Deutsche Bank Leveraged Finance Conference

October 1, 2009

Management Introductions

Ed White

Senior Vice President and Chief Financial Officer

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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, March 31, 2009 Form 10-Q, and June 30, 2009 Form 10-Q filed with the Securities and Exchange Commission. The Company does not intend to update any forward-looking statements made in this presentation.

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 21 countries:

- 79 glass factories
- 161 furnaces
- 433 machines

23,000 employees

Largest global manufacturer of glass containers

Competitive advantages:

- Scale of operations & broad geographic reach
- Manufacturing & design expertise
- Strong financial flexibility

Forming Machine
Windsor Plant, CO

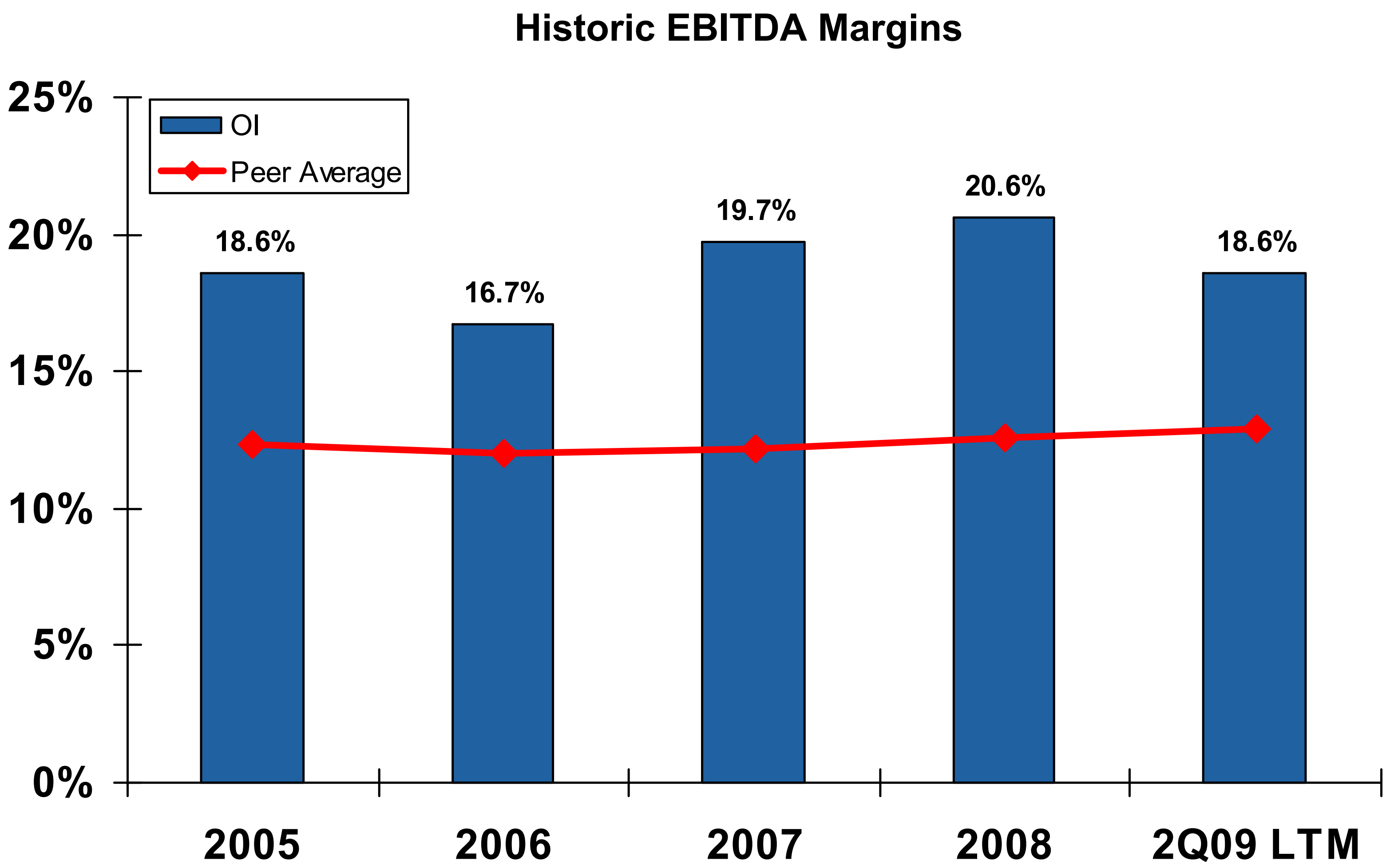
Business Strategy

Leveraging competitive advantages to grow a stronger O-I

Priority	Business Strategy
Global leader for glass containers	• Serve “Blue Chip” multinationals across all geographies • Value added product innovation • Market glass’ consumer preferred and earth friendly attributes
Focus on margin improvement	• Pricing strategy to improve / maintain margins • Operational excellence to drive productivity improvement • Leverage technology to maintain sustainable advantage
Optimize cash flow to fund growth	• Significant operating leverage to increase cash flow • Strategic footprint initiative for economies of scale and ROA • Organic and strategic growth to create value
Strong financial position	• Ample flexibility to weather challenging market conditions • Enables future growth opportunities

Strong Financial Position

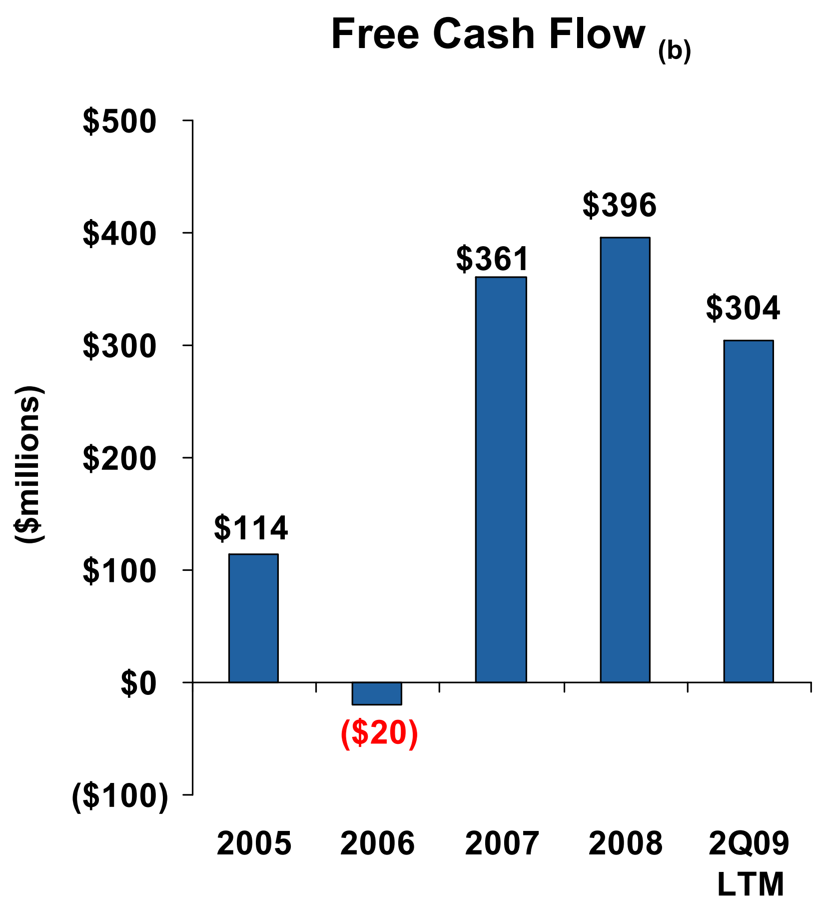
Strategy drives improving margins; performance outperforming peers

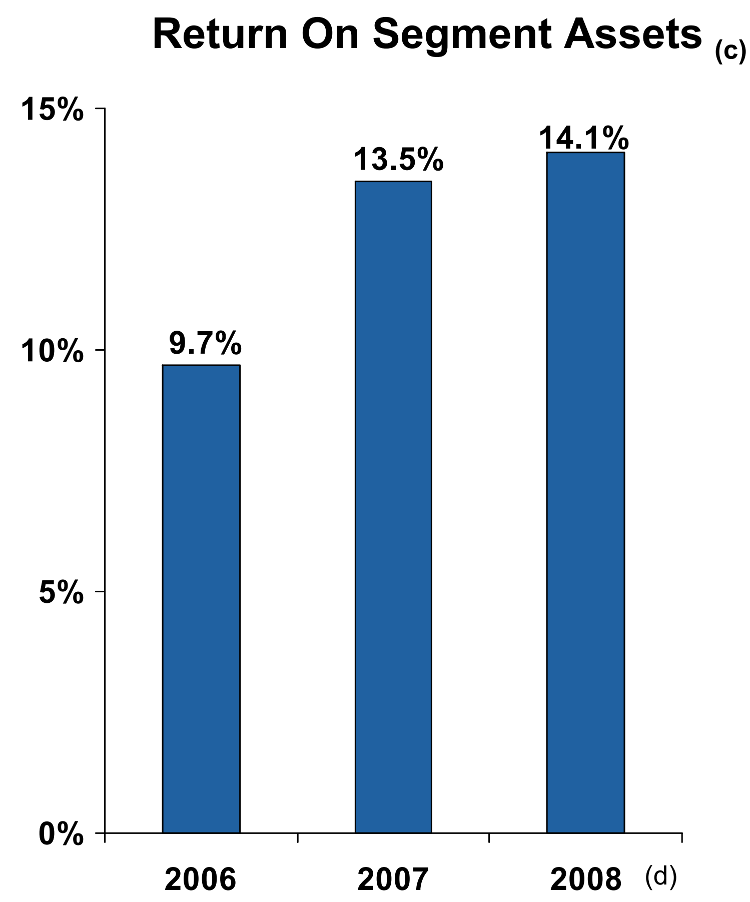


Source: Company filings
Peers: BLL, CCK, SLGN

Strong Financial Position

Improved free cash flow & return on segment assets (a)





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

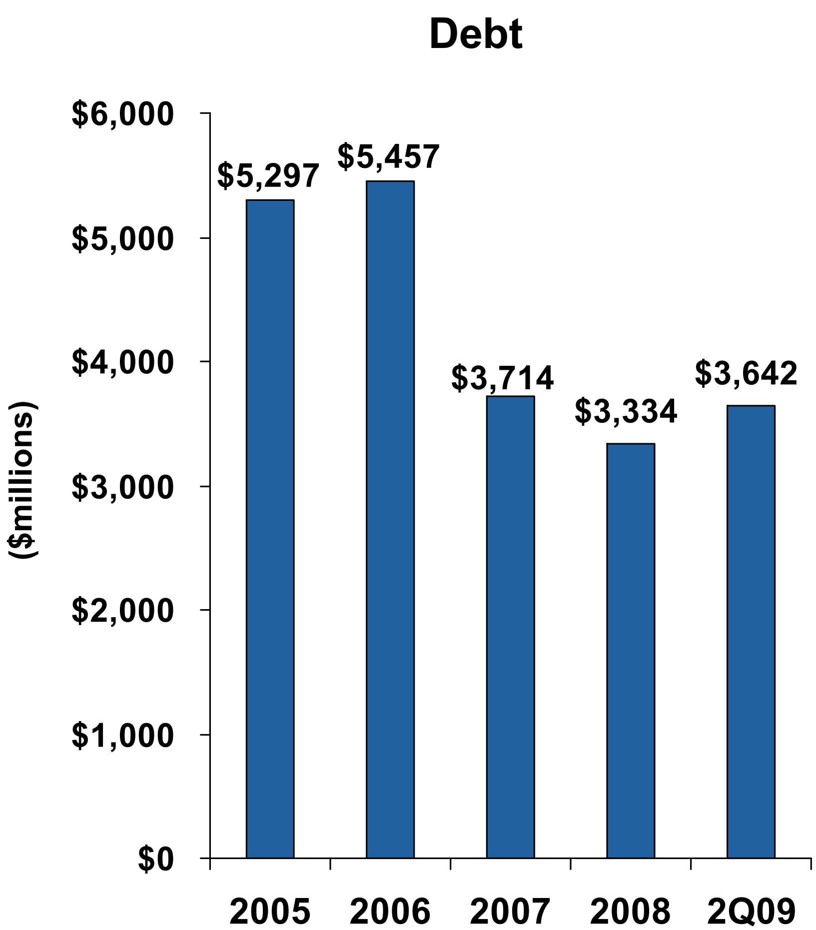
(b) Free Cash Flow defined as cash provided by continuing operating activities less capital spending for continuing operations. The Company adopted the provisions of FAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements" on Jan. 1, 2009, which changed the presentation of dividends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

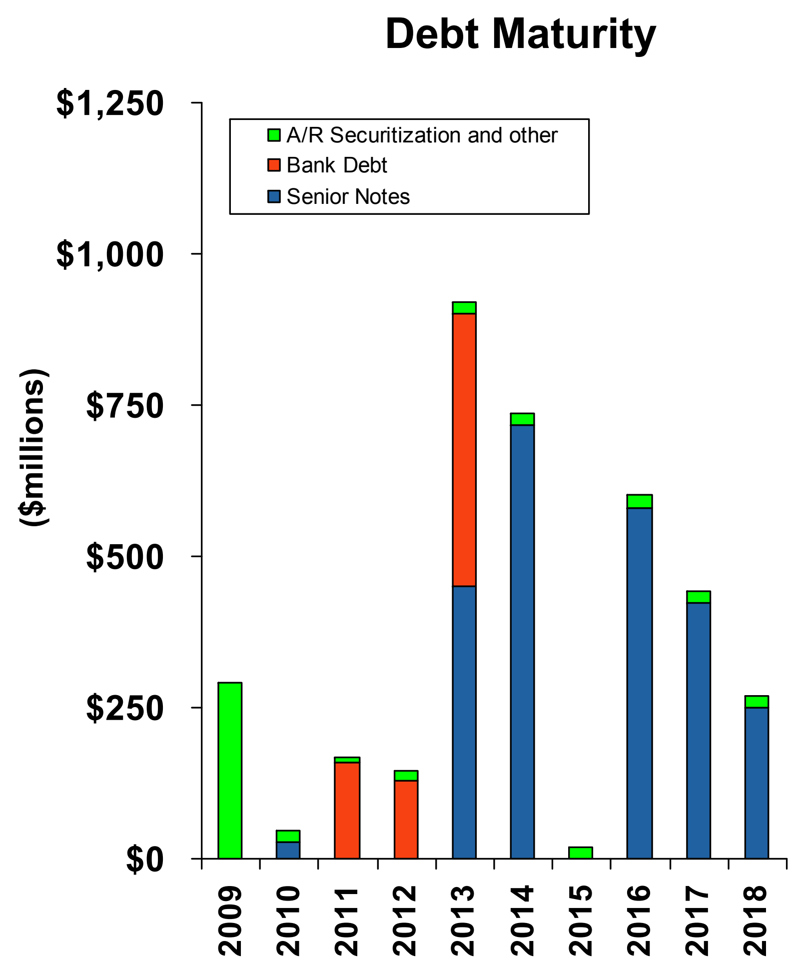
(c) Return on segment assets is defined as total operating profit of reportable segments divided by the average of beginning and end of year total assets of reportable segments.

(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.

Strong Financial Position

Significant debt reduction and favorable debt maturity schedule

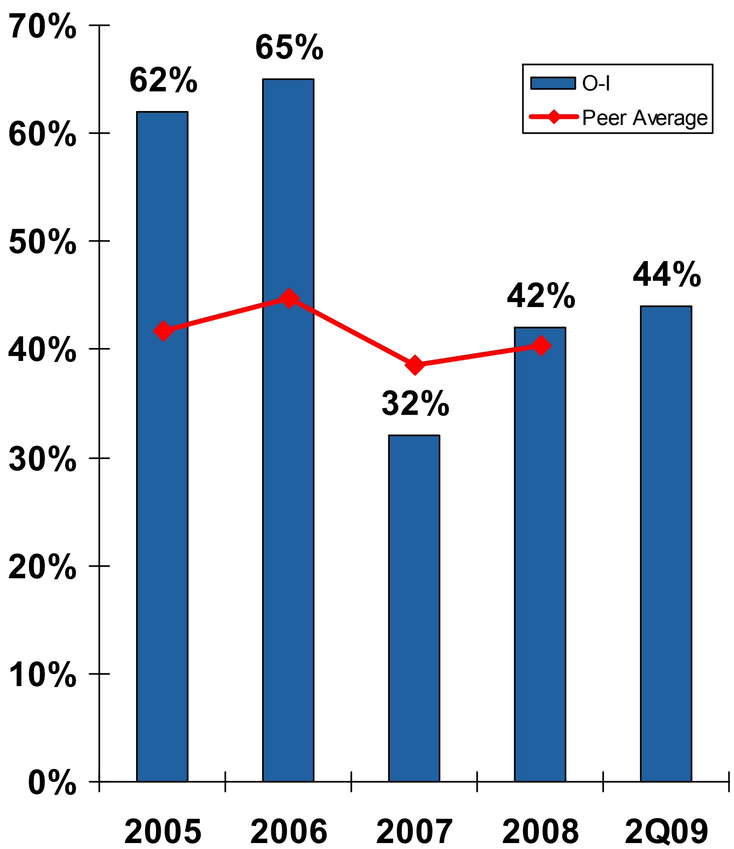




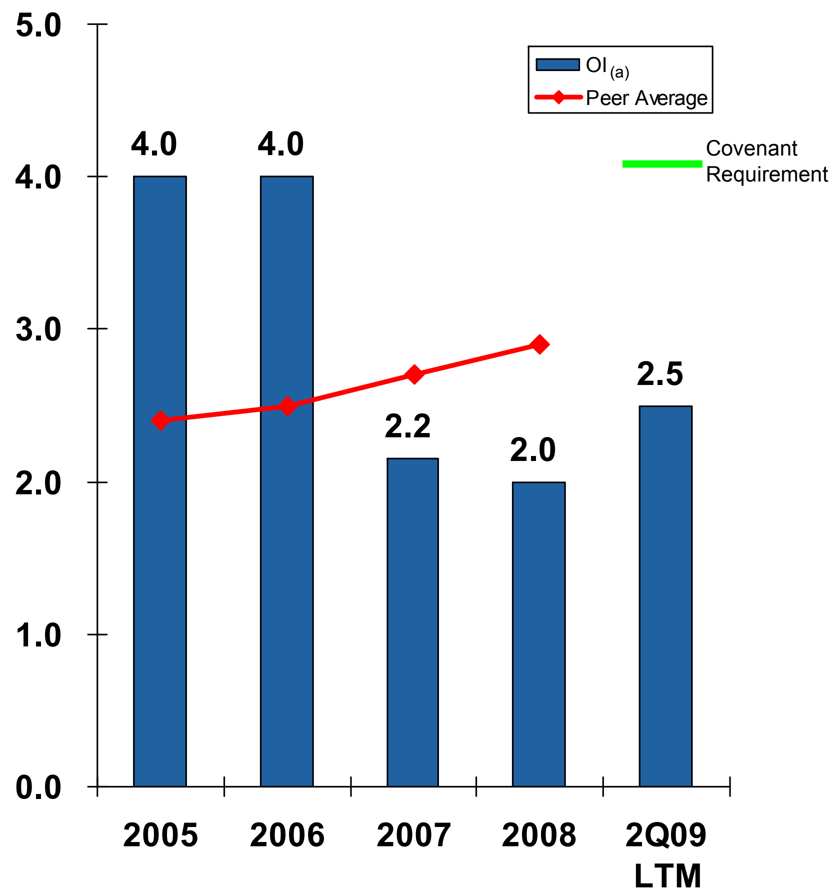
Strong Financial Position

Debt in-line with peers, favorable Debt/EBITDA ratio

Historical Debt/Enterprise Value Ratio



Historical Debt/EBITDA Ratio



Source: Company filings
Peers: BLL, CCK, SLGN
(a) O-I's ratio based on total debt less cash divided by bank credit agreement EBITDA

Strong Financial Position

Improved credit ratings

Standard & Poors

- Current rating: **BB**
  - BB- to BB 1Q08
- Outlook: positive
  - Stable to positive 2Q09

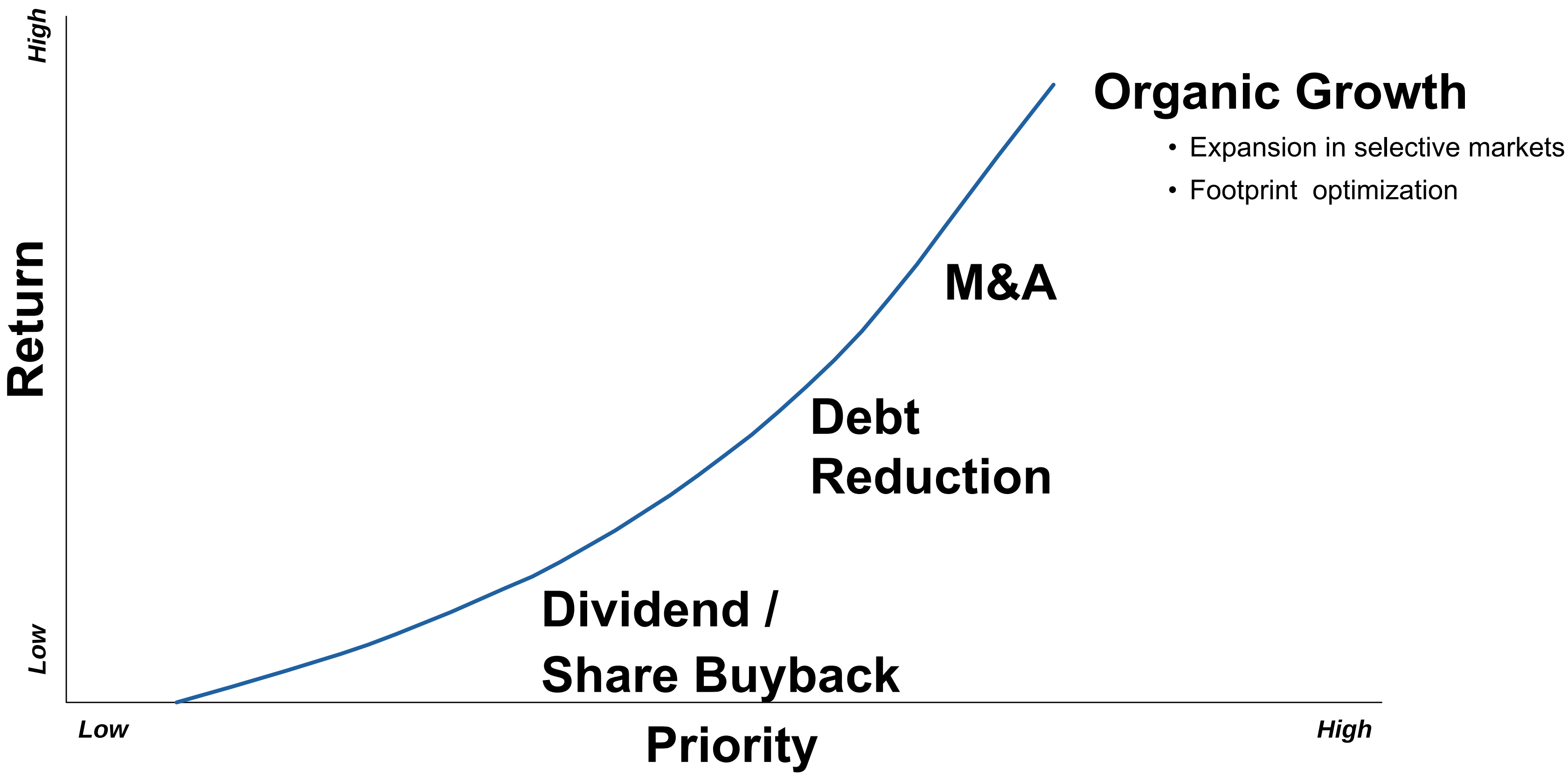
Moody's

- Current rating: **Ba3**
  - B2 to Ba3 2Q08
- Outlook: stable
  - Positive to stable 2Q09

Financial Review

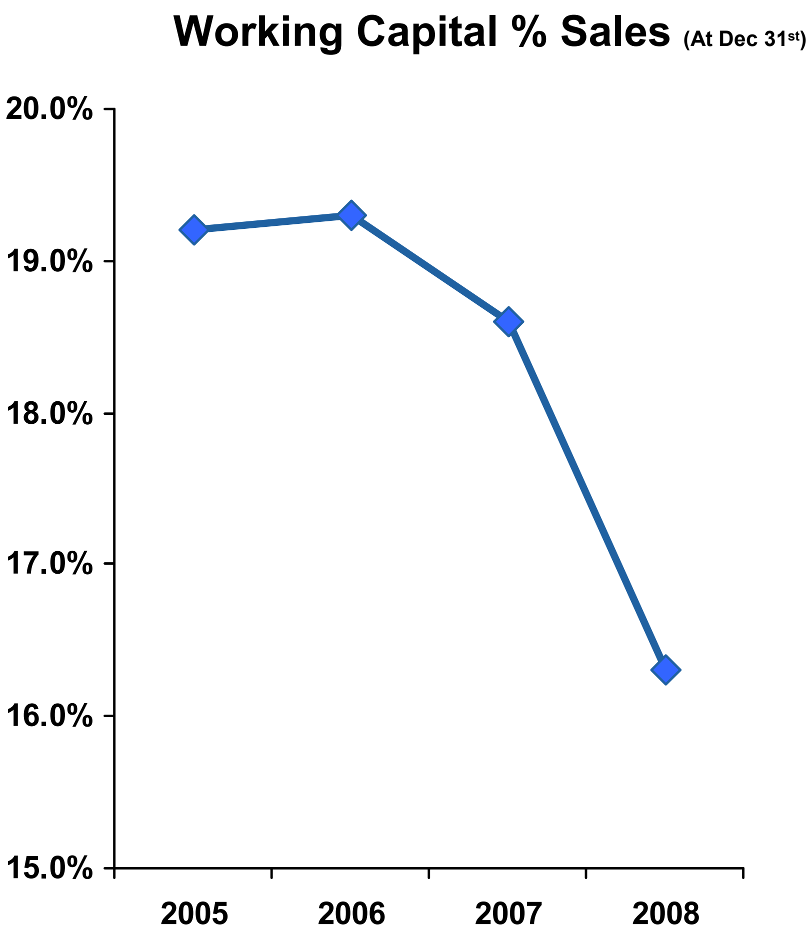
Shifting cash flow priorities to drive future value

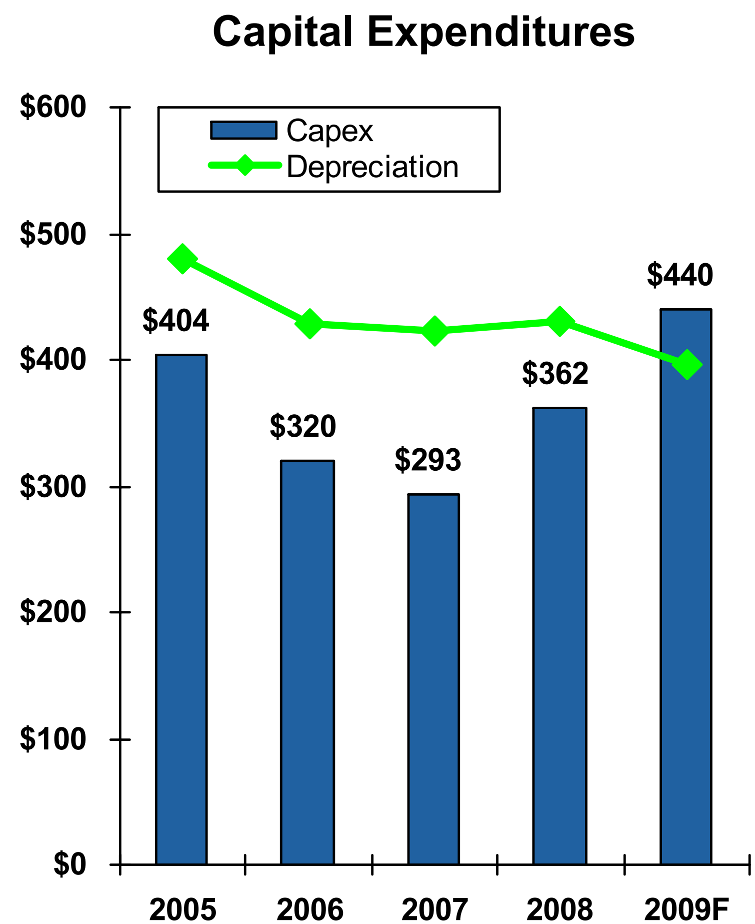
Cash Flow Priorities



Financial Review

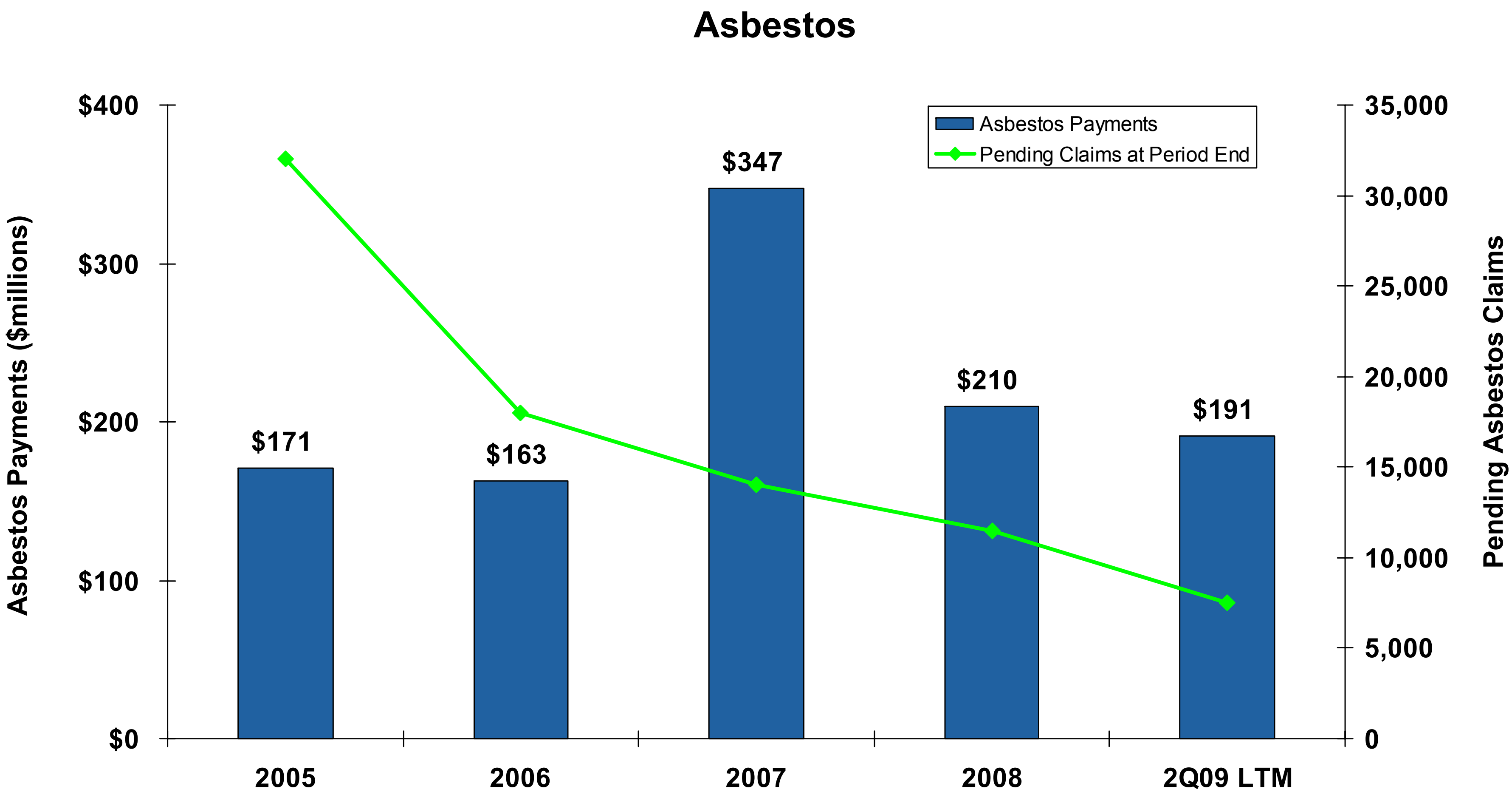
Disciplined capital management to drive value





Financial Review

Declining asbestos exposure; exited business in 1958



Summary

Strategy to improve performance

- Global market leader
- Focus on margin improvement
- Optimize cash flow to fund growth
- Strong financial position

Financial improvement

- Increased EBITDA margins
- Improved Free Cash Flow and Return on Segment Assets
- Reduced debt and favorable credit metrics

Focused on driving improved stakeholder value

Positioned to Create the Future of Glass

Appendix

O-I Earnings Presentation

Second Quarter 2009
July 29, 2009

Introduction

Agenda

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

Presenters

Al Strroucken
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: Highlights

Favorable seasonal trends amid ongoing global recession

Earnings down YoY, up sequentially

- Global recession impacted YoY shipments
- Demand up sequentially
  - Seasonality and abatement of customer inventory de-stocking
- Continued temporary production curtailments
  - Reduced inventories to preserve working capital
- Incremental strategic footprint alignment initiative benefits
- Improved price/mix more than offset modest cost inflation

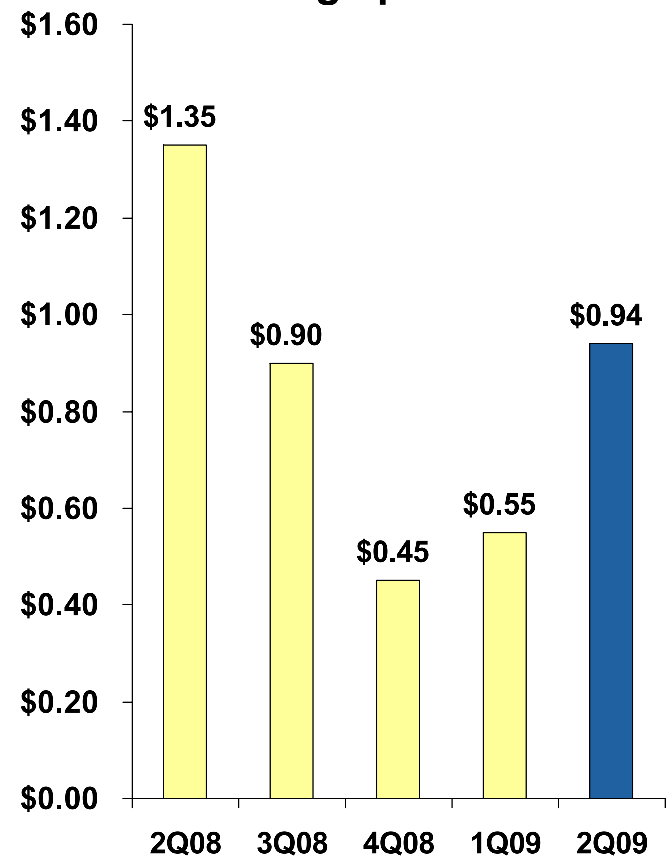
Business outlook (2Q09 to 3Q09)

- Stable shipment levels
- Improved spread between price/mix and cost inflation
- Continued benefits from strategic footprint alignment initiative

Strong financial flexibility

- Very successful $600M bond offering

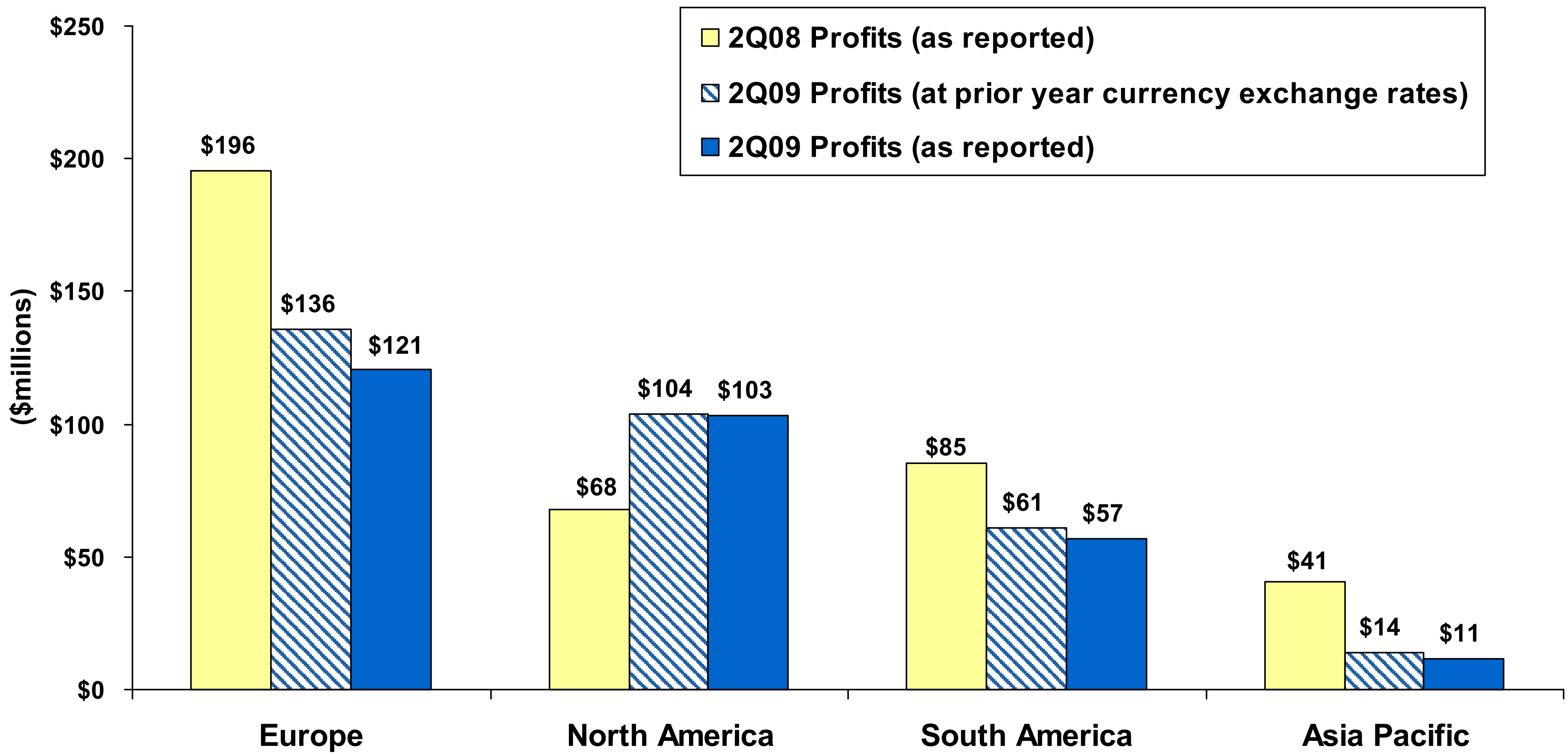
Adjusted net earnings per share [1]



[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: Segment Operating Profit

Global recession continues to impact regional profits



Financial Review: Sales, Profit and EPS Reconciliations

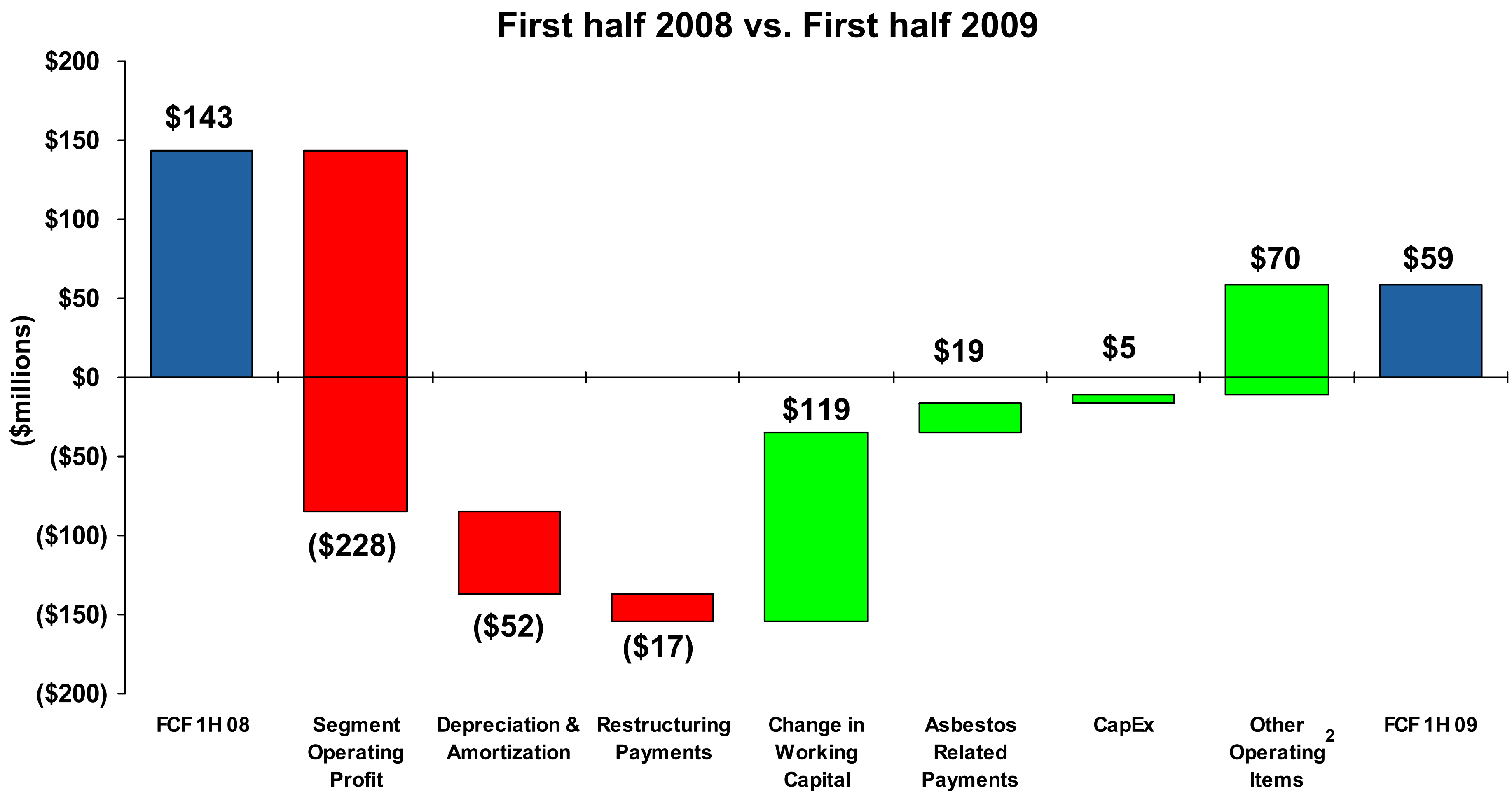
Higher prices and footprint savings dampen impact of lower volumes

	Segment Sales ($ Millions)	Segment Operating Profit ($ Millions)	Adjusted Net Income (Non-GAAP EPS)
2Q08	$ 2,188	$ 390	$1.35
Sales volume	(271)	(94)	(0.42)
Price and product mix	88	88	0.39
Currency translation	(208)	(23)	(0.10)
Manufacturing and delivery [1]	-	(64)	(0.28)
Operating expenses	-	2	0.01
Other	-	(7)	(0.02)
Interest expense	-	-	0.06
Retained corporate costs	-	-	(0.10)
Noncontrolling interests	-	-	0.03
Effective tax rate	-	-	0.02
Total reconciling items	(391)	(98)	(0.41)
2Q09	$ 1,797	$ 292	$0.94

1 The major components of 2Q09 manufacturing and delivery costs include approximately $95 million related to production volume (primarily temporary production curtailments), $7 million in cost inflation and a $38 million benefit from the strategic footprint alignment initiative.

Financial Review: Free Cash Flow Reconciliation [1]

Lower FCF reflects less profit net of favorable working capital trend

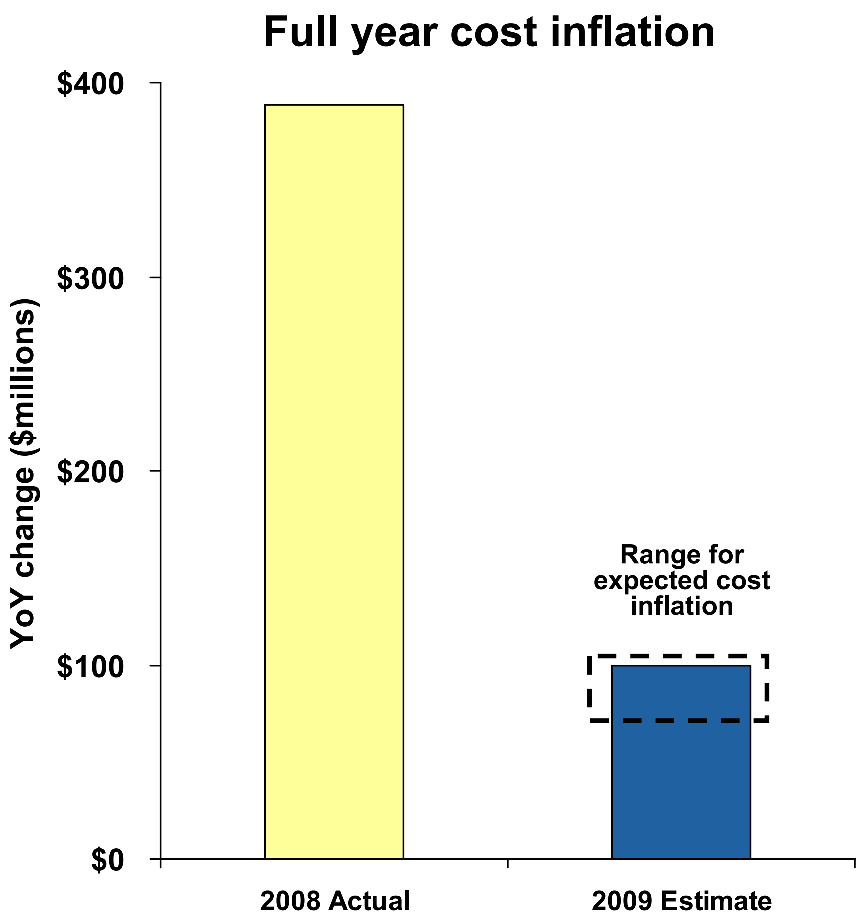


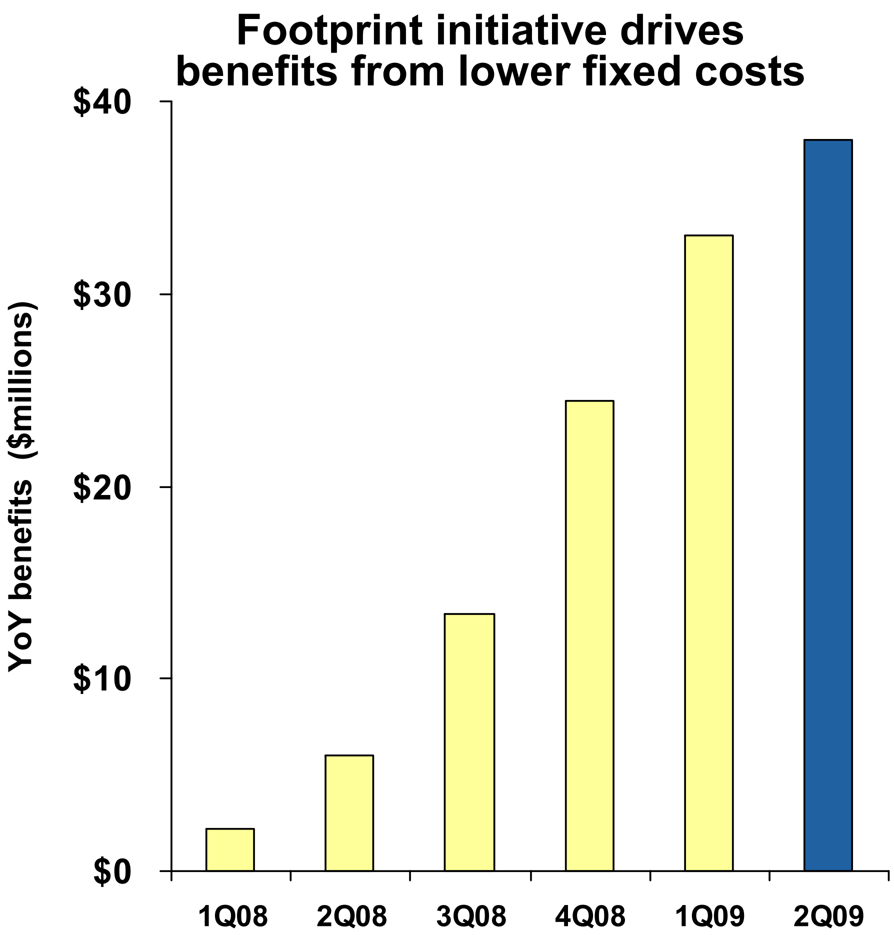
[1] Free Cash Flow equals cash provided by continuing operating activities less capital spending for continuing operations.

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

Financial Review: Costs

Cost profile improving due to moderating inflation and strategic footprint initiative





Financial Review: Balance Sheet and Cash Flow

Improved financial flexibility

Balance sheet at June 30, 2009

- Very successful bond offering in 2Q09
  - $600 million senior notes, 7.375% (8% yield), mature 2016
  - Tendered 89% of 2010 bonds, repaid credit facility borrowings
  - 2.5 leverage ratio per bank credit agreement [1]
- $3.642 billion debt; up from $3.326 billion in 1Q09
- $800 million available under global revolving credit facility

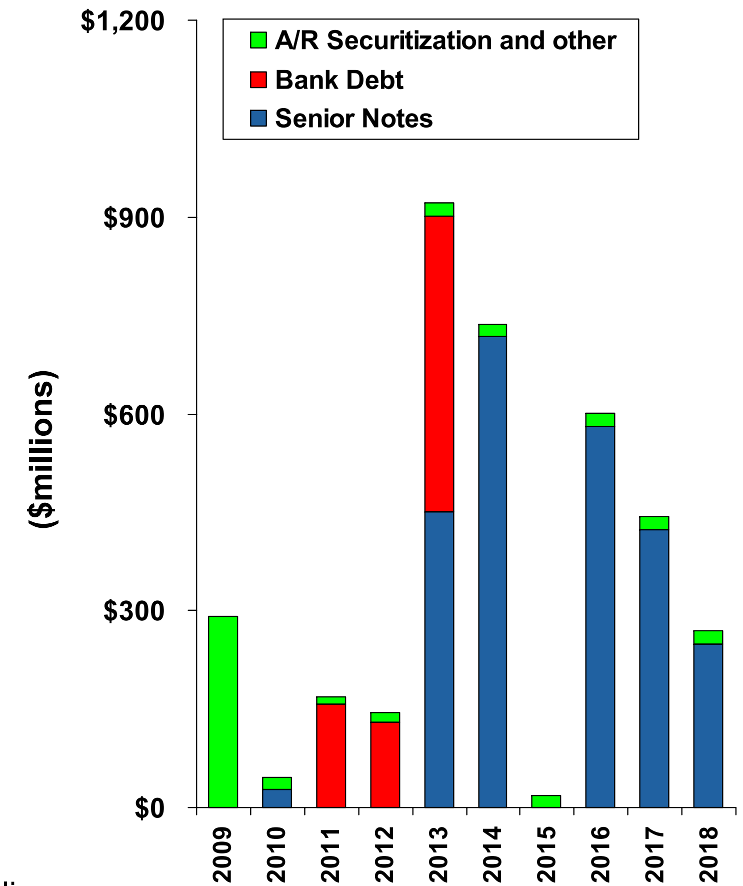
Cash and cash equivalents

- $677 million cash, approximately 25% in Venezuela
- Venezuela currency considerations
  - Monitoring official/parallel currency exchange rate trends
  - Considering remittance of future earnings at parallel rate

Capital and restructuring expenditures

- $77.5 million 2Q09 capital investments, $124.1 million YTD
  - Expect full year 2009 capital investments to approximate $440 million
- $13.0 million 2Q09 restructuring payments, $33.2 million YTD

Debt maturity schedule



[1] Total debt less cash divided by bank credit agreement EBITDA

Business Outlook: 3Q09

Consistent business conditions

3Q09 Outlook

Favorable / Unfavorable Impact on Profits

Factor	Year-over-Year (3Q08 to 3Q09)	Sequential (2Q09 to 3Q09)
Sales Volume	↓	↔
Temporary Production Curtailments	↓	↔
Price/Mix	↑	↔
Input Costs	↔	↑
Footprint Realignment Savings	↑	↔
Net Interest Expense	↔	↓

Reconciliation of GAAP to non-GAAP Items (second quarter)

$ Millions, except per share amounts	Three months ended June 30			
	2009		2008	
	Earnings	EPS	Earnings	EPS
Net earnings attributable to the Company	$ 149.3	$ 0.88	$ 231.3	$ 1.35
Less gain on sale of discontinued operations	-	-	(3.8)	(0.02)
Earnings from continuing operations	149.3	0.88	227.5	1.33
Items that management considers not representative of ongoing operations consistent with Segment Operating Profit				
• Charges for restructuring and asset impairment	5.2	0.03	4.2	0.02
• Charges for note repurchase premiums and write-off of finance fees	5.2	0.03		
Adjusted net earnings	$ 159.7	$ 0.94	$ 231.7	$ 1.35
Diluted shares outstanding (millions)	170.5		170.6	

Reconciliation of GAAP to non-GAAP Items (first half)

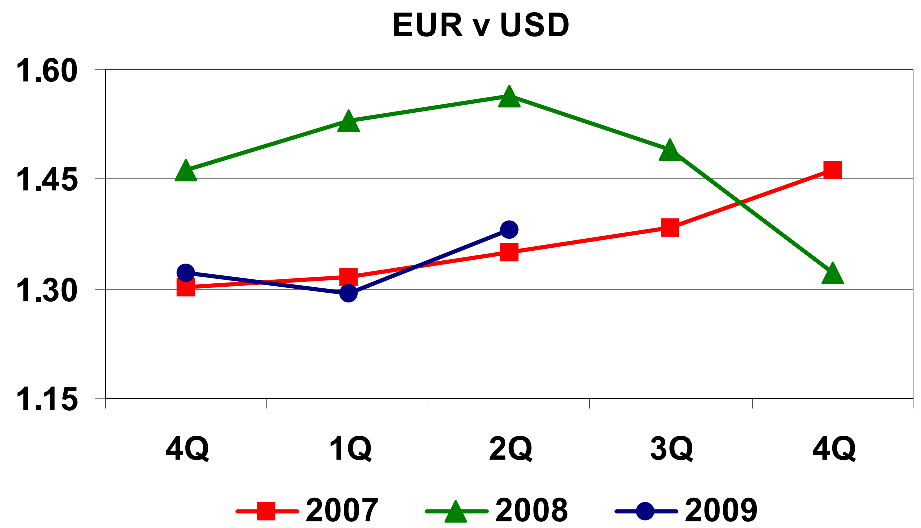
$ Millions, except per share amounts	Six months ended June 30			
	2009		2008	
	Earnings	EPS	Earnings	EPS
Net earnings attributable to the Company	$ 194.4	$ 1.15	$ 409.4	$ 2.40
Less gain on sale of discontinued operations	-	-	(7.9)	(0.05)
Earnings from continuing operations	194.4	1.15	401.5	2.35
Items that management considers not representative of ongoing operations consistent with Segment Operating Profit				
● Charges for restructuring and asset impairment	52.9	0.31	13.9	0.08
● Charges for note repurchase premiums and write-off of finance fees	5.2	0.03		
Adjusted net earnings	$ 252.5	$ 1.49	$ 415.4	$ 2.43
Diluted shares outstanding (millions)	169.5		170.6	

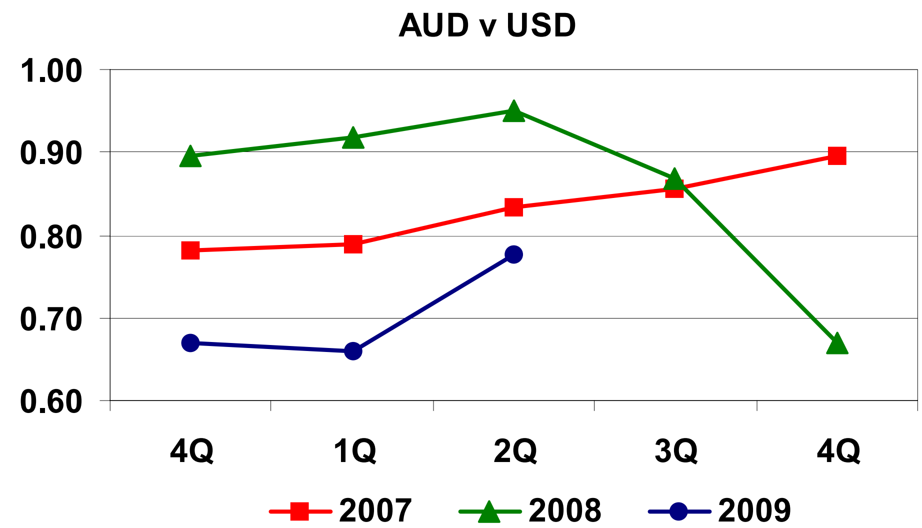
Free Cash Flow Calculation

2Q 09	2Q 08	$ Millions	1H 09	1H 08
$ 149.3	$ 231.3	Net earnings attributable to the company	$ 194.4	$ 409.4
-	(3.8)	Less: gain on sale of discontinued operations	-	(7.9)
149.3	227.5	Earnings from continuing operations	194.4	401.5
		Non-cash charges:		
100.4	124.4	Depreciation and amortization	195.5	247.5
5.2	8.2	Restructuring and asset impairment	55.6	21.1
24.3	33.0	All other non-cash charges	67.6	52.1
		Payments and other reconciling items:		
(49.4)	(63.4)	Asbestos-related payments	(84.2)	(103.6)
(13.0)	(12.5)	Restructuring payments	(33.2)	(16.6)
17.8	(60.0)	Change in components of working capital	(155.9)	(275.1)
(22.9)	(35.9)	Change in non-current assets and liabilities	(56.6)	(54.7)
211.7	221.3	Cash provided by cont. operating activities	183.2	272.2
(77.5)	(83.6)	Additions to PP&E	(124.1)	(129.0)
$ 134.2	$ 137.7	Free Cash Flow [1]	$ 59.1	$ 143.2

[1] Free Cash flow equals cash provided by continuing operating activities less capital spending for continuing operations.

Foreign Currency Exchange Rate Trends[1]





FX Translation Impact on Sales, Segment Operating Profit and EPS

(Compared to prior year)

	2008					2009	
$ Millions except EPS	**1Q**	**2Q**	**3Q**	**4Q**	**Year**	**1Q**	**2Q**
Sales	$ 187	$ 202	$ 82	$ (195)	$ 276	$ (246)	$ (208)
Segment Operating Profit	35	32	13	(24)	56	(29)	(23)
Non-GAAP Segment EPS	0.14	0.14	0.06	(0.13)	0.25	(0.13)	(0.10)

[1]Average exchange rate for the quarter