

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **October 28, 2009**

OWENS-ILLINOIS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

1-9576

(Commission
File Number)

22-2781933

(I.R.S. Employer
Identification Number)

One Michael Owens Way

Perrysburg, Ohio

(Address of principal executive offices)

43551-2999

(Zip Code)

(567) 336-5000

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On October 28, 2009, Owens-Illinois, Inc. issued a press release announcing its results of operations for the quarter ended September 30, 2009. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. Additional financial information, posted to the Company's web site, is attached hereto as Exhibit 99.2.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated October 28, 2009
99.2	Additional financial information — quarter ended September 30, 2009

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OWENS-ILLINOIS, INC.

Date: October 28, 2009

By: /s/ Edward C. White

Name: Edward C. White

Title: Senior Vice President and Chief Financial Officer

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EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated October 28, 2009
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FOR IMMEDIATE RELEASE

O-I REPORTS THIRD-QUARTER 2009 RESULTS

PERRYSBURG, Ohio (October 28, 2009) — Owens-Illinois, Inc. (NYSE: OI), today reported financial results for the third quarter ended September 30, 2009.

Third-quarter highlights:

- Reported net earnings were \$0.74 per share (diluted)
- Adjusted net earnings (non-GAAP) were \$0.95 per share, the first year-over-year improvement in quarterly earnings since the recession began to impact O-I's business in third quarter 2008
- O-I's global glass shipments were down 7 percent, but down 5 percent excluding South America where volumes continued to lag the other regions primarily due to the impact of the refillable bottle market
- Benefits from the strategic footprint initiative, productivity programs and cost deflation more than offset unabsorbed fixed costs from continued temporary production curtailments to reduce inventories
- Generated strong free cash flow to fund ongoing investment in organic growth initiatives

Third-quarter net sales were \$1.9 billion in 2009, down from \$2.0 billion in the prior year. Improved price and mix were more than offset by lower shipments and unfavorable foreign currency translation effects.

Earnings from continuing operations in the third quarter of 2009 were \$126.7 million, or \$0.74 per share (diluted), compared with \$78.6 million, or \$0.46 per share (diluted), in the prior year. Exclusive of the items not representative of ongoing operations, third-quarter 2009 adjusted net earnings were \$162.7 million, or \$0.95 per share (diluted), up from adjusted net earnings of \$153.7 million, or \$0.90 per share (diluted), in the prior year third quarter. A description of 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 Note 1 provided below and in charts on the Company's Web site, www.o-i.com.

Commenting on the Company's third-quarter performance, Chairman and Chief Executive Officer Al Stroucken said, "I am pleased with our third-quarter results amid challenging economic conditions, underscoring our ability to adapt to a rapidly changing marketplace. We posted improved year-over-year earnings for the first time since the recession began to impact our business in the third quarter of last year. Furthermore, we generated significant free cash flow, which improved our already strong financial position. Glass shipments in most regions were down modestly from the prior year and now more closely reflect consumer consumption patterns."

Operational highlights: Performing well in a challenging market

O-I reported third-quarter 2009 segment operating profit of \$316.6 million, up from \$287.6 million in the prior year and \$291.9 million in the second quarter. Glass container shipments, in tonnes, declined 7 percent from third quarter 2008. Excluding South America, shipments were down 5 percent. Lower volumes in that region largely reflect the temporary trend of extending the useful life of refillable bottles, which happens in times of economic contraction. However, shipment trends in South America improved during the quarter. Total Company shipments were essentially flat on a sequential basis, as gradually improving market demand offset the typical seasonal shipment decline between the second and third quarters. Unabsorbed fixed costs, primarily due to temporary production curtailments, were \$61 million

higher than the third quarter of last year. The Company's proactive asset management efforts reduced inventory at the end of the third quarter, as measured in tonnes, by more than 9 percent on a year-over-year basis. Net sales benefited by more than 4 percent from the prior year due to improved price and mix. Higher operating profits reflected this price improvement, reduced warehouse, delivery and production costs, and net deflation driven by lower energy costs.

The Company continued to implement its strategic footprint alignment initiative, focused on optimizing global assets. O-I has permanently ceased production or closed a total of 18 furnaces since the program's inception in 2007, including three furnaces during the third quarter. As a result of these efforts, the Company reduced fixed costs by \$34 million in the third quarter and \$104 million year-to-date, compared to the prior year periods. Further, O-I is extending the strategic footprint initiative to its South American region to serve customers in a more cost-effective manner. During the third quarter, O-I recorded a restructuring charge of \$57.5 million (\$36.0 million after tax amount attributable to O-I), principally for these actions in South America.

Financial highlights: Significant free cash flow generation supports strong financial position

Total debt was \$3.722 billion at September 30, 2009, up slightly from debt of \$3.642 billion at June 30, 2009, primarily due to foreign currency translation. The Company generated \$326.6 million of free cash flow during the third quarter. As a result, cash and cash equivalents increased \$339.9 million during the quarter. Foreign currency exchange losses, related to the transfer of cash to avoid increased exposure to the Venezuelan bolivar, reduced O-I's net earnings by \$10 million. In addition to substantial cash-on-hand at the end of the third quarter, O-I had approximately \$760 million available under its global revolving credit facility, which does not mature until June 2012.

Asbestos-related cash payments during the third quarter of 2009 were \$38.2 million, up slightly from \$36.7 million during the third quarter of 2008. The deferred amount payable for previously settled claims was approximately \$33.2 million at the end of the third quarter, up slightly from the second quarter. New lawsuits and claims filed during the first nine months of 2009 were approximately 23 percent lower than the same period last year. The number of pending asbestos-related lawsuits and claims was approximately 7,000 as of September 30, 2009, compared with approximately 11,000 at year end 2008.

Business outlook

Commenting on the Company's outlook for the fourth quarter 2009, Stroucken said, "Typical seasonal volume trends and temporary production curtailments to reduce inventories will likely lead to lower earnings compared with the third quarter. Although we expect modestly lower shipments, our segment operating profit should exceed the prior year fourth quarter. However, on a year-over-year basis, net earnings will be negatively impacted by several non-operating items, such as higher corporate costs, taxes and net interest expense. Overall, we remain well-positioned for growth and expect our profitability to increase as market conditions recover."

Note 1:

The table below represents items that management considers not representative of ongoing operations.

\$ Millions, except per-share amounts	Three months ended September 30			
	2009		2008	
	Earnings	EPS	Earnings	EPS
Earnings Attributable to the Company	\$ 126.7	\$ 0.74	\$ 78.6	\$ 0.46
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>				
Charges for restructuring and asset impairment	36.0	0.21	79.7	0.47
Net benefit related to tax legislation and restructuring in Europe			(4.6)	(0.03)
Adjusted Net Earnings	<u>\$ 162.7</u>	<u>\$ 0.95</u>	<u>\$ 153.7</u>	<u>\$ 0.90</u>

\$ Millions, except per-share amounts	Nine months ended September 30			
	2009		2008	
	Earnings	EPS	Earnings	EPS
Earnings from Continuing Operations Attributable to the Company	\$ 321.1	\$ 1.89	\$ 480.1	\$ 2.81
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>				
Charges for restructuring and asset impairment	88.9	0.52	93.6	0.56
Charges for note repurchase premiums and write-off of finance fees	5.2	0.03		
Net benefit related to tax legislation and restructuring in Europe			(4.6)	(0.03)
Adjusted Net Earnings	<u>\$ 415.2</u>	<u>\$ 2.44</u>	<u>\$ 569.1</u>	<u>\$ 3.34</u>

Company Profile

Millions of times a day, O-I glass containers deliver many of the world's best-known consumer products to people all around the world. With the leading position in Europe, North America, Asia Pacific and South America, O-I manufactures consumer-preferred, 100 percent recyclable glass containers that enable superior taste, purity, visual appeal and value benefits for our customers' products. Established in 1903, the company employs more than 23,000 people with 79 manufacturing facilities in 21 countries. In 2008, net sales were \$7.9 billion. For more information, visit www.o-i.com.

Regulation G

The information presented above 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.

The company routinely posts all important information on its Web site — www.o-i.com.

Forward Looking Statements

This news release 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 news release 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 this news release.

Conference Call Scheduled for October 29, 2009

O-I CEO Al Stroucken and CFO Ed White will conduct a conference call to discuss the Company's latest results on Thursday, October 29, 2009, at 8:30 a.m., Eastern Time. A live webcast of the conference call, including presentation materials, will be available on the O-I Web site, www.o-i.com, in the Investor Relations section under "Events and Presentations."

The conference call also may be accessed by dialing 888-733-1701 (U.S. and Canada) or 706-634-4943 (international) by 8:20 a.m., Eastern Time, on October 29. Ask for the O-I conference call. A replay of the call will be available on the O-I Web site, www.o-i.com, for 90 days following the call.

Contacts: O-I, Sasha Sekpeh, 567-336-2355 — Investor Relations
O-I, Stephanie Johnston, 567-336-7199 — Corporate Communications

Copies of O-I news releases are available on the O-I Web site at www.o-i.com or at www.prnewswire.com.

O-I's fourth-quarter earnings conference call is currently scheduled for Thursday, January 28, 2010, at 8:30 a.m., Eastern Time.

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OWENS-ILLINOIS, INC.
Condensed Consolidated Results of Operations (a)
(Dollars in millions, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Net sales	\$ 1,874.6	\$ 2,008.6	\$ 5,200.6	\$ 6,179.7
Manufacturing, shipping, and delivery expense	(1,425.9)	(1,601.3)	(4,047.7)	(4,790.4)
Gross profit	448.7	407.3	1,152.9	1,389.3
Selling and administrative expense	(128.2)	(120.8)	(369.1)	(379.4)
Research, development, and engineering expense	(14.3)	(17.1)	(42.3)	(51.0)
Interest expense (b)	(58.6)	(66.3)	(164.6)	(199.8)
Interest income	6.1	10.4	21.1	29.1
Equity earnings	11.9	12.9	39.6	36.7
Royalties and net technical assistance	3.4	5.0	9.7	14.8
Other income	2.4	1.9	4.9	5.1
Other expense (c)	(78.6)	(94.5)	(157.4)	(130.3)
Earnings from continuing operations before income taxes	192.8	138.8	494.8	714.5
Provision for income taxes (d)	(63.8)	(42.2)	(144.5)	(183.0)
Earnings from continuing operations	129.0	96.6	350.3	531.5
Gain on sale of discontinued operations				7.9
Net earnings	129.0	96.6	350.3	539.4
Net earnings attributable to noncontrolling interests	(2.3)	(18.0)	(29.2)	(51.4)
Net earnings attributable to the Company	<u>\$ 126.7</u>	<u>\$ 78.6</u>	<u>\$ 321.1</u>	<u>\$ 488.0</u>
Amounts attributable to the Company:				
Earnings from continuing operations	\$ 126.7	\$ 78.6	\$ 321.1	\$ 480.1
Gain on sale of discontinued operations		—		7.9
Net earnings	<u>\$ 126.7</u>	<u>\$ 78.6</u>	<u>\$ 321.1</u>	<u>\$ 488.0</u>
Basic earnings per share (e):				
Earnings from continuing operations	\$ 0.75	\$ 0.47	\$ 1.91	\$ 2.89
Gain on sale of discontinued operations				0.05
Net earnings	<u>\$ 0.75</u>	<u>\$ 0.47</u>	<u>\$ 1.91</u>	<u>\$ 2.94</u>
Weighted average shares outstanding (000s)	<u>167,877</u>	<u>165,462</u>	<u>167,577</u>	<u>162,390</u>
Diluted earnings per share (e):				
Earnings from continuing operations	\$ 0.74	\$ 0.46	\$ 1.89	\$ 2.81
Gain on sale of discontinued operations				0.05
Net earnings	<u>\$ 0.74</u>	<u>\$ 0.46</u>	<u>\$ 1.89</u>	<u>\$ 2.86</u>

- (a) The Company adopted the provisions of a new accounting standard on January 1, 2009, which changed the presentation of noncontrolling interests in subsidiaries. The presentation requirements of the new standard were also required to be applied retrospectively to 2008.
- (b) Amount for the nine months ended September 30, 2009, includes charges of \$5.2 million (pretax and after tax) for note repurchase premiums and the write-off of finance fees related to debt that was repaid prior to its maturity. The aftertax effect of this charge is a reduction in earnings per share of \$0.03.
- (c) Amount for the three months ended September 30, 2009, includes charges of \$57.5 million (\$36.0 million after tax amount attributable to the Company) for restructuring and asset impairment. The effect of these charges is a reduction in earnings per share of \$0.21.
- Amount for the nine months ended September 30, 2009, includes charges of \$113.1 million (\$88.9 million after tax amount attributable to the Company) for restructuring and asset impairment. The effect of these charges is a reduction in earnings per share of \$0.52.
- Amount for the three months ended September 30, 2008 includes charges of \$90.6 million (\$79.7 million after tax amount attributable to the Company) for restructuring and asset impairment. The effect of these charges is a reduction in earnings per share of \$0.47.
- Amount for the nine months ended September 30, 2008 includes charges of \$111.7 million (\$93.6 million after tax amount attributable to the Company) for restructuring and asset impairment. The effect of these charges is a reduction in earnings per share of \$0.56.
- (d) Amounts for the three and nine months ended September 30, 2008 include a net benefit of \$6.2 million (\$4.6 million after tax amount attributable to the Company) related to tax legislation and restructuring in Europe. The effect of this benefit is an increase in earnings per share of \$0.03.
- (e) The Company adopted the provisions of a new accounting standard on January 1, 2009, which required the Company to allocate earnings to unvested restricted shares outstanding during the period and was also required to be retrospectively applied to 2008. Basic earnings per share for the nine months ended September 30, 2008 were reduced by \$0.03 per share. There was no impact on basic earnings per share for the three and nine months ended September 30, 2009 or the three months ended September 30, 2008. There was no impact on diluted earnings per share in any period presented.

OWENS-ILLINOIS, INC.
Condensed Consolidated Balance Sheets
(Dollars in millions)

	Sept. 30, 2009	Dec. 31, 2008	Sept. 30, 2008
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,017.1	\$ 379.5	\$ 410.5
Short-term investments, at cost which approximates market	0.9	25.0	34.0
Receivables, less allowances for losses and discounts	1,146.6	988.8	1,194.1
Inventories	1,035.4	999.5	1,141.2
Prepaid expenses	45.5	51.9	57.3
Total current assets	3,245.5	2,444.7	2,837.1
Investments and other assets:			
Equity investments	124.0	101.7	94.5
Repair parts inventories	144.2	132.5	136.3
Prepaid pension			624.9
Deposits, receivables, and other assets	513.9	444.5	462.4
Goodwill	2,382.3	2,207.5	2,333.3
Total other assets	3,164.4	2,886.2	3,651.4
Property, plant, and equipment, at cost	6,559.2	5,983.1	6,345.9
Less accumulated depreciation	3,849.3	3,337.5	3,597.0
Net property, plant, and equipment	2,709.9	2,645.6	2,748.9
Total assets	\$ 9,119.8	\$ 7,976.5	\$ 9,237.4
Liabilities and Share Owners' Equity			
Current liabilities:			
Short-term loans and long-term debt due within one year	\$ 377.6	\$ 393.8	\$ 496.4
Current portion of asbestos-related liabilities	175.0	175.0	210.0
Accounts payable	816.1	838.2	901.5
Other liabilities	730.8	596.3	773.3
Total current liabilities	2,099.5	2,003.3	2,381.2
Long-term debt	3,343.9	2,940.3	2,961.1
Deferred taxes	160.1	77.6	72.1

Pension benefits	706.9	741.8	273.1
Nonpension postretirement benefits	242.5	239.7	273.5
Other liabilities	368.9	360.1	361.4
Asbestos-related liabilities	197.9	320.3	105.2
Share owners' equity:			
The Company's share owners' equity:			
Common stock	1.8	1.8	1.8
Capital in excess of par value	2,935.2	2,913.3	2,905.0
Treasury stock, at cost	(218.0)	(221.5)	(222.8)
Retained earnings (deficit)	288.7	(32.4)	197.3
Accumulated other comprehensive income (loss)	(1,250.5)	(1,620.6)	(320.6)
Total share owners' equity of the Company	1,757.2	1,040.6	2,560.7
Noncontrolling interests	242.9	252.8	249.1
Total share owners' equity	2,000.1	1,293.4	2,809.8
Total liabilities and share owners' equity	\$ 9,119.8	\$ 7,976.5	\$ 9,237.4

OWENS-ILLINOIS, INC.
Condensed Consolidated Cash Flows
(Dollars in millions)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Cash flows from operating activities:				
Net earnings	\$ 129.0	\$ 96.6	\$ 350.3	\$ 539.4
Net earnings attributable to noncontrolling interests	(2.3)	(18.0)	(29.2)	(51.4)
Gain on sale of discontinued operations		—		(7.9)
Non-cash charges:				
Depreciation	92.1	110.1	274.3	339.3
Amortization of intangibles and other deferred items	8.7	7.2	18.0	21.5
Amortization of finance fees and debt discount	3.3	2.0	7.3	6.0
Restructuring and asset impairment	57.5	90.6	113.1	111.7
Other	28.4	12.0	96.0	64.1
Asbestos-related payments	(38.2)	(36.7)	(122.4)	(140.3)
Cash paid for restructuring activities	(9.5)	(11.4)	(42.7)	(28.0)
Change in non-current operating assets	2.0	2.3	13.1	4.5
Change in non-current liabilities	(29.1)	(16.9)	(96.8)	(73.8)
Change in components of working capital	154.3	70.9	(1.6)	(204.2)
Cash provided by operating activities	396.2	308.7	579.4	580.9
Cash flows from investing activities:				
Additions to property, plant, and equipment	(69.6)	(109.5)	(193.7)	(238.5)
Repayment from (advance to) equity affiliate		5.2	1.6	(8.1)
Acquisitions, net of cash acquired	(5.4)		(5.4)	
Net cash proceeds (payments) related to divestitures and asset sales	0.2	0.6	4.4	(16.0)
Cash utilized in investing activities	(74.8)	(103.7)	(193.1)	(262.6)
Cash flows from financing activities:				
Additions to long-term debt	2.2		1,072.6	636.8
Repayments of long-term debt	(4.2)	(152.0)	(750.0)	(906.4)
Increase (decrease) in short-term loans	10.4	22.8	(55.1)	66.0
Net (payments) receipts for hedging activity	(11.2)	(0.3)	17.9	(47.1)
Payment of finance fees	(2.1)		(13.9)	
Convertible preferred stock dividends				(5.4)
Dividends paid to noncontrolling interests (a)	(2.9)	(4.5)	(58.3)	(46.1)
Issuance of common stock and other	1.8	0.6	6.1	14.5
Cash provided by (utilized in) financing activities	(6.0)	(133.4)	219.3	(287.7)
Effect of exchange rate fluctuations on cash	24.5	(27.1)	32.0	(7.8)
Increase (decrease) in cash	339.9	44.5	637.6	22.8
Cash at beginning of period	677.2	366.0	379.5	387.7
Cash at end of period	\$ 1,017.1	\$ 410.5	\$ 1,017.1	\$ 410.5

(a) The Company adopted the provisions of a new accounting standard on January 1, 2009, which changed the presentation of noncontrolling interests in subsidiaries. The presentation requirements of the new standard were also required to be applied retrospectively to 2008.

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Net sales:				
Europe	\$ 785.9	\$ 869.7	\$ 2,192.7	\$ 2,804.3
North America	538.5	580.6	1,593.2	1,717.8
South America	290.5	299.1	754.4	847.4
Asia Pacific	252.1	248.7	626.9	741.0
Reportable segment totals	1,867.0	1,998.1	5,167.2	6,110.5
Other	7.6	10.5	33.4	69.2
Net sales	<u>\$ 1,874.6</u>	<u>\$ 2,008.6</u>	<u>\$ 5,200.6</u>	<u>\$ 6,179.7</u>
	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Segment Operating Profit (a):				
Europe	\$ 128.4	\$ 114.8	\$ 293.0	\$ 458.2
North America	82.9	41.7	248.7	165.2
South America	63.6	92.4	180.6	251.5
Asia Pacific	41.7	38.7	78.1	124.9
Reportable segment totals (b)	316.6	287.6	800.4	999.8
Items excluded from Segment Operating Profit:				
Retained corporate costs and other	(13.8)	(2.3)	(49.0)	(2.9)
Restructuring and asset impairment	(57.5)	(90.6)	(113.1)	(111.7)
Interest income	6.1	10.4	21.1	29.1
Interest expense	(58.6)	(66.3)	(164.6)	(199.8)
Earnings from continuing operations before income taxes	<u>\$ 192.8</u>	<u>\$ 138.8</u>	<u>\$ 494.8</u>	<u>\$ 714.5</u>

The following notes relate to Segment Operating Profit:

- (a) Operating Profit consists of consolidated earnings from continuing operations before interest income, interest expense, and provision for income taxes. Segment Operating Profit excludes amounts related to certain items that management considers not representative of ongoing operations as well as certain retained corporate costs.

The Company presents information on "Operating Profit" because management believes that it provides investors with a measure of operating performance separate from the level of indebtedness or other related costs of capital. The most directly comparable GAAP financial measure to Operating Profit is net earnings. The Company presents Segment Operating Profit because management uses the measure, in combination with gross profit percentage and selected cash flow information, to evaluate performance and to allocate resources.

A reconciliation from Segment Operating Profit to earnings from continuing operations before income taxes is included in the tables above.

- (b) Segment Operating Profit for the three months ended September 30, 2009, excludes charges of \$57.5 million for restructuring and asset impairment. Segment Operating Profit for the nine months ended September 30, 2009, excludes charges of \$113.1 million for restructuring and asset impairment. Segment Operating Profit for the three months ended September 30, 2008, excludes charges of \$90.6 million for restructuring and asset impairment. Segment Operating Profit for the nine months ended September 30, 2008, excludes charges of \$111.7 million for restructuring and asset impairment.

O-I Earnings Presentation



Third Quarter 2009
October 28, 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.

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Business Discussion: Highlights

Improved financial performance amid challenging market conditions

First YoY earnings improvement since 3Q08

- Shipment declines now consistent with consumer consumption
 - Except South America with double-digit declines
- Continued temporary production curtailments
 - Reduced inventories to preserve working capital
- Improved price/mix along with modest cost deflation
- Incremental strategic footprint alignment initiative benefits

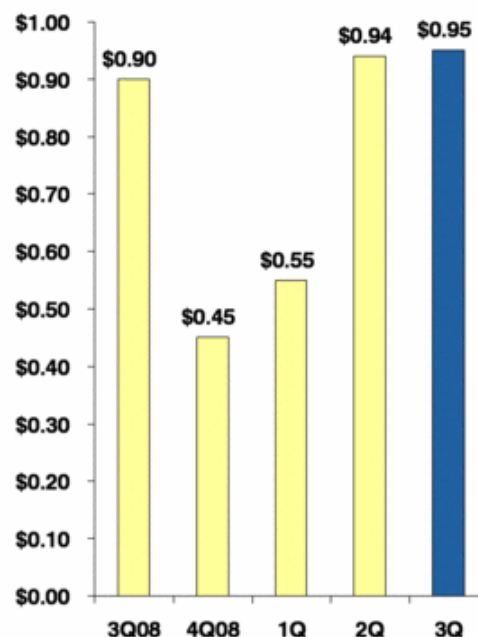
Strong cash flow improves financial flexibility

- Significant capital expenditures in 4Q

4Q09 business outlook

- Shipments down modestly from prior year
 - Typical seasonal decline from 3Q
- Continued temporary curtailments to further reduce inventories
- Ongoing benefits from strategic footprint alignment
- Operating profit expected to exceed 4Q08
- Earnings to be negatively impacted by non-operating items

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.

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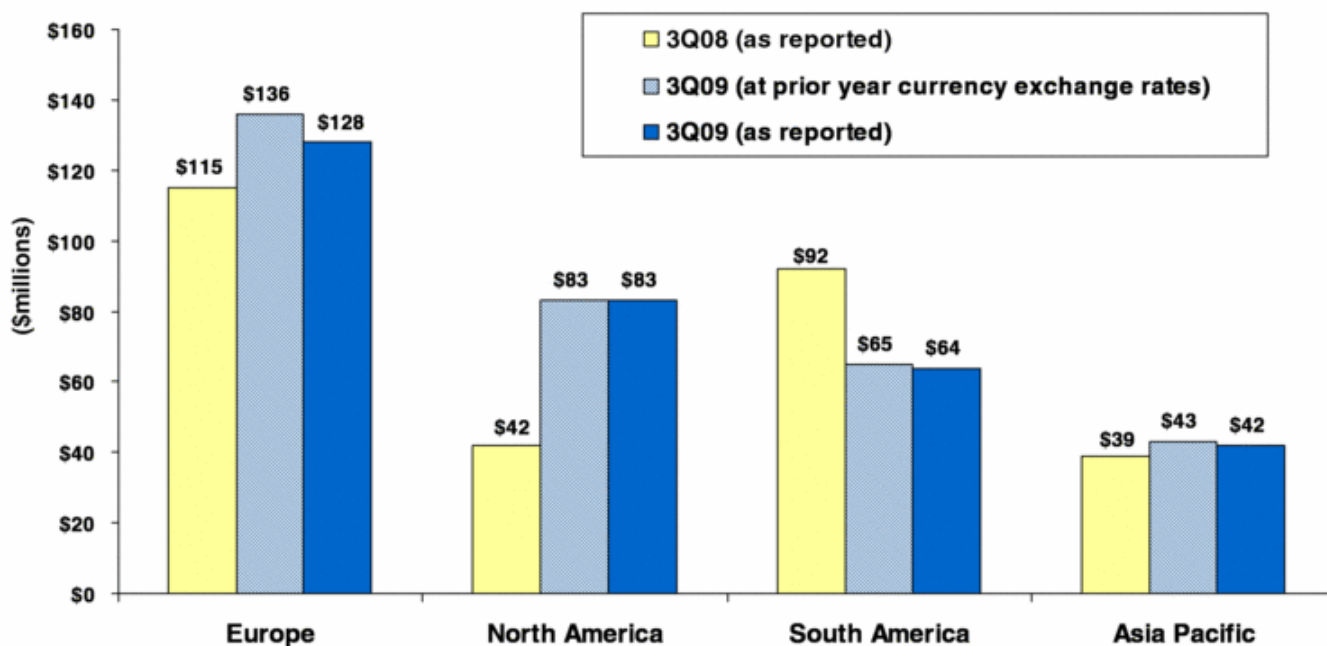
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Business Discussion: Segment Operating Profit

Most regions' 3Q09 results exceeded prior year levels



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Financial Review: Sales, Profit and EPS Reconciliations

Benefits from footprint initiative and lower costs dampen impact of lower volumes

	Segment Sales	Segment Operating Profit	Adjusted Net Income
	(\$ Millions)	(\$ Millions)	(Non-GAAP EPS)
3Q08	\$ 1,998	\$ 288	\$0.90
Sales volume	(150)	(57)	(0.25)
Price and product mix	91	91	0.40
Currency translation	(72)	(10)	(0.04)
Manufacturing and delivery	-	24	0.11
Operating expenses	-	(4)	(0.02)
Operations	(131)	44	0.20
Other (principally exchange losses on Venezuelan bolivars)	-	(15)	(0.07)
Interest expense	-	-	0.02
Retained corporate costs	-	-	(0.05)
Non-controlling interests	-	-	0.04
Effective tax rate	-	-	(0.09)
Non-Operational	-	(15)	(0.15)
Total reconciling items	(131)	29	0.05
3Q09	\$ 1,867	\$ 317	\$0.95

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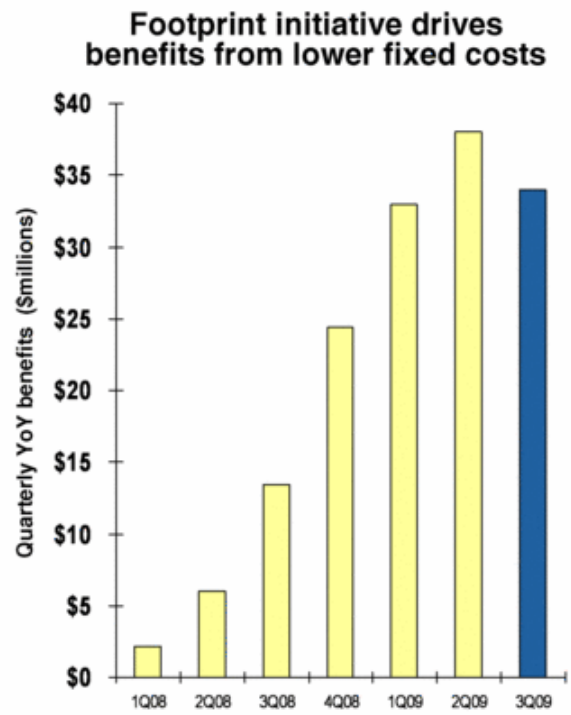
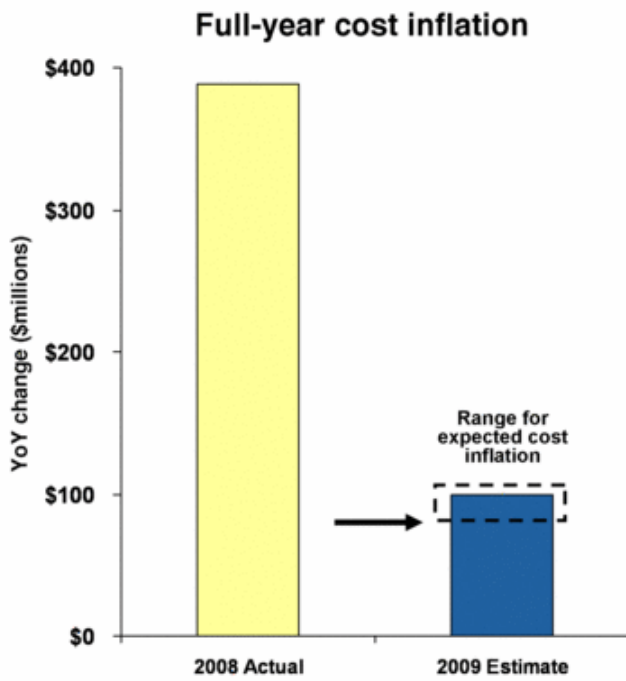
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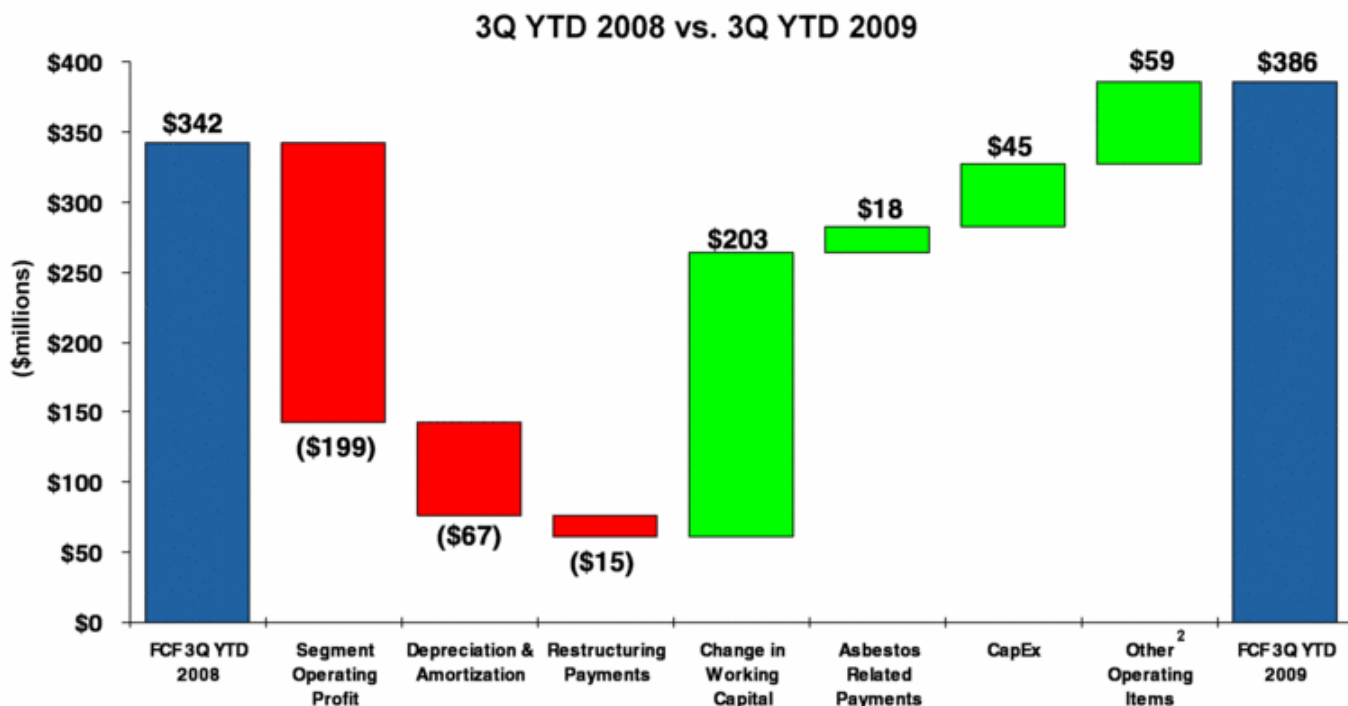
Financial Review: Costs

Cost profile improving due to moderating inflation and strategic footprint initiative



Financial Review: Free Cash Flow Reconciliation ¹

Higher FCF reflects less profit net of favorable working capital



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, non-controlling interests, current tax expense, net interest, other non-cash charges and changes in other non-current assets/liabilities.

Financial Review: Balance Sheet and Cash Flow

Strong financial position allows for flexibility to execute growth priorities

Debt

- \$3.722 billion debt; up slightly from 2Q09
 - 2.3x leverage ratio per bank credit agreement ¹
- \$760 million available under global revolving credit facility

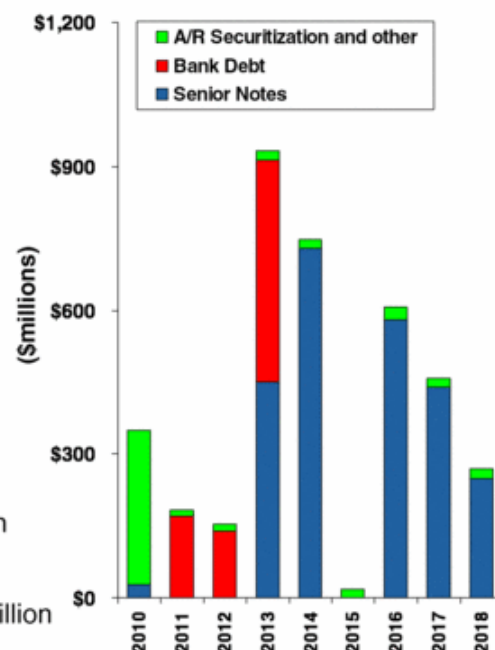
Cash and cash equivalents

- \$1.017 billion cash on hand at 9/30/09
 - \$340 million increase from 6/30/09 due to strong FCF
- Mitigated exposure to Venezuelan bolivar
 - Net earnings reduced by \$10 million

Capital and restructuring payments

- \$70 million 3Q09 capital investments, \$194 million YTD
 - Expect full year 2009 capital investments up to \$440 million
- \$10 million 3Q09 restructuring payments, \$43 million YTD
 - Expect full year 2009 restructuring payments up to \$100 million

Debt maturity schedule















¹ Total debt less cash divided by bank credit agreement EBITDA

Business Outlook: 4Q09

Reflects normal seasonal patterns and higher non-operating costs

4Q09 Outlook

Favorable / Unfavorable Impact on Profits

Factor	Year-over-Year (4Q08 to 4Q09)	Sequential (3Q09 to 4Q09)
Sales Volume		
Temporary Production Curtailments		
Price/Mix		
Input Costs		
Footprint Realignment Savings - Reduced by South American machine reconfiguration costs		
Non-Operating: - Higher corporate costs (e.g., U.S. pension) - Venezuelan currency exchange charges - Higher net interest expense YoY - Higher 2009 full-year effective tax rate forecasted		

Concluding Remarks and Q&A

Appendix

Reconciliation of GAAP to non-GAAP Items (3Q)

\$ Millions, except per share amounts	Three months ended September 30			
	2009		2008	
	Earnings	EPS	Earnings	EPS
Net earnings attributable to the Company	\$ 126.7	\$ 0.74	\$ 78.6	\$ 0.46
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>				
• Charges for restructuring and asset impairment	36.0	0.21	79.7	0.47
• Net benefit related to tax legislation and restructuring in Europe			(4.6)	(0.03)
Adjusted net earnings	\$ 162.7	\$ 0.95	\$ 153.7	\$ 0.90
Diluted shares outstanding (millions)	171.5		170.1	

Reconciliation of GAAP to non-GAAP Items (YTD 3Q)

\$ Millions, except per share amounts	Nine months ended September 30			
	2009		2008	
	Earnings	EPS	Earnings	EPS
Net earnings attributable to the Company	\$ 321.1	\$ 1.89	\$ 488.0	\$ 2.86
Less gain on sale of discontinued operations		-	(7.9)	(0.05)
Earnings from continuing operations	321.1	1.89	480.1	2.81
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>				
• Charges for restructuring and asset impairment	88.9	0.52	93.6	0.56
• Charges for note repurchase premiums and write-off of finance fees	5.2	0.03		
• Net benefit related to tax legislation and restructuring in Europe			(4.6)	(0.03)
Adjusted net earnings	\$ 415.2	\$ 2.44	\$ 569.1	\$ 3.34
Diluted shares outstanding (millions)	170.2		170.5	

Free Cash Flow Calculation

3Q 09	3Q 08	\$ Millions	Nine months ended Sept 30	
			2009	2008
\$ 126.7	\$ 78.6	Net earnings attributable to the company	\$ 321.1	\$ 488.0
-		Less: gain on sale of discontinued operations	-	(7.9)
<u>126.7</u>	<u>78.6</u>	Earnings from continuing operations	<u>321.1</u>	<u>480.1</u>
		Non-cash charges:		
104.1	119.3	Depreciation and amortization	299.6	366.8
57.5	90.6	Restructuring and asset impairment	113.1	111.7
28.4	12.0	All other non-cash charges	96.0	64.1
		Payments and other reconciling items:		
(38.2)	(36.7)	Asbestos-related payments	(122.4)	(140.3)
(9.5)	(11.4)	Restructuring payments	(42.7)	(28.0)
154.3	70.9	Change in components of working capital	(1.6)	(204.2)
(27.1)	(14.6)	Change in non-current assets and liabilities	(83.7)	(69.3)
<u>396.2</u>	<u>308.7</u>	Cash provided by cont. operating activities	<u>579.4</u>	<u>580.9</u>
(69.6)	(109.5)	Additions to PP&E	(193.7)	(238.5)
<u>\$ 326.6</u>	<u>\$ 199.2</u>	Free Cash Flow ¹	<u>\$ 385.7</u>	<u>\$ 342.4</u>

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

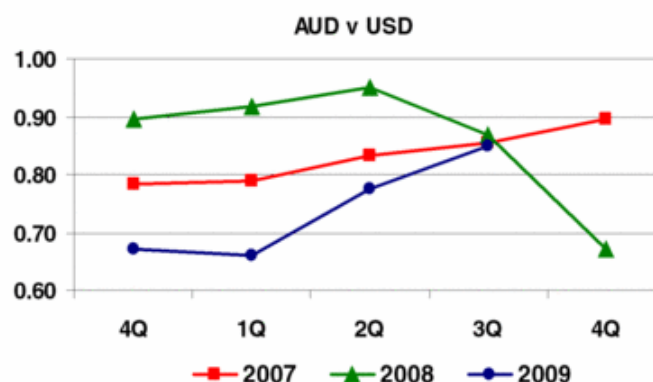
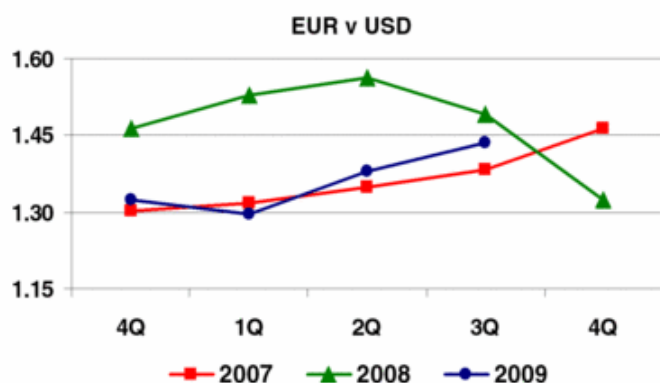
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Foreign Currency Exchange Rate Trends ¹



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	2Q	3Q
Sales	\$ 187	\$ 202	\$ 82	\$ (195)	\$ 276	\$ (246)	\$ (208)	\$ (72)
Segment Operating Profit	35	32	13	(24)	56	(29)	(23)	(10)
Non-GAAP Segment EPS	0.14	0.14	0.06	(0.13)	0.25	(0.13)	(0.10)	(0.04)

¹ Average exchange rate for the quarter

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