Bank of America Merrill Lynch
2014 U.S. Basic Materials Conference

Owens-Illinois, Inc.
December 11, 2014

O-I: GLASS IS LIFE™

Safe Harbor Comments

Regulation G

The information presented here regarding adjusted net earnings relates to net earnings from continuing operations 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. Further, the information presented here regarding free cash flow does not conform to GAAP. Management defines free cash flow as cash provided by continuing operating activities less capital spending (both as determined in accordance with GAAP) and has included this non-GAAP information to assist in understanding the comparability of cash flows. Management uses non-GAAP information principally for internal reporting, forecasting, budgeting and calculating compensation payments. 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 document 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 and the ability of the Company to refinance debt at favorable terms, (3) the general political, economic and competitive conditions in markets and countries where the Company has operations, including uncertainties related to economic and social conditions, 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) cost and availability of raw materials, labor, energy and transportation, (6) the Company's ability to manage its cost structure, including its success in implementing restructuring plans and achieving cost savings, (7) consolidation among competitors and customers, (8) the ability of the Company to acquire businesses and expand plants, integrate operations of acquired businesses and achieve expected synergies, (9) unanticipated expenditures with respect to environmental, safety and health laws, (10) the Company's ability to further develop its sales, marketing and product development capabilities, and (11) 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, events related to asbestos-related claims, and the other risk factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 and any subsequently filed Annual Report on Form 10-K or Quarterly Report on Form 10-Q. 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 document.

Presentation Note

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

O-I: The only truly global glass container franchise

Leading positions and largest installed capacity

Mature markets

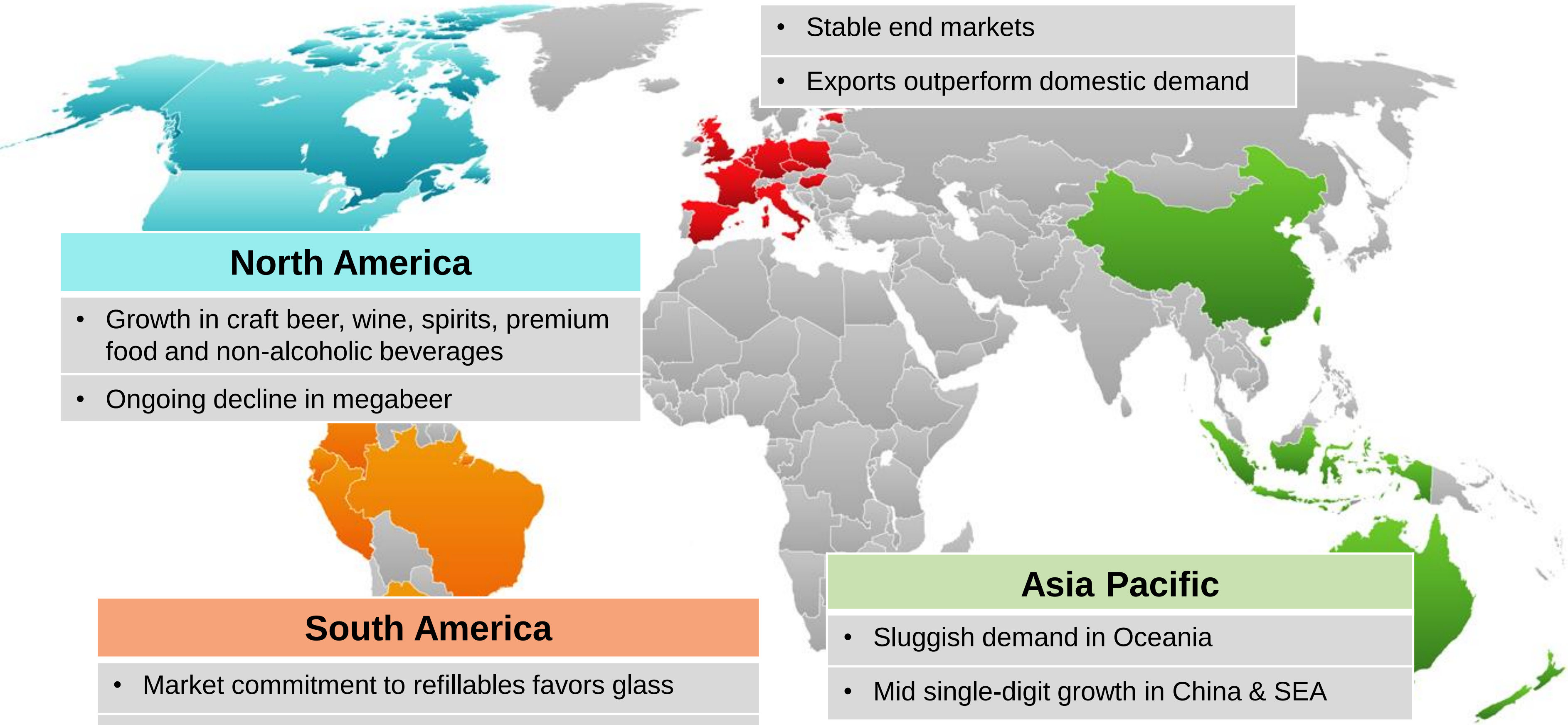
- #1 position in Europe
- #1 position in North America
- #1 position in Oceania

Emerging markets

- #1 position in South America
- Leading position within SE Asia
- Foothold in China

Strong, brand-building partnerships with blue chip companies

Consistent end-market demand trends



Europe

- Stable end markets
- Exports outperform domestic demand

North America

- Growth in craft beer, wine, spirits, premium food and non-alcoholic beverages
- Ongoing decline in megabeer

South America

- Market commitment to refillables favors glass
- Low single-digit growth in medium term, after strong demand in last four quarters

Asia Pacific

- Sluggish demand in Oceania
- Mid single-digit growth in China & SEA

Source: Euromonitor and Company estimates

Creating shareholder value

O-I's global presence
O-I's unparalleled expertise
Over 100 years of experience

Key value drivers
- Structural cost reductions
- Asset efficiency
- Brand-building product innovation
- Long-term investments in R&D and technology

Consistent financial performance
- Adjusted earnings
- Free cash flow
- Leverage ratio
- Return on invested capital

Balanced capital allocation
- Prudent business investment
- Increased share buybacks
- Deleveraging

Stable end markets
Steady glass demand
Consumer preference for glass

4Q 2014 business outlook

Operational	4Q14 vs. 4Q13	
Europe		▪ Sales volume flat ▪ Continuing benefits from asset optimization ▪ FX headwind
North America		▪ Sales volume down mid-single digits ▪ Production curtailments to manage inventory
South America		▪ Sales volume flat, with uncertainty in Brazil ▪ Improved productivity offset to FX headwind
Asia Pacific		▪ Double-digit volume decline: China and Australia ▪ FX headwind
Non-Operational	**4Q14 vs. 4Q13**	
Corporate and Other Costs		▪ Corporate improvement (pension and incentive comp.) ▪ Offset by ~27% tax rate in 4Q (FY14 still ~23%)
Net Income	**4Q14 vs. 4Q13**	
Adjusted Earnings		▪ \$0.45-\$0.55, impacted by ~\$0.05 FX headwind
	Full year 2014	
Free Cash Flow		▪ ~\$320M; FX headwind of ~\$30M vs prior guidance

Note: No changes since 3Q14 earnings presentation

2015 business outlook

Underlying operations expected to strengthen in largely stable macros

2015 YoY segment operating profit on an FX neutral basis*		
Europe	▲	▪ Stable volume ▪ Continued savings from asset optimization program
North America	▲	▪ Stable volume, with more exposure to beer imports ▪ Productivity and supply chain improvements
South America	▼	▪ Volume plateaus against strong comparables ▪ Inflation headwinds, particularly in energy
Asia Pacific	▼	▪ Low single digit volume contraction, pronounced in 1H ▪ Improving operating leverage in 2H

Segment Operating Profit	▲	

* Assumes average 2014 currency rates.

Currency headwinds intensify

At current rates, the strength of USD…

- Generates a ~$50M headwind to segment operating profit on YoY basis

Dec 2014 FX rates compared with Jan-Nov 2014 rates	
South America	-14%
Europe	-8%
Asia Pacific	-8%
O-I Total	**-11%**

Note the following time periods:

- Current FX rates as of December 8, 2014
- 2014 rates are average January – November 2014

2015 non-operational outlook

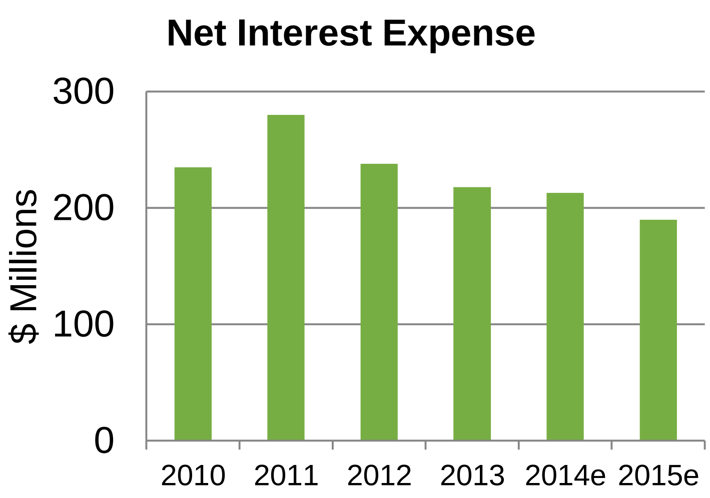
Higher year-on-year corporate expense

- Higher pension expense
  - Subject to year-end discount rates and impact of adopting new mortality tables
  - Partially offset by actions to mitigate pension liability
- Long-term investments in R&D expected to continue
- Increase partially offset by cost reduction efforts

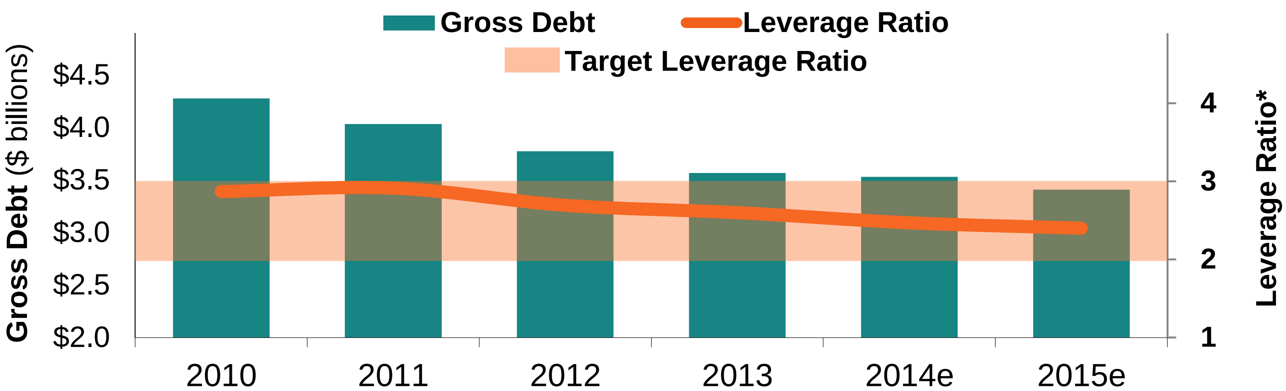
Interest expense projected to decline by $10-15M in 2015

- Refinancing in 4Q14 and 1H15
- Ongoing deleveraging

Tax rate expected to remain in the range of 23-25%

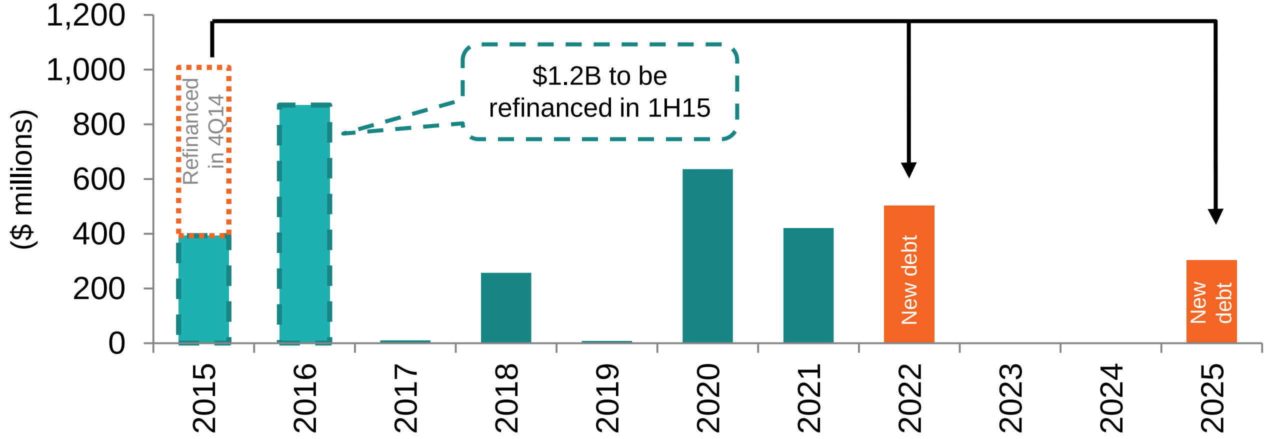


Enhancing financial flexibility: Debt



* Leverage Ratio defined as gross debt less cash divided by EBITDA.

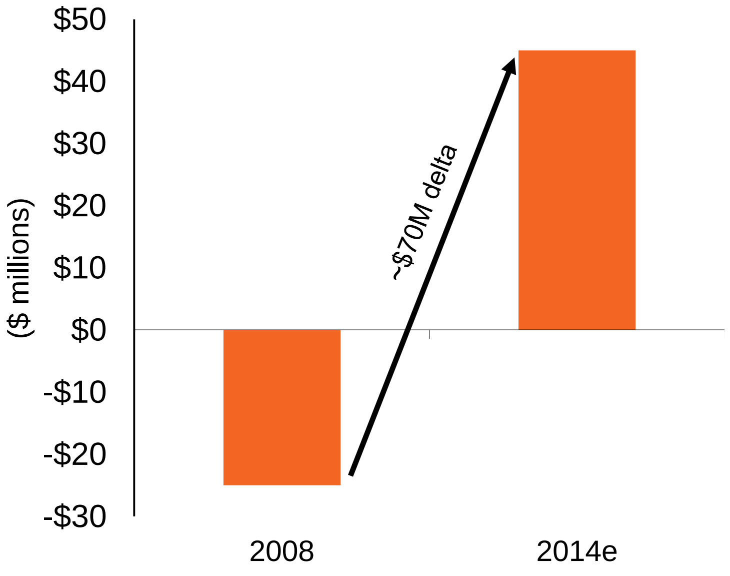
Long Term Debt Maturity Profile
Forecast as of Year-End 2014



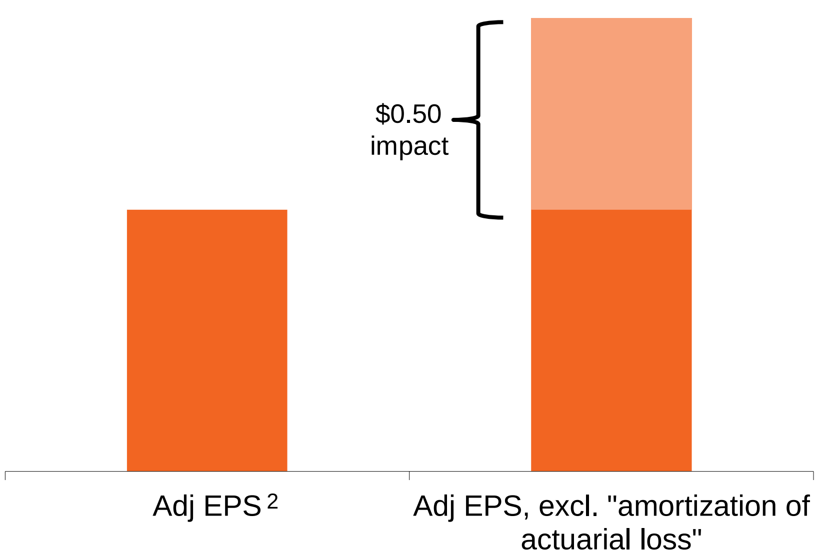
Pension expense headwind since 2008

- Current pension headwinds sharply contrast with pre-recession era
- Sustained non cash pension expense[1] substantially lowers reported Company financial performance

Pre-tax pension expense



2014 Adjusted EPS [2]



[1] Related to the "amortization of actuarial loss" component of pension expense.

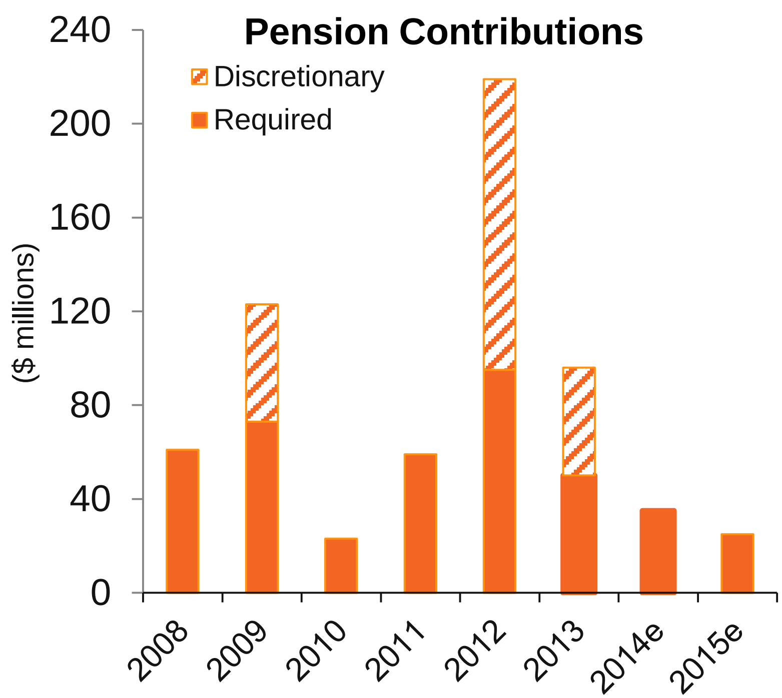
[2] Adjusted earnings refers to earnings from continuing operations attributable to the Company, excluding items management does not consider representative of ongoing operations.

Enhancing financial flexibility: Pension

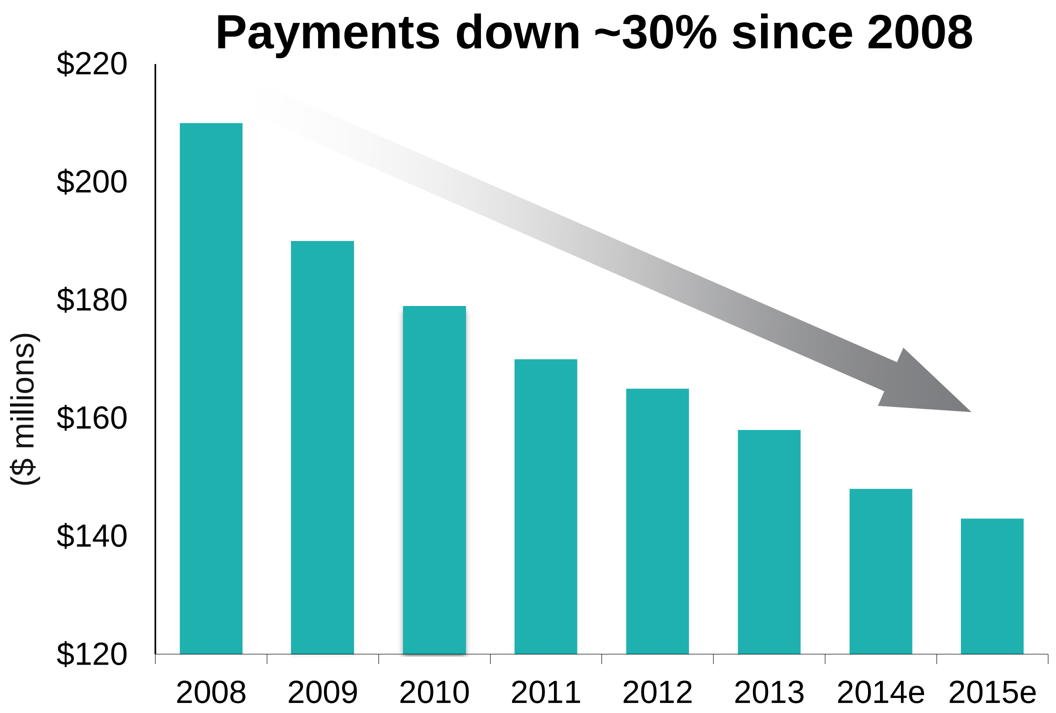
Manage pension liabilities
- ✓ Reduce benefits and close plans to new hires
- ✓ Convert to defined contribution plans
- ✓ Buy out term vested participants
- ✓ Annuitize

Manage pension assets
- ✓ Make discretionary cash contributions

- Pension liability reduced by ~$750M from actions since 2012
- Required contributions down to ~$25M in 2015

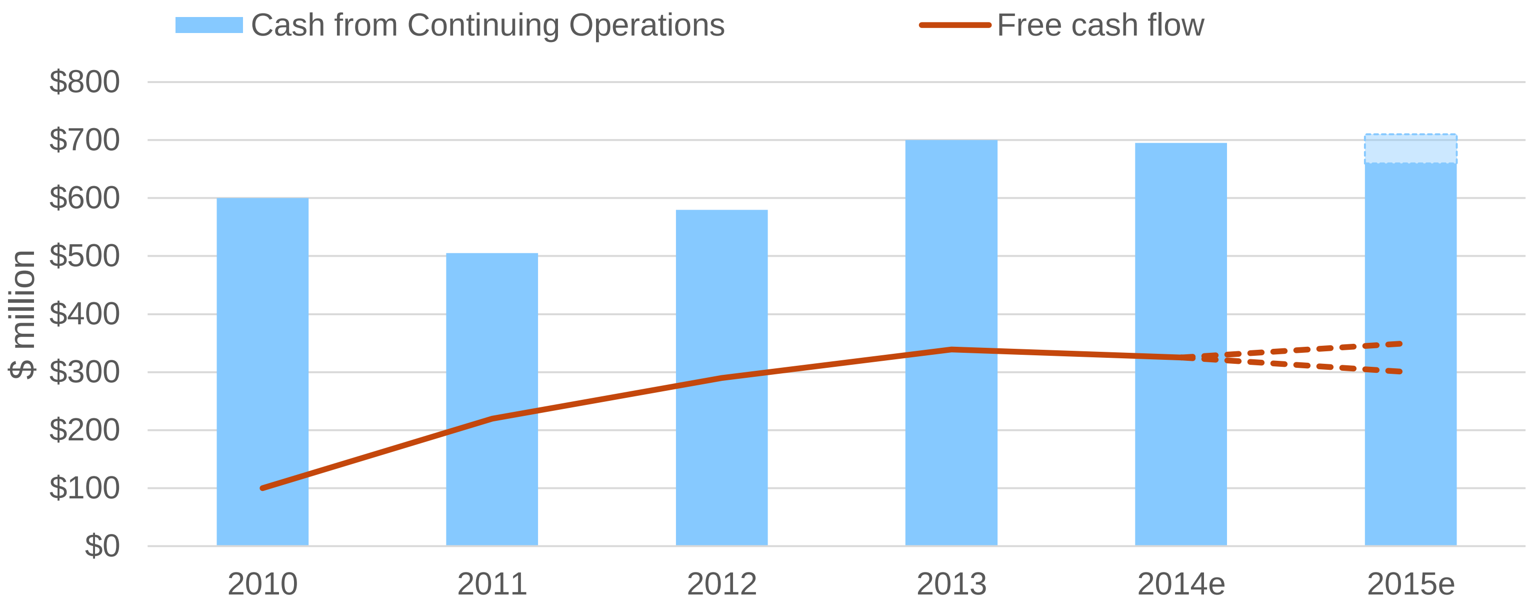


Favorable trends in asbestos payments



- Outstanding cases down ~80% since 2008
- Average age of claimant is >80 years old

Strong and stable cash flow generation



Key assumptions for 2015

- Segment operating profit comparable with 2014 in USD terms
- No contribution from working capital
- Lower outlay for asbestos, $5 - $10 million decrease
- Capex + restructuring continue to approximate D&A
- Steady FX rates at current levels

Balanced approach to use of cash

Capital Investment

Maintenance

- Continue strong operating profit generation
- Enhance productivity and flexibility

Strategic

- Exceed cost of capital
  - Greenfield/brownfield (e.g., Brazil furnace in early 2013)
  - Non-organic growth (e.g., JV with CBI in Mexico)
- Invest in technology and innovation

Capital Allocation

Liabilities

- Improve financial flexibility
- Lower interest expense
- Manage pension and asbestos liabilities

Shareholders

- Increase share buybacks
  - $500M share repurchase program through 2017
  - ~$125-$150M in 2015, predominantly in first half

Q&A

Appendix

Reconciliation to Free Cash Flow

$ Millions	Year ended December 31			
	2013	2012	2011	2010
Cash provided by continuing operating activities	$ 700	$ 580	$ 505	$ 600
Additions to property, plant and equipment - continuing	(361)	(290)	(285)	(500)
Free cash flow	$ 339	$ 290	$ 220	$ 100

Leverage Ratio

Reconciliations of Adjusted EBITDA and Net Debt

$ Millions	Year ended December 31			
	2013	2012	2011	2010
Earnings (loss) from continuing operations	$ 215	$ 220	$ (491)	$ 297
Interest expense	239	248	314	249
Provision for income taxes	120	108	85	129
Depreciation	350	378	405	369
Amortization of intangibles	47	34	17	22
EBITDA	971	988	330	1,066
Adjustments to EBITDA:				
Asia Pacific goodwill adjustment			641	
Charges for asbestos-related costs	145	155	165	79
Restructuring and asset impairment	119	168	112	13
Gain on China land compensation		(61)		
Pro forma EBITDA for acquisitions				46
Other				32
Adjusted EBITDA	$ 1,235	$ 1,250	$ 1,248	$ 1,236
Total debt	3,567	3,773	4,033	4,278
Less cash	383	431	400	640
Net debt	3,184	3,342	3,633	3,638
Net debt divided by adjusted EBITDA	2.6	2.7	2.9	2.9