

Goldman Sachs Basic Materials Conference

June 4, 2009

Ed White, SVP and CFO

Owens-Illinois, Inc. (NYSE ticker OI)

Global leader in glass containers

Founded 1903 in Toledo, Ohio

\$7.9 billion glass sales in 2008

Operating in 22 countries

- 80 glass factories
- 166 furnaces
- 437 machines



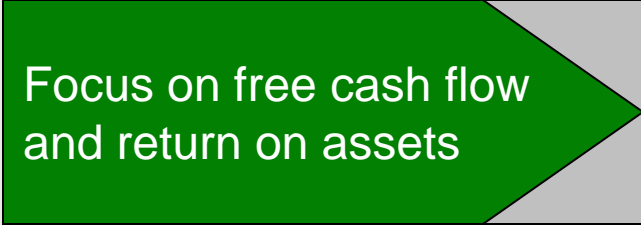

23,000 employees

Largest global manufacturer of glass containers



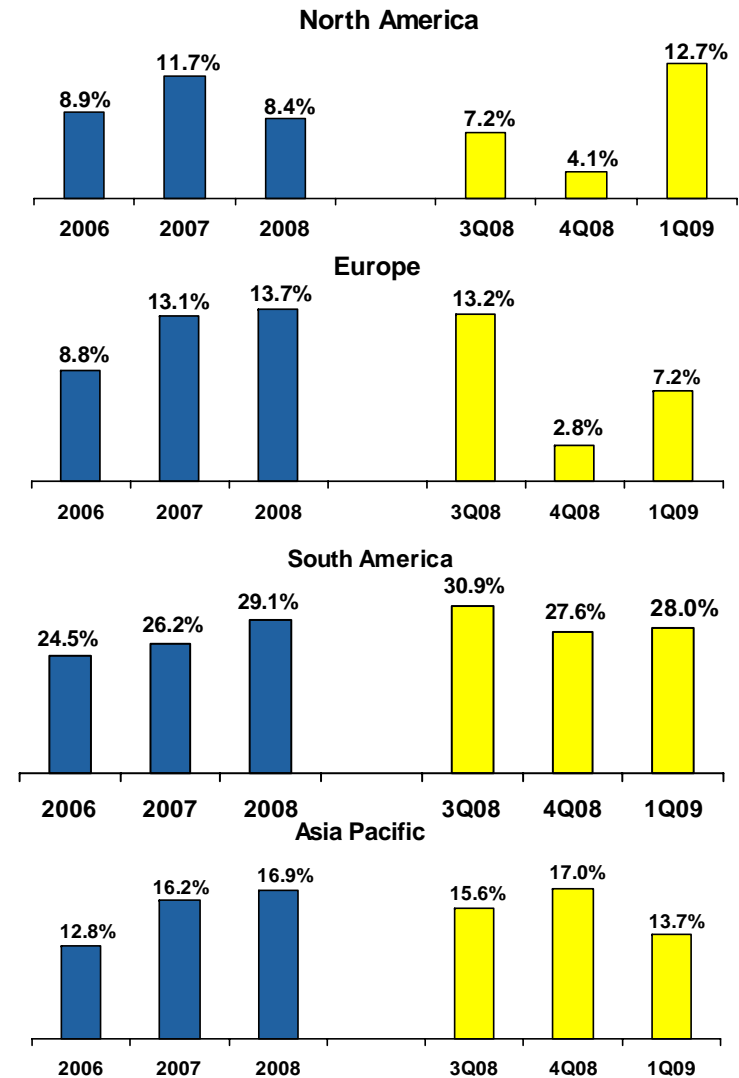
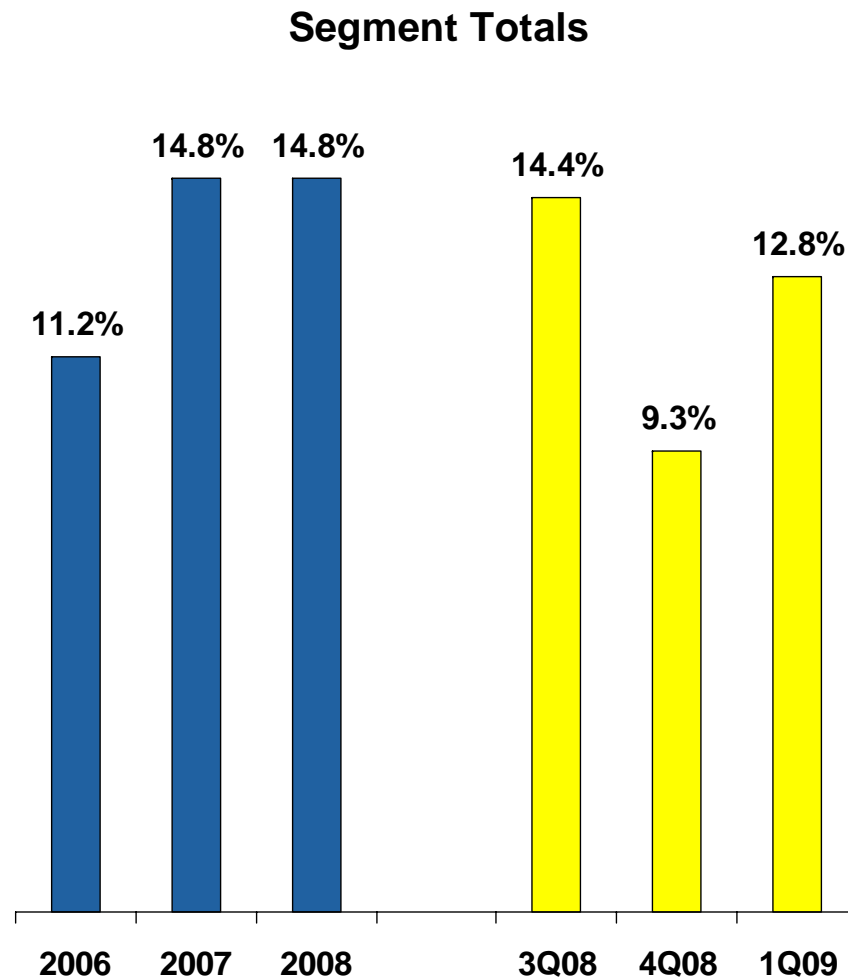
Investment Considerations

Business strategy aligned with driving improved shareholder value

Investment Considerations	Business Strategy
 <p>Global leader for glass containers</p>	<ul style="list-style-type: none">• Serve “Blue Chip” multinationals across all geographies• Value added product innovation• Market glass’ consumer preferred and earth friendly attributes
 <p>Low cost producer with strong margins</p>	<ul style="list-style-type: none">• Operational excellence to drive productivity improvement• Pricing strategy to improve / maintain margins• Leverage technology to maintain sustainable advantage• Expand presence or enter growing markets
 <p>Focus on free cash flow and return on assets</p>	<ul style="list-style-type: none">• Significant operating leverage to increase free cash flow• Strategic footprint initiative for economies of scale and ROA• Disciplined use of cash
 <p>Strong financial position</p>	<ul style="list-style-type: none">• Approx. \$800 million untapped global revolving credit facility• No significant bond maturities until 2013

Low Cost Producer with Strong Margins ^(a)

Performing well in today's challenging market



(a) Segment operating profit divided by sales

Focus on Free Cash Flow and Return on Assets

Focus on best use of cash to drive shareholder value

Organic Growth^(a)

- Selective capacity expansion in attractive and growing markets
- Modernizing and streamlining our footprint

Acquisition

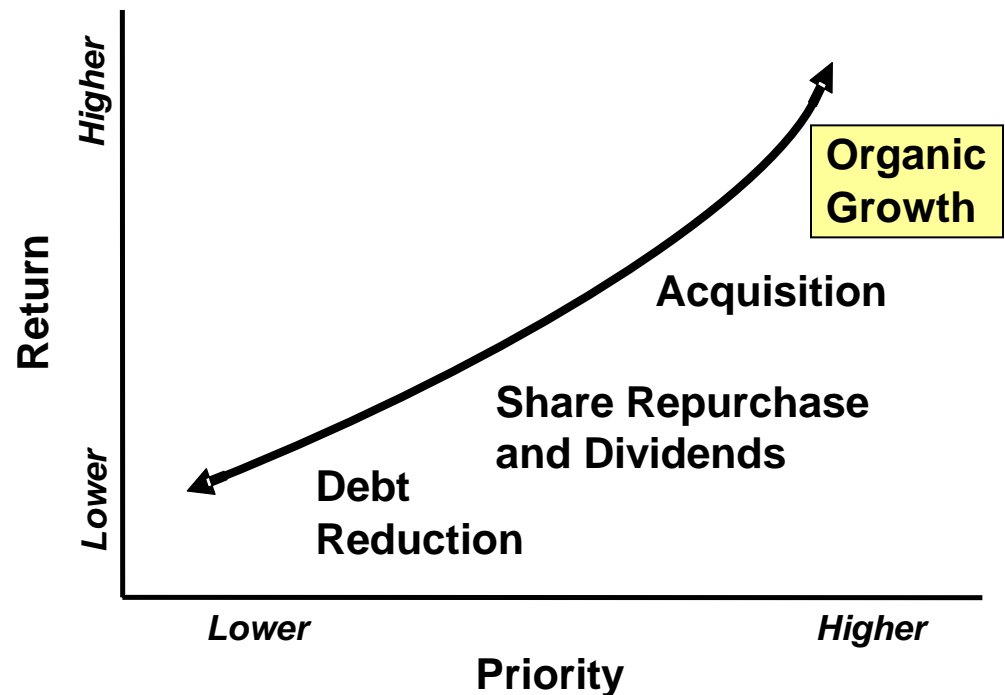
- Growth and margin opportunities in emerging markets
- Global consolidation in markets not served by O-I

Share Repurchase and Dividends

- Return capital to shareholders

Debt Reduction

- Strengthen balance sheet and improve liquidity

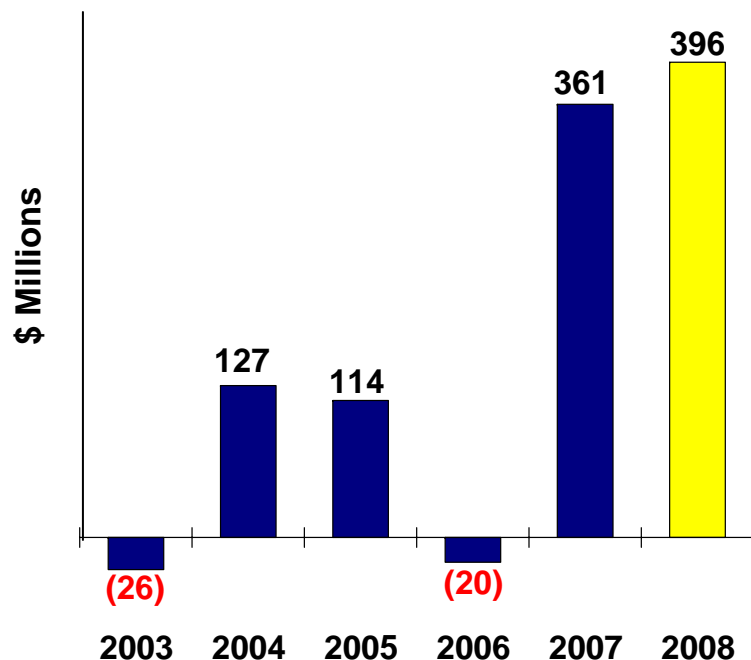


(a) - Recognizing that free cash used for organic growth ultimately reduces reported Free Cash Flow

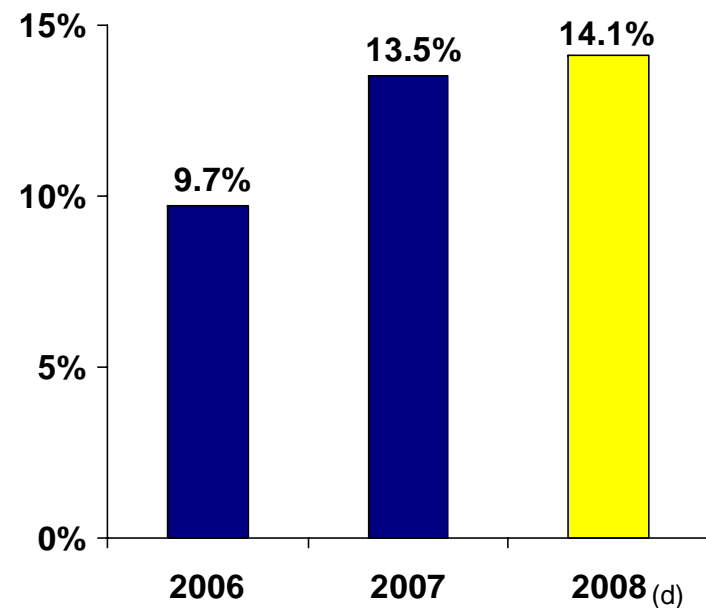
Focus on Free Cash Flow and Return on Assets ^(a)

Excellent results achieved with more opportunity ahead

Free Cash Flow ^(b)



Return On Segment Assets ^(c)



(a) Based on continuing operations as most recently reported each year

(b) Free Cash Flow defined as cash provided by continuing operating activities less capital spending for continuing operations. The Company adopted the provisions of FAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements" on Jan. 1, 2009, which changed the presentation of dividends paid to noncontrolling interests in subsidiaries. The presentation provisions of FAS No. 160 were applied to all years presented above.

(c) Return on segment assets is defined as total operating profit of reportable segments divided by the average of beginning and end of year total assets of reportable segments.

(d) In 2008, a change in allocation of corporate costs decreased reportable segment profit by \$38 million, or 0.5% of return on segment assets. Prior periods have not been adjusted.

Strategic Footprint Initiative

Driving lower fixed costs

Rationale

- Underutilized assets; location misalignment
- High cost operations; unattractive product mix

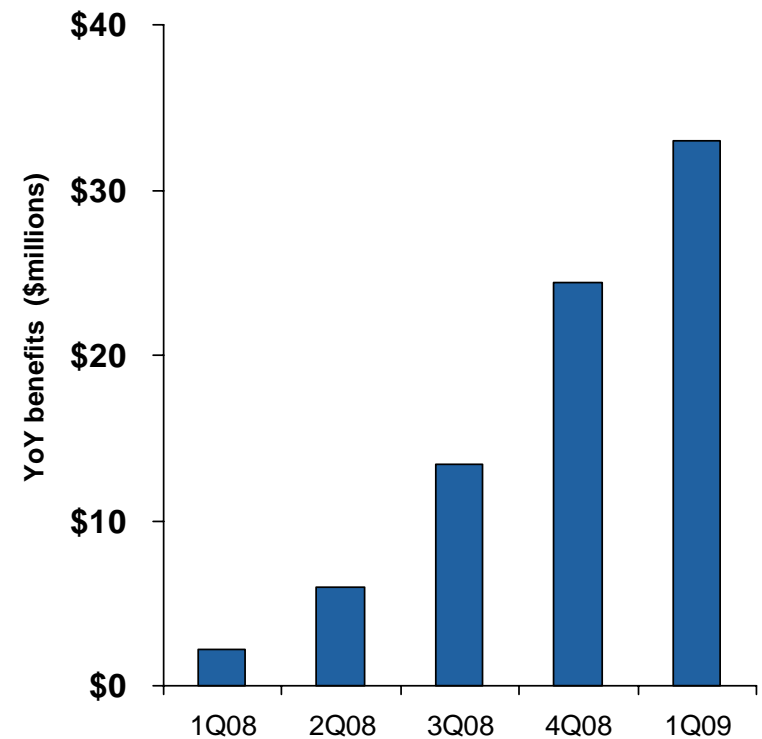
Status

- Closed 14 furnaces since late 2007
- Announced 2 additional furnaces in April 2009
- Mid-way through initiative efforts

2009 Expected Cash Use

- \$120 million – restructuring/severance
- \$80 million – capex

Strategic footprint alignment initiative drives benefits from lower fixed costs

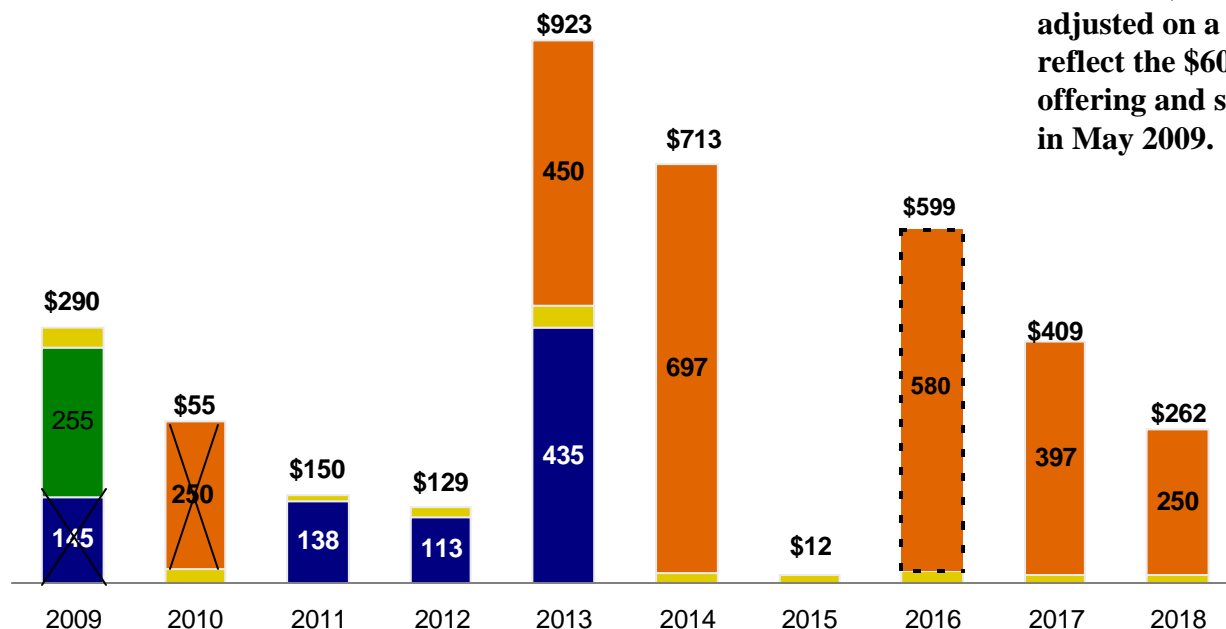


Strong Financial Position

Debt maturity schedule reflects recent successful debt offering

■ Bank Debt ■ Securitization ■ Other Domestic & Int'l ■ Senior notes

Note: The below represents March 31, 2009 debt balances adjusted on a pro forma basis to reflect the \$600 million debt offering and subsequent tender in May 2009.



- Successful \$600M debt offering in May 2009.
- Successful tender for 2010 Senior Notes.
- Global revolver with approx. \$800M of availability.

Positioned to Create the Future of Glass

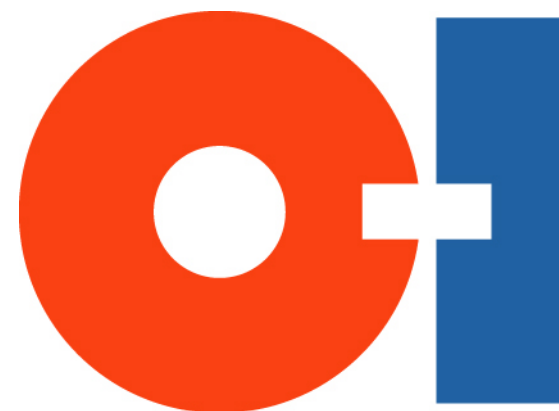


Appendix

Safe Harbor

This presentation contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Actual results and developments may differ materially from expectations and are subject to certain risks and uncertainties such as those described in the Company’s December 31, 2008, Form 10-K filed with the Securities and Exchange Commission. The Company does not intend to update any forward-looking statements made in this presentation.

O-I Earnings Presentation



First Quarter 2009
April 29, 2009



Introduction

Agenda

- Business discussion
- Financial review
- Business outlook
- Concluding remarks and Q&A

Presenters



Al Stroucken,
Chairman and CEO



Ed White,
SVP and CFO

Regulation G

The information included in this presentation regarding earnings from continuing operations exclusive of items management considers not representative of ongoing operations does not conform to U.S. generally accepted accounting principles (GAAP). It should not be construed as an alternative to the reported results determined in accordance with GAAP. Management has included this non-GAAP information to assist in understanding the comparability of results of ongoing operations. Management uses this non-GAAP information principally for internal reporting, forecasting, budgeting and calculating bonus payments. Management believes that the excluded items are not reflective of ongoing operations, so the non-GAAP presentation allows the board of directors, management, investors and analysts to better understand the Company's financial performance in relationship to core operating results and the business outlook.

Forward Looking Statements

This presentation contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Forward-looking statements reflect the Company's current expectations and projections about future events at the time, and thus involve uncertainty and risk. It is possible the Company's future financial performance may differ from expectations due to a variety of factors including, but not limited to the following: (1) foreign currency fluctuations relative to the U.S. dollar, (2) changes in capital availability or cost, including interest rate fluctuations, (3) the general political, economic and competitive conditions in markets and countries where the Company has operations, including disruptions in capital markets, disruptions in the supply chain, competitive pricing pressures, inflation or deflation, and changes in the tax rates and laws, (4) consumer preferences for alternative forms of packaging, (5) fluctuation in raw material and labor costs, (6) availability of raw materials, (7) costs and availability of energy, (8) transportation costs, (9) the ability of the Company to raise selling prices commensurate with energy and other cost increases, (10) consolidation among competitors and customers, (11) the ability of the Company to integrate operations of acquired businesses and achieve expected synergies, (12) unanticipated expenditures with respect to environmental, safety and health laws, (13) the performance by customers of their obligations under purchase agreements, and (14) the timing and occurrence of events which are beyond the control of the Company, including events related to asbestos-related claims. It is not possible to foresee or identify all such factors. Any forward-looking statements in this presentation are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments, and other factors it believes are appropriate in the circumstances. Forward-looking statements are not a guarantee of future performance and actual results or developments may differ materially from expectations. While the Company continually reviews trends and uncertainties affecting the Company's results of operations and financial condition, the Company does not intend to update any particular forward-looking statements contained in the company's presentation..

Business Discussion

Performing well in a challenging market

2nd highest 1Q earnings since 1991 IPO

- Balanced production with sharply lower shipments
- Strong price improvement offset moderating cost inflation
- Benefited from strategic footprint alignment initiative

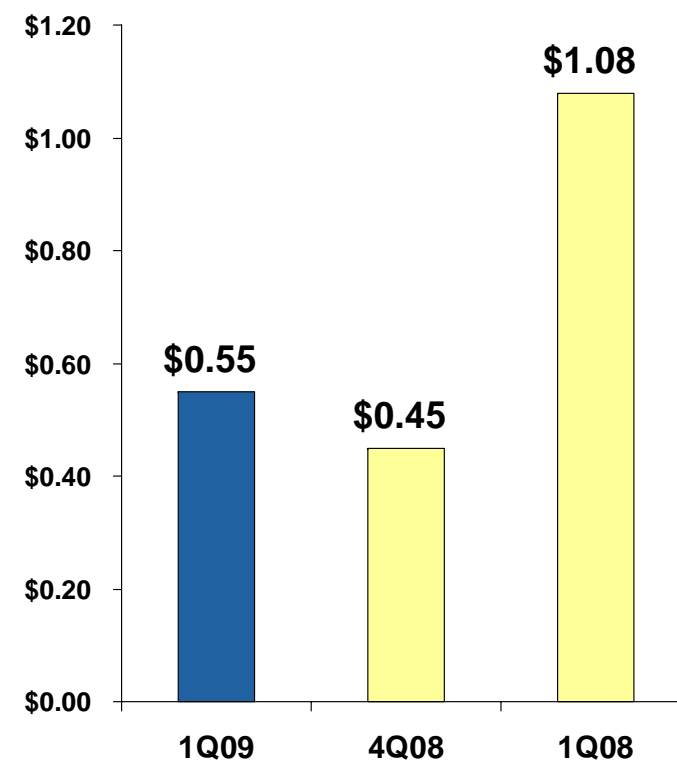
Strong financial flexibility

- Debt flat with year-end 2008
- Significant liquidity

Business outlook (1Q09 to 2Q09)

- Increased shipments
- Lower temporary production curtailments
- Moderating cost inflation
- Additional benefits from strategic footprint alignment initiative

Adjusted net earnings per share ¹

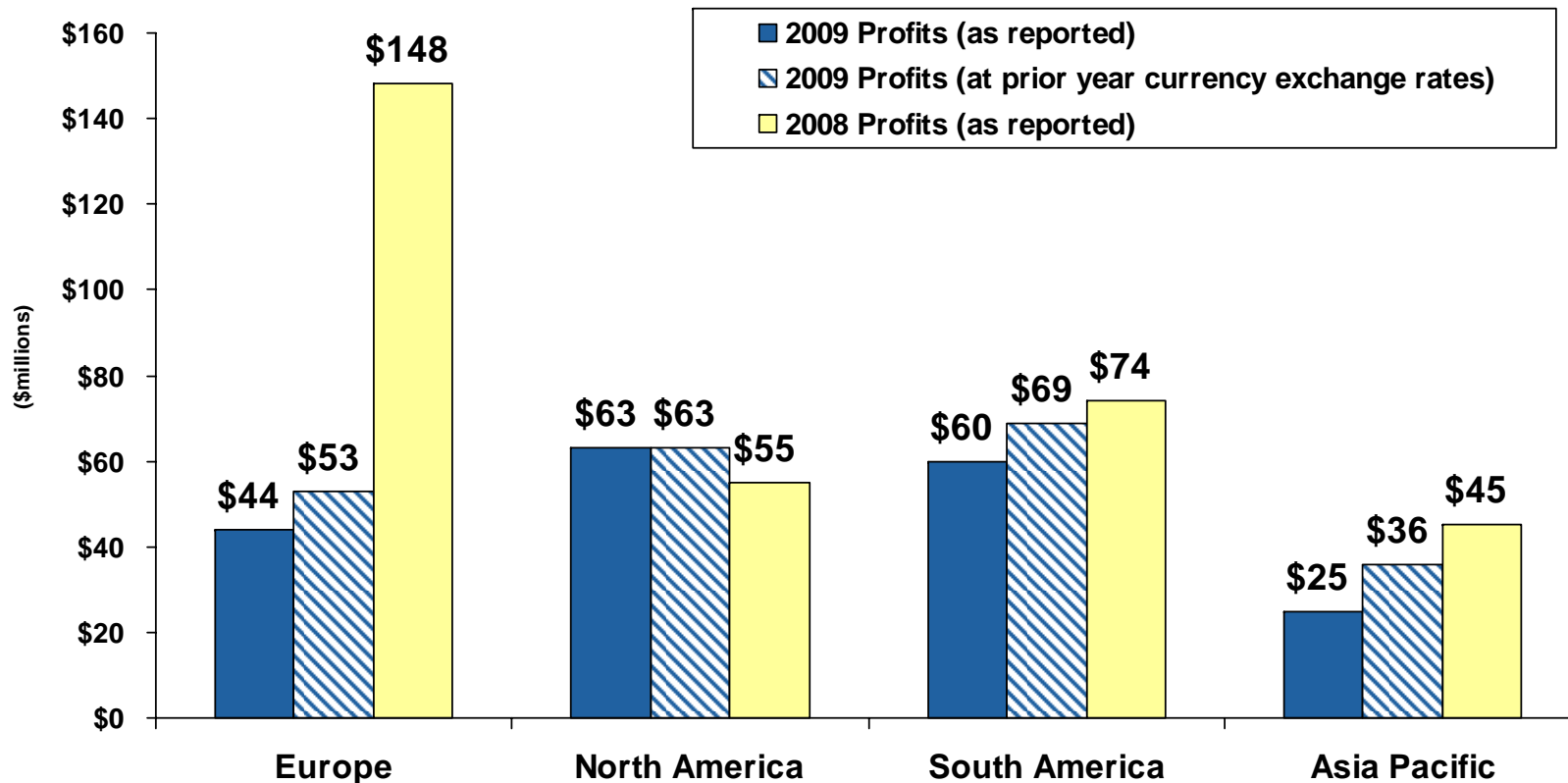


¹ EPS from continuing operations exclusive of items management considers not representative of ongoing operations. A description of all items that management considers not representative of ongoing operations and a reconciliation of the GAAP to non-GAAP earnings and earnings per share can be found in the appendix to this presentation.

Business Discussion: Regional Profits

Challenging European marketplace impacts company earnings

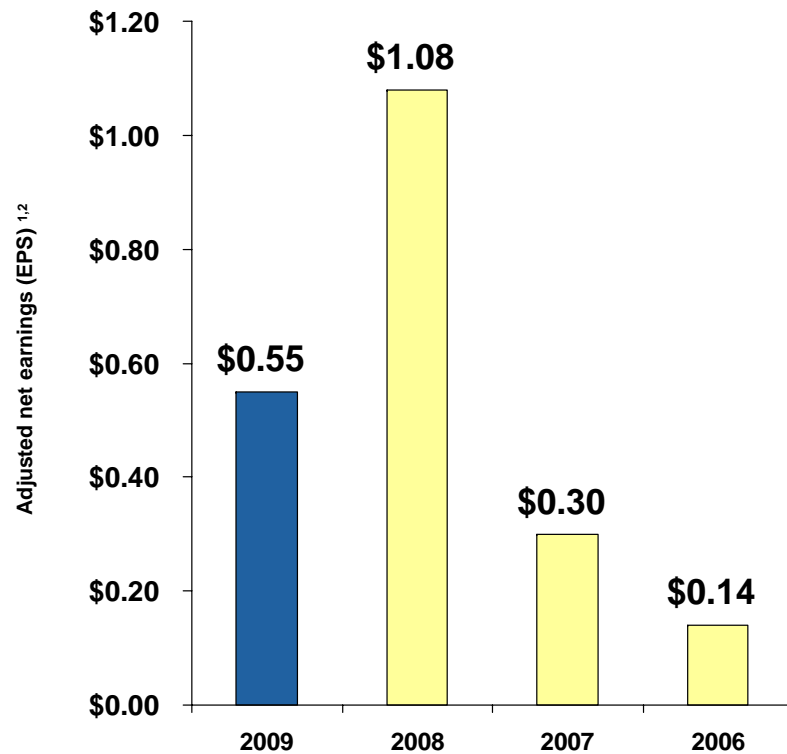
Regional segment operating profit: 1Q09 vs. 1Q08



Financial Review: EPS Reconciliation

Historically strong 1Q09 earnings / Earnings down YoY due to challenging market

Historic first quarter earnings ^{1,2}



Earnings reconciliation

	<u>1Q</u>						
1Q08 Adjusted net earnings (EPS) ¹	\$ 1.08						
<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Sales volume</td> <td style="text-align: right;">(0.41)</td> </tr> <tr> <td>Price and product mix</td> <td style="text-align: right;">0.53</td> </tr> <tr> <td>Manufacturing and delivery</td> <td style="text-align: right;">(0.59)</td> </tr> </table>		Sales volume	(0.41)	Price and product mix	0.53	Manufacturing and delivery	(0.59)
Sales volume	(0.41)						
Price and product mix	0.53						
Manufacturing and delivery	(0.59)						
Operating expenses	(0.01)						
Currency translation	(0.13)						
Retained corporate costs and other	(0.06)						
Net interest expense	0.07						
Non-controlling interests	0.02						
Effective tax rate	0.02						
All other	0.03						
Total reconciling items	<u>(0.53)</u>						
1Q09 Adjusted net earnings (EPS) ¹	<u><u>\$ 0.55</u></u>						

¹ EPS from continuing operations exclusive of items management considers not representative of ongoing operations. A description of all items that management considers not representative of ongoing operations and a reconciliation of the GAAP to non-GAAP earnings and earnings per share for first quarter 2009 and 2008 can be found in the appendix to this presentation.

² Reported first quarter earnings per share (diluted) from continuing operations were: 2009: \$0.27, 2008: \$1.02, 2007: \$0.31, 2006: \$0.14

Financial Review: Net Sales Reconciliation

Strong price improvement despite volume and foreign currency headwinds

\$ Millions

	<u>1Q 09</u>	<u>1Q 08</u>
Prior year segment sales	\$ 1,924	\$ 1,667
Sales volume	(296)	(49)
Price and product mix	121	119
Currency translation	(246)	187
Total reconciling items	<u>(421)</u>	<u>257</u>
Current year segment sales	1,503	1,924
Other sales	16	37
Current year net sales	<u><u>\$ 1,519</u></u>	<u><u>\$ 1,961</u></u>

Financial Review: Segment Profit Reconciliation

Higher prices and footprint savings dampen impact of short-term volume declines

\$ Millions

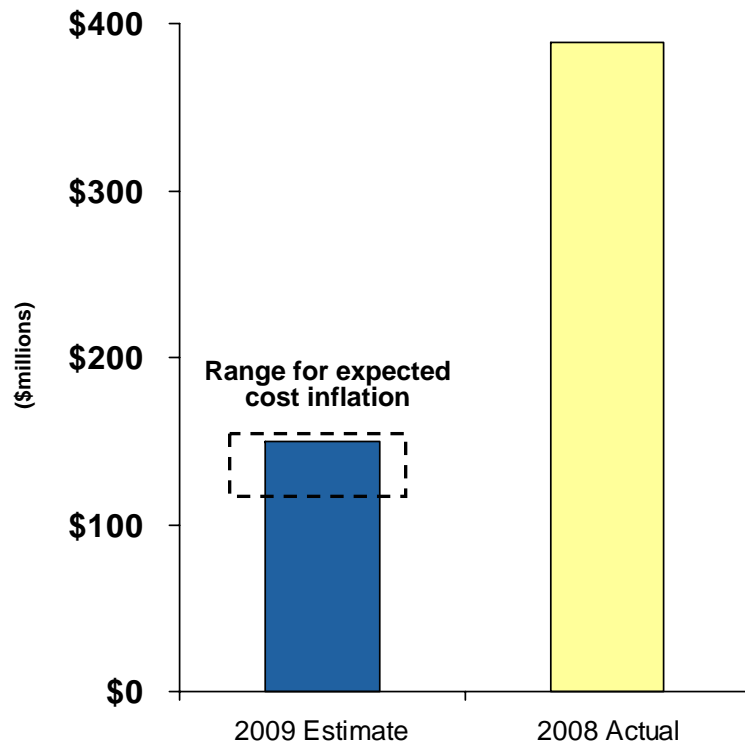
	<u>1Q 09</u>	<u>1Q 08</u>
Prior year segment operating profit	\$ 322	\$ 210
Sales volume	(94)	(12)
Price and product mix	121	119
Manufacturing and delivery¹	(133)	(55)
Operating expenses	(3)	0
Currency translation	(29)	35
All other	8	25
Total reconciling items	(130)	112
Current year segment operating profit	\$ 192	\$ 322

¹ The major components of 1Q09 manufacturing and delivery costs include approximately \$100 million related to temporary production curtailments, \$66 million in cost inflation and a \$33 million benefit from the strategic footprint alignment initiative.

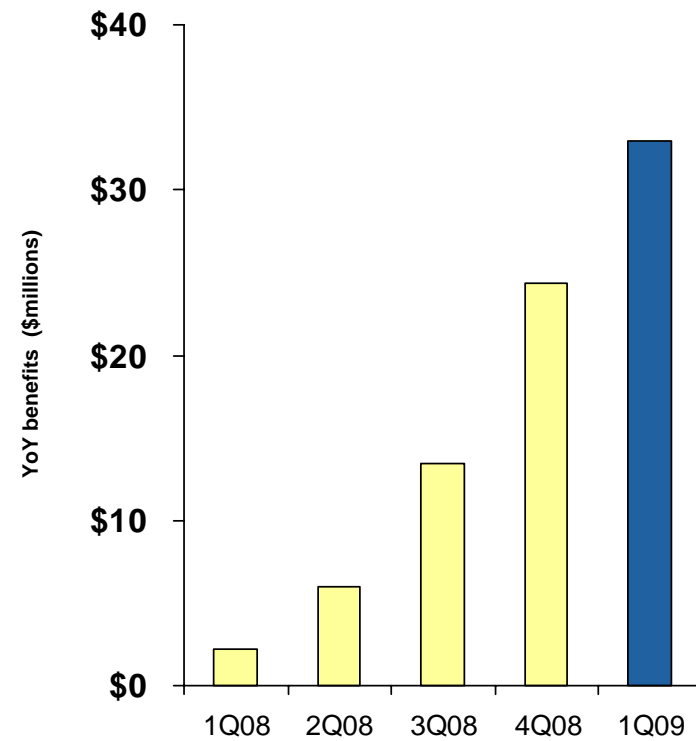
Financial Review: Costs

Cost profile improving due to moderating inflation and strategic footprint initiative

Full year cost inflation

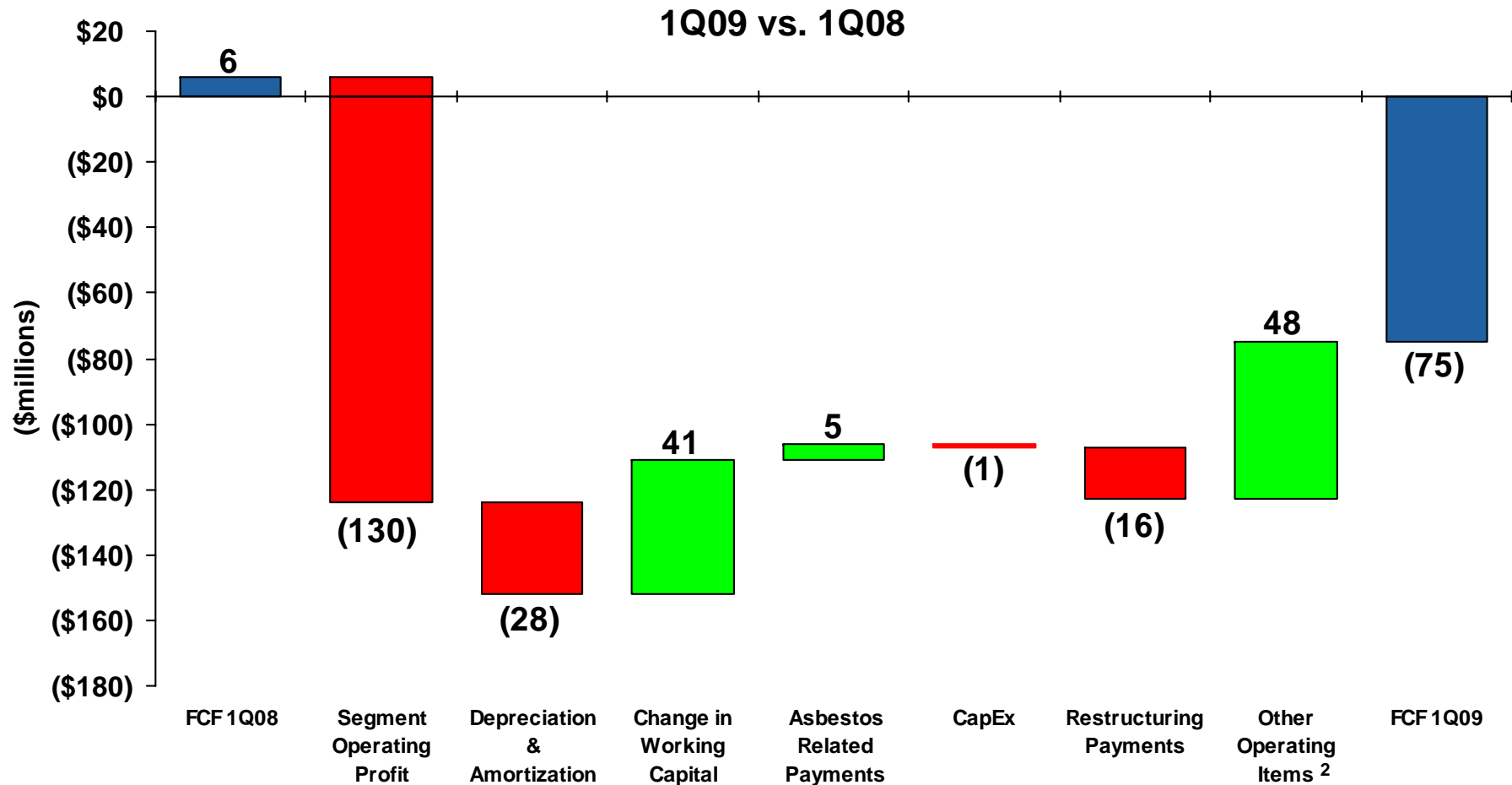


Strategic footprint alignment initiative drives benefits from lower fixed costs



Financial Review: Free Cash Flow¹ Reconciliation

FCF reflects reduced profit and change in working capital levels



¹ Free Cash Flow equals cash provided by continuing operating activities less capital spending.

² Other Operating Items is comprised of retained corporate costs, minority interest expense, current tax expense, net interest, other non-cash charges and changes in other non-current assets/liabilities.

Financial Review: Other Items

Strong balance sheet / Opportunity to reduce Capex if challenging market continues

Balance sheet

- \$3.326 billion debt; flat with year-end 2008
 - 2.2 Debt/EBITDA ¹ ratio
- \$642 million available under global revolving credit facility

Capital expenditures

- \$46.6 million capital investments 1Q09, flat with prior year
- Opportunity to reduce full year 2009 capital expenditures \$50-60 million if challenging market continues

Restructuring payments

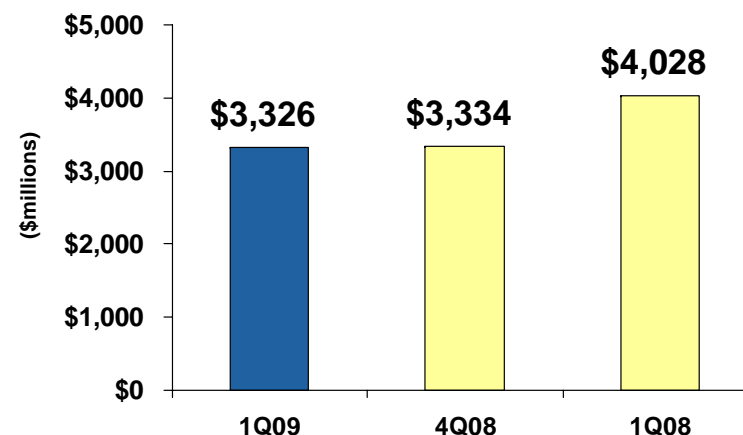
- 1Q09 payments of \$20.2 million, up YoY from \$4.1 million
- Full year 2009 should approximate \$120 million

Pension contributions

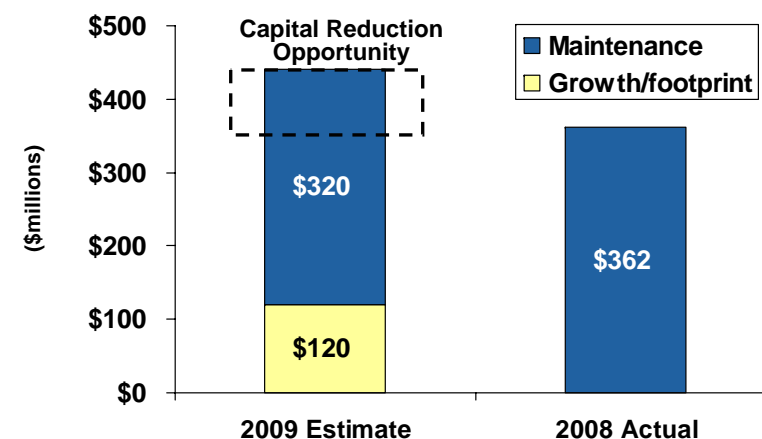
- 2009 estimate (all non-U.S. plans) is \$75-\$80 million
- 2010 estimate based on current asset valuations
 - Modest increase over 2009 for non-U.S. plans
 - No required contributions to U.S. plans

¹ Total debt less cash divided by bank credit agreement EBITDA

Total debt



Capital expenditures

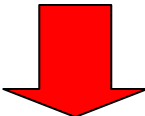


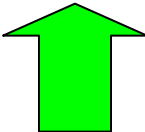
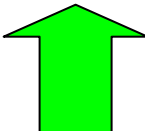


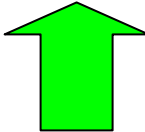

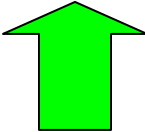


Business Outlook: 2Q09

2Q09 adjusted net earnings expected to be down year-over-year, but up from 1Q09

2Q09 Outlook

Favorable / Unfavorable Impact on Profits

Factor	Year-over-Year (2Q08 to 2Q09)	Sequential (1Q09 to 2Q09)
Sales Volume		
Temporary Production Curtailments		
Price/Mix		
Input Costs		
Footprint Savings		

Reconciliation of GAAP to non-GAAP Items

\$ Millions, except per share amounts	Three months ended March 31			
	2009		2008	
	Earnings	EPS	Earnings	EPS
Net earnings attributable to the Company	\$ 45.1	\$ 0.27	\$ 178.1	\$ 1.04
Less gain on sale of discontinued operations	-	-	(4.1)	(0.02)
Earnings from continuing operations	45.1	0.27	174.0	1.02
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>				
• Charges for restructuring and asset impairment	47.7	0.28	9.7	0.06
Adjusted net earnings	\$ 92.8	\$0.55	\$ 183.7	\$1.08
Diluted shares outstanding (millions)	168.5		170.5	

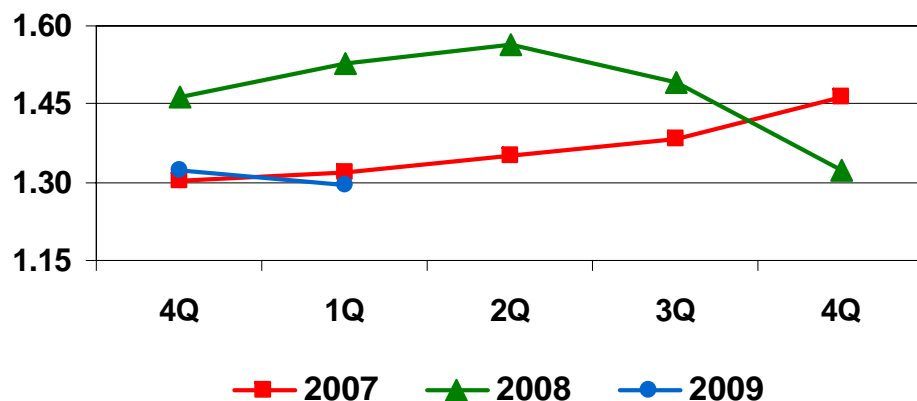
Calculation of Free Cash Flow

\$ Millions	Three months ended	
	March 31	
	2009	2008
Net earnings attributable to the Company	\$ 45.1	\$ 178.1
Less: Gain on sale of discontinued operations	-	(4.1)
Earnings from continuing operations	45.1	174.0
Non-cash charges:		
Depreciation and amortization	95.1	123.1
Restructuring and asset impairment	50.4	12.9
All other non-cash charges	43.3	19.1
Payments and other reconciling items:		
Asbestos-related payments	(34.8)	(40.2)
Restructuring payments	(20.2)	(4.1)
Change in components of working capital	(173.7)	(215.1)
Change in non-current assets and liabilities	(33.7)	(18.8)
Cash provided by continuing operating activities	(28.5)	50.9
Additions to PP&E for continuing operations	(46.6)	(45.4)
Free Cash Flow ¹	\$ (75.1)	\$ 5.5

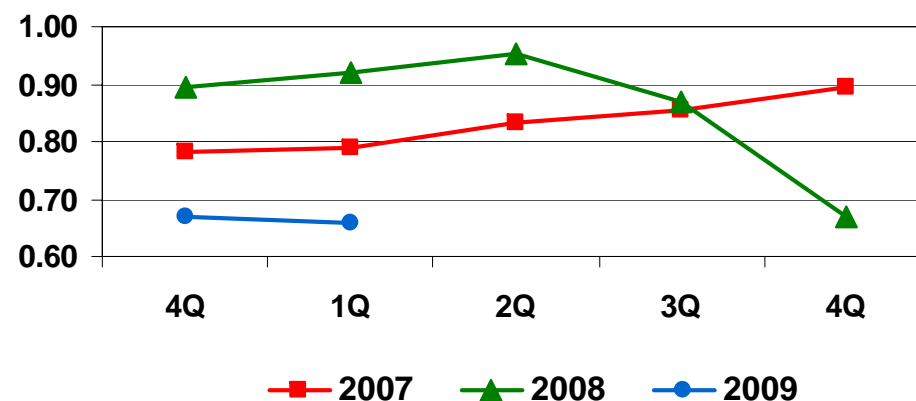
¹ Free Cash flow equals cash provided by continuing operating activities less capital spending.

Foreign Currency Exchange Rate Changes¹

EUR v USD



AUD v USD



FX Translation Impact on Sales, Segment Operating Profit and EPS (Compared to prior year)

\$ Millions except EPS	2008					2009
	1Q	2Q	3Q	4Q	Year	1Q
Sales	\$ 187	\$ 202	\$ 82	\$ (195)	\$ 276	\$ (246)
Segment Operating Profit	35	32	13	(24)	56	(29)
Non-GAAP Segment EPS	0.14	0.14	0.06	(0.13)	0.25	(0.13)

¹Average exchange rate for the quarter