

MCGARRY MICHAEL H  
 Form 4  
 January 03, 2018

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 MCGARRY MICHAEL H

(Last) (First) (Middle)

PPG INDUSTRIES, INC., ONE PPG PLACE,

(Street)

PITTSBURGH, PA 15272

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 PPG INDUSTRIES INC [PPG]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 12/31/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Chairman of the Board and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8.

Edgar Filing: MCGARRY MICHAEL H - Form 4

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock Units	<u>(1)</u>	12/31/2017	A	40.8663					<u>(2)</u>	<u>(2)</u>	Common Stock	40.8663 \$

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCGARRY MICHAEL H PPG INDUSTRIES, INC. ONE PPG PLACE, PITTSBURGH, PA 15272	X		Chairman of the Board and CEO	

## Signatures

/s/ Greg E. Gordon, Attorney-in-Fact for Michael H. McGarry  
 \*\*Signature of Reporting Person  
 Date 01/03/2018

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The security converts to common stock on a one-for-one basis.
- (2) After termination of employment with PPG.
- (3) Total of all phantom stock units held by the reporting person in the PPG Industries, Inc. Deferred Compensation Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. T-FAMILY: Times New Roman">\$

	351,124
Cost of products sold	219,088
	35,439
	39,339
)	(51,593)
	242,273

Depreciation and amortization

13,885

1,098

2,265

-

17,248

Selling, general and administrative expenses

52,792

4,925

3,631

-

61,348

Research and development expense

3,317

382

-

-

3,699

Interest (income) expense – net

20,723

(15,985

)

(925

)

-

3,813

Explanation of Responses:

Other (income) expense - net	1,298
	1,351
)	(1,208
	-
	1,441
Provision for income taxes	
	4,216
	1,184
	2,426
	-
	7,826
Results of affiliates' operations	
	23,695
	41
	-
)	(23,736
	-
Equity in income (loss) of equity investments	
	-
	-
	1,980
)	(3
	1,977
Explanation of Responses:	4

Income (loss) from continuing operations

15,242

18,429

5,521

(23,739

)

15,453

Income (loss) from discontinued operations

45

(211

)

-

-

(166

)

Net income (loss)

\$

15,287

\$

18,218

\$

5,521

\$

(23,739

)

\$

15,287

119

---

Condensed Consolidating Statements of Operations  
Year ended December 31, 2006

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net sales	\$ 278,914	\$ 43,106	\$ 41,986	\$ (47,884)	\$ 316,122
Cost of products sold	214,570	35,711	34,276	(47,884)	236,673
Depreciation and amortization	15,708	1,123	2,102	-	18,933
Selling, general and administrative expenses	46,754	3,558	3,619	-	53,931
Research and development expense	3,890	358	-	-	4,248
Restructuring/impairment charges	1,097	-	5,850	-	6,947
Interest (income) expense - net	20,579	(14,684)	(740)	-	5,155
Other (income) expense - net	1,707	1,254	(752)	-	2,209
Benefit for income taxes	(2,271)	(191)	(214)	-	(2,676)
Results of affiliates' operations	15,306	(635)	-	(14,671)	-
Equity in income of equity investments	-	-	283	3	286
Income (loss) from continuing operations	(7,814)	15,342	(1,872)	(14,668)	(9,012)
Income (loss) from discontinued operations	16	(79)	2,265	(988)	1,214
Net income (loss)	\$ (7,798)	\$ 15,263	\$ 393	\$ (15,656)	\$ (7,798)

Condensed Consolidating Statements of Operations  
Year ended December 31, 2005

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net sales	\$ 257,863	\$ 41,735	\$ 35,469	\$ (44,232)	\$ 290,835
Cost of products sold	195,218	33,431	30,913	(44,232)	215,330
Depreciation and amortization	19,041	1,639	362	-	21,042
Selling, general and administrative expenses	52,610	4,867	3,070	-	60,547
Research and development expense	4,153	353	-	-	4,506
Restructuring/impairment charges	2,570	-	-	-	2,570
Interest (income) expense - net	16,418	(12,101)	(145)	-	4,172
Other expense - net	663	527	948	-	2,138
Provision (benefit) for income taxes	(10,016)	68	260	-	(9,688)
Results of affiliates' operations	14,698	2,278	-	(16,976)	-
Equity in loss of equity investments	-	-	(725)	-	(725)
Income (loss) from continuing operations	(8,096)	15,229	(664)	(16,976)	(10,507)
Income from discontinued operations	680	438	1,973	-	3,091

Explanation of Responses:

Net income (loss)	\$	(7,416)	\$	15,667	\$	1,309	\$	(16,976)	\$	(7,416)
-------------------	----	---------	----	--------	----	-------	----	----------	----	---------

120

---

Condensed Consolidating Balance Sheets  
December 31, 2007

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Cash and Cash Equivalents	\$ 20,802	\$ 3,683	\$ 25,930	\$ (20,111)	\$ 30,304
Receivables	47,184	15,259	5,004	(9,899)	57,548
Inventories	67,501	8,221	5,525	33	81,280
Other current assets	18,015	1,334	1,197	-	20,546
<b>Total current assets</b>	<b>153,502</b>	<b>28,497</b>	<b>37,656</b>	<b>(29,977)</b>	<b>189,678</b>
Intercompany accounts receivable	57,071	175,462	2,138	(234,671)	-
Property, plant, and equipment, net	90,435	7,263	7,814	-	105,512
Intangibles	4,586	3,174	-	-	7,760
Goodwill	16,674	8,337	2,834	-	27,845
Equity investments	246,633	102,187	9,151	(349,378)	8,593
Other assets	4,908	1,313	2,531	-	8,752
<b>Total assets</b>	<b>\$ 573,809</b>	<b>\$ 326,233</b>	<b>\$ 62,124</b>	<b>\$ (614,026)</b>	<b>\$ 348,140</b>
Short-term debt	\$ -	\$ -	\$ 1,504	\$ -	\$ 1,504
Current portion of long-term debt	62,507	-	-	-	62,507
Accounts payable	33,424	19,914	3,417	(13,592)	43,163
Other current liabilities	33,219	299	2,592	(23,523)	12,587
<b>Total current liabilities</b>	<b>129,150</b>	<b>20,213</b>	<b>7,513</b>	<b>(37,115)</b>	<b>119,761</b>
Intercompany accounts payable	168,342	48,144	11,079	(227,565)	-
Long-term debt	12,925	-	-	-	12,925
Other non-current liabilities	91,143	8,782	11,350	(68,070)	43,205
Shareholders' equity	172,249	249,094	32,182	(281,276)	172,249
<b>Total liabilities and shareholders' equity</b>	<b>\$ 573,809</b>	<b>\$ 326,233</b>	<b>\$ 62,124</b>	<b>\$ (614,026)</b>	<b>\$ 348,140</b>



Condensed Consolidating Balance Sheets  
December 31, 2006

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Cash and Cash Equivalents	\$ -	\$ 2,507	\$ 19,556	\$ (16,432)	\$ 5,631
Receivables	44,741	15,014	5,187	(9,906)	55,036
Inventories	57,143	7,323	5,840	33	70,339
Other current assets	14,927	1,549	1,230	-	17,706
Total current assets	116,811	26,393	31,813	(26,305)	148,712
Intercompany accounts receivable	54,887	157,438	384	(212,709)	-
Property, plant, and equipment, net	91,670	6,986	7,445	-	106,101
Intangibles	4,835	3,686	-	-	8,521
Goodwill	16,674	8,281	2,542	-	27,497
Equity investments	218,957	101,376	6,786	(320,148)	6,971
Other assets	17,156	3,870	3,536	-	24,562
Total assets	\$ 520,990	\$ 308,030	\$ 52,506	\$ (559,162)	\$ 322,364
Accounts payable	\$ 30,807	\$ 18,626	\$ 4,164	\$ (14,467)	\$ 39,130
Other current liabilities	31,256	666	3,424	(18,950)	16,396
Total current liabilities	62,063	19,292	7,588	(33,417)	55,526
Intercompany accounts payable	146,151	48,611	10,867	(205,629)	-
Long-term debt	74,836	-	-	-	74,836
Other non-current liabilities	90,067	12,292	9,539	(67,769)	44,129
Shareholders' equity	147,873	227,835	24,512	(252,347)	147,873
Total liabilities and shareholders' equity	\$ 520,990	\$ 308,030	\$ 52,506	\$ (559,162)	\$ 322,364

## Condensed Consolidating Statements of Cash Flows

Year ended December 31, 2007

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net cash provided by (used in) operating activities	\$ 7,511	\$ 18,090	\$ 4,116	\$(304)	\$ 29,413
Investing activities:					
Property, plant and equipment expenditures	(10,408)	(1,045)	(336)	-	(11,789)
Investment from (in) affiliates	-	(136)	136	-	-
Other	318	-	195	-	513
Net cash used in investing activities	(10,090)	(1,181)	(5)	-	(11,276)
Financing activities:					
Net borrowings (repayments)	4,579	-	1,498	(4,573)	1,504
Intercompany and equity transactions	19,135	(18,493)	(1,536)	894	-
Other	3,845	-	-	-	3,845
Net cash provided by (used in) financing activities	27,559	(18,493)	(38)	(3,679)	5,349
Effect of exchange rate changes on cash and cash equivalents	(4,178)	2,760	2,301	304	1,187
Increase (decrease) in cash and cash equivalents	20,802	1,176	6,374	(3,679)	24,673
Cash and cash equivalents, beginning of year	-	2,507	19,556	(16,432)	5,631
Cash and cash equivalents, end of year	\$ 20,802	\$ 3,683	\$ 25,930	\$(20,111)	\$ 30,304

## Condensed Consolidating Statements of Cash Flows

Year ended December 31, 2006

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net cash (used in) provided by operating activities	\$ (19,366)	\$ 16,235	\$ (1,865)	\$ (789)	\$ (5,785)
Investing activities:					
Proceeds from insurance settlement for property and equipment	4,595	-	-	-	4,595
Proceeds from divestitures	830	-	20,435	-	21,265
Property, plant and equipment expenditures	(12,005)	(223)	(627)	-	(12,855)
Investment from (in) affiliates	11,217	(1,284)	(9,933)	-	-
Other	1,203	-	2	-	1,205
Net cash provided by (used in) investing activities	5,840	(1,507)	9,877	-	14,210
Financing activities:					
Net borrowings (repayments)	(4,069)	(607)	5	(4,418)	(9,089)
Intercompany and equity transactions	13,588	(16,719)	4,025	(894)	-
Other	356	30	-	(30)	356
Net cash provided by (used in) financing activities	9,875	(17,296)	4,030	(5,342)	(8,733)
Effect of exchange rate changes on cash and cash equivalents	602	1,394	(2,322)	819	493
(Decrease) increase in cash and cash equivalents	(3,049)	(1,174)	9,720	(5,312)	185
Cash and cash equivalents, beginning of year	3,049	3,681	9,836	(11,120)	5,446
Cash and cash equivalents, end of year	\$ -	\$ 2,507	\$ 19,556	\$ (16,432)	\$ 5,631

## Condensed Consolidating Statements of Cash Flows

Year ended December 31, 2005

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net cash (used in) provided by operating activities	\$ (1,640)	\$ 15,712	\$ (3,504)	\$ 2,272	\$ 12,840
Investing activities:					
Property, plant and equipment expenditures	(10,873)	(91)	(1,272)	(3,760)	(15,996)

Explanation of Responses:

Edgar Filing: MCGARRY MICHAEL H - Form 4

Investment from (in) affiliates	-	1,108	(1,108)	-	-
Other	114	378	8	-	500
Net cash (used in) provided by investing activities	(10,759)	1,395	(2,372)	(3,760)	(15,496)
Financing activities:					
Net borrowings (repayments)	(7,788)	530	1	6,582	(675)
Intercompany and equity transactions	7,190	(19,038)	8,294	(1)	(3,555)
Other	3,050	(154)	154	-	3,050
Net cash provided by (used in) financing activities	2,452	(18,662)	8,449	6,581	(1,180)
Effect of exchange rate changes on cash and cash equivalents	1,753	(1,688)	(1,052)	1,489	502
(Decrease) increase in cash and cash equivalents	(8,194)	(3,243)	1,521	6,582	(3,334)
Cash and cash equivalents, beginning of year	11,243	6,924	8,315	(17,702)	8,780
Cash and cash equivalents, end of year	\$ 3,049	\$ 3,681	\$ 9,836	\$(11,120)	\$ 5,446

124

## QUARTERLY FINANCIAL DATA—UNAUDITED

(Thousands except per share data)	2007				2006			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	\$ 83,030	\$ 88,428	\$ 84,861	\$ 94,805	\$ 76,579	\$ 80,510	\$ 79,680	\$ 79,353
Gross profit from continuing operations	\$ 24,606	\$ 28,872	\$ 27,219	\$ 28,154	\$ 19,168	\$ 20,548	\$ 20,783	\$ 18,952
Net income (loss) from continuing operations	\$ 2,034	\$ 4,462	\$ 5,044	\$ 3,913	\$ (2,989)	\$ 2,139	\$ (496)	\$ (7,666)
Income (loss) from discontinued operations	\$ -	\$ -	\$ (96)	\$ (70)	\$ 1,575	\$ 297	\$ 38	\$ (696)
Net income (loss)	\$ 2,034	\$ 4,462	\$ 4,948	\$ 3,843	\$ (1,414)	\$ 2,436	\$ (458)	\$ (8,362)
<b>Common Stock Data:</b>								
Basic:								
Income (loss) from continuing operations per common share	\$ 0.05	\$ 0.11	\$ 0.12	\$ 0.10	\$ (0.08)	\$ 0.05	\$ (0.01)	\$ (0.19)
Income (loss) from discontinued operations per common share	\$ -	\$ -	\$ -	\$ -	\$ 0.04	\$ 0.01	\$ -	\$ (0.02)
Net income (loss) per common share	\$ 0.05	\$ 0.11	\$ 0.12	\$ 0.10	\$ (0.04)	\$ 0.06	\$ (0.01)	\$ (0.21)
Diluted:								
Income (loss) from continuing operations per common share	\$ 0.05	\$ 0.09	\$ 0.10	\$ 0.08	\$ (0.08)	\$ 0.05	\$ (0.01)	\$ (0.19)
Income (loss) from discontinued operations per common share	\$ -	\$ -	\$ -	\$ -	\$ 0.04	\$ 0.01	\$ -	\$ (0.02)
Net income (loss) per common share	\$ 0.05	\$ 0.09	\$ 0.10	\$ 0.08	\$ (0.04)	\$ 0.06	\$ (0.01)	\$ (0.21)
Average common shares outstanding								
Basic	40,225	40,291	40,357	39,959	39,855	39,876	39,882	40,092
Diluted	42,661	47,745	50,358	51,102	39,855	40,077	39,882	40,092

The financial information for all periods presented has been reclassified to reflect discontinued operations. See Note 4 to the Consolidated Financial Statements for further information.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure:**

Not Applicable.

**Item 9A. Controls and Procedures:**

**Evaluation of Disclosure Controls and Procedures**

The Company maintains controls and procedures designed to ensure that it is able to collect the information it is required to disclose in the reports it files with the SEC, and to process, summarize, and disclose this information within the time periods specified in the rules of the SEC. Our management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's "disclosure controls and procedures", as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this annual report.

Based on this evaluation, the Company's management has concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this annual report.

**Management's Annual Report on Internal Control over Financial Reporting**

Management's Annual Report on Internal Control over Financial Reporting is contained in "Item 8. Financial Statements and Supplementary Data - Report of Management - Responsibility for Preparation of the Financial Statements and Establishing and Maintaining Adequate Internal Control Over Financial Reporting."

**Attestation Report of the Independent Registered Public Accounting Firm**

The attestation report of the Independent Registered Public Accounting Firm is contained in "Item 8. Financial Statements and Supplementary Data - Internal Controls - Report of Independent Registered Public Accounting Firm."

**Changes in Internal Control**

There have been no changes to our internal control over financial reporting that occurred that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information:**

None.

126

---

**PART III**

**Item 10. *Directors, Executive Officers, and Corporate Governance of the Registrant:***

Information concerning the directors and executive officers of the Corporation required by this item is incorporated by reference to the material appearing under the headings “Board of Directors and Committees of the Board,” “Election of Directors,” “Corporate Governance” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the Company's Proxy Statement for the 2008 Annual Meeting of its Shareholders.

The Company's Code of Ethical Business Conduct Supplement for Chief Executive and Senior Financial Officers is set forth in Exhibit 14.1 hereto.

**Item 11. *Executive Compensation:***

Information required by this item is incorporated by reference to the material appearing under the headings “Executive and Director Compensation” in the Company's Proxy Statement for the 2008 Annual Meeting of its Shareholders. The information contained in the “Compensation Committee Report” is specifically not incorporated herein by reference.

127

---

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters:**

The following table sets forth information as of December 31, 2007 concerning common stock issuable under the Company's equity compensation plans.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	2,039,392 \$	6.84	1,956,868
Equity compensation plans not approved by security holders	-	-	49,490(1)
<b>Total</b>	<b>2,039,392 \$</b>	<b>6.84</b>	<b>2,006,358</b>

(1) On December 31, 2007 there were 49,490 shares available for issuance under the Company's 1997 Directors' Fee Plan, as last amended in 2005. The Plan provides non-employee directors of the Company with payment alternatives for retainer fees by being able to elect to receive Common Stock of the Company instead of cash for such fees. Under the plan, directors have the alternative to elect their retainer fees in a current payment of shares of Common Stock of the Company, or to defer payment of such fees into a Common Stock account. Shares which are deferred are credited to a deferred stock compensation other liability account maintained by the Company. On each date when director fees are otherwise payable to a director who has made a stock deferral election, his or her stock deferral account will be credited with a number of shares equal to the cash amount of the director's fees payable divided by the fair market value of one share of the Common Stock on the date on which the fees are payable. Dividends or other distributions payable on Common Stock are similarly credited to the deferred stock account of a director on the date when such dividends or distributions are payable. The deferred stock compensation accounts are payable to the directors in accordance with their stock deferral elections and are typically paid either in a lump sum or in annual installments after the retirement or other termination of service of the director from the Company's Board of Directors.

The additional information required by this item is incorporated by reference to the material appearing under the heading "Security Ownership of Management and Certain Beneficial Owners" in the Company's Proxy Statement for the 2008 Annual Meeting of its Shareholders.



**Item 13. *Certain Relationships, Related Transactions, and Director Independence:***

Information required by this item is incorporated by reference to the material appearing under the headings “Election of Directors” and “Corporate Governance” in the Company's Proxy Statement for the 2008 Annual Meeting of its Shareholders.

129

---

**Item 14. *Principal Accounting Fees and Services:***

Information required by this item is incorporated by reference to the material appearing under the heading "Independent Auditors- Certain Fees" in the Company's Proxy Statement for the 2008 Annual Meeting of its Shareholders.

**PART IV****Item 15. *Exhibits and Financial Statement Schedules:***

A. Financial Statements and Reports of Independent Registered Public Accounting Firm (see Part II, Item 8 of this Form 10-K).

The following information is filed as part of this Form 10-K:

	Page
Report of Management	57
Internal Controls- Report of Independent Registered Public Accounting Firm	58
Financial Statements - Report of Independent Registered Public Accounting Firms	59-60
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the Years Ended December 31, 2007, 2006 and 2005	61
Consolidated Balance Sheets as of December 31, 2007 and 2006	62
Consolidated Statements of Cash Flows for the Years Ended December 31, 2007, 2006 and 2005	63
Consolidated Statements of Shareholders' Equity for Years Ended December 31, 2007, 2006 and 2005	64
Notes to the Consolidated Financial Statements	65

130

---

B. Financial Statements Schedule for the years ended December 31, 2007, 2006 and 2005.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of Calgon Carbon Corporation  
Pittsburgh, Pennsylvania

We have audited the consolidated financial statements of Calgon Carbon Corporation and subsidiaries (the "Company") as of December 31, 2007 and 2006, and for each of the three years in the period ended December 31, 2007, and the Company's internal control over financial reporting as of December 31, 2007, and have issued our reports thereon dated March 14, 2008 (which report on the financial statements expresses an unqualified opinion and includes an explanatory paragraph regarding the Company's adoption of new accounting standards); such consolidated financial statements and reports are included herein. We did not audit the financial statements of Chemviron Carbon Ltd. and subsidiaries ("Chemviron UK") (a subsidiary) for the year ended December 31, 2005, which statements reflect total revenues constituting 12 percent of consolidated total revenues for the year ended December 31, 2005. Such financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Chemviron UK, is based solely on the report of such other auditors. Our audits and the report of other auditors also included the consolidated financial statement schedule of the Company listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, based on our audits and the report of other auditors, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

Deloitte & Touche LLP  
Pittsburgh, Pennsylvania  
March 14, 2008

The following should be read in conjunction with the previously referenced financial statements:

Schedule II  
Valuation and Qualifying Accounts

Description	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Deductions Returns and Write-Offs	Balance at End of Year
<b>Year ended December 31, 2007</b>				
Allowance for doubtful accounts	\$ 1,981	\$ 1,239	\$ (386)	\$ 2,834
<b>Year ended December 31, 2006</b>				
Allowance for doubtful accounts	2,172	902	(1,093)	1,981
<b>Year ended December 31, 2005</b>				
Allowance for doubtful accounts	2,902	510	(1,240)	2,172
<b>Year ended December 31, 2007</b>				
Income tax valuation allowance	\$ 5,742	\$ 2,441	\$ (1,965)	\$ 6,218
<b>Year ended December 31, 2006</b>				
Income tax valuation allowance	3,382	2,360	-	5,742
<b>Year ended December 31, 2005</b>				
Income tax valuation allowance	3,539	188	(345)	3,382

132

C. Exhibits	Page
3.1 Amended Certificate of Incorporation	(a)
3.2 Amended By-laws of the Registrant	(b)
4.1 Amended Rights Agreement, dated as of January 27, 2005	(c)
4.2 Indenture, dated August 18, 2006	(d)
4.3 Registration Rights Agreement, dated August 18, 2006	(e)
10.1* Calgon Carbon Corporation Stock Option Plan, as Amended	(f)
10.2* 1999 Non-Employee Directors' Phantom Stock Unit Plan, as Amended	(g)
10.3* 1993 Non-Employee, Directors' Stock Option Plan, as Amended	(h)
10.4* 1997 Directors' Fee Plan	(i)
10.5* Employment agreement between Calgon Carbon Corporation and executive officers. The form of employment agreement has been entered into with the following executive officer, C. H. S. (Kees) Majoor	(j)
10.6 Calgon Carbon Corporation Senior Credit Facility	(k)
10.7 Amendment No. 1 to Calgon Carbon Corporation Senior Credit Facility	(l)
10.8 Purchase Agreement among Waterlink, Inc. and Barnebey Sutcliffe Corporation and Calgon Carbon Corporation	(m)
10.9* Employment agreement between Calgon Carbon Corporation and executive officers. The form of employment agreement has been entered into with the following executive officers, Leroy M. Ball, Gail A. Gerono, Robert P. O'Brien, and Dennis M. Sheedy	(n)
10.10* Employment agreement between Calgon Carbon Corporation and John S. Stanik	(o)
10.11 First Amendment to Credit Agreement, as amended on February 5, 2007	(p)
14.1 Code of Ethical Business Conduct Supplement for Chief Executive and Senior Financial Officers	(q)
21.0 The wholly owned subsidiaries of the Company at December 31, 2007 are Chemviron Carbon GmbH, a German corporation; Calgon Carbon Canada, Inc., a Canadian corporation; Chemviron Carbon Ltd., a United Kingdom corporation; Calgon Carbon Investments Inc., a Delaware corporation; Solarchem Environmental Systems Inc., a Nevada corporation; Charcoal Cloth (International) Limited, a United Kingdom corporation; Charcoal Cloth Limited, a United Kingdom corporation; Waterlink UK Holdings Ltd., a United Kingdom corporation, Sutcliffe Croftshaw Ltd., a United Kingdom corporation; Sutcliffe Speakman Ltd., a United Kingdom corporation; Sutcliffe Speakman Carbons Ltd., a United Kingdom corporation; Lakeland Processing Ltd., a United Kingdom corporation; Sutcliffe Speakmanco 5 Ltd., a United Kingdom corporation; Advanced Separation Technologies Incorporated, a Florida corporation and Calgon Carbon (Tianjin) Co., Ltd., a Chinese corporation; Datong Carbon Corporation, a Chinese corporation and Calgon Carbon Asia Ltd., a Singapore corporation. In addition, the Company owns 49% of Calgon Mitsubishi Chemical Corporation, a Japanese corporation and 20% of Calgon Carbon (Thailand) Ltd., a Thailand corporation	Filed herewith
23.1 Consent of Independent Registered Public Accounting Firm	Filed herewith
23.2 Consent of Independent Registered Public Accounting Firm	Filed herewith
31.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.2 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith

*Note: The Registrant hereby undertakes to furnish, upon request of the Commission, copies of all instruments defining the rights of holders of long-term debt of the Registrant and its consolidated subsidiaries. The total amount of securities authorized thereunder does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis.*

- (a) Incorporated herein by reference to Exhibit 3.1 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 1990.*

- (b) *Incorporated herein by reference to Exhibit 3.2 to the Company's report on Form 8-K dated January 28, 2005.*
- (c) *Incorporated herein by reference to Exhibit 4.1 of the Company's report on Form 8-K dated January 28, 2005.*
- (d) *Incorporated herein by reference to Exhibit 4.1 to the Company's report on Form 8-K dated August 18, 2006.*
- (e) *Incorporated herein by reference to Exhibit 4.2 to the Company's report on Form 8-K dated August 18, 2006.*
- (f) *Incorporated herein by reference to Exhibit 10.1 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2005.*
- (g) *Incorporated herein by reference to Exhibit 10.2 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2005.*
- (h) *Incorporated herein by reference to Exhibit 10.3 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2005.*
- (i) *Incorporated herein by reference to Exhibit 10.4 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2005.*
- (j) *Incorporated herein by reference to Exhibit 10.2 to the Company's report on Form 10-Q filed for the fiscal quarter ended March 31, 2005*
- (k) *Incorporated herein by reference to Exhibit 10.1 to the Company's report on Form 8-K dated January 31, 2006.*
- (l) *Incorporated herein by reference to Exhibit 10.7 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2005.*
- (m) *Incorporated herein by reference to Exhibit 10.9 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2003.*
- (n) *Incorporated herein by reference to Exhibit 10.9 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2006.*
- (o) *Incorporated herein by reference to Exhibit 10.9 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2006.*
- (p) *Incorporated herein by reference to Exhibit 10.9 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2006.*
- (q) *Incorporated herein by reference to Exhibit 14.1 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2003.*

*\* Management contract or compensatory plan, contract or arrangement required to be filed by Item 601(b)(10)(iii) of Regulation S-K.*

**Signatures**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Calgon Carbon Corporation

By /s/ JOHN S. STANIK  
John S. Stanik  
Chairman, President and Chief Executive Officer  
March 17, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities on the dates indicated.

<b>Signature</b>	<b>Title</b>	<b>Date</b>
/s/ JOHN S. STANIK <b>John S. Stanik</b>	Chairman, President and Chief Executive Officer	March 17, 2008
/s/ LEROY M. BALL <b>Leroy M. Ball</b>	Chief Financial Officer (and Principal Accounting Officer)	March 17, 2008
/s/ ROBERT W. CRUICKSHANK <b>Robert W. Cruickshank</b>	Director	March 17, 2008
/S/ RANDALL S. DEARTH <b>Randall S. Dearth</b>	Director	March 17, 2008
/s/ WILLIAM R. NEWLIN <b>William R. Newlin</b>	Director	March 17, 2008
/s/ JULIE S. ROBERTS <b>Julie S. Roberts</b>	Director	March 17, 2008
/s/ TIMOTHY G. RUPERT <b>Timothy G. Rupert</b>	Director	March 17, 2008
/s/ SETH E. SCHOFIELD <b>Seth E. Schofield</b>	Director	March 17, 2008
/s/ JOHN P. SURMA	Director	



March 17,  
2008

**John P. Surma**

/s/ ROBERT L. YOHE  
**Robert L. Yohe**

Director

March 17,  
2008

135

---

## EXHIBIT INDEX

Exhibit Number	Description	Method of Filing
		Page
3.1	Amended Certificate of Incorporation	(a)
3.2	Amended By-laws of the Registrant	(b)
4.1	Amended Rights Agreement, dated as of January 27, 2005	(c)
4.2	Indenture, dated August 18, 2006	(d)
4.3	Registration Rights Agreement, dated August 18, 2006	(e)
10.1*	Calgon Carbon Corporation Stock Option Plan, as Amended	(f)
10.2*	1999 Non-Employee Directors' Phantom Stock Unit Plan, as Amended	(g)
10.3*	1993 Non-Employee, Directors' Stock Option Plan, as Amended	(h)
10.4*	1997 Directors' Fee Plan	(i)
10.5*	Employment agreement between Calgon Carbon Corporation and executive officers. The form of employment agreement has been entered into with the following executive officer, C. H. S. (Kees) Majoor	(j)
10.6	Calgon Carbon Corporation Senior Credit Facility	(k)
10.7	Amendment No. 1 to Calgon Carbon Corporation Senior Credit Facility	(l)
10.8	Purchase Agreement among Waterlink, Inc. and Barnebey Sutcliffe Corporation and Calgon Carbon Corporation	(m)
10.9*	Employment agreement between Calgon Carbon Corporation and executive officers. The form of employment agreement has been entered into with the following executive officers, Leroy M. Ball, Gail A. Geroni, Robert P. O'Brien, and Dennis M. Sheedy	(n)
10.10*	Employment agreement between Calgon Carbon Corporation and John S. Stanik	(o)
10.11	First Amendment to Credit Agreement, as amended on February 5, 2007	(p)
14.1	Code of Ethical Business Conduct Supplement for Chief Executive and Senior Financial Officers	(q)
21.0	The wholly owned subsidiaries of the Company at December 31, 2007 are Chemviron Carbon GmbH, a German corporation; Calgon Carbon Canada, Inc., a Canadian corporation; Chemviron Carbon Ltd., a United Kingdom corporation; Calgon Carbon Investments Inc., a Delaware corporation; Solarchem Environmental Systems Inc., a Nevada corporation; Charcoal Cloth (International) Limited, a United Kingdom corporation; Charcoal Cloth Limited, a United Kingdom corporation; Waterlink UK Holdings Ltd., a United Kingdom corporation, Sutcliffe Croftshaw Ltd., a United Kingdom corporation; Sutcliffe Speakman Ltd., a United Kingdom corporation; Sutcliffe Speakman Carbons Ltd., a United Kingdom corporation; Lakeland Processing Ltd., a United Kingdom corporation; Sutcliffe Speakmanco 5 Ltd., a United Kingdom corporation; Advanced Separation Technologies Incorporated, a Florida corporation and Calgon Carbon (Tianjin) Co., Ltd., a Chinese corporation; Datong Carbon Corporation, a Chinese corporation and Calgon Carbon Asia Ltd., a Singapore corporation. In addition, the Company owns 49% of Calgon Mitsubishi Chemical Corporation, a Japanese corporation and 20% of Calgon Carbon (Thailand) Ltd., a Thailand corporation	Filed herewith
23.1	Consent of Independent Registered Public Accounting Firm	Filed herewith
23.2	Consent of Independent Registered Public Accounting Firm	Filed herewith
31.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith

Edgar Filing: MCGARRY MICHAEL H - Form 4

- |      |  |                |
|------|--|----------------|
| 32.1 | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Filed herewith |
| 32.2 | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Filed herewith |

*Note: The Registrant hereby undertakes to furnish, upon request of the Commission, copies of all instruments defining the rights of holders of long-term debt of the Registrant and its consolidated subsidiaries. The total amount of securities authorized thereunder does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis.*

- (a) *Incorporated herein by reference to Exhibit 3.1 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 1990.*

136

---

- (b) *Incorporated herein by reference to Exhibit 3.2 to the Company's report on Form 8-K dated January 28, 2005.*
- (c) *Incorporated herein by reference to Exhibit 4.1 of the Company's report on Form 8-K dated January 28, 2005.*
- (d) *Incorporated herein by reference to Exhibit 4.1 to the Company's report on Form 8-K dated August 18, 2006.*
- (e) *Incorporated herein by reference to Exhibit 4.2 to the Company's report on Form 8-K dated August 18, 2006.*
- (f) *Incorporated herein by reference to Exhibit 10.1 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2005.*
- (g) *Incorporated herein by reference to Exhibit 10.2 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2005.*
- (h) *Incorporated herein by reference to Exhibit 10.3 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2005.*
- (i) *Incorporated herein by reference to Exhibit 10.4 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2005.*
- (j) *Incorporated herein by reference to Exhibit 10.2 to the Company's report on Form 10-Q filed for the fiscal quarter ended March 31, 2005*
- (k) *Incorporated herein by reference to Exhibit 10.1 to the Company's report on Form 8-K dated January 31, 2006.*
- (l) *Incorporated herein by reference to Exhibit 10.7 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2005.*
- (m) *Incorporated herein by reference to Exhibit 10.9 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2003.*
- (n) *Incorporated herein by reference to Exhibit 10.9 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2006.*
- (o) *Incorporated herein by reference to Exhibit 10.9 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2006.*
- (p) *Incorporated herein by reference to Exhibit 10.9 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2006.*
- (q) *Incorporated herein by reference to Exhibit 14.1 to the Company's report on Form 10-K filed for the fiscal year ended December 31, 2003.*

*\* Management contract or compensatory plan, contract or arrangement required to be filed by Item 601(b)(10)(iii) of Regulation S-K.*