



Goldman Sachs Basic Materials Conference

May 23, 2012

www.o-i.com

Owens-Illinois, Inc.





Management introduction

Ed White

Senior Vice President and CFO

Jason Bissell

Director, Investor Relations

Regulation G

The information included in this presentation regarding adjusted net earnings relates to net earnings attributable to the Company exclusive of items management considers not representative of ongoing operations and 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. Further, the information in this presentation regarding free cash flow and underlying free cash flow does not conform to GAAP. Management defines free cash flow as cash provided by continuing operating activities less capital spending from continuing operations (both as determined in accordance with GAAP) and has included this non-GAAP information to assist in understanding the comparability of cash flows. Management defines underlying free cash flow as cash provided by continuing operating activities less capital spending from continuing operations (both as determined in accordance with GAAP), plus the addback of capital spending in China for replacement capacity lost due to the closure and potential sale of certain Chinese facilities. Management expects that the proceeds from the sale of these certain facilities should offset most or all of the replacement capacity capital spending in China and has included this non-GAAP information to assist in understanding the comparability of cash flows. Management uses this non-GAAP information principally for internal reporting, forecasting and budgeting. Management believes that 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. The words "believe," "expect," "anticipate," "will," "could," "would," "should," "may," "plan," "estimate," "intend," "predict," "potential," "continue," and the negatives of these words and other similar expressions generally identify forward looking statements. 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, specifically the Euro, Brazilian real and Australian 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 uncertainties related to the economic conditions in Europe and Australia, the expropriation of the Company's operations in Venezuela, disruptions in capital markets, disruptions in the supply chain, competitive pricing pressures, inflation or deflation, and changes in tax rates and laws, (4) consumer preferences for alternative forms of packaging, (5) fluctuations in raw material and labor costs, (6) availability of raw materials, (7) costs and availability of energy, including natural gas prices, (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 acquire businesses and expand plants, 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, (14) the Company's ability to further develop its sales, marketing and product development capabilities, (15) the Company's ability to resolve its production and supply chain issues in North America, (16) the Company's success in implementing necessary restructuring plans, and the impact of such restructuring plans on the carrying value of recorded goodwill, (17) the Company's ability to successfully navigate the structural changes in Australia, (18) the proceeds from the land sales in China do not occur in the time schedule or amount that the Company expects, and (19) the timing and occurrence of events which are beyond the control of the Company, including any expropriation of the Company's operations, floods and other natural disasters, and events related to asbestos-related claims. It is not possible to foresee or identify all such factors. Any forward looking statements in this document 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 assume any obligation to update or supplement any particular forward looking statements contained in this presentation.

Presentation Note

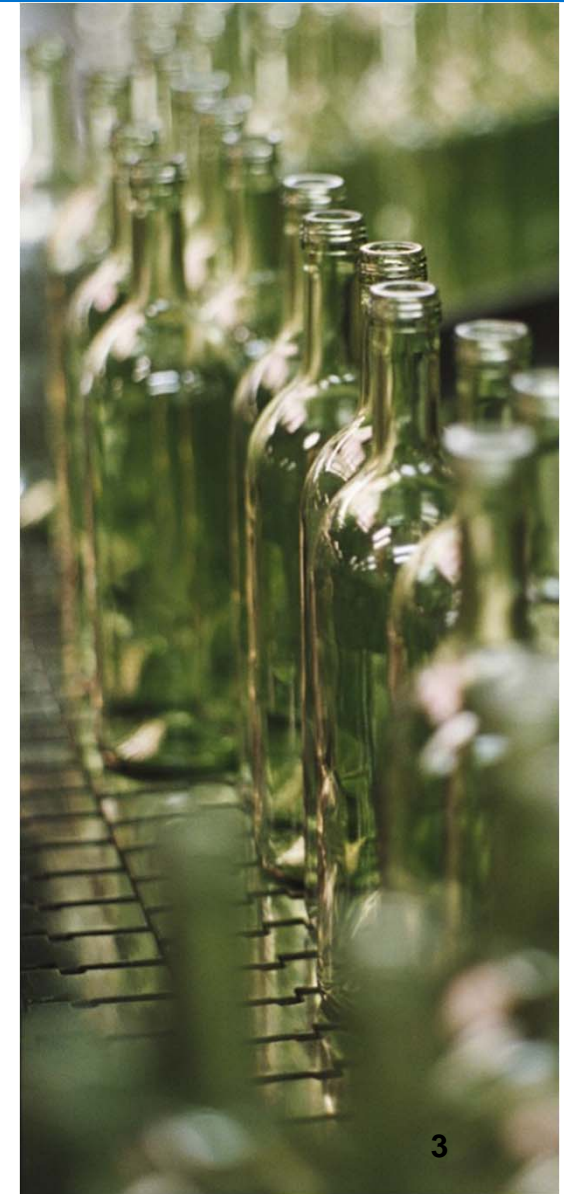
Unless otherwise noted, the information presented in this presentation reflects continuing operations only.

Owens-Illinois, Inc. (NYSE: OI)

The global leader in glass containers



- \$7.4 billion Net Sales in 2011
- Broad geographic footprint
 - 81 glass plants
 - 159 furnaces
 - 444 glass forming machines
- Global enterprise
 - Operating in 21 Countries
 - Based in U.S. but ~ 75% of sales international
- Competitive advantages
 - Scale of operations, low cost producer
 - Manufacturing and design expertise
 - Financial flexibility





Global leader in glass packaging

Market position to serve the diverse global glass customer base

- Largest glass container producer in the world
- Leading position in all regions
- Leading position in 16 of the 21 countries of operations
- Sole manufacturer in 7 of these countries

O-I North America

- Regional position #1
- \$1.9B net sales
- \$222M segment profit
- 19 plants

O-I Europe

- Regional position #1
- \$3.1B net sales
- \$345M segment profit
- 37 plants

O-I South America

- Regional position #1
- \$1.2B net sales
- \$250M segment profit
- 13 plants

O-I Asia Pacific

- Regional position #1
- \$1.1B net sales
- \$83M segment profit
- 12 plants

Note: Above information for year ending December 31, 2011.

Strategic Priorities



OPTIMIZE SHAREHOLDER RETURN

STRATEGIC & PROFITABLE GROWTH



- Growth through acquisitions and joint ventures in targeted markets
- Build plants in rapidly growing markets

MARKETING GLASS



- Drive growth with total packaging solutions and conversions to glass
- Partner with new and existing customers
- Promote glass benefits to customers, retailers and others

INNOVATION & TECHNOLOGY



- Research and development focused on melting, forming and glass properties
- New products, new features or new processes

OPERATIONAL EXCELLENCE

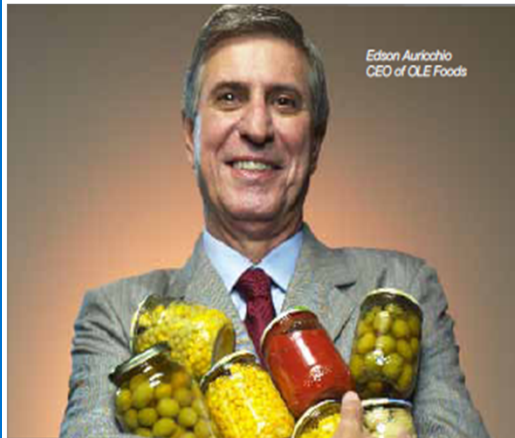


- Safety first
- Quality leadership
- Productivity, supply chain and process excellence
- Employee development

**COMMITMENT
TO SUSTAINABILITY**

Strategic Priority – Marketing Glass

Glass is Life™ showcases the unique and unmatched qualities of glass packaging



Edson Auliochio
CEO of OLE Foods



Linus



Chef Geir Skole
Bocuse d'Or
World Champion

GLASS IS LIFE



Nic Lecloux
Co-Founder
of True Fruits



Stefano Agostini,
Chairman and CEO
of San Pellegrino



John Moligan,
CEO of Bundaberg
Brewed Drinks

Strategic Priority – Innovation & Technology



VersaFlow Jar

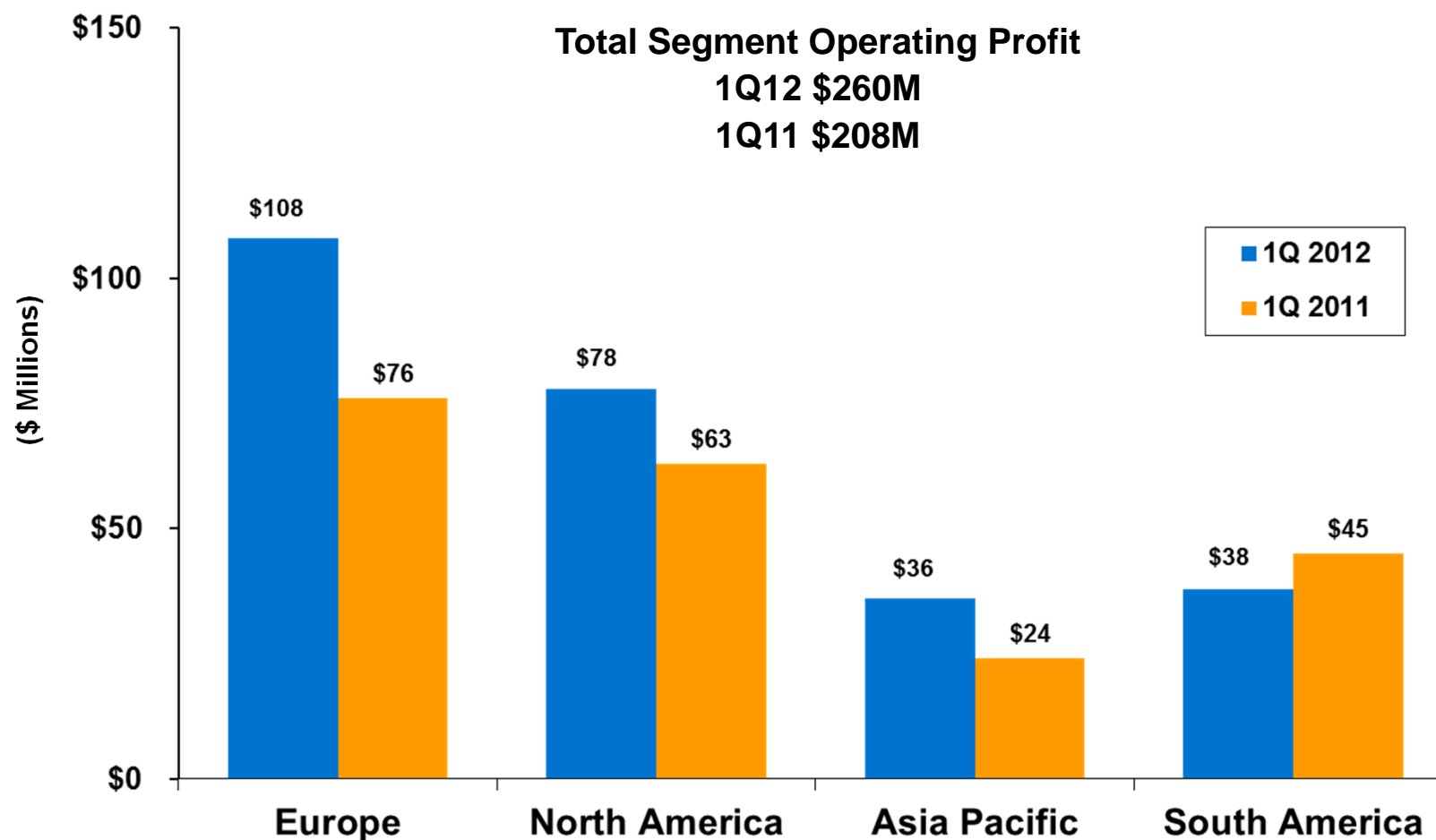


Improved 1Q12 Results in Most Regions

Market Update



First Quarter Segment Operating Profit









Improved YoY Earnings Expected in 2Q12

Market Update

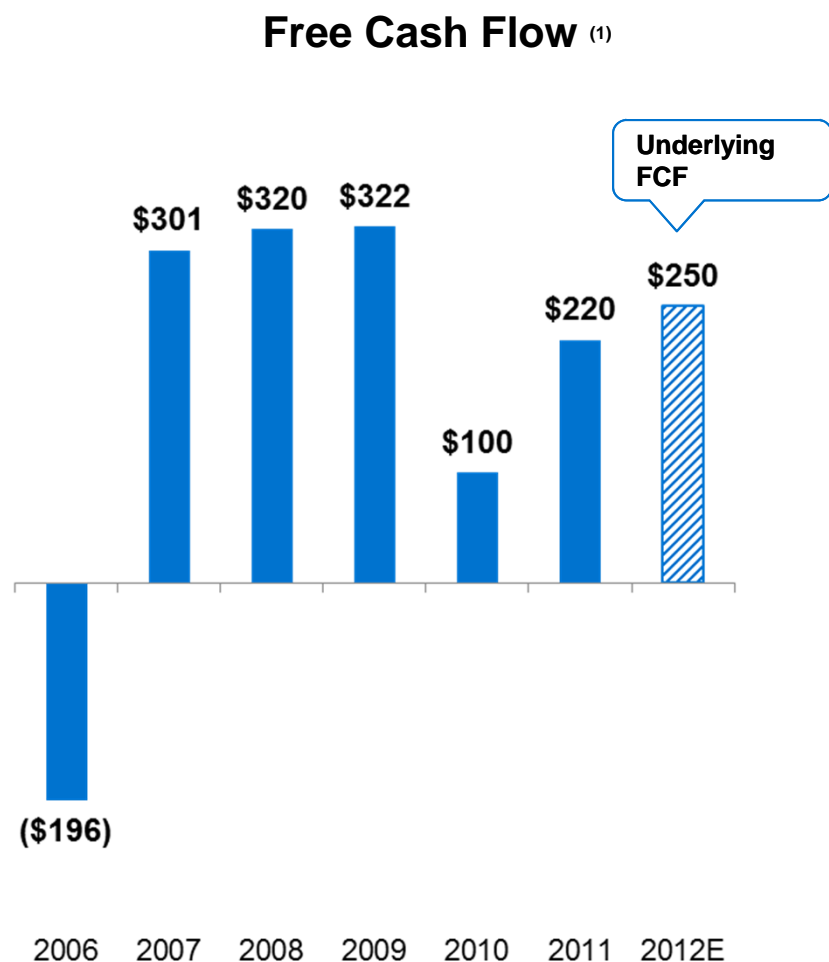


Favorable / Unfavorable
Impact on Earnings

	2Q12 vs 2Q11	Comments
Operating Profit		
Europe		<ul style="list-style-type: none"> • Sales volume down mid single-digits • Selective production downtime implemented • Euro currency translation headwind
North America		<ul style="list-style-type: none"> • Sales volume up low single-digits • Non-recurrence of PY supply chain issues
Asia Pacific		<ul style="list-style-type: none"> • Sales volume down single-digits • Prior capacity curtailments lower costs
South America		<ul style="list-style-type: none"> • Sales volume up low single-digits • Positioned for stronger 2H12
Non-Operational		
Corporate and Other Costs		<ul style="list-style-type: none"> • Corporate costs and ETR both expected to be below 1Q12 levels
Net Income		
Adjusted Earnings		<ul style="list-style-type: none"> • Expected 2Q12 adjusted earnings to exceed 2Q11

Generating Higher Free Cash Flow

Capital Allocation Priorities



Capital Allocation Priorities

- Reduce leverage ratio
- Europe capacity adjustments
- Australia restructuring
- China furnace replacement
- Brazil furnace expansion

⁽¹⁾ Management defines free cash flow as cash provided by continuing operating activities less capital spending from continuing operations. Starting in 2012, management introduced an expanded metric known as underlying free cash flow, which is defined as cash provided by continuing operating activities less capital spending from continuing operations, plus the addback of capital spending in China for replacement capacity lost due to the closure and potential sale of certain Chinese facilities. Management expects that the proceeds from the sale of these certain facilities should offset most or all of the replacement capacity capital spending in China.



GLASS IS LIFE

CEOS KNOW GLASS HAS NOTHING TO HIDE. "Water makes life possible," says Juan Gabriel Gonzalez, CEO of Agua del Nacimiento. He believes that glass packaging helps consumers connect to his brand. "Our water is pure and natural, and so is glass," says Gonzalez. "You can see how pure the water is. Glass helps tell our story."

GlassIsLife.com

 makers of pure, healthy, mouth-watering glass packaging



Appendix

Free Cash Flow



\$ Millions

Years ended December 31

Cash provided by continuing operating activities
Additions to property, plant and equipment - continuing
Free cash flow

2011	2010	2009	2008	2007	2006
\$ 505	\$ 600	\$ 729	\$ 660	\$ 574	\$ 65
(285)	(500)	(407)	(340)	(273)	(261)
<u>\$ 220</u>	<u>\$ 100</u>	<u>\$ 322</u>	<u>\$ 320</u>	<u>\$ 301</u>	<u>\$ (196)</u>