UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended
March 31, 2014

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 33-13061

OWENS-ILLINOIS GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	**34-1559348**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
One Michael Owens Way, Perrysburg, Ohio	**43551**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(567) 336-5000**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o
Non-accelerated filer x (do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

The number of shares of common stock, par value $.01, of Owens-Illinois Group, Inc. outstanding as of March 31, 2014 was 100.

Part I – FINANCIAL INFORMATION

Item 1. Financial Statements.

The Condensed Consolidated Financial Statements of Owens-Illinois Group, Inc. (the "Company") presented herein are unaudited but, in the opinion of management, reflect all adjustments necessary to present fairly such information for the periods and at the dates indicated. All adjustments are of a normal recurring nature. Because the following unaudited condensed consolidated financial statements have been prepared in accordance with Article 10 of Regulation S-X, they do not contain all information and footnotes normally contained in annual consolidated financial statements; accordingly, they should be read in conjunction with the Consolidated Financial Statements and notes thereto appearing in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

OWENS-ILLINOIS GROUP, INC.
CONDENSED CONSOLIDATED RESULTS OF OPERATIONS
(Dollars in millions)

	Three months ended March 31, 2014	Three months ended March 31, 2013
Net sales	$ 1,639	$ 1,641
Cost of goods sold	(1,318)	(1,322)
Gross profit	321	319
Selling and administrative expense	(133)	(129)
Research, development and engineering expense	(15)	(15)
Interest expense, net	(54)	(68)
Equity earnings	16	17
Other expense, net	(1)	(7)
Earnings from continuing operations before income taxes	134	117
Provision for income taxes	(27)	(33)
Earnings from continuing operations	107	84
Loss from discontinued operations	(1)	(10)
Net earnings	106	74
Net earnings attributable to noncontrolling interests	(5)	(5)
Net earnings attributable to the Company	$ 101	$ 69
Amounts attributable to the Company:		
Earnings from continuing operations	$ 102	$ 79
Loss from discontinued operations	(1)	(10)
Net earnings	$ 101	$ 69

See accompanying notes.

OWENS-ILLINOIS GROUP, INC.
CONDENSED CONSOLIDATED COMPREHENSIVE INCOME
(Dollars in millions)

	Three months ended March 31, 2014	Three months ended March 31, 2013
Net earnings	$ 106	$ 74
Other comprehensive income:		
Foreign currency translation adjustments	32	(32)
Pension and other postretirement benefit adjustments, net of tax	23	45
Change in fair value of derivative instruments	1	4
Other comprehensive income	56	17
Total comprehensive income	162	91
Comprehensive income attributable to noncontrolling interests	(2)	(1)
Comprehensive income attributable to the Company	$ 160	$ 90

See accompanying notes.

OWENS-ILLINOIS GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in millions)

	March 31, 2014	December 31, 2013	March 31, 2013
Assets			
Current assets:			
Cash and cash equivalents	$ 201	$ 383	$ 359
Receivables	1,078	943	1,047
Inventories	1,204	1,117	1,178
Prepaid expenses	94	107	99

Total current assets	2,577	2,550	2,683
Property, plant and equipment, net	2,634	2,632	2,680
Goodwill	2,059	2,059	2,048
Other assets	1,218	1,178	1,106
Total assets	$ 8,488	$ 8,419	$ 8,517
Liabilities and Share Owners' Equity			
Current liabilities:			
Short-term loans and long-term debt due within one year	$ 331	$ 322	$ 347
Accounts payable	1,074	1,144	904
Other liabilities	527	638	523
Total current liabilities	1,932	2,104	1,774
Long-term debt	3,371	3,245	3,550
Other long-term liabilities	992	1,019	1,594
Share owners' equity	2,193	2,051	1,599
Total liabilities and share owners' equity	$ 8,488	$ 8,419	$ 8,517

See accompanying notes.

OWENS-ILLINOIS GROUP, INC.
CONDENSED CONSOLIDATED CASH FLOWS
(Dollars in millions)

	Three months ended March 31,	
	2014	2013
Cash flows from operating activities:		
Net earnings	$ 106	$ 74
Loss from discontinued operations	1	10
Non-cash charges:		
Depreciation and amortization	111	107
Pension expense	15	26
Restructuring, asset impairment and related charges		10
Cash payments		
Pension contributions	(5)	(7)
Cash paid for restructuring activities	(21)	(34)
Change in components of working capital	(352)	(301)
Other, net (a)	(42)	(2)
Cash utilized in continuing operating activities	(187)	(117)
Cash utilized in discontinued operating activities	(1)	(2)
Total cash utilized in operating activities	(188)	(119)
Cash flows from investing activities:		
Additions to property, plant and equipment	(108)	(94)
Other, net	13	
Cash utilized in investing activities	(95)	(94)
Cash flows from financing activities:		
Changes in borrowings, net	136	160
Distributions to noncontrolling interests	(19)	
Distributions to parent	(11)	(13)
Other, net	1	(5)
Cash provided by financing activities	107	142
Effect of exchange rate fluctuations on cash	(6)	(1)
Decrease in cash	(182)	(72)
Cash at beginning of period	383	431
Cash at end of period	$ 201	$ 359

(a) Other, net includes other non cash charges plus other changes in non-current assets and liabilities.

See accompanying notes.

OWENS-ILLINOIS GROUP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Tabular data dollars in millions

1. Basis of Presentation

The Company is a 100%-owned subsidiary of Owens-Illinois, Inc. ("OI Inc."). Although OI Inc. does not conduct any operations, it has substantial obligations related to outstanding indebtedness and asbestos-related payments. OI Inc. relies primarily on distributions from its direct and indirect subsidiaries to meet these obligations.

2. Segment Information

The Company has four reportable segments based on its geographic locations: Europe, North America, South America and Asia Pacific. These four segments are aligned with the Company's internal approach to managing, reporting, and evaluating performance of its global glass operations. Certain assets and activities not directly related to one of the regions or to glass manufacturing are reported with Retained corporate costs and other. These include licensing, equipment sales, global engineering, and non-glass equity investments. Retained corporate costs and other also includes certain headquarters administrative and facilities costs and certain incentive compensation and other benefit plan costs that are global in nature and are not allocable to the reportable segments.

The Company's measure of profit for its reportable segments is segment operating profit, which consists of consolidated earnings from continuing operations before interest income, interest expense, and provision for income taxes and excludes amounts related to certain items that management considers not representative of ongoing operations as well as certain retained corporate costs. The Company's management uses segment operating profit, in combination with net sales and selected cash flow information, to evaluate performance and to allocate resources. Segment operating profit for reportable segments includes an allocation of some corporate expenses based on both a percentage of sales and direct billings based on the costs of specific services provided.

Financial information for the three-month periods ended March 31, 2014 and 2013 regarding the Company's reportable segments is as follows:

	2014	2013
Net sales:		
Europe	$ 706	$ 650
North America	485	469
South America	239	269
Asia Pacific	203	247
Reportable segment totals	1,633	1,635
Other	6	6
Net sales	$ 1,639	$ 1,641

	2014	2013
Segment operating profit:		
Europe	$ 87	$ 59
North America	65	74
South America	41	53
Asia Pacific	25	40
Reportable segment totals	218	226
Items excluded from segment operating profit:		
Retained corporate costs and other	(30)	(31)
Restructuring, asset impairment and related charges		(10)
Interest expense, net	(54)	(68)
Earnings from continuing operations before income taxes	$ 134	$ 117

Financial information regarding the Company's total assets is as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
Total assets:			
Europe	$ 3,585	$ 3,509	$ 3,263
North America	2,055	1,995	2,030
South America	1,453	1,467	1,638
Asia Pacific	1,142	1,150	1,294
Reportable segment totals	8,235	8,121	8,225
Other	253	298	292
Consolidated totals	$ 8,488	$ 8,419	$ 8,517

3. Receivables

Receivables consist of the following:

	March 31, 2014	December 31, 2013	March 31, 2013
Trade accounts receivable	$ 911	$ 757	$ 903
Less: allowances for doubtful accounts and discounts	39	39	41
Net trade receivables	872	718	862

Other receivables	206	225	185
	$ 1,078	$ 943	$ 1,047

The Company uses various factoring programs to sell certain receivables to financial institutions as part of managing its cash flows. The amount of receivables sold by the Company was $129 million, $192 million, and $116 million at March 31, 2014, December 31, 2013, and March 31, 2013, respectively. The Company has no continuing involvement with the sold receivables.

4. Inventories

Major classes of inventory are as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
Finished goods	$ 1,037	$ 958	$ 1,014
Raw materials	121	113	124
Operating supplies	46	46	40
	$ 1,204	$ 1,117	$ 1,178

5. Derivative Instruments

The Company has certain derivative assets and liabilities which consist of natural gas forwards and foreign exchange option and forward contracts. The Company uses an income approach to valuing these contracts. Natural gas forward rates and foreign exchange rates are the significant inputs into the valuation models. These inputs are observable in active markets over the terms of the instruments the Company holds, and accordingly, the Company classifies its derivative assets and liabilities as Level 2 in the hierarchy. The Company also evaluates counterparty risk in determining fair values.

Commodity Futures Contracts Designated as Cash Flow Hedges

The significant majority of the Company's sales volume in North America is tied to customer contracts that contain provisions that pass the price of natural gas to the customer. In certain of these contracts, the customer has the option of fixing the natural gas price component for a specified period of time. When the customer exercises that option the Company enters into commodity futures contracts for the related natural gas requirements, in order to limit the effects of fluctuations in the future market price paid for natural gas and the related volatility in cash flows. At March 31, 2014 and 2013, the Company had entered into commodity futures contracts covering approximately 4,400,000 MM BTUs and 6,200,000 MM BTUs, respectively, primarily related to customer requests to lock the price of natural gas.

The Company accounts for these futures contracts as cash flow hedges and recognizes them on the balance sheet at fair value. The effective portion of changes in the fair value of a derivative that is designated as, and meets the required criteria for, a cash flow hedge is recorded in the Accumulated Other Comprehensive Income component of share owners' equity ("OCI") and reclassified into earnings in the same period or periods during which the underlying hedged item affects earnings. An unrecognized gain of $2 million at both March 31, 2014 and 2013 related to the commodity futures contracts was included in Accumulated OCI, and will be reclassified into earnings over the next twelve to twenty-four months. Any material portion of the change in the fair value of a derivative designated as a cash flow hedge that is deemed to be ineffective is recognized in current earnings. The ineffectiveness related to these natural gas hedges for the three months ended March 31, 2014 and 2013 was not material.

The effect of the commodity futures contracts on the results of operations for the three months ended March 31, 2014 and 2013 is as follows:

Amount of Gain Recognized in OCI on Commodity Futures Contracts (Effective Portion)		Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (reported in Cost of goods sold) (Effective Portion)	
2014	2013	2014	2013
$ 2	$ 3	$ 1	$ (1)

Forward Exchange Contracts not Designated as Hedging Instruments

The Company's subsidiaries may enter into short-term forward exchange or option agreements to purchase foreign currencies at set rates in the future. These agreements are used to limit exposure to fluctuations in foreign currency exchange rates for significant planned purchases of fixed assets or commodities that are denominated in currencies other than the subsidiaries' functional currency. Subsidiaries may also use forward exchange agreements to offset the foreign currency risk for receivables and payables, including intercompany receivables and payables, not denominated in, or indexed to, their functional currencies. The Company records these short-term forward exchange agreements on the balance sheet at fair value and changes in the fair value are recognized in current earnings.

At March 31, 2014 and 2013, various subsidiaries of the Company had outstanding forward exchange and option agreements denominated in various currencies covering the equivalent of approximately $670 million and $900 million, respectively, related primarily to intercompany transactions and loans.

The effect of the forward exchange contracts on the results of operations for the three months ended March 31, 2014 and 2013 is as follows:

Location of Gain (Loss) Recognized in Income on Forward Exchange Contracts	Amount of Loss Recognized in Income on Forward Exchange Contracts	
	2014	2013
Other expense, net	$ (1)	$ (3)

Balance Sheet Classification

The Company records the fair values of derivative financial instruments on the balance sheet as follows: (a) receivables if the instrument has a positive fair value and maturity within one year, (b) other assets if the instrument has a positive fair value and maturity after one year, (c) other liabilities (current) if the instrument has a negative fair value and maturity within one year, and

(d) other long-term liabilities if the instrument has a negative fair value and maturity after one year. The following table shows the amount and classification (as noted above) of the Company's derivatives:

	Balance Sheet Location	Fair Value March 31, 2014	Fair Value December 31, 2013	Fair Value March 31, 2013
Asset Derivatives:				
Derivatives designated as hedging instruments:				
Commodity futures contracts	a	$ 2	$ 1	$ 2
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	a	4	3	3
Foreign exchange contracts	c	3		1
Total derivatives not designated as hedging instruments		7	3	4
Total asset derivatives		$ 9	$ 4	$ 6
Liability Derivatives:				
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	c	$ 10	$ 7	$ 8
Total liability derivatives		$ 10	$ 7	$ 8

6. Restructuring Accruals

Selected information related to the restructuring accruals for the first three months of 2014 and 2013 is as follows:

	European Asset Optimization	Asia Pacific Restructuring	Other Restructuring Actions	Total Restructuring
Balance at January 1, 2014	$ 30	$ 20	$ 64	$ 114
Net cash paid, principally severance and related benefits	(2)	(4)	(15)	(21)
Other, including foreign exchange translation	(1)	(4)	(3)	(8)
Balance at March 31, 2014	$ 27	$ 12	$ 46	$ 85
Balance at January 1, 2013	$ 53	$ 6	$ 64	$ 123
First quarter 2013 charges	7	2	1	10
Write-down of assets to net realizable value	(2)			(2)
Net cash paid, principally severance and related benefits	(20)	(4)	(10)	(34)
Other, including foreign exchange translation	(1)		(1)	(2)
Balance at March 31, 2013	$ 37	$ 4	$ 54	$ 95

The Company's decisions to curtail selected production capacity have resulted in write downs of certain long-lived assets to the extent their carrying amounts exceeded fair value or fair value less cost to sell. The Company classified the significant assumptions used to determine the fair value of the impaired assets, which was not material, as Level 3 in the fair value hierarchy as set forth in the general accounting principles for fair value measurements.

7. Pension Benefit Plans

The components of the net periodic pension cost for the three months ended March 31, 2014 and 2013 are as follows:

	U.S. 2014	U.S. 2013	Non-U.S. 2014	Non-U.S. 2013
Service cost	$ 6	$ 7	$ 7	$ 8
Interest cost	27	27	18	17
Expected asset return	(43)	(46)	(22)	(23)
Amortization:				
Actuarial loss	18	28	4	8
Net periodic pension cost	$ 8	$ 16	$ 7	$ 10

The U.S. pension expense excludes $8 million of special termination benefits that were recorded in discontinued operations in 2013.

8. Income Taxes

The Company performs a quarterly review of the annual effective tax rate and makes changes if necessary based on new information or events. The estimated annual effective tax rate is forecasted quarterly using actual historical information and forward-looking estimates. The estimated annual effective tax rate may fluctuate due to changes in forecasted annual operating income; changes in the forecasted mix of earnings by country; changes to the valuation allowance for deferred tax assets (such changes would be recorded discretely in the quarter in which they occur); changes to actual or forecasted permanent book to tax differences (non-deductible expenses); impacts from future tax settlements with state, federal or foreign tax authorities (such changes would be recorded discretely in the quarter in which they occur); or impacts from tax law changes. To the extent such changes impact deferred tax assets/liabilities, these changes would generally be recorded discretely in the quarter in which they occur. Additionally, the annual effective tax rate differs from the statutory U.S. Federal tax rate of 35% primarily because of valuation allowances in some jurisdictions and varying non-U.S. tax rates.

In the U.S., the Company has experienced cumulative losses in previous years and has recorded a valuation allowance against its deferred tax assets. The Company's U.S. operations are in a three-year cumulative income position, but this is not solely determinative of the need for a valuation allowance. The Company considered this factor and all other available positive and negative evidence and concluded that it is still more likely than not that the net deferred tax assets in the U.S. will not be realized, and accordingly continued to record a valuation allowance. The evidence considered included the magnitude of the current three-year cumulative income compared to historical losses, expected impact of tax planning strategies, interest rates, and the overall business environment. The Company continues to evaluate its cumulative income position and income trend as well as its future projections of sustained profitability and whether this profitability trend constitutes sufficient positive evidence to support a reversal of the valuation allowance (in full or in part). The amount of the valuation allowance recorded in the U.S. as of December 31, 2013 was $837 million.

9. Debt

The following table summarizes the long-term debt of the Company:

	March 31, 2014	December 31, 2013	March 31, 2013
Secured Credit Agreement:			
Revolving Credit Facility:			
Revolving Loans	$ 150	$ —	$ 126
Term Loans:			
Term Loan A			53
Term Loan B	405	405	525
Term Loan C (81 million CAD at March 31, 2014)	74	76	100
Term Loan D (€85 million at March 31, 2014)	116	117	158
Senior Notes:			
3.00%, Exchangeable, due 2015	621	617	647
7.375%, due 2016	594	593	591
6.75%, due 2020 (€500 million)	688	690	641
4.875%, due 2021 (€330 million)	454	455	423
Payable to OI Inc.	250	250	250
Other	60	58	92
Total long-term debt	3,412	3,261	3,606
Less amounts due within one year	41	16	56
Long-term debt	$ 3,371	$ 3,245	$ 3,550

On May 19, 2011, the Company's subsidiary borrowers entered into the Secured Credit Agreement (the "Agreement"). At March 31, 2014, the Agreement included a $900 million revolving credit facility, a $405 million term loan, a 81 million Canadian dollar term loan, and a €85 million term loan, each of which has a final maturity date of May 19, 2016. At March 31, 2014, the Company's subsidiary borrowers had unused credit of $660 million available under the Agreement.

The weighted average interest rate on borrowings outstanding under the Agreement at March 31, 2014 was 2.02%.

During March 2013, the Company issued senior notes with a face value of €330 million due March 31, 2021. The notes bear interest at 4.875% and are guaranteed by substantially all of the Company's domestic subsidiaries. The net proceeds, after deducting debt issuance costs, totaled approximately $418 million.

During March 2013, the Company discharged, in accordance with the indenture, all €300 million of the 6.875% senior notes due 2017. The Company recorded $11 million of additional interest charges for note repurchase premiums and the related write-off of unamortized finance fees.

The Company has a €215 million European accounts receivable securitization program, which extends through September 2016, subject to periodic renewal of backup credit lines. Information related to the Company's accounts receivable securitization program is as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
Balance (included in short-term loans)	$ 253	$ 276	$ 241
Weighted average interest rate	1.53%	1.41%	1.38%

The carrying amounts reported for the accounts receivable securitization program, and certain long-term debt obligations subject to frequently redetermined interest rates, approximate fair value. Fair values for the Company's significant fixed rate debt obligations are based on published market quotations, and are classified as Level 1 in the fair value hierarchy.

Fair values at March 31, 2014 of the Company's significant fixed rate debt obligations are as follows:

		Principal Amount	Indicated Market Price		Fair Value
Senior Notes:					
3.00%, Exchangeable, due 2015	$	644	103.51	$	667
7.375%, due 2016		600	111.00		666
6.75%, due 2020 (€500 million)		688	118.33		814
4.875%, due 2021 (€330 million)		454	107.39		488

10. Contingencies

Asbestos

OI Inc. is a defendant in numerous lawsuits alleging bodily injury and death as a result of exposure to asbestos dust. From 1948 to 1958, one of OI Inc.'s former business units commercially produced and sold approximately $40 million of a high-temperature, calcium-silicate based pipe and block insulation material containing asbestos. OI Inc. exited the pipe and block insulation business in April 1958. The typical asbestos personal injury lawsuit alleges various theories of liability, including negligence, gross negligence and strict liability and seeks compensatory and in some cases, punitive damages in various amounts (herein referred to as "asbestos claims").

As of March 31, 2014, O-I Inc. has determined that it is a named defendant in asbestos lawsuits and claims involving approximately 2,500 plaintiffs and claimants. Based on an analysis of the lawsuits pending as of December 31, 2013, approximately 80% of plaintiffs either do not specify the monetary damages sought, or in the case of court filings, claim an amount sufficient to invoke the jurisdictional minimum of the trial court. Approximately 16% of plaintiffs specifically plead damages above the jurisdictional minimum up to, and including, $15 million or less, and 3% of plaintiffs specifically plead damages greater than $15 million but less than $100 million. Fewer than 1% of plaintiffs specifically plead damages equal to or greater than $100 million.

As indicated by the foregoing summary, current pleading practice permits considerable variation in the assertion of monetary damages. OI Inc.'s experience resolving hundreds of thousands of asbestos claims and lawsuits over an extended period demonstrates that the monetary relief that may be alleged in a complaint bears little relevance to a claim's merits or disposition value. Rather, the amount potentially recoverable is determined by such factors as the severity of the plaintiff's asbestos disease, the product identification evidence against OI Inc. and other defendants, the defenses available to OI Inc. and other defendants, the specific jurisdiction in which the claim is made, and the plaintiff's medical history and exposure to other disease-causing agents.

In addition to the pending claims set forth above, OI Inc. has claims-handling agreements in place with many plaintiffs' counsel throughout the country. These agreements require evaluation and negotiation regarding whether particular claimants qualify under the criteria established by such agreements. The criteria for such claims include verification of a compensable illness and a reasonable probability of exposure to a product manufactured by OI Inc.'s former business unit during its manufacturing period ending in 1958.

OI Inc. has also been a defendant in other asbestos-related lawsuits or claims involving maritime workers, medical monitoring claimants, co-defendants and property damage claimants. Based upon its past experience, the OI Inc. believes that these categories of lawsuits and claims will not involve any material liability and they are not included in the above description of pending matters or in the following description of disposed matters.

Since receiving its first asbestos claim, OI Inc. as of March 31, 2014, has disposed of the asbestos claims of approximately 393,000 plaintiffs and claimants at an average indemnity payment per claim of approximately $8,700. Certain of these dispositions have included deferred amounts payable over a number of years. Deferred amounts payable totaled approximately $24 million at March 31, 2014 ($12 million at December 31, 2013) and are included in the foregoing average indemnity payment per claim. OI Inc.'s asbestos indemnity payments have varied on a per claim basis, and are expected to continue to vary considerably over time. As discussed above, a part of OI Inc.'s objective is to achieve, where possible, resolution of asbestos claims pursuant to claims-handling agreements. Failure of claimants to meet certain medical and product exposure criteria in OI Inc.'s administrative claims handling agreements has generally reduced the number of marginal or suspect claims that would otherwise have been received. In addition, certain courts and legislatures have reduced or eliminated the number of marginal or suspect claims that OI Inc. otherwise would have received. These developments generally have had the effect of increasing OI Inc.'s per-claim average indemnity payment over time.

OI Inc. believes that its ultimate asbestos-related liability (i.e., its indemnity payments or other claim disposition costs plus related legal fees) cannot reasonably be estimated. Beginning with the initial liability of $975 million established in 1993, OI Inc. has accrued a total of approximately $4.3 billion through 2013, before insurance recoveries, for its asbestos-related liability. OI Inc.'s ability to reasonably estimate its liability has been significantly affected by, among other factors, the volatility of asbestos-related litigation in the United States, the significant number of co-defendants that have filed for bankruptcy, the magnitude and timing of co-defendant bankruptcy trust payments, the inherent uncertainty of future disease incidence and claiming patterns against OI Inc., and the success of efforts by co-defendants to restrict or eliminate their liability in the litigation.

OI Inc. has continued to monitor trends that may affect its ultimate liability and has continued to analyze the developments and variables affecting or likely to affect the resolution of pending and future asbestos claims against OI Inc. The material components of OI Inc.'s accrued liability are based on amounts determined by OI Inc. in connection with its annual comprehensive review and consist of the following estimates, to the extent it is probable that such liabilities have been incurred and can be reasonably estimated: (i) the liability for asbestos claims already asserted against OI Inc.; (ii) the liability for asbestos claims not yet asserted against OI Inc., but which OI Inc. believes will be asserted in the next several years; and (iii) the legal defense costs likely to be incurred in connection with the foregoing types of claims.

The significant assumptions underlying the material components of OI Inc.'s accrual are:

a) the extent to which settlements are limited to claimants who were exposed to OI Inc.'s asbestos-containing insulation prior to its exit from that business in 1958;

b) the extent to which claims are resolved under OI Inc.'s administrative claims agreements or on terms comparable to those set forth in those agreements;

c) the extent of decrease or increase in the incidence of serious disease cases and claiming patterns for such cases;

d) the extent to which OI Inc. is able to defend itself successfully at trial or on appeal;

e) the number and timing of additional co-defendant bankruptcies; and

f) the extent to which co-defendants with substantial resources and assets continue to participate significantly in the resolution of future asbestos lawsuits and claims.

As noted above, OI Inc. conducts a comprehensive review of its asbestos-related liabilities and costs annually in connection with finalizing and reporting its annual results of operations, unless significant changes in trends or new developments warrant an earlier review. If the results of an annual comprehensive review indicate that the existing amount of the accrued liability is insufficient to cover its estimated future asbestos-related costs, then OI Inc. will record an appropriate charge to increase the accrued liability. OI Inc. believes that a reasonable estimation of the probable amount of the liability for claims not yet asserted against OI Inc. is not possible beyond a period of several years. Therefore, while the results of future annual comprehensive reviews cannot be determined, OI Inc. expects the addition of one year to the estimation period will result in an annual charge.

OI Inc.'s reported results of operations for 2013 were materially affected by the $145 million fourth quarter charge for asbestos-related costs and asbestos-related payments continue to be substantial. Any future additional charge would likewise materially affect OI Inc.'s results of operations for the period in which it is recorded. Also, the continued use of significant amounts of cash for asbestos-related costs has affected and may continue to affect the Company's and OI Inc.'s cost of borrowing and its ability to pursue global or domestic acquisitions. However, the Company believes that its operating cash flows and other sources of liquidity will be sufficient to fund OI Inc.'s asbestos-related costs and to fund the Company's working capital and capital expenditure requirements on a short-term and long-term basis.

Other Matters

The Company conducted an internal investigation into conduct in certain of its overseas operations that may have violated the anti-bribery provisions of the United States Foreign Corrupt Practices Act (the "FCPA"), the FCPA's books and records and internal controls provisions, the Company's own internal policies, and various local laws. In October 2012, the Company voluntarily disclosed these matters to the U.S. Department of Justice (the "DOJ") and the Securities and Exchange Commission (the "SEC").

On July 18, 2013, the Company received a letter from the DOJ indicating that it presently did not intend to take any enforcement action and is closing its inquiry into the matter.

The Company is presently unable to predict the duration, scope or result of an investigation by the SEC, if any, or whether the SEC will commence any legal action. The SEC has a broad range of civil sanctions under the FCPA and other laws and regulations including, but not limited to, injunctive relief, disgorgement, penalties, and modifications to business practices. The Company could also be subject to investigation and sanctions outside the United States. While the Company is currently unable to quantify the impact of any potential sanctions or remedial measures, it does not expect such actions will have a material adverse effect on the Company's liquidity, results of operations or financial condition.

The Company received a non-income tax assessment from a foreign tax authority for approximately $90 million (including penalties and interest). The Company challenged this assessment, but the tax authority's position was upheld in court. The Company strongly disagrees with this ruling and believes it to be contradictory to other court rulings in the Company's favor. Although the Company cannot predict the ultimate outcome of this case, it believes that it is probable that the tax authority's assessment will be overturned by a higher court, and therefore, the Company has not established an accrual. In order to contest the lower court rulings, legal rules require the Company to deposit the amount of the tax assessment, which will be remitted in monthly installments over the next fifteen months. A favorable ruling by the higher court will result in a return to the Company of amounts paid. An unfavorable ruling will result in the forfeiture of the deposit, a charge of approximately $60 million and a non-income tax refund of $30 million. As of March 31, 2014, the Company has made installment payments totaling $60 million, which is included in Other assets on the balance sheet.

Other litigation is pending against the Company, in many cases involving ordinary and routine claims incidental to the business of the Company and in others presenting allegations that are non-routine and involve compensatory, punitive or treble damage claims as well as other types of relief. The Company records a liability for such matters when it is both probable that the liability has been incurred and the amount of the liability can be reasonably estimated. Recorded amounts are reviewed and adjusted to reflect changes in the factors upon which the estimates are based, including additional information, negotiations, settlements and other events.

11. Share Owners' Equity

The activity in share owners' equity for the three months ended March 31, 2014 and 2013 is as follows:

	Share Owner's Equity of the Company				
	Other	Retained	Accumulated	Non-controlling	Total Share Owners'

	Contributed Capital	Earnings	Other Comprehensive Loss	Interests	Equity
Balance on January 1, 2014	$ 1,112	$ 1,872	$ (1,080)	$ 147	$ 2,051
Net distribution to parent	(1)				(1)
Net earnings		101		5	106
Other comprehensive income			59	(3)	56
Distributions to noncontrolling interests				(19)	(19)
Balance on March 31, 2014	$ 1,111	$ 1,973	$ (1,021)	$ 130	$ 2,193

	Share Owner's Equity of the Company				
	Other Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non-controlling Interests	Total Share Owners' Equity
Balance on January 1, 2013	$ 124	$ 2,683	$ (1,465)	$ 174	$ 1,516
Net distribution to parent	(8)				(8)
Net earnings		69		5	74
Other comprehensive income			21	(4)	17
Balance on March 31, 2013	$ 116	$ 2,752	$ (1,444)	$ 175	$ 1,599

The Company has 1,000 shares of common stock authorized with a par value of $.01 per share. At March 31, 2014, December 31, 2013, and March 31, 2013, the Company had 100 shares of common stock issued.

12. Accumulated Other Comprehensive Loss

The activity in accumulated other comprehensive loss for the three months ended March 31, 2014 and 2013 is as follows:

	Net Effect of Exchange Rate Fluctuations	Change in Certain Derivative Instruments	Employee Benefit Plans	Total Accumulated Other Comprehensive Loss
Balance on January 1, 2014	$ 229	$ (5)	$ (1,304)	$ (1,080)
Change before reclassifications	35	2		37
Amounts reclassified from accumulated other comprehensive income		(1)(a)	23(b)	22
Translation effect			1	1
Tax effect			(1)	(1)
Other comprehensive income attributable to the Company	35	1	23	59
Balance on March 31, 2014	$ 264	$ (4)	$ (1,281)	$ (1,021)

	Net Effect of Exchange Rate Fluctuations	Change in Certain Derivative Instruments	Employee Benefit Plans	Total Accumulated Other Comprehensive Loss
Balance on January 1, 2013	$ 455	$ (7)	$ (1,913)	$ (1,465)
Change before reclassifications	(28)	3		(25)
Amounts reclassified from accumulated other comprehensive income		1(a)	37(b)	38
Translation effect			10	10
Tax effect			(2)	(2)
Other comprehensive income attributable to the Company	(28)	4	45	21
Balance on March 31, 2013	$ 427	$ (3)	$ (1,868)	$ (1,444)

(a) Amount is included in Cost of goods sold on the Condensed Consolidated Results of Operations (see Note 5 for additional information).
(b) Amount is included in the computation of net periodic pension cost (see Note 7 for additional information) and net postretirement benefit cost.

13. Other Expense

During the three months ended March 31, 2013, the Company recorded charges of $10 million for restructuring, asset impairment and related charges primarily related to the Company's European Asset Optimization program. See Note 6 for additional information.

14. Supplemental Cash Flow Information

	Three months ended March 31, 2014	2013
Interest paid in cash	$ 70	$ 81
Income taxes paid in cash (non-US)	$ 31	$ 33

Cash interest for 2013 includes note repurchase premiums of $9 million related to the discharge of the Company's 6.875% senior notes due 2017.

15. Discontinued Operations

The loss from discontinued operations of $1 million for the three months ended March 31, 2014 is related to ongoing costs for the 2010 Venezuela expropriation. The loss from discontinued operations of $10 million for the three months ended March 31, 2013 included $8 million of special termination benefits related to a previously disposed business and $2 million for ongoing costs related to the Venezuela expropriation.

16. Financial Information for Subsidiary Guarantors and Non-Guarantors

The following presents condensed consolidating financial information for the Company, segregating: (1) Owens-Illinois Group, Inc. (the "Parent"); (2) Owens-Brockway Glass Container Inc. (the "Issuer"); (3) those domestic subsidiaries that guarantee the 3.00% exchangeable notes and 7.375% senior notes of the Issuer (the "Guarantor Subsidiaries"); and (4) all other subsidiaries (the "Non-Guarantor Subsidiaries"). The Guarantor Subsidiaries are 100% owned direct and indirect subsidiaries of the Parent and their guarantees are full, unconditional and joint and several. The Parent is also a guarantor, and its guarantee is full, unconditional and joint and several.

Subsidiaries of the Parent and of the Issuer are presented on the equity basis of accounting. Certain reclassifications have been made to conform all of the financial information to the financial presentation on a consolidated basis. The principal eliminations relate to investments in subsidiaries and intercompany balances and transactions.

	March 31, 2014					
Balance Sheet	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Current assets:						
Cash and cash equivalents	$ —	$ —	$ 3	$ 198	$ —	$ 201
Receivables		108		970		1,078
Inventories		243		961		1,204
Prepaid expenses		20	9	65		94
Total current assets	—	371	12	2,194	—	2,577
Investments in and advances to subsidiaries	2,313	2,765	167		(5,245)	—
Property, plant and equipment, net		648	37	1,949		2,634
Goodwill		574	8	1,477		2,059
Other assets		121	131	966		1,218
Total assets	$ 2,313	$ 4,479	$ 355	$ 6,586	$ (5,245)	$ 8,488
Current liabilities :						
Short-term loans and long-term debt due within one year	$ —	$ 19	$ 7	$ 305	$ —	$ 331
Accounts payable		188	27	859		1,074
Other liabilities		76	39	412		527
Total current liabilities	—	283	73	1,576	—	1,932
Long-term debt	250	1,649	11	1,461		3,371
Other non-current liabilities		67	127	749	49	992
Investments by and advances from parent		2,480	144	2,670	(5,294)	—
Share owners' equity	2,063			130		2,193
Total liabilities and share owners' equity	$ 2,313	$ 4,479	$ 355	$ 6,586	$ (5,245)	$ 8,488

Balance Sheet	December 31, 2013 Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Current assets:						
Cash and cash equivalents	$ —	$ —	$ 27	$ 356	$ —	$ 383
Receivables		68		875		943
Inventories		203		914		1,117
Prepaid expenses		20	8	79		107
Total current assets	—	291	35	2,224	—	2,550
Investments in and advances to subsidiaries	2,154	2,656	161		(4,971)	—
Property, plant and equipment, net		651	38	1,943		2,632
Goodwill		574	8	1,477		2,059
Other assets		121	131	926		1,178
Total assets	$ 2,154	$ 4,293	$ 373	$ 6,570	$ (4,971)	$ 8,419
Current liabilities :						
Short-term loans and long-term debt due within one year	$ —	$ —	$ —	$ 322	$ —	$ 322
Accounts payable		185	19	940		1,144
Other liabilities		108	48	482		638
Total current liabilities	—	293	67	1,744	—	2,104
Long-term debt	250	1,617	12	1,366		3,245
Other non-current liabilities		68	136	815		1,019
Investments by and advances from parent		2,315	158	2,498	(4,971)	—
Share owners' equity	1,904			147		2,051
Total liabilities and share owners' equity	$ 2,154	$ 4,293	$ 373	$ 6,570	$ (4,971)	$ 8,419

Balance Sheet	March 31, 2013 Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Current assets:						
Cash and cash equivalents	$ —	$ —	$ 16	$ 343	$ —	$ 359
Receivables		96	(7)	958		1,047
Inventories		221		957		1,178
Prepaid expenses		8	6	85		99
Total current assets	—	325	15	2,343	—	2,683
Investments in and advances to subsidiaries	1,674	2,838	(169)		(4,343)	—
Property, plant and equipment, net		623	41	2,016		2,680
Goodwill		574	8	1,466		2,048
Other assets		124	88	894		1,106
Total assets	$ 1,674	$ 4,484	$ (17)	$ 6,719	$ (4,343)	$ 8,517
Current liabilities :						
Short-term loans and long-term debt due within one year	$ —	$ 23	$ 1	$ 323	$ —	$ 347
Accounts payable		143	17	744		904
Other liabilities		72	39	425	(13)	523
Total current liabilities	—	238	57	1,492	(13)	1,774
Long-term debt	250	1,798	13	1,489		3,550
Other non-current liabilities		30	657	907		1,594
Investments by and advances from parent		2,418	(744)	2,656	(4,330)	—
Share owners' equity	1,424			175		1,599

Total liabilities and share owners' equity	$ 1,674	$ 4,484	$ (17)	$ 6,719	$ (4,343)	$ 8,517

Results of Operations	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	Three months ended March 31, 2014					
Net sales	$ —	$ 453	$ 1	$ 1,185	$ —	$ 1,639
Cost of goods sold		(382)		(936)		(1,318)
Gross profit	—	71	1	249	—	321
Selling and administrative expense		(31)	(28)	(74)		(133)
Research, development, and engineering expense		(10)		(5)		(15)
Net intercompany interest	5	(5)				—
Interest expense, net	(5)	(26)		(23)		(54)
Equity earnings from subsidiaries	101	94			(195)	—
Other equity earnings		4		12		16
Other expense, net		43		(44)		(1)
Earnings (loss) from continuing operations before income taxes	101	140	(27)	115	(195)	134
Provision for income taxes		(1)	(1)	(25)		(27)
Earnings (loss) from continuing operations	101	139	(28)	90	(195)	107
Loss from discontinued operations				(1)		(1)
Net earnings (loss)	101	139	(28)	89	(195)	106
Net earnings attributable to noncontrolling interests				(5)		(5)
Net earnings (loss) attributable to the Company	$ 101	$ 139	$ (28)	$ 84	$ (195)	$ 101

Comprehensive Income	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	Three months ended March 31, 2014					
Net earnings	$ 101	$ 139	$ (28)	$ 89	$ (195)	$ 106
Other comprehensive income, net	59			37	(40)	56
Total comprehensive income (loss)	160	139	(28)	126	(235)	162
Comprehensive income attributable to noncontrolling interests				(2)		(2)
Comprehensive income (loss) attributable to the Company	$ 160	$ 139	$ (28)	$ 124	$ (235)	$ 160

Results of Operations	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	Three months ended March 31, 2013					
Net sales	$ —	$ 439	$ 1	$ 1,201	$ —	$ 1,641
Cost of goods sold		(349)	(13)	(960)		(1,322)
Gross profit	—	90	(12)	241	—	319
Selling and administrative expense		(19)	(25)	(85)		(129)
Research, development, and engineering expense		(8)		(7)		(15)
Net intercompany interest	5	(5)				—
Interest expense, net	(5)	(27)		(36)		(68)
Equity earnings from subsidiaries	69	8			(77)	—
Other equity earnings		4		13		17
Other expense, net		52		(59)		(7)
Earnings (loss) from continuing operations before income taxes	69	95	(37)	67	(77)	117
Provision for income taxes		(2)		(31)		(33)
Earnings (loss) from continuing operations	69	93	(37)	36	(77)	84

Loss from discontinued operations				(10)		(10)
Net earnings (loss)	69	93	(37)	26	(77)	74
Net earnings attributable to noncontrolling interests				(5)		(5)
Net earnings (loss) attributable to the Company	$ 69	$ 93	$ (37)	$ 21	$ (77)	$ 69

Comprehensive Income	Three months ended March 31, 2013 Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net earnings	$ 69	$ 93	$ (37)	$ 26	$ (77)	$ 74
Other comprehensive income, net	21	2		(14)	8	17
Total comprehensive income (loss)	90	95	(37)	12	(69)	91
Comprehensive income attributable to noncontrolling interests				(1)		(1)
Comprehensive income (loss) attributable to the Company	$ 90	$ 95	$ (37)	$ 11	$ (69)	$ 90

Cash Flows	Three months ended March 31, 2014 Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash provided by (utilized in) operating activities	$ —	$ (187)	$ (42)	$ 41	$ —	$ (188)
Cash provided by (utilized in) investing activities		75	(1)	(169)		(95)
Cash provided by (utilized in) financing activities		112	19	(24)		107
Effect of exchange rate change on cash				(6)		(6)
Net change in cash	—	—	(24)	(158)	—	(182)
Cash at beginning of period			27	356		383
Cash at end of period	$ —	$ —	$ 3	$ 198	$ —	$ 201

Cash Flows	Three months ended March 31, 2013 Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash provided by (utilized in) operating activities	$ —	$ (18)	$ 22	$ (105)	$ (18)	$ (119)
Cash utilized in investing activities		(37)		(57)		(94)
Cash provided by (utilized in) financing activities		55	(16)	85	18	142
Effect of exchange rate change on cash				(1)		(1)
Net change in cash	—	—	6	(78)	—	(72)
Cash at beginning of period			10	421		431
Cash at end of period	$ —	$ —	$ 16	$ 343	$ —	$ 359

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Company's measure of profit for its reportable segments is segment operating profit, which consists of consolidated earnings from continuing operations before interest income, interest expense, and provision for income taxes and excludes amounts related to certain items that management considers not representative of ongoing operations as well as certain retained corporate costs. The segment data presented below is prepared in accordance with general accounting principles for segment reporting. The line titled "reportable segment totals", however, is a non-GAAP measure when presented outside of the financial statement footnotes. Management has included reportable segment totals below to facilitate the discussion and analysis of financial condition and results of operations. The Company's management uses segment operating profit, in combination with net sales and selected cash flow information, to evaluate performance and to allocate resources.

Financial information for the three-month periods ended March 31, 2014 and 2013 regarding the Company's reportable segments is as follows (dollars in millions):

	Three months ended March 31, 2014	Three months ended March 31, 2013
Net Sales:		
Europe	$ 706	$ 650
North America	485	469
South America	239	269
Asia Pacific	203	247
Reportable segment totals	1,633	1,635
Other	6	6
Net Sales	$ 1,639	$ 1,641

	Three months ended March 31, 2014	Three months ended March 31, 2013
Segment operating profit:		
Europe	$ 87	$ 59
North America	65	74
South America	41	53
Asia Pacific	25	40
Reportable segment totals	218	226
Items excluded from segment operating profit:		
Retained corporate costs and other	(30)	(31)
Restructuring and asset impairment		(10)
Interest expense, net	(54)	(68)
Earnings from continuing operations before income taxes	134	117
Provision for income taxes	(27)	(33)
Earnings from continuing operations	107	84
Loss from discontinued operations	(1)	(10)
Net earnings	106	74
Net earnings attributable to noncontrolling interests	(5)	(5)
Net earnings attributable to the Company	$ 101	$ 69
Amounts attributable to the Company:		
Earnings from continuing operations	$ 102	$ 79
Loss from discontinued operations	(1)	(10)
Net earnings	$ 101	$ 69

Note: All amounts excluded from reportable segment totals are discussed in the following applicable sections.

Executive Overview — Quarters ended March 31, 2014 and 2013

First Quarter 2014 Highlights

- Net sales essentially flat due to the unfavorable effect of foreign currency exchange rates, partially offset by an increase in glass container shipments and higher selling prices.
- Segment operating profit lower due to higher operating costs, partially offset by higher shipments, improved selling prices and structural cost savings.

Net sales were $2 million lower than the prior year due to the unfavorable effect of changes in foreign currency exchange rates, partially offset by a 2% increase in global glass container shipments, driven by higher sales volumes in Europe, and higher selling prices.

Segment operating profit for reportable segments was $8 million lower than the prior year. The decrease was mainly attributable to higher operating costs, especially due to weather impacts in North America. These higher costs were partially offset by higher shipments, improved selling prices and structural cost savings.

Net interest expense for the first quarter of 2014 decreased $14 million compared to the first quarter of 2013. The decrease was primarily due to the nonoccurrence in 2014 of the note repurchase premiums and the write-off of finance fees related to debt that was repaid during the first quarter of 2013 prior to its maturity.

For the first quarter of 2014, the Company recorded earnings from continuing operations attributable to the Company of $102 million compared to $79 million in the first quarter of 2013. Earnings in the first quarter of 2013 included items that management considered not representative of ongoing operations. These items decreased earnings from continuing operations attributable to the Company in 2013 by $20 million. There were no items that management considered not representative of ongoing operations in the first quarter of 2014.

Results of Operations — First Quarter of 2014 compared with First Quarter of 2013

Net Sales

The Company's net sales in the first quarter of 2014 were $1,639 million compared with $1,641 million for the first quarter of 2013, a decrease of $2 million, or less than 1%. Glass container shipments, in tonnes, were up 2% in the first quarter of 2014 compared to the first quarter of 2013, driven by higher sales in Europe and North America, partially offset by lower sales in Asia Pacific and slightly lower sales in South America. The benefits of higher shipments and higher selling prices were more than offset by unfavorable foreign currency exchange rate changes, primarily due to a weaker Brazilian real and Australian dollar that more than offset a stronger Euro in relation to the U.S. dollar.

The change in net sales of reportable segments can be summarized as follows (dollars in millions):

Net sales - 2013			$	1,635
Price	$	14		
Sales volume		19		
Effects of changing foreign currency rates		(35)		
Total effect on net sales				(2)
Net sales - 2014			$	1,633

Europe: Net sales in Europe in the first quarter of 2014 were $706 million compared with $650 million for the first quarter of 2013, an increase of $56 million, or 9%. Glass container shipments in the first quarter of 2014 were up 6% compared to the first quarter of 2013, resulting in a $36 million increase in net sales, driven by higher shipments in the beer and wine categories. Unseasonably warm weather in the first quarter of 2014 improved beer bottle shipments while the carryover benefit of the Company's wine share recovery efforts from the prior year led to higher wine bottle shipments this quarter. Net sales in Europe also increased by $27 million due to favorable foreign currency exchange rate changes, as the Euro strengthened in relation to the U.S. dollar. Partially offsetting these increases in net sales was a $7 million impact from selling prices.

North America: Net sales in North America in the first quarter of 2014 were $485 million compared with $469 million for the first quarter of 2013, an increase of $16 million, or 3%. The

increase in net sales was partially due to higher sales volume, which resulted in $11 million of higher sales in the first quarter of 2014. Glass container shipments were up 2% in the quarter compared to the prior year, driven by higher beer and non-alcoholic bottle sales. Higher selling prices also increased sales by $10 million in the first quarter of 2014 due, in part, to the Company's contractual pass through provisions, as well as from passing through the freight costs for a large customer. Unfavorable foreign currency exchange rate changes decreased net sales by $5 million, as the Canadian dollar weakened in relation to the U.S. dollar.

South America: Net sales in South America in the first quarter of 2014 were $239 million compared with $269 million for the first quarter of 2013, a decrease of $30 million, or 11%. The unfavorable effects of foreign currency exchange rate changes decreased net sales $36 million in the first quarter of 2014 compared to 2013, principally due to a 12% decline in the Brazilian real in relation to the U.S. dollar. Lower glass container shipments decreased sales by $6 million but were more than offset by $12 million of improved pricing in the current quarter.

Asia Pacific: Net sales in Asia Pacific in the first quarter of 2014 were $203 million compared with $247 million for the first quarter of 2013, a decrease of $44 million, or 18%. The decrease in net sales was partially due to lower sales volume, which resulted in $22 million of lower sales in the first quarter of 2014. Glass container shipments were down 10% compared to the prior year, primarily due to planned plant closures in China and lower sales volumes in Australia. The unfavorable effects of foreign currency exchange rate changes during the first quarter of 2014, primarily due to the weakening of the Australian dollar in relation to the U.S. dollar, also decreased net sales by $21 million. Selling prices were $1 million lower in the current quarter.

Segment Operating Profit

Operating profit of the reportable segments includes an allocation of some corporate expenses based on both a percentage of sales and direct billings based on the costs of specific services provided. Unallocated corporate expenses and certain other expenses not directly related to the reportable segments' operations are included in Retained corporate costs and other. For further information, see Segment Information included in Note 2 to the Condensed Consolidated Financial Statements.

Segment operating profit of reportable segments in the first quarter of 2014 was $218 million compared to $226 million for the first quarter of 2013, a decrease of $8 million, or 4%. The decrease in segment operating profit was primarily due to higher operating costs, partially offset by higher sales volume, higher selling prices and structural cost savings. Operating costs were higher in the current quarter as the Company's North American region incurred higher energy and logistics costs due to extreme weather conditions. The Company's Asia Pacific region also experienced higher energy inflation in the quarter. Further, an increase in the number of furnace rebuilds in South America resulted in lower fixed cost absorption in the first quarter of 2014. Partially offsetting these higher costs were structural cost improvements, especially as a result of the Company's asset optimization program in Europe.

The change in segment operating profit of reportable segments can be summarized as follows (dollars in millions):

Segment operating profit - 2013		$ 226
Price	$ 14	
Sales volume	8	
Operating costs	(27)	
Effects of changing foreign currency rates	(3)	
Total net effect on segment operating profit		(8)
Segment operating profit - 2014		$ 218

Europe: Segment operating profit in Europe in the first quarter of 2014 was $87 million compared with $59 million in the first quarter of 2013, an increase of $28 million, or 47%. The increase in sales volume discussed above increased segment operating profit by $10 million. Lower operating expenses, driven by higher production volume and structural cost reductions, had a $23 million positive impact on segment operating profit during the first quarter of 2014. Partially offsetting these benefits was a $7 million impact in the quarter from selling prices, which were mitigated by the absence of cost inflation in the region. The favorable effects of foreign currency exchange rates increased segment operating profit by $2 million.

North America: Segment operating profit in North America in the first quarter of 2014 was $65 million compared with $74 million in the first quarter of 2013, a decrease of $9 million, or 12%. The increase in sales volume and selling prices discussed above increased segment operating profit by $3 million and $10 million, respectively. These benefits were more than offset by $21 million of higher operating costs, which were driven by higher energy and logistics costs due to extreme winter weather conditions. The unfavorable effects of foreign currency exchange rates decreased segment profit by $1 million.

South America: Segment operating profit in South America in the first quarter of 2014 was $41 million compared with $53 million in the first quarter of 2013, a decrease of $12 million, or 23%. Operating costs were $20 million higher in the first quarter of 2014 compared to the prior year, primarily due to inflation and lower production in the current year due to a higher number of planned furnace rebuilds, which resulted in lower fixed cost absorption. The unfavorable effects of foreign currency exchange rates, especially the Brazilian real, decreased segment operating profit by $4 million in the current year. Partially offsetting these declines were modestly higher selling prices that increased segment operating profit in the first quarter of 2014 by $12 million.

Asia Pacific: Segment operating profit in Asia Pacific in the first quarter of 2014 was $25 million compared with $40 million in the first quarter of 2013, a decrease of $15 million, or 38%. Operating costs increased by $9 million in the quarter and were driven by lower fixed cost absorption due to lower production levels, as well as due to higher energy inflation. The decrease in sales volume and selling prices discussed above decreased segment operating profit by $5 million and $1 million, respectively.

Interest Expense, net

Net interest expense for the first quarter of 2014 was $54 million compared with $68 million for the first quarter of 2013. Interest expense for 2013 included $11 million for note repurchase premiums and the write-off of finance fees related to the discharge of the €300 million senior notes due 2017. Exclusive of these items, interest expense decreased $3 million in the current year principally due to lower debt levels and interest rates.

Provision for Income Taxes

The Company’s effective tax rate from continuing operations for the three months ended March 31, 2014 was 20.1% compared with 28.2% for the three months ended March 31, 2013. The effective tax rate for the first quarter of 2014 was lower than the first quarter of 2013 due to a benefit of $6 million recorded in 2014 related to reductions to several of the Company’s uncertain tax positions due to the outcome of tax examinations.

The Company expects that the full year effective tax rate for 2014 will be comparable with or slightly higher than the 21.9% rate recorded in 2013 (excluding the tax on items that management considers not representative of ongoing operations).

Earnings from Continuing Operations Attributable to the Company

For the first quarter of 2014, the Company recorded earnings from continuing operations attributable to the Company of $102 million compared to $79 million in the first quarter of 2013. Earnings in the first quarter of 2013 included items that management considered not representative of ongoing operations. These items decreased earnings from continuing operations attributable to the Company in 2013 by $20 million. There were no items that management considered not representative of ongoing operations in the first quarter of 2014.

Items Excluded from Reportable Segment Totals

<u>Retained Corporate Costs and Other</u>

Retained corporate costs and other for the first quarter of 2014 was $30 million compared with $31 million for the first quarter of 2013. Retained corporate costs and other for the three months ended March 31, 2014 reflect higher management incentive compensation expense offset by lower pension expense and cost control initiatives.

<u>Restructuring</u>

During the three months ended March 31, 2013, the Company recorded restructuring, asset impairment and related charges of $10 million, primarily related to the European Asset Optimization program. See Note 6 to the Condensed Consolidated Financial Statements for additional information.

<u>Discontinued Operations</u>

The loss from discontinued operations of $1 million for the three months ended March 31, 2014 is related to ongoing costs for the 2010 Venezuela expropriation. The loss from discontinued operations of $10 million for the three months ended March 31, 2013 included $8 million of special termination benefits related to a previously disposed business and $2 million for ongoing costs related to the Venezuela expropriation.

Capital Resources and Liquidity

As of March 31, 2014, the Company had cash and total debt of $201 million and $3.7 billion, respectively, compared to $359 million and $3.9 billion, respectively, as of March 31, 2013. A significant portion of the cash was held in mature, liquid markets where the Company has operations, such as the U.S., Europe and Australia, and is readily available to fund global liquidity requirements. The amount of cash held in non-U.S. locations as of March 31, 2014 was $198 million.

Current and Long-Term Debt

On May 19, 2011, the Company's subsidiary borrowers entered into the Secured Credit Agreement (the "Agreement"). At March 31, 2014, the Agreement included a $900 million revolving credit facility, a $405 million term loan, a 81 million Canadian dollar term loan, and a €85 million term loan, each of which has a final maturity date of May 19, 2016. At March 31, 2014, the Company's subsidiary borrowers had unused credit of $660 million available under the Agreement.

The weighted average interest rate on borrowings outstanding under the Agreement at March 31, 2014 was 2.02%.

During March 2013, the Company issued senior notes with a face value of €330 million due March 31, 2021. The notes bear interest at 4.875% and are guaranteed by substantially all of the Company's domestic subsidiaries. The net proceeds, after deducting debt issuance costs, totaled approximately $418 million.

During March 2013, the Company discharged, in accordance with the indenture, all €300 million of the 6.875% senior notes due 2017.

The Company assesses its capital raising and refinancing needs on an ongoing basis and may enter into additional credit facilities and seek to issue equity and/or debt securities in the domestic and international capital markets if market conditions are favorable. Also, depending on market conditions, the Company may elect to repurchase portions of its debt securities in the open market.

The Company has a €215 million European accounts receivable securitization program, which extends through September 2016, subject to annual renewal of backup credit lines. Information related to the Company's accounts receivable securitization program is as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
Balance (included in short-term loans)	$ 253	$ 276	$ 241
Weighted average interest rate	1.53%	1.41%	1.38%

Cash Flows

Free cash flow was $(295) million for the first three months of 2014 compared to $(211) million for the first three months of 2013. The Company defines free cash flow as cash provided by continuing operating activities less additions to property, plant and equipment from continuing operations. Free cash flow does not conform to U.S. GAAP and should not be construed as an alternative to the cash flow measures reported in accordance with U.S. GAAP. The Company uses free cash flow for internal reporting, forecasting and budgeting and believes this information allows the board of directors, management, investors and analysts to better understand the Company's financial performance. Free cash flow for the three months ended March 31, 2014 and 2013 is calculated as follows:

	2014	2013
Cash utilized in continuing operating activities	$ (187)	$ (117)
Additions to property, plant and equipment	(108)	(94)
Free cash flow	$ (295)	$ (211)

Operating activities: Cash utilized in continuing operating activities was $187 million for the three months ended March 31, 2014, compared with $117 million for the three months ended March 31, 2013. The increase in cash utilized in continuing operating activities was primarily due to an increase in working capital of $352 million in 2014 compared to $301 million in 2013. The larger increase in working capital was mainly due to an increase in inventories in the Company's North American region in the first quarter of 2014 caused by logistics challenges resulting from extreme winter weather conditions. The increase in cash utilized in continuing operating activities was also due to an increase in other net items of $42 million in 2014 compared to an increase of $2 million in 2013, primarily due to cash paid for deferred returnable packaging costs and deferred customer contracts. These higher payments were partially offset by higher earnings and a decrease in cash paid for restructuring activities of $13 million.

Investing activities: Cash utilized in investing activities was $95 million for the three months ended March 31, 2014 compared to $94 million for the three months ended March 31, 2013. Capital spending for property, plant and equipment was $108 million during the current year and $94 million during the prior year. The increase in capital spending in 2014 was primarily due to a higher number of capital projects completed and paid for in the first quarter of 2014. Cash utilized in investing activities in 2014 also included $13 million of other net activity that was primarily related to proceeds from the repayment of a loan from one of the Company's noncontrolling partners in South America.

Financing activities: Cash provided by financing activities was $107 million for the three months ended March 31, 2014 compared to $142 million for the three months ended March 31, 2013. Financing activities in 2014 included additions to long-term debt of $242 million, partially offset by repayments of long-term debt of $95 million and short-term loans of $11 million. The Company also paid $19 million in distributions to noncontrolling interests. Financing activities in 2013 included additions to long-term debt of $639 million, primarily related to the issuance of the €330 million senior notes due 2021, partially offset by repayments of long-term debt of $483 million, primarily related to the discharge of the €300 million senior notes due 2017.

The Company anticipates that cash flows from its operations and from utilization of credit available under the Agreement will be sufficient to fund its operating and seasonal working capital needs, debt service and other obligations on a short-term (twelve-months) and long-term

basis. Based on the Company's expectations regarding future payments for lawsuits and claims and also based on the Company's expected operating cash flow, the Company believes that the payment of any deferred amounts of previously settled or otherwise determined lawsuits and claims, and the resolution of presently pending and anticipated future lawsuits and claims associated with asbestos, will not have a material adverse effect upon the Company's liquidity on a short-term or long-term basis.

Critical Accounting Estimates

The Company's analysis and discussion of its financial condition and results of operations are based upon its consolidated financial statements that have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. The Company evaluates these estimates and assumptions on an ongoing basis. Estimates and assumptions are based on historical and other factors believed to be reasonable under the circumstances at the time the financial statements are issued. The results of these estimates may form the basis of the carrying value of certain assets and liabilities and may not be readily apparent from other sources. Actual results, under conditions and circumstances different from those assumed, may differ from estimates.

The impact of, and any associated risks related to, estimates and assumptions are discussed within Management's Discussion and Analysis of Financial Condition and Results of Operations, as well as in the Notes to the Condensed Consolidated Financial Statements, if applicable, where estimates and assumptions affect the Company's reported and expected financial results.

There have been no other material changes in critical accounting estimates at March 31, 2014 from those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

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 the economic and social conditions in Australia, Europe and South America, 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 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.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

There have been no material changes in market risk at March 31, 2014 from those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

Item 4. Controls and Procedures.

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Also, the Company has investments in certain unconsolidated entities. As the Company does not control or manage these entities, its disclosure controls and procedures with respect to such entities are necessarily substantially more limited than those maintained with respect to its consolidated subsidiaries.

As required by Rule 13a-15(b) of the Exchange Act, the Company carried out an evaluation, under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2014.

Management concluded that the Company's system of internal control over financial reporting was effective as of December 31, 2013. As required by Rule 13a-15(d) of the Exchange Act, the Company carried out an evaluation, under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, of any change in the Company's internal controls over financial reporting that have materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. The Company has undertaken a phased implementation of an Enterprise Resource Planning software system. The phased implementation commenced in the South America segment during 2013 and concluded during the second quarter of 2014, resulting in changes to certain processes in that segment. The Company believes it is maintaining and monitoring appropriate internal controls during the implementation period and further believes that its internal control environment will be enhanced as a result of implementation. There have been no other changes in the Company's internal controls over financial reporting during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

For further information on legal proceedings, see Note 10 to the Condensed Consolidated Financial Statements, "Contingencies," that is included in Part I of this Report and is incorporated herein by reference.

Item 1A. Risk Factors.

There have been no material changes in risk factors at March 31, 2014 from those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

Item 6. Exhibits.

Exhibit 12	Computation of Ratio of Earnings to Fixed Charges.
Exhibit 31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350.
Exhibit 32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350.
Exhibit 101	Financial statements from the quarterly report on Form 10-Q of Owens-Illinois Group, Inc. for the quarter ended March 31, 2014, formatted in XBRL: (i) the Condensed Consolidated Results of Operations, (ii) the Condensed Consolidated Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Cash Flows and (v) the Notes to Condensed Consolidated Financial Statements.

* This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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 thereunto duly authorized.

OWENS-ILLINOIS GROUP, INC.

Date April 30, 2014 By /s/ Stephen P. Bramlage, Jr.

Stephen P. Bramlage, Jr.
President and Chief Financial Officer
(Principal Financial Officer; Principal Accounting Officer)

INDEX TO EXHIBITS

Exhibits	
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* This exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 12

OWENS-ILLINOIS GROUP, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in millions)

		Three months ended March 31, 2014	Three months ended March 31, 2013
Earnings from continuing operations before income taxes		$ 134	$ 117
Less:	Equity earnings	(16)	(17)
Add:	Total fixed charges deducted from earnings	56	72
	Dividends received from equity investees	14	15
	Earnings available for payment of fixed charges	$ 188	$ 187
Fixed charges			
	Interest expense	$ 55	$ 71
	Portion of operating lease rental deemed to be interest	1	1
	Total fixed charges deducted from earnings and fixed charges	$ 56	$ 72
Ratio of earnings to fixed charges		3.4	2.6

EXHIBIT 31.1

CERTIFICATIONS

I, Albert P. L. Stroucken, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Owens-Illinois Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date April 30, 2014

/s/ Albert P. L. Stroucken
Albert P. L. Stroucken
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Stephen P. Bramlage, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Owens-Illinois Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date	April 30, 2014	/s/ Stephen P. Bramlage, Jr.
		Stephen P. Bramlage, Jr. President and Chief Financial Officer (Principal Financial Officer)

EXHIBIT 32.1

Certification of Principal Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Owens-Illinois Group, Inc. (the "Company") hereby certifies that to such officer's knowledge:

(i) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2014 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 30, 2014

/s/ Albert P. L. Stroucken
Albert P. L. Stroucken
Chairman and Chief Executive Officer
Owens-Illinois Group, Inc.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification of Principal Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Owens-Illinois Group, Inc. (the "Company") hereby certifies that to such officer's knowledge:

(i) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2014 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 30, 2014

/s/ Stephen P. Bramlage, Jr.
Stephen P. Bramlage, Jr.
President
Owens-Illinois Group, Inc.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.