unit at New Martinsville, N. C. The Chemical Division operates two manufacturing plants in the U.S.



BB 0001967

Canadian Imperial Bank of Commerce Building was one of five major office structures completed in 1962 in downtown Montreal with PPG building materials. More than 150 rail cars of Pittsburgh products were used in the glass curtain walls as well as interior partitions, doors, and fittings of the five high-rise buildings which were glazed by PPG's wholly-owned subsidiary, Canadian Pittsburgh Industries, Limited.



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BRAND NEW PRODUCT for the modern home . . . PPG's Wallhide Latex One Coat Flat wall paint . . . has just been introduced nationwide in a completely new PPG label. It has been improved in several ways over earlier latex wall paints.