

**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**

January 6, 2020

Date of Report (Date of earliest event reported)



O-I GLASS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

1-9576

(Commission
File Number)

22-2781933

(Identification No.)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$.01 par value per share, of O-I Glass, Inc.	OI	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 7.01 REGULATION FD DISCLOSURE.

On January 6, 2020, O-I Glass, Inc. (“O-I Glass”) issued a press release (the “Press Release”) announcing that its wholly owned subsidiary, Paddock Enterprises, LLC (“Paddock”) voluntarily filed for relief under Chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware to equitably and finally resolve all of its current and future asbestos-related claims.

O-I Glass Chief Executive Officer Andres Lopez and Chief Financial Officer John Haudrich will hold a conference call to discuss these developments on January 6, 2020, at 10:30 a.m., EST. A live webcast of the conference call, including presentation materials, will be available on the O-I Glass website, www.o-i.com/investors, in the Webcasts and Presentations section.

The conference call also may be accessed by dialing 888-733-1701 (U.S. and Canada) or 706-634-4943 (international) by 10:20 a.m. EST, on January 6, 2020. Ask for the O-I Glass conference call. A replay of the call will be available on the O-I Glass website, www.o-i.com/investors, for a year following the call.

Copies of the Press Release and the presentation slides, which will be discussed on the conference call, are furnished as Exhibits 99.1 and 99.2 hereto, respectively, and are incorporated herein by reference. The information contained in this Item 7.01 and in Exhibits 99.1 and 99.2 hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

ITEM 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

Exhibit No.	Description
99.1	Press Release, dated January 6, 2020
99.2	January 6, 2020 Conference Call Presentation Slides
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

O-I GLASS, INC.

Date: January 6, 2020

By: /s/ John A. Haudrich
Name: John A. Haudrich
Title: Senior Vice President and Chief Financial Officer

**FOR IMMEDIATE RELEASE****Paddock Enterprises, LLC, an O-I Glass, Inc. Affiliate,
Seeks a Final and Equitable Resolution of its Legacy Asbestos-Related Claims***Prepared Remarks Slated for 10:30 a.m. EST Today*

PERRYSBURG, Ohio (January 6, 2020) — O-I Glass, Inc. (“O-I Glass” or the “Company”) today announced that its wholly owned subsidiary, Paddock Enterprises, LLC (“Paddock”), has voluntarily filed for relief under Chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware to equitably and finally resolve all of its current and future asbestos-related claims.

On December 27, 2019, O-I Glass announced the adoption of a new holding company structure whereby O-I Glass became the new parent entity with Owens-Illinois Group, Inc. (“O-I Group”) and Paddock as direct, wholly owned subsidiaries. The Company’s legacy asbestos-related liabilities are isolated within Paddock, structurally separating them from the Company’s glass-making operations, which remain under O-I Group. O-I Glass and O-I Group are not included in the Chapter 11 filing and will continue to operate as usual throughout Paddock’s Chapter 11 process.

Andres Lopez, CEO of O-I Glass, said, “Addressing Paddock’s legacy liabilities through Chapter 11 will help enable O-I Glass to further unlock the value creation potential of this global franchise. By improving the Company’s capital structure, this important step will support a number of critical strategic efforts and possibilities as O-I Glass leverages its position as the world’s leading manufacturer of sustainable glass packaging.”

After exiting a business in 1958 that produced Kaylo, an asbestos-containing thermal insulation product, the Company has disposed of over 400,000 asbestos-related claims and incurred gross expense of approximately \$5 billion for asbestos-related costs. Lopez continued, “Paddock evaluated its options and determined that a Chapter 11 plan of reorganization was the most fair and equitable way to obtain certainty and finality in addressing its legacy asbestos-related liabilities. Pending final resolution of the Chapter 11 proceeding, all asbestos-related claims payments will be suspended.”

Paddock’s ultimate goal in its Chapter 11 case is to confirm a plan of reorganization under Section 524(g) of the U.S. Bankruptcy Code and utilize this specialized provision to establish a trust that will address all current and future asbestos-related claims. Paddock has been and remains committed to fairly and equitably compensating claimants who are ill and have legitimate exposure to the Kaylo products manufactured by its predecessor from 1948-1958. Paddock looks forward to working swiftly and constructively to confirm a plan of reorganization and is committed to emerging from bankruptcy as expediently as possible.

Additional information about the Chapter 11 case can be found at:

<https://cases.primeclerk.com/Paddock> Paddock is advised in this matter by Latham & Watkins LLP and Alvarez & Marsal.

Prepared Remarks Scheduled for January 6, 2020

O-I Glass CEO Andres Lopez and CFO John Haudrich will conduct a conference call to discuss these developments on Monday, January 6, 2020, at 10:30 a.m. EST. Given the court-related procedural activities initiated today with Paddock's Chapter 11 filing, management will share prepared remarks, however the conference call will not include a question and answer session. A live webcast of the conference call, including presentation materials, will be available on the O-I Glass website, www.o-i.com/investors, in the Webcasts and Presentations section.

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O-I Glass news releases are available on the O-I Glass website at www.o-i.com.

O-I Glass's fourth quarter and full year 2019 earnings conference call and webcast is currently scheduled for Wednesday, February 5, 2020, at 8:00 a.m. EST.

About O-I Glass

At O-I Glass, Inc. (NYSE: OI), we love glass and we're proud to make more of it than any other glass bottle or jar producer in the world. We love that it's beautiful, pure and completely recyclable. With global headquarters in Perrysburg, Ohio, we are the preferred partner for many of the world's leading food and beverage brands. Working hand and hand with our customers, we give our passion and expertise to make their bottles iconic and help build their brands around the world. With more than 26,500 people at 78 plants in 23 countries, O-I Glass has a global impact, achieving revenues of \$6.9 billion in 2018. For more information, visit o-i.com.

Forward-Looking Statements

This press release contains "forward-looking" statements related to O-I Glass, Inc. ("O-I Glass" or the "Company") within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 27A of the Securities Act of 1933. These forward-looking statements relate to a variety of matters, including, without limitation, statements regarding the approval, consummation and potential impact of the Corporate Modernization. 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 that the Company's future financial performance may differ from expectations due to a variety of factors including, but not limited to the following: (1) risks inherent in, and potentially adverse developments related to, the Chapter 11 bankruptcy proceeding involving the Company's wholly owned subsidiary Paddock Enterprises, LLC ("Paddock"), that could adversely affect the Company and the Company's liquidity or results of operations, including risks from asbestos-related claimant representatives asserting claims against the Company and potential for litigation and payment demands against us by such representatives and other third parties, (2) the potential impact of the Corporate Modernization on the Company's branding and business, (3) the potential costs of the Corporate Modernization, (4) the Company's ability to manage its cost structure, including its success in implementing restructuring or other plans aimed at improving the Company's operating efficiency and working capital management, achieving cost savings, and remaining well-positioned to address the Company's legacy liabilities, (5) the Company's ability to acquire or divest businesses, acquire and expand plants, integrate operations of acquired businesses and achieve expected benefits from acquisitions, divestitures or expansions, (6) the Company's ability to achieve its strategic plan, (7) foreign currency fluctuations relative to the U.S. dollar, (8) changes in capital availability or cost, including interest rate fluctuations and the ability of the Company to refinance debt at favorable terms, (9) the general political, economic and competitive conditions in markets and countries where the Company has operations, including uncertainties related to Brexit, economic and social conditions, disruptions in the supply chain, competitive pricing pressures, inflation or deflation, and changes in tax rates and laws, (10) the Company's ability to generate sufficient future cash flows to ensure the Company's goodwill is not impaired, (11) consumer preferences for alternative forms of packaging, (12) cost and availability of raw materials, labor, energy and transportation, (13) consolidation among competitors and customers, (14) unanticipated expenditures with respect to data privacy, environmental, safety and health laws, (15) unanticipated operational disruptions, including higher capital spending, (16) the Company's ability to further develop its sales, marketing and product development capabilities, (17) the failure of the Company's joint venture partners to meet their obligations or commit additional capital to the joint venture, (18) the ability of the Company and the third parties on which it relies for information technology system support to prevent and detect security breaches related to cybersecurity and data privacy, (19) changes in U.S. trade policies, and the other risk factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and any subsequently filed Quarterly Reports on Form 10-Q or the Company's other filings with the Securities and Exchange Commission.

For further information, please contact:

*Chris Manuel
Vice President, Investor Relations
567-336-2600
chris.manuel@o-i.com*

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PADDOCK ENTERPRISES, LLC

(An O-I Glass, Inc. Affiliate)

Seeks A Final And Equitable Resolution
To Its Legacy Asbestos-Related Claims

January 6, 2020



SAFE HARBOR COMMENTS

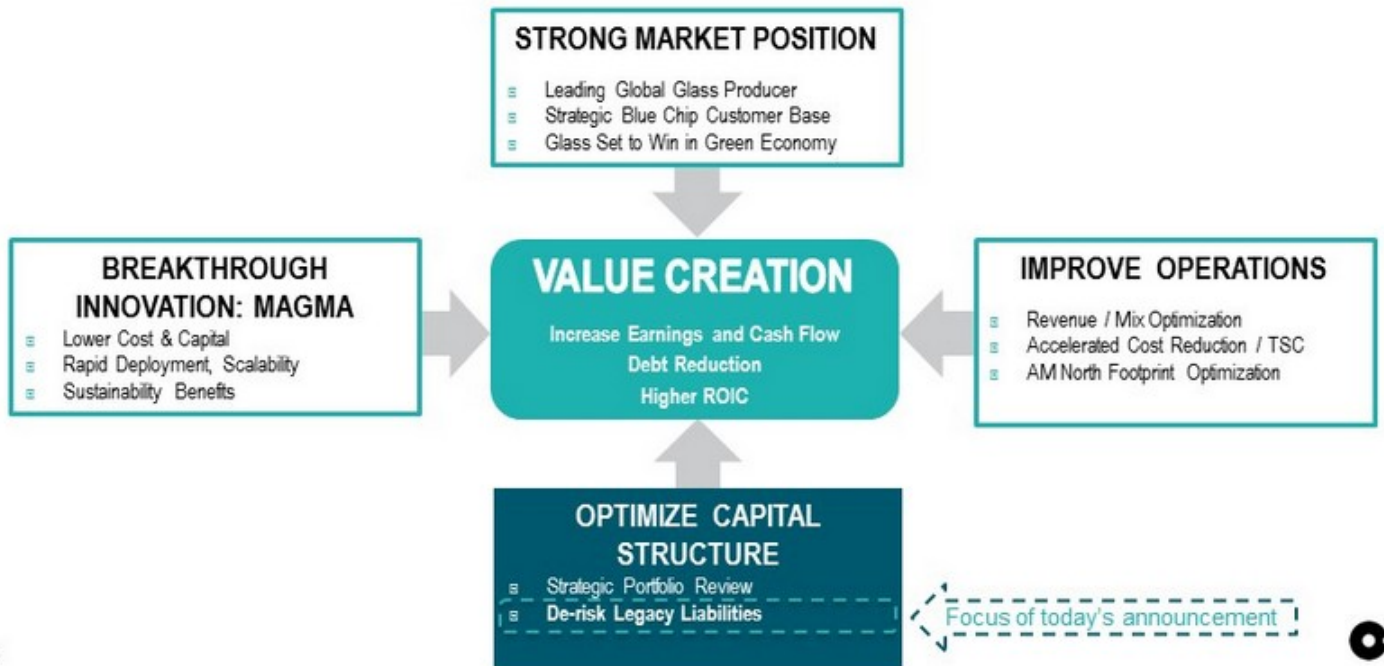
Forward-Looking Statements

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EXECUTING ON O-I GLASS' INVESTMENT THESIS



HIGHLIGHTS

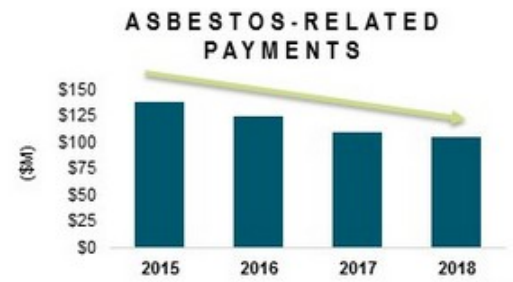
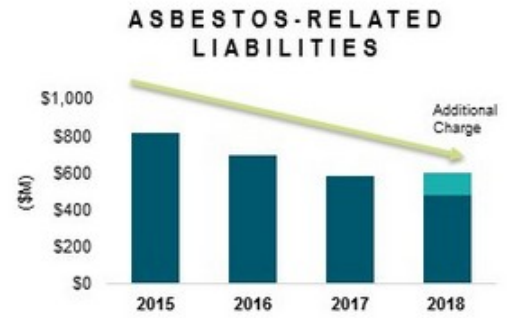
- **The Company is taking steps to permanently resolve its legacy asbestos-related liability**
 - Legacy liability stems from manufacturing of a thermal insulation product called "Kaylo" from 1948 – 1958
 - Exited the business in 1958 and incurred ~\$5B gross expense for its Kaylo asbestos-related costs over 40 years of litigation
- **On December 26-27, 2019, the Company modernized its corporate structure**
 - Created a new parent company O-I Glass, Inc. ("O-I Glass") that includes two direct subsidiaries: Owens-Illinois Group, Inc. ("Owens-Illinois Group") and Paddock Enterprises, LLC ("Paddock")
 - Owens-Illinois Group comprises all of the Company's glass-operations
 - Paddock (successor by merger to Owens-Illinois, Inc.) includes all the Company's legacy asbestos-related liabilities, which are structurally isolated from the rest of the Company
- **On January 6, 2020, Paddock filed a voluntary petition for a Chapter 11 Reorganization**
 - Chapter 11 applies only to Paddock and **NOT** O-I Glass, Inc. or any of its glass-making or related subsidiaries
 - No changes for O-I Glass or Owens-Illinois Group – business as usual
- **Key Implications**
 - Asbestos-related claim payments suspended, pending final determination by the bankruptcy court – immediate benefit to cash flows
 - Bankruptcy court is a single forum to create certainty and finality by fairly and equitably resolving all current and future asbestos-related claims
 - Removes source of balance sheet and cash flow volatility and uncertainty, enhancing free cash flow and capital allocation flexibility

Addressing Paddock's legacy liabilities through Chapter 11 will support a number of critical strategic efforts and possibilities as O-I Glass leverages its position as the world's leading manufacturer of sustainable glass packaging

BACKGROUND

- The Company operated a former business unit that produced / sold a thermal insulation product called “Kaylo”
 - Years of operation: 1948 to 1958 (sold unit in April 1958)
- The Company has incurred significant costs to resolve asbestos-related lawsuits and claims. Through 9/30/19:
 - \$5.0B gross expense has been incurred
 - Over 400,000 asbestos-related claims disposed
 - \$467M lifetime asbestos-related liabilities accrued as of 9/30/19
- Asbestos-related claims predominantly resolved under administrative claims-handling agreements

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WHY FILE CHAPTER 11 NOW?

- **Fresh eye review of Asbestos strategy**
- **Chapter 11 option now more attractive**
 - Recent legal developments make the Corporate Modernization and Chapter 11 option more viable and attractive now
- **Tort environment continues to deteriorate**
 - Growth of significant verdicts and lowering of evidentiary standards in other torts, such as talc, have made tort system litigation riskier
 - Plaintiffs are increasingly unwilling to accept historic resolution values despite aging of plaintiff population and narrowing of window for legitimate exposure. Rather than decline, demands and values have escalated.
- **Federal bankruptcy court centralizes claims in one forum**
 - Values current and future claims based on uniform criteria
 - Creates finality and certainty for lifetime cost
 - Ensures fair and equitable payment to current and future claimants

Positive legal developments, benefits of federal court procedures and deteriorating tort environment make a Chapter 11 Reorganization the right choice to manage Paddock's legacy asbestos-related liability

KEY IMPLICATIONS AND NEXT STEPS

- **Business as usual for O-I Glass**

- O-I Glass, Inc. shares were converted 1-1 from Owens-Illinois, Inc. and are trading on NYSE under ticker "OI"
- No expected changes to dividend policy or share repurchase programs

- **Asbestos-related liability status**

- As of September 30, 2019, balance sheet included \$467M undiscounted lifetime asbestos-related liability
- Chapter 11 does **NOT** eliminate the asbestos-related liability; ultimate liability will be subject to negotiation and approval by the court

- **Future Free Cash Flow and annual asbestos-related claims payments**

- Asbestos-related claims payments are suspended during the Chapter 11 proceedings and could take some time before final funding determined
- Accordingly, the Company does **NOT** anticipate reporting "adjustments" to its Free Cash Flow metrics beginning in 2020

Business as usual for O-I Glass. Asbestos-related liability subject to final determination in bankruptcy court. Pending final determination, asbestos-related claims payments suspended, benefiting FCF and providing greater capital allocation flexibility.



Appendix

STRUCTURE COMPARISON



TYPICAL ASBESTOS-RELATED BANKRUPTCY FILING PROCESS

- **Bankruptcy filing accepted into court system**
- **Litigation/negotiation process begins**
 - Process typically takes anywhere from 1 to 7 years to run its course
 - Asbestos-related claims payments suspended pending final determination
- **Final determination reached in bankruptcy court**
 - Creates certainty and finality
- **Section 524(g) trust established and funding mechanisms determined**
 - Various options are available to fund the trust that will resolve all current and future asbestos-related claims