

**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**

March 1, 2016

Date of Report (Date of earliest event reported)



OWENS-ILLINOIS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

1-9576

(Commission
File Number)

22-2781933

(IRS Employer
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))

ITEM 7.01. REGULATION FD DISCLOSURE.

Owens-Illinois, Inc. will host an investor day on March 1, 2016. A live webcast of the event will begin at 8:30 a.m., EST and presentation materials will be available on the O-I website, www.o-i.com/investors, in the Presentations & Webcast section. A replay of the webcast will be available following the call. A copy of the presentation slides, which will be discussed at investor day, is attached hereto as Exhibit 99.1.

The information contained in this Item 7.01 is being furnished and shall not be deemed "filed" with the Securities and Exchange Commission or otherwise incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit No.	Description
99.1	Owens-Illinois, Inc. Investor Day 2016 Presentation Slides

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.

OWENS-ILLINOIS, INC.

Date: March 1, 2016

By: /s/ Jan A. Bertsch
Name: Jan A. Bertsch
Title: Senior Vice President and
Chief Financial Officer

3

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Owens-Illinois, Inc. Investor Day 2016 Presentation Slides

4



 **INVESTOR
DAY 2016**
MARCH 1, 2016

Regulation G

The information presented here regarding adjusted EPS relates to net earnings from continuing operations attributable to the Company (exclusive of items management considers not representative of ongoing operations) divided by weighted average shares outstanding (diluted) and does not conform to U.S. generally accepted accounting principles (GAAP). Non-GAAP measures should not be construed as an alternative to the reported results determined in accordance with GAAP. Management has included non-GAAP measures to assist in understanding the comparability of results of ongoing operations. Further, the information presented here regarding free cash flow does not conform to GAAP. Management defines free cash flow as cash provided by continuing operating activities less capital spending (both as determined in accordance with GAAP) and has included this non-GAAP information to assist in understanding the comparability of cash flows. Management uses non-GAAP information principally for internal reporting, forecasting, budgeting and calculating compensation payments. Management believes that the non-GAAP presentation allows the board of directors, management, investors and analysts to better understand the Company's financial performance in relationship to core operating results and the business outlook. These non-GAAP financial measures are presented on a forward-looking basis and certain factors that could affect GAAP financial measures are not accessible or estimable on a forward-looking basis. These factors include items that may be material, such as future asbestos-related charges and restructuring and asset impairment and other related charges.

Presentation Note

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

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) the Company's ability to integrate the Vitro business in a timely and cost effective manner, to maintain on existing terms the permits, licenses and other approvals required for the Vitro business to operate as currently operated, and to realize the expected synergies from the Vitro acquisition, (2) risks related to the impact of integration of the Vitro acquisition on earnings and cash flow, (3) risks associated with the significant transaction costs and additional indebtedness that the Company incurred in financing the Vitro acquisition, (4) the Company's ability to realize expected growth opportunities and cost savings from the Vitro acquisition, (5) foreign currency fluctuations relative to the U.S. dollar, specifically the Euro, Brazilian real, Mexican peso, Colombian peso and Australian dollar, (6) changes in capital availability or cost, including interest rate fluctuations and the ability of the Company to refinance debt at favorable terms, (7) the general political, economic and competitive conditions in markets and countries where the Company has operations, including uncertainties related to economic and social conditions, disruptions in capital markets, disruptions in the supply chain, competitive pricing pressures, inflation or deflation, and changes in tax rates and laws, (8) consumer preferences for alternative forms of packaging, (9) cost and availability of raw materials, labor, energy and transportation, (10) the Company's ability to manage its cost structure, including its success in implementing restructuring plans and achieving cost savings, (11) consolidation among competitors and customers, (12) the ability of the Company to acquire businesses and expand plants, integrate operations of acquired businesses and achieve expected synergies, (13) unanticipated expenditures with respect to environmental, safety and health laws, (14) the Company's ability to further develop its sales, marketing and product development capabilities, and (15) 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, 2015, any subsequently filed Quarterly Report on Form 10-Q and the Company's other filings with the SEC. 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.

Global leadership team



Andres Lopez
Chief Executive Officer

John Haudrich
Chief Strategy and Integration Officer

Jan Bertsch
Chief Financial Officer

Paul Jarrell
Chief Administrative Officer

Giancarlo Currarino
Chief Technology Officer

Suley Muratoglu
Chief Marketing Officer

Jim Baehren
General Counsel

Vitaliano Torno
President, O-I Europe

Sergio Galindo
President, O-I North America

Miguel Alvarez
President, O-I Latin America

Tim Connors
President, O-I Asia Pacific



Agenda

Strategic Overview _____ Andres Lopez

Integrated Execution _____ John Haudrich

Financial Review and Outlook _____ Jan Bertsch

Break

Panel Discussion: Strategy in Action _____ Miguel Alvarez
Tim Connors
Sergio Galindo
Vitaliano Torno

Q&A

Strategic Overview
Andres Lopez



Investment thesis

- Global leader in glass packaging
- Well positioned to modestly grow volume
 - Secular trends support glass growth
 - Select opportunities for smarter growth
- Comprehensive strategic plan
 - Leveraging and learning: Vitro food and beverage acquisition
 - Improving operations
 - Adding commercial capabilities
 - Building long-term breakthrough technologies/services/products
- Positioned to increase EPS and free cash flow to deleverage balance sheet and drive long-term value

Strategy

- Establish revenue and operational stability
- Improve commercial and end-to-end supply chain performance
- Develop new business
- Integrate and maximize the value of our recent acquisition
- Create breakthroughs in processes, products and services
- Optimize organization and develop talent

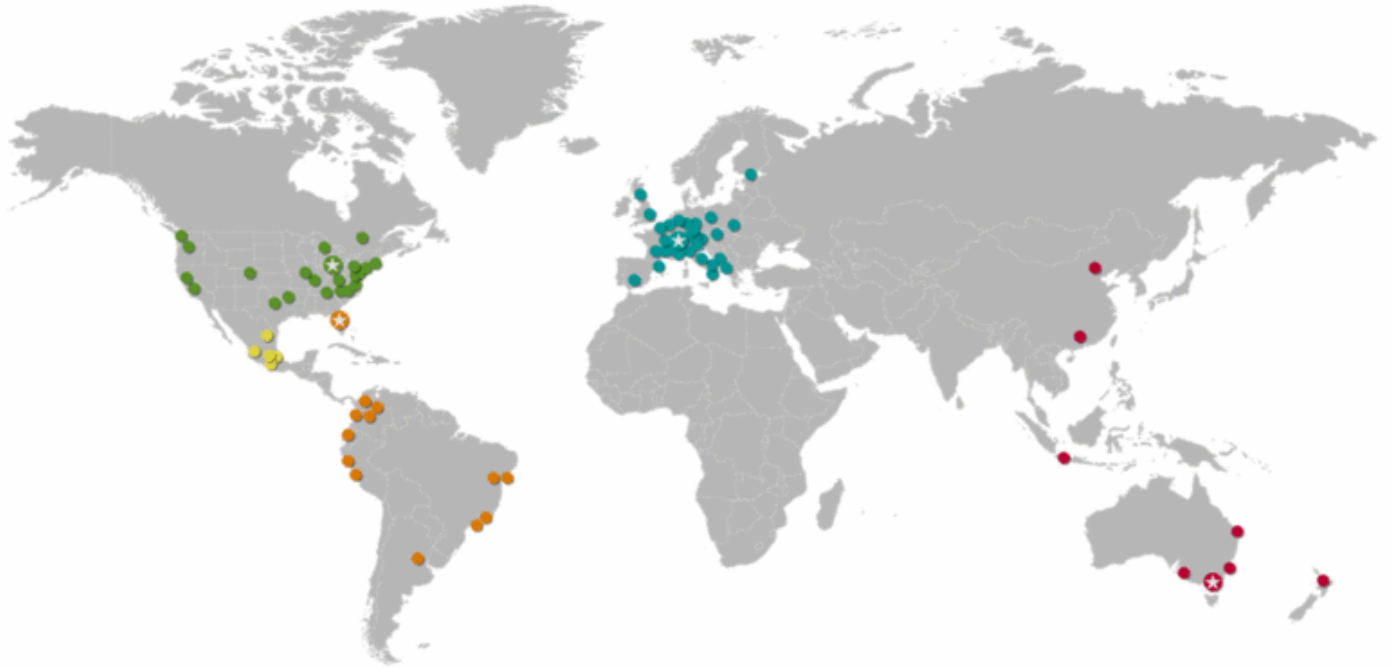
Why is this different than before?



New approach, new culture

- Comprehensive plan to improve performance
- Renewed, focused, aligned leadership
 - Regional presidents have strong glass manufacturing experience and know-how
 - External talent brings in valuable expertise
- Integrated approach to business
 - Manage interdependencies
 - Enterprise and ownership mentality
- Strategy and integration function drives full execution of business plan
 - Concrete initiatives with clear accountability
 - Scorecard to enhance transparency
 - Performance mentality

Leading positions in key global markets



MATURE MARKETS

- #1 position in Europe
- #1 position in North America
- #1 position in Australia and N. Zealand

EMERGING MARKETS

- #1 position in Latin America
- Leading position within Southeast Asia
- Foothold in China

Trusted by the world's leading and emerging brands

Strong partnerships with blue chip companies



Valuable partnerships with craft and premium customers and distributors



Increasing expectations: quality, service, flexibility, innovation and branding




Consolidation across the food and beverage industry requires increased efficiencies across the value chain

Proliferation of new (potential) customers and brands entering the market provides great opportunity for glass

Embracing
mega trends where
glass thrives






HEALTH AND WELLNESS

-  Glass is pure
-  Glass is safe
-  Glass keeps products fresh






RESPONSIBILITY AND ENVIRONMENT

-  Glass is natural
-  Glass is infinitely recyclable
-  Glass is returnable






PREMIUMIZATION

-  Glass is premium
-  Glass is experiential
-  Glass is unique



VALUE REDEFINED

-  Glass adds value
-  Glass is table-ready
-  Glass is reusable

Premiumization drives glass demand in North America

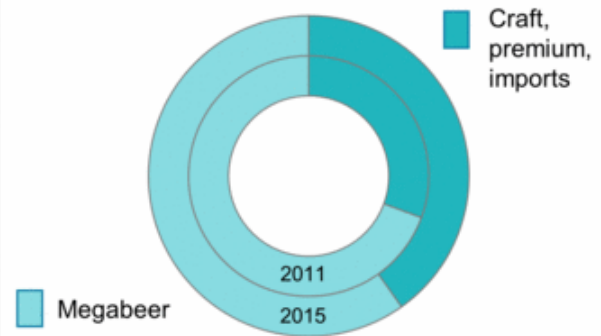
Consumer tastes shifting to craft and premium products

- Wine, spirits, non-alcoholic beverages and high-end food growing at low single digits
- Within beer, strong growth in craft and imports; ongoing megabeer decline

O-I North America projected to grow

- Growing segments more than offset megabeer's ongoing decline
- Long-term sales contract with CBI increases exposure to Mexican beer imports
- Increasing flexibility to meet market needs

Craft, premium and imports gain share in NA beer market¹



O-I NA sales revenue²



¹ Share of NA beer market. Source: Beer Marketer's Insights 2011; 2015 estimate from internal O-I projections

² Sales estimate for 2016, reflecting full year of O-I Packaging Solutions

Case study on Brazil beer market: Glass is growing

- Consumer preference for premium beer drives one-way glass container demand growth
 - One-way glass has grown 10% annually for last two years
 - One-way glass was the fastest growing package in 2015
- Today's macro uncertainty leads to less on-premise consumption of mainstream beer
 - Leads to lower returnables demand
 - Cans favored by off-premise, mainstream beer consumption

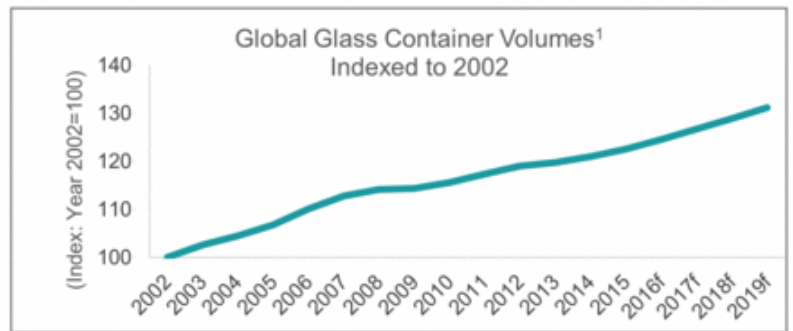
Brazil Beer ¹	Transactions in 2014 (millions of liters)	Change in Transactions in 2015	Containers Sold per Transaction	% Change in Containers Sold
One Way Glass	491	+10%	1x1	+10%
Returnable Glass	7,227	-7%	1x25	-0.3%
Total Glass	7,718	-6%		+4%
Cans	6,420	+2%	1x1	+2%

Glass is growing: Increase in one-way more than offsets decline in returnables

- More promising future for returnables
 - Customers promoting returnables in retail outlets because returnables provide best economics
 - Returning to higher on-premise consumption when economy turns favorable

Global glass market growth

- Global glass market growth is forecasted to double from ~1% historically to 2% over 2016-19
- Every category is experiencing higher growth rates
- Glass market tends to be fairly resilient through various economic cycles



The perfect fit: Strategic expansion in Mexico

- Investing in growing Mexican market
- Investing in U.S. beer imports, the fastest growing beer segment in the U.S.
- Strategic acquisition of Vitro's food & beverage business
- Strong, expanding relationship with Constellation Brands (CBI)
 - 50-50 joint venture in Mexico, adjacent to CBI's brewery, to produce glass bottles for export to U.S.
 - Completed new furnace in O-I Mexico plant in Monterrey to support CBI business
 - Long-term supply contracts from the U.S.



O-I's organic volume growth

(Expected annual growth rates)

	2016 ¹	Post 2016	Key Drivers – Post 2016
Europe	~ 1%	~ 1%	Growth expected to be in line with market
North America	~ 1%	0-1%	Higher sales to CBI; ongoing megabeer decline Growth in craft beer, food, spirits, wine and NAB
Latin America	~ -3%	~ 2%	Growth expected across entire region
Asia Pacific	~ 2%	0-1%	Growth expected to be in line with market
Total O-I	~ 1%	~ 1%	

O-I to grow modestly faster than the market

- O-I's footprint – with a stronger presence in mature geographies – implies ~50bps of market growth
- O-I expected growth rate of ~1% driven in part by commercial actions

Need for fundamental change

O-I must evolve with the market

- Customer consolidation
 - Cost efficiency
- Proliferation of smaller customers and new entrants
 - Focused on branding
 - Flexibility and innovation
- Increasing expectations by all customers and consumers
 - Quality
 - Service
 - Sustainability

O-I must address legacy issues

- Operational and commercial instability
 - Disrupted marketplace
 - Previously focused on discrete issues vs. enterprise solutions
 - Unintended consequences
 - Leadership turnover
- Credibility issues
 - Missed expectations
 - Disappointed multiple stakeholder groups

Implementing fundamental change to drive new behaviors and outcomes that address real market needs

Our evolution is underway

- Aligned leadership
 - Leadership team: mix of strong legacy knowledge and new talent
 - Operating as one, integrated enterprise led by the Global Leadership Team
- Strategy and integration function created to drive change
 - Integrated decision making
 - Integrated approach to analysis, decision making and execution
 - Better managing interdependencies to avoid unintended consequences
 - Accountability critical
 - Scorecard to enhance transparency and execution measurement
- Cultural transformation has begun
 - Significantly increased communication activities to drive engagement
 - Emphasis on ownership mentality



One aligned team

- Deep knowledge of our business
- New capabilities and mindsets
- Responsible for enterprise rather than a function/region
- Compensated for enterprise performance

Strategy

- Establish revenue and operational stability
- Improve commercial and end-to-end supply chain performance
- Develop new business
- Integrate and maximize the value of our recent acquisition
- Create breakthroughs in processes, products and services
- Optimize organization and develop talent

Key initiatives

- Broad platform of manufacturing performance improvement initiatives
- Supply chain efficiencies
- Commercial platforms for sales volume and mix optimization
- Breakthrough technologies to support long-term growth
- Organization design and capability building

Stabilize, then improve performance

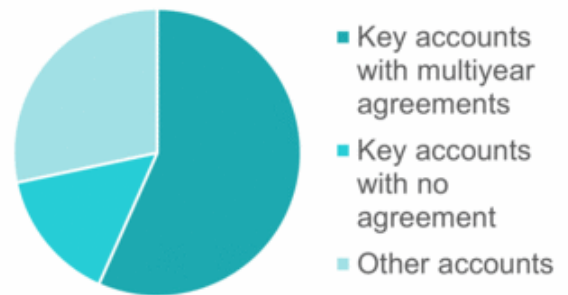
Operational and commercial stability provide foundation for improved performance

- Reducing number of asset events that disrupt manufacturing performance
- Gaining better control of operational performance
- Taking a balanced approach to price and volume in line with market dynamics

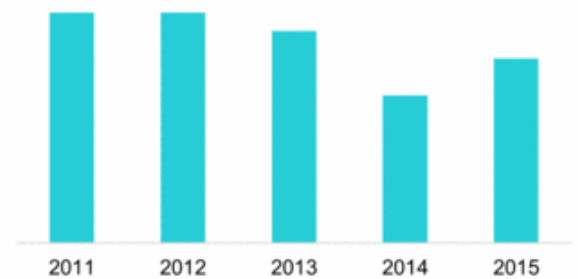
Organization embracing change

- Focused on better integrating commercial, manufacturing and supply chain decision-making
- Allows for sustainable platform upon which to grow profitability

Expected 2016 Contracted Sales Mix



Asset Stability Index

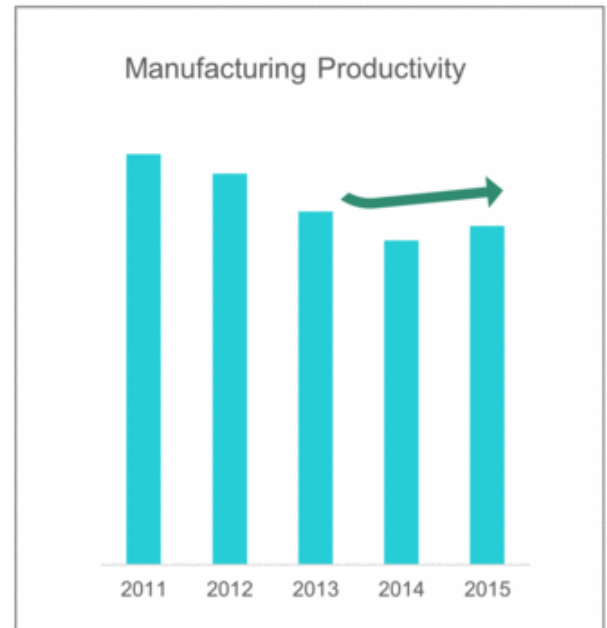


Manufacturing: Growing performance improvement

- Elevate the performance of all plants
 - By increasing safety, efficiency, quality and flexibility
 - By reducing structural costs, waste and inventories
- Full platform of global manufacturing initiatives
- Already seeing results
 - Overall uptrend in manufacturing productivity since mid 2015
 - Improvement expected to continue in 2016

Momentum is already building

We know how to do it... and we are





O-I must enhance customer-centric culture

- Launching Key Account Management to get closer to customers
 - Help customers manage change
 - Meet/exceed increasing customer expectations
- Adding new business development capabilities to harness emerging sales opportunities
- Integrating decision-making to marry commercial opportunities with manufacturing's ability and capacity to produce
- Optimizing sales volume and mix over time to enhance margins

Maximizing value of the acquisition

- High margin business, in line with O-I's legacy business in South America
 - Expands presence into an important, strategic geography
 - 5 facilities in Mexico and 1 in Bolivia
- Strong fit with O-I
 - Acquired business and O-I Latin America have similar product offerings
 - Complementary manufacturing systems and similar technology to O-I
 - Opportunities to leverage O-I know-how
 - Broadens relationship with CBI
- Accretive to earnings and free cash flow
 - Expected EPS¹ of ~\$0.23 in 2016
 - Expected cash flow² generation of ~\$85M in 2016 and ~\$100M in 2018
 - Exciting opportunity for mutual synergies
 - For example, end-to-end supply chain across the Americas

Conclusion: Must execute flawlessly



We will succeed by...

- Creating a culture of
 - Performance
 - Execution
 - Accountability
- Addressing and resolving legacy issues
- Approaching operational improvement systemically – leverage what we know
- Creating new commercial capabilities
- Re-establishing credibility – we do what we say

Integrated Execution
John Haudrich

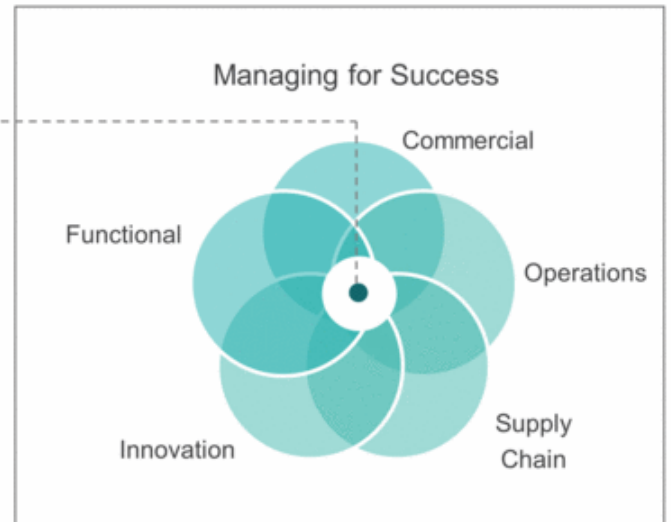


Integrated execution

- Profits are earned/lost at the inter-dependencies within the organization
- Past initiatives have fallen short because connectivity was missing

We are driving improved integration by

- Employing a comprehensive, disciplined approach
- Building networks within O-I around performance integration
- Implementing system-wide alignment and transparency





- **Project management office**
 - Developing network of capabilities in all regions
 - Ensures action on key projects
- **Performance management capability**
 - Ensures visibility and accountability at a higher level
- **Strategy and integration network**
 - Ensures senior level attention and improved execution
- **Operations leadership team**
 - Monitors progress on action plans and targets to improve all plants
 - Allocates engineering and manufacturing resources for the 24 focus plants

Improving operational performance

Full slate of manufacturing improvement initiatives to elevate performance of all plants

Manufacturing improvement program

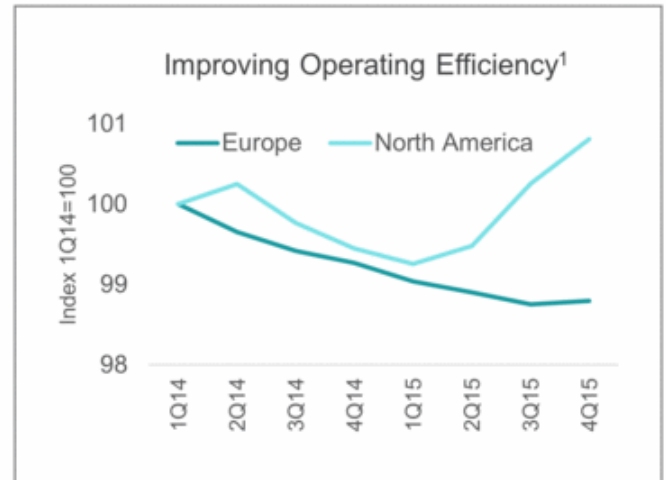
- Performance targets for all 80 facilities
- Focus plant improvement at 24 plants
- Plant improvement teams (PIT) for 7 lowest performing plants
- Allocate resources for best financial impact

Asset advancement program

- Increase number of furnace and machine rebuilds each year
- Deploy an enterprise-wide infrastructure maintenance program

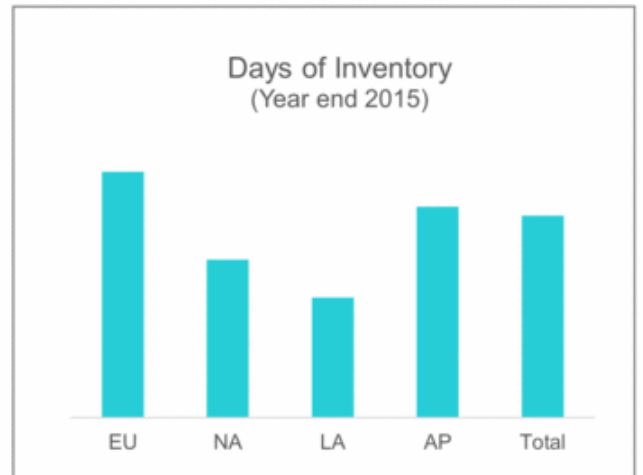
Quality improvement initiatives

- Improve process control and inspection equipment
- Increase technical capability of our people through training
- Improve job change process to reduce scrap



Significant supply chain opportunities

- End-to-end global supply chain strategy
- Opportunity to manage inventory in a more optimal way
 - Pockets of excellence in different regions
 - Latin America has reduced days of inventory on-hand by 7 days in recent years
- Supply chain cost reductions
 - Refining logistics network
 - Warehouse optimization
- Increased flexibility
 - Reinvigorating sales and operations planning
 - Takes time for sustained gains





Creating a customer-centric commercial organization

- **Key Account Management initiative**
 - Cross-functional teams execute key account plans to meet customer needs
 - Will expand this approach to cover more of the customer base
- **Sales volume and mix optimization**
 - Better price/volume decisions
 - Grow selectively, optimize mix
 - Strong integration with manufacturing, supply chain and finance

Organizational redesign

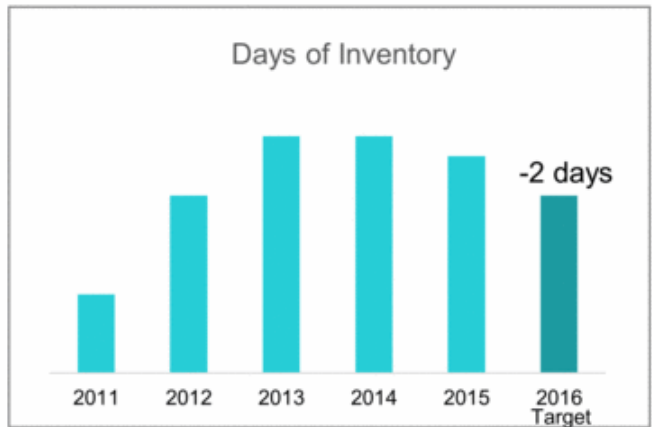
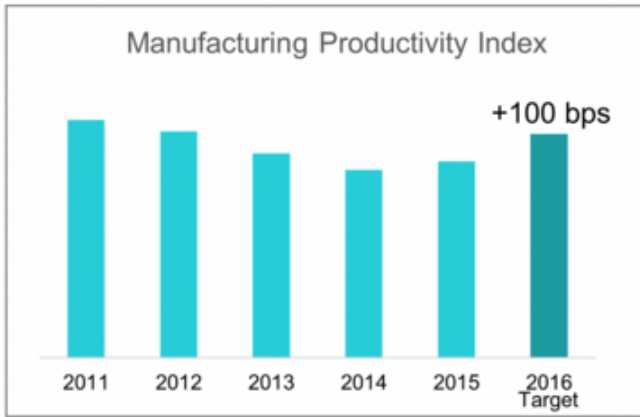


- Supporting all aspects of our strategy and culture
- Identifying a target state organization structure
- Providing appropriate resources to ensure employee success
- Focusing on talent development and training



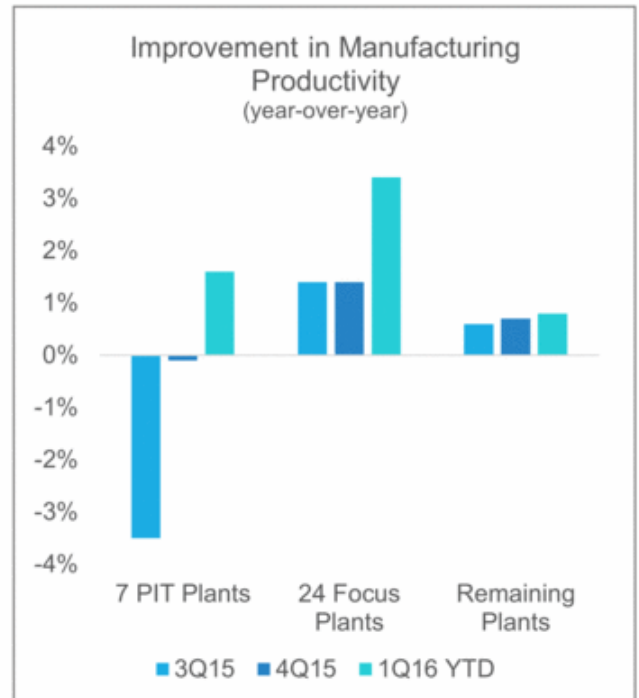
- Robust monitoring of projects and initiatives
- Operations dashboard
 - Manufacturing productivity index
 - Asset stability index
 - Quality index
 - Days of inventory
- Management incentives linked to these indicators
- Will provide performance update every six months

2016 Operations dashboard



Executing on operational efficiency

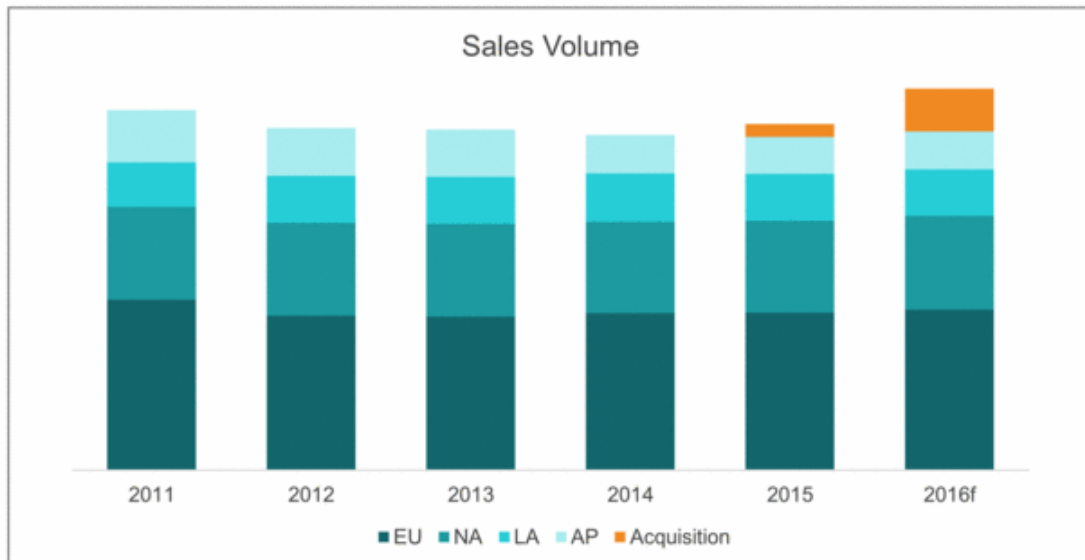
- Execution is driving improved performance
- Manufacturing productivity improvements are most pronounced where initiatives are underway
 - 7 PIT plants have boosted operating performance > 5% since mid-2015
 - Performance improvement momentum is visible at other focus plants
 - Remaining plants continue to deliver consistent year-over-year performance improvement



Financial Review
and Outlook
Jan Bertsch



Sales volumes beginning to grow

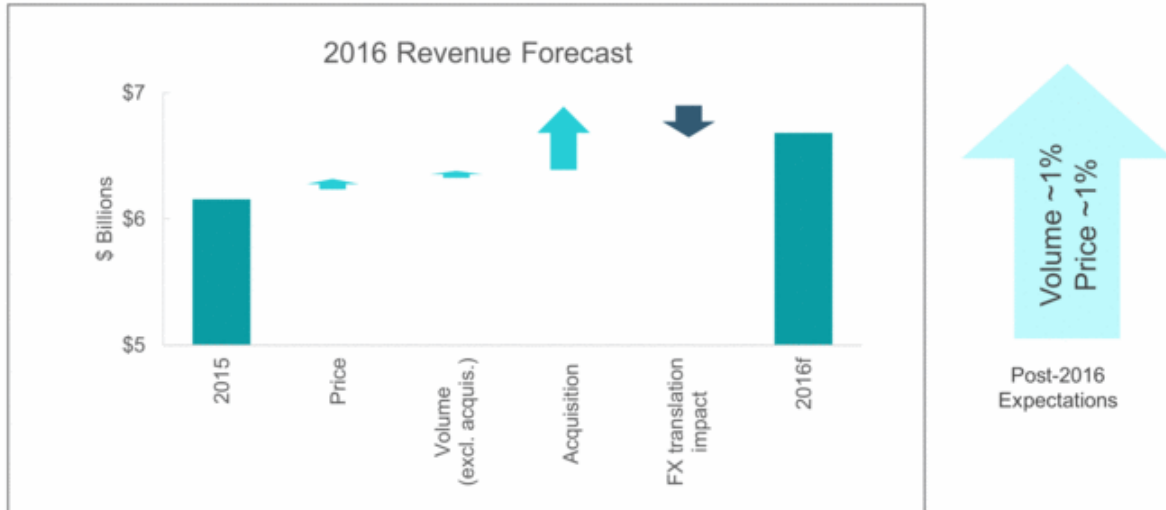


Organic sales volumes have been flat when accounting for two factors:

- China retrenchment in 2014
- European price/volume action in 2012

Incremental 8 months of sales from the acquired business in 2016

Top line growth expected in 2016



2016

- ~1% average price increase
- ~1% increase in legacy sales volume
- Full year of acquired business
- Ramp up business with CBI (NA and O-I Mexico)
- ~\$160 million FX headwind¹

Currency headwinds: May stabilize in 2H16

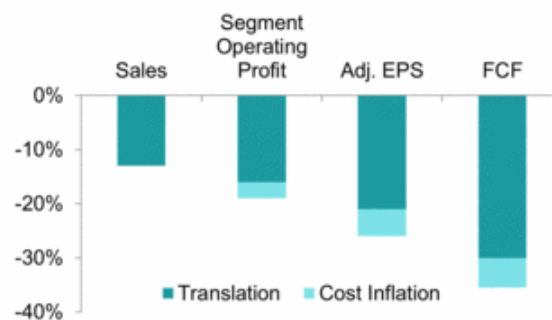
Pace of the strengthening USD heavily impacted 2015 financial results

- High impact on FCF given sources and uses of cash flow
- Latin America successfully offset FX-induced cost inflation (eg: soda ash) in 1H15

Carry-over impact of USD strength will adversely impact 2016 financials

- Most pronounced impact in Latin America, especially in the first half of 2016
- Reduces expected EPS by ~\$0.25 due to translation and cost inflation

Currency Impact on 2015 Financial Results



	2015 Average	Rates Assumed for 2016 ¹	Devaluation
Euro	1.10	1.10	0%
Mexican peso	15.98	17.25	7%
Brazilian real	3.39	4.00	15%
Colombian peso	2,769	3,200	13%
Australian dollar	0.75	0.73	3%

Key value drivers

Segment operating profit (estimated annual impact year-on-year, \$ in millions)

	2016	Post 2016	Key Drivers - Post 2016
Strategic initiatives	~\$50M-\$70M	~\$25M-\$35M	Layer in end-to-end supply chain benefits
Acquired business	~\$100M	~\$15M-\$20M	Synergies + organic growth

- Strategic initiatives drive sustainable value over time
 - Manufacturing platform already delivering
 - End-to-end supply chain efforts have begun
 - Commercial initiatives: launching Key Account Management and building capabilities for new business development
- Acquired business on track to deliver ~\$140M-\$145M in operating profit in 2016

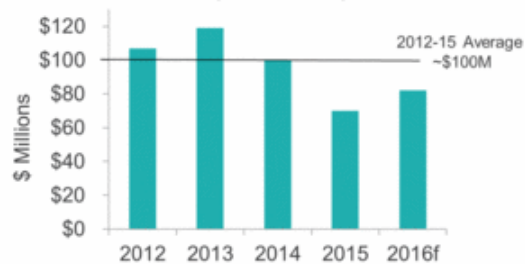
Improving margins

Segment operating profit margin (estimated annual impact year-on-year)

	2016	Post 2016	Key Drivers - Post 2016
Europe	+150 bps	+40 bps	Improvements in end-to-end supply chain, building on asset optimization program
North America	+20 bps	+10 bps	Better product mix from higher volumes in categories other than megabeer Improving operational performance
Latin America	+60 bps	+75 bps	Volume growth in Mexico and Andean countries; Brazil uncertain Cost containment and operational improvement
Asia Pacific	+25 bps	+25 bps	Improvements in end-to-end supply chain
Total O-I	+100 bps	+40 bps	

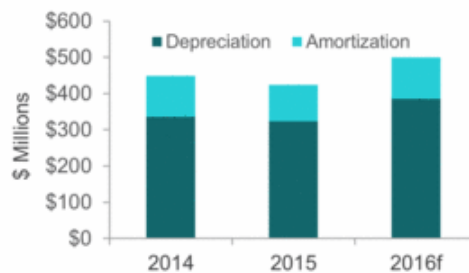
2016 Non-operational outlook

Corporate Expense



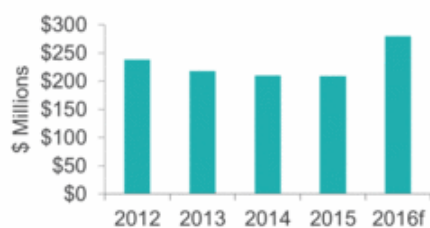
Corporate expense expected to be substantially lower than average of prior years

Depreciation & Amortization¹



Uptick in D&A in 2016 mainly driven by inclusion of acquisition for full year

Net Interest Expense¹

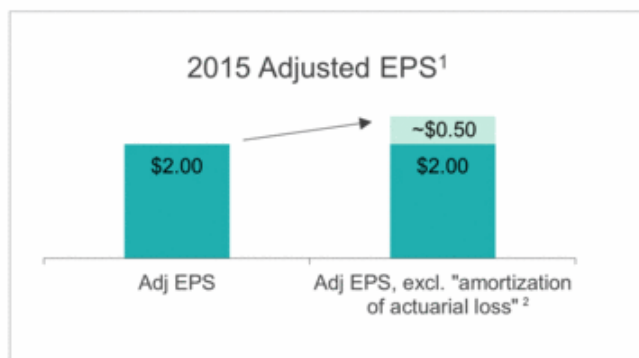
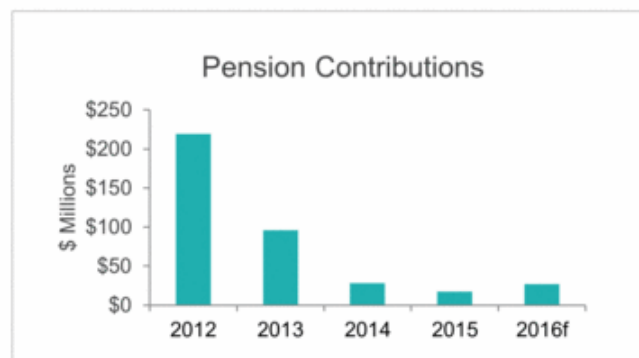
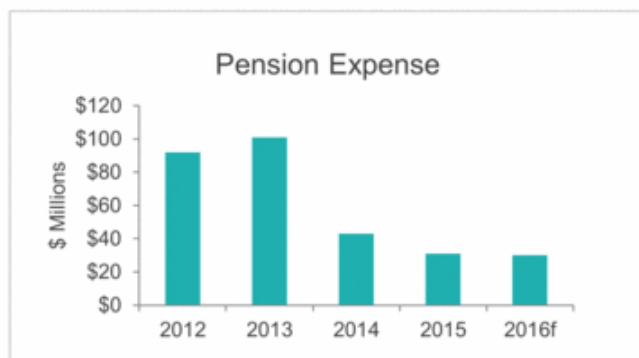


Higher expected interest expense driven by acquisition debt

Tax rate¹ expected to be in the range of 26-28%

- Mexican statutory tax rate 30%
- Geographic mix of earnings

Stable pension expense and contributions

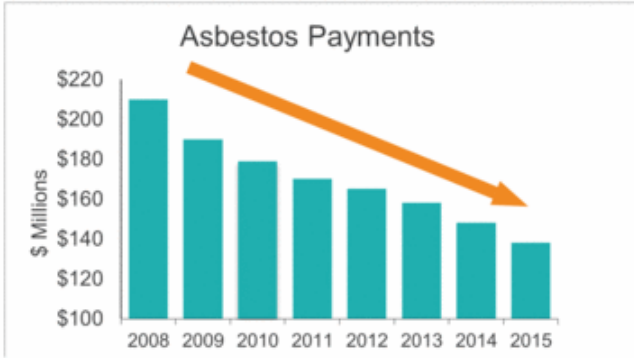


- ### Pension Liability Declining
- Gross pension benefit obligation at year-end 2015 was down more than 25% since 2012
 - Actions already taken to reduce liability
 - U.S./Canada salary plan freeze
 - U.S. hourly plan annuitization
 - Netherlands plan annuitization

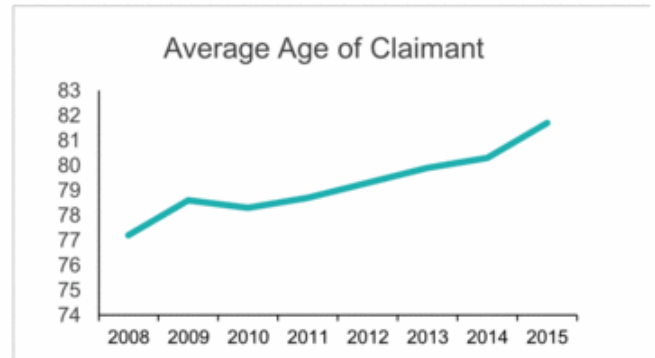
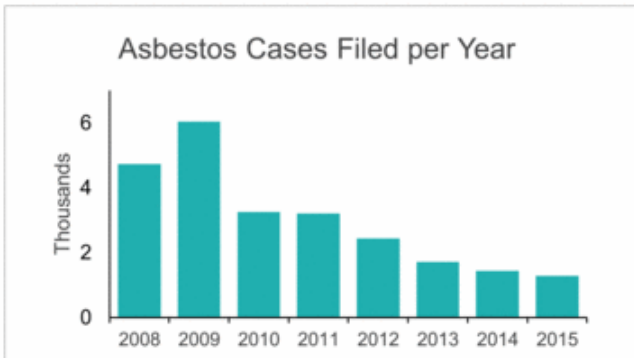
¹Adjusted earnings refers to earnings from continuing operations attributable to the Company, excluding items management does not consider representative of ongoing operations. See appendix for a reconciliation to adjusted earnings.

²Related to the "amortization of actuarial loss" component of pension expense, which may be excluded in certain non-GAAP pension accounting methods, and was approximately \$0.50 in 2015.

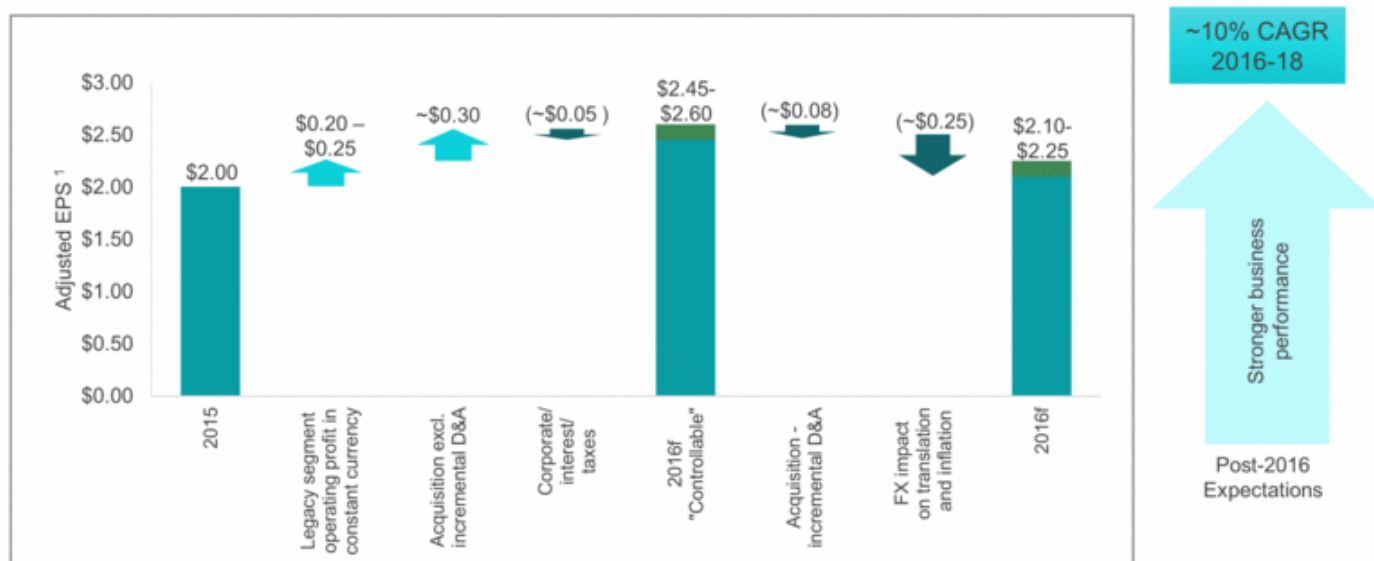
Continued favorable trends in asbestos



- 2008 – 2014 annual charge represents 1 year of expense
- 2015 charge reflects 2 years of expense

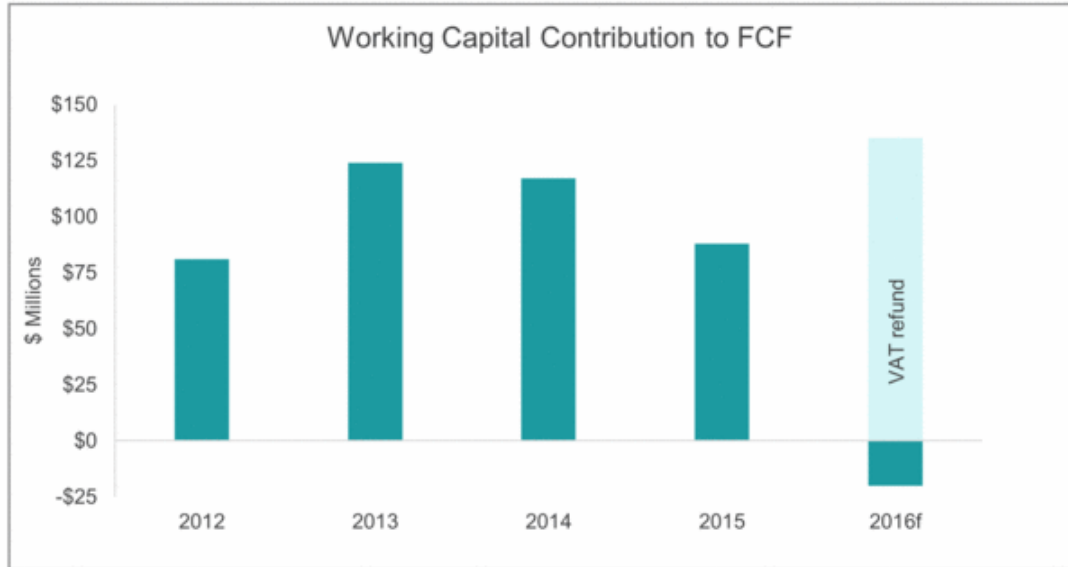


Adjusted EPS: 2016 outlook and beyond



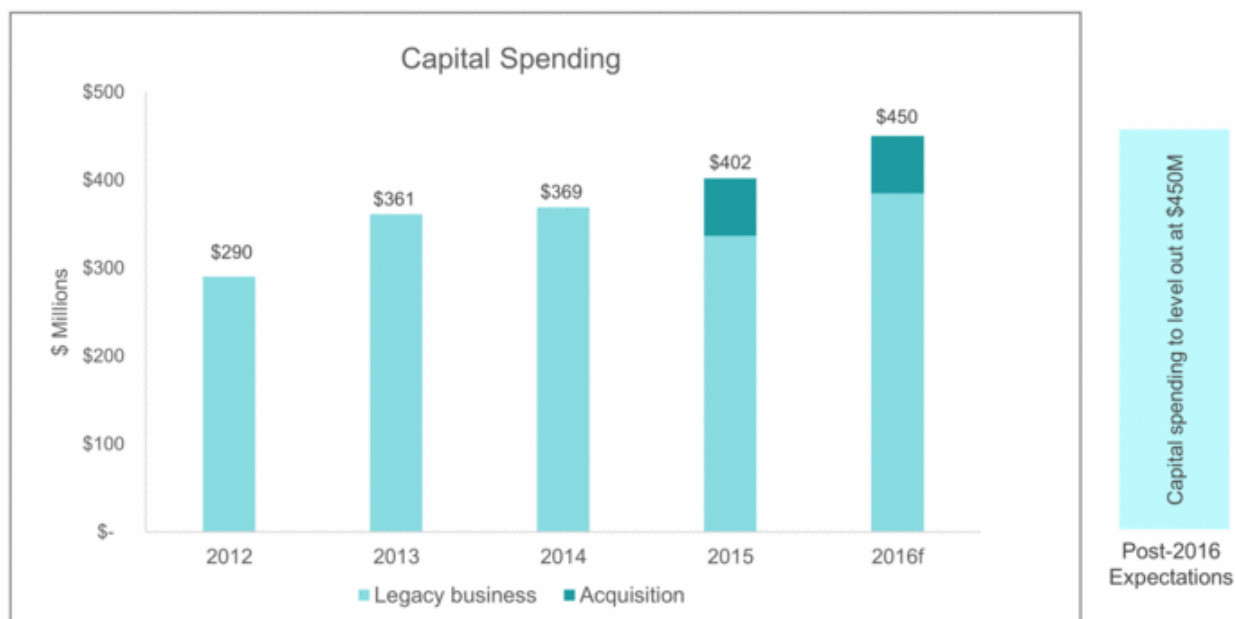
- Earnings up between 5% and 12.5% in 2016, despite FX headwinds
- 2017 includes full year benefit of margin enhancement initiatives that began in late 2015

Working capital: significant source of cash



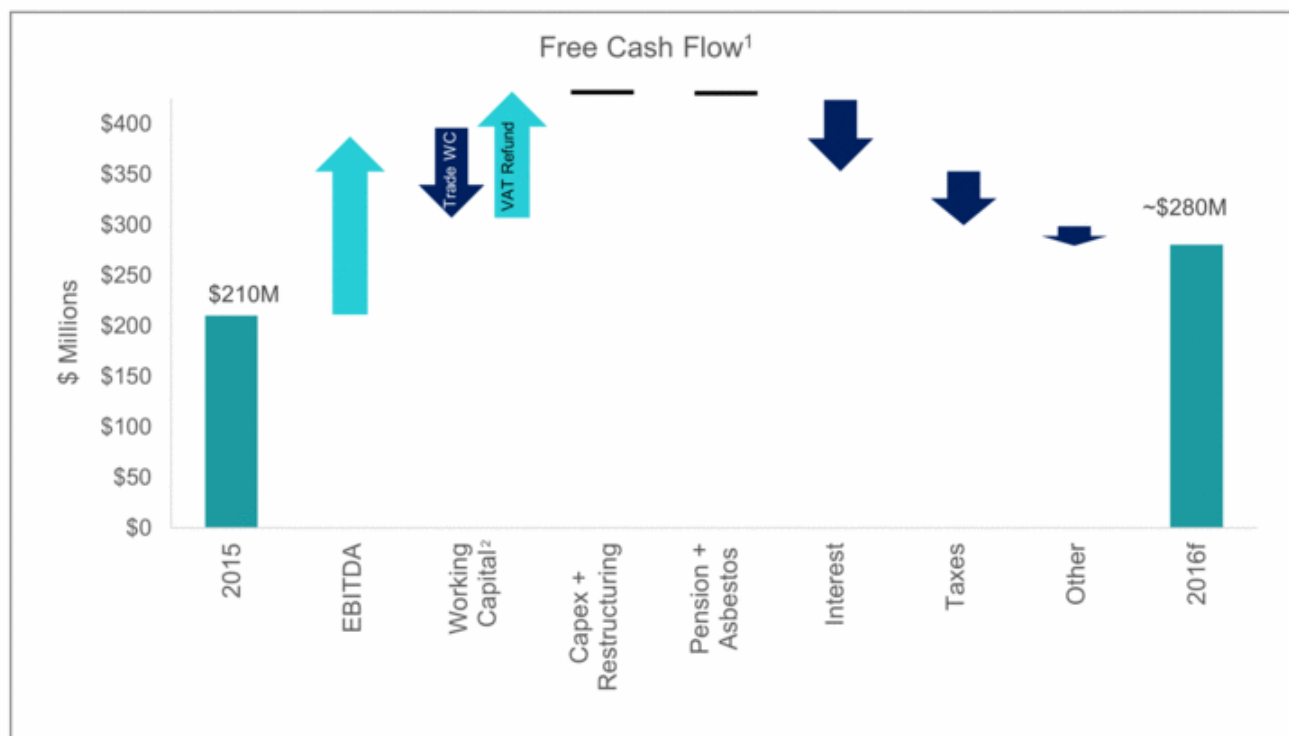
- Over past several years, A/R and A/P was a ~\$100M source of FCF annually
- One-time VAT refund is a large expected source of cash in 2016
- Initiatives focused on reducing inventories over time

2016 Capital spending at sustainable level



- Capital spending for legacy business is ~\$385 million and ~\$65 million for acquired business
- Asset advancement program directs capital to assets that most need it
- Expect capital spending to remain at 2016 levels in near term

Free cash flow growth expected in 2016

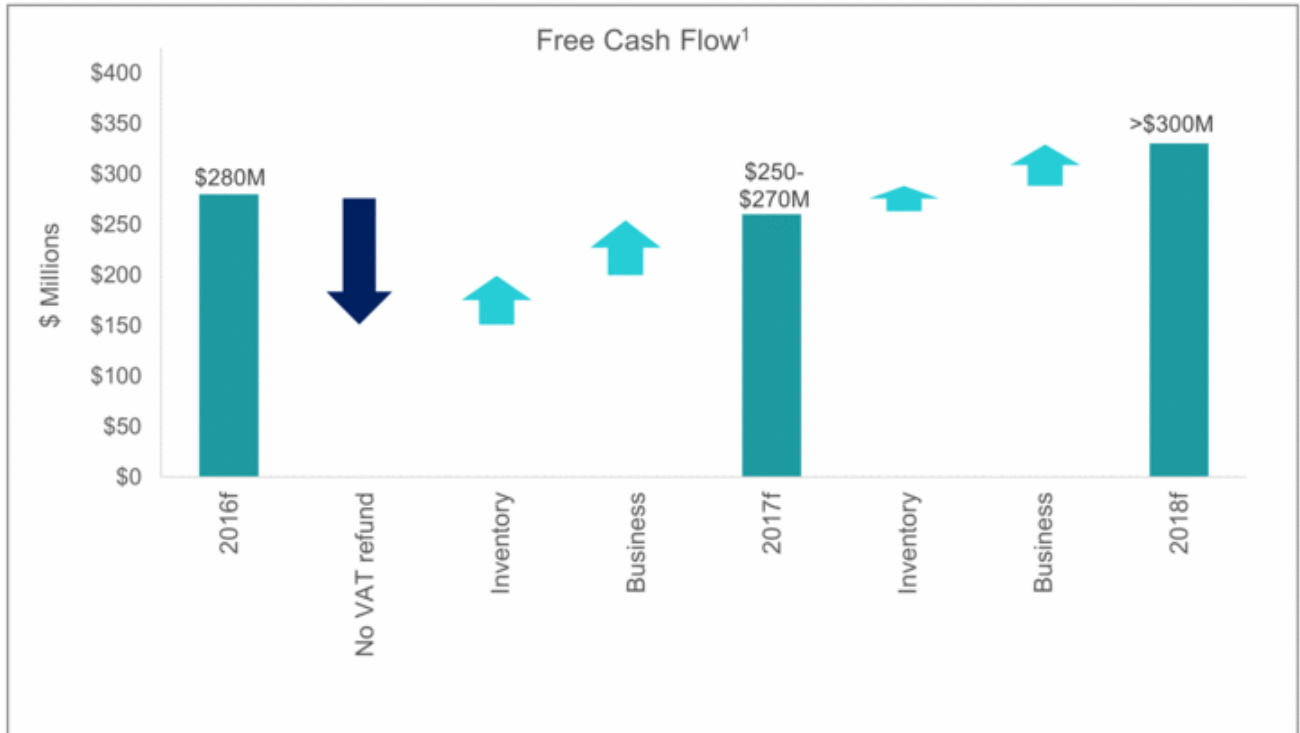


¹ Free cash flow is defined as cash provided by continuing operating activities less additions to property, plant and equipment. See appendix for free cash flow reconciliation.

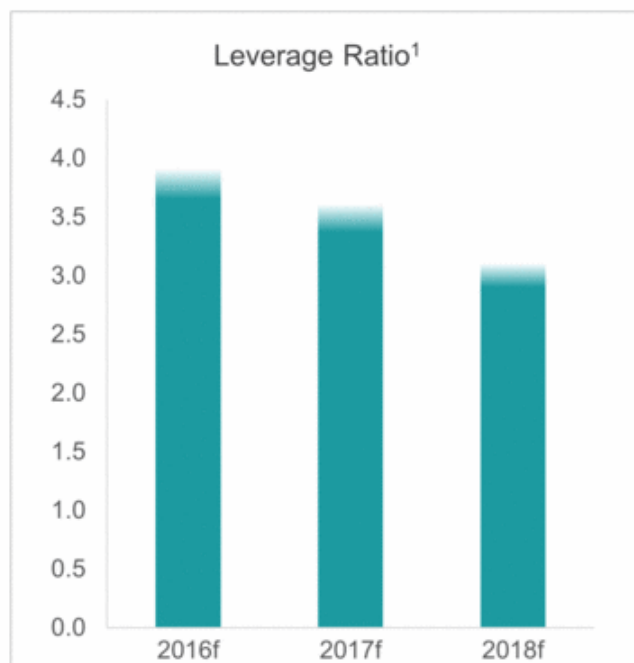
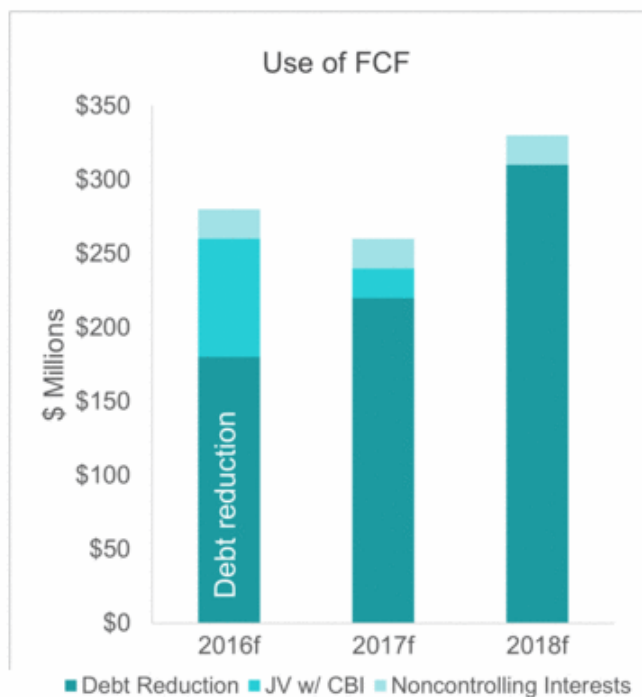
² Working capital includes an approximate \$135 million expected VAT refund from the acquired business.

Based on currency exchange rates assumed for 2016. See appendix.

Higher sustainable free cash flow expected



Deleveraging plan



- Deleveraging is highest priority use of FCF
- EBITDA expected to increase
- Proceeds from potential asset sales used to deleverage

Capital structure review: Deleveraging



- Total debt \$5.6B at year-end 2015
 - Acquisition funding of \$2.25B at ~4.2% blended interest rate
 - Repaid remaining 7.375% senior notes due in 2016
 - Leverage ratio of 4.0 times at year end 2015
 - No significant maturities until 2020
- Negotiated more flexible leverage ratio covenant in light of volatile FX environment
 - 5 times net debt to EBITDA through 3Q16
 - Then 4.5 times through 3Q17
 - Thereafter, 4.0 times
- Clear capital allocation priorities
 - Prudent investment in the business
 - Focus on deleveraging
 - Target ~3 times leverage ratio by year end 2018



- Improve margins
 - Deliver on our strategic initiatives
 - Maximize the value of O-I Mexico and the JV with CBI
- Generate a higher level of sustainable cash flow
- Deleverage the balance sheet

APPENDIX



Reconciliation to Adjusted Earnings

The reconciliation below describes the items that management considers not representative of ongoing operations.

(Dollars in millions, except per share amounts)

	Year ended December 31 2015
Earnings(loss) from continuing operations attributable to the Company	\$ (70)
Items impacting cost of goods sold:	
Acquisition-related fair value inventory adjustments	22
Items impacting equity earnings	5
Items impacting other expense, net:	
Charges for asbestos related costs	225
Restructuring, asset impairment and related charges	75
Acquisition-related fair value intangible adjustments	10
Strategic transaction costs	23
Items impacting interest expense:	
Charges for note repurchase premiums and write-off of finance fees	42
Items impacting income tax:	
Net benefit for income tax on items above	(15)
Net expense (benefit) for certain tax adjustments	8
Total adjusting items	<u>\$ 395</u>
Adjusted earnings	<u>\$ 325</u>
Diluted average shares (thousands)	<u>161,169</u>
Earnings (loss) per share from continuing operations (diluted)	<u>\$ (0.44)</u>
Adjusted earnings per share ⁽¹⁾	<u>\$ 2.00</u>



(1) For adjusted earnings per share, the diluted average shares (in thousands) are 162,135 for the year ended December 31, 2015.

Reconciliation to Free Cash Flow

\$ Millions	Year ended December 31 2015
Cash provided by continuing operating activities	\$ 612
Additions to property, plant and equipment	(402)
Free cash flow	<u>\$ 210</u>

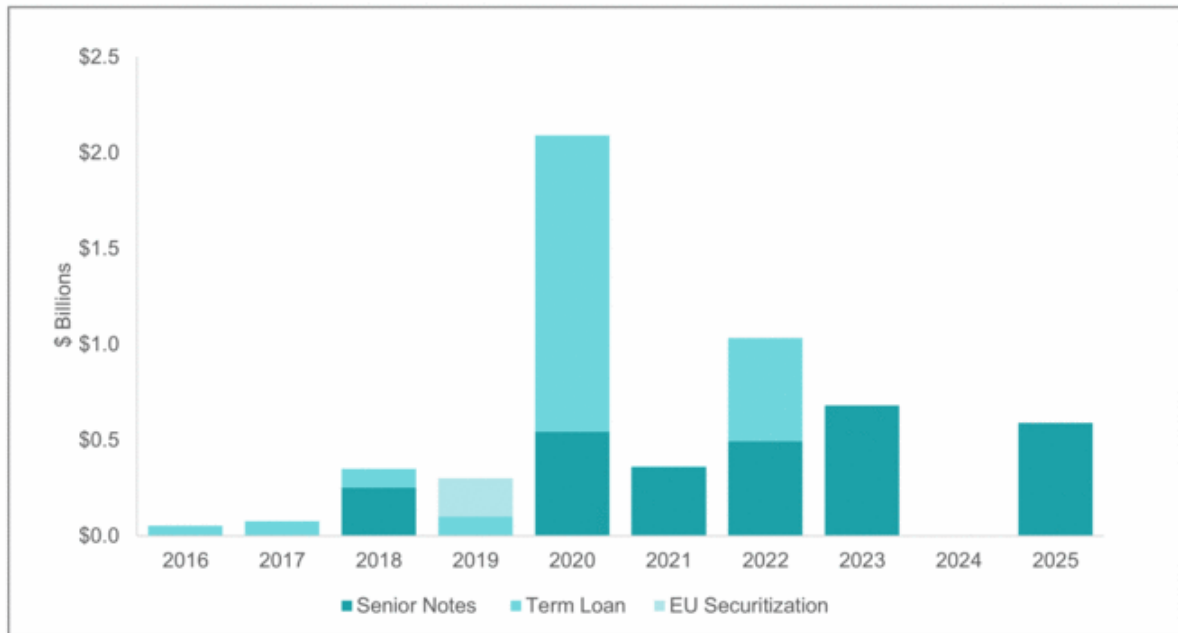
Leverage Ratio

\$ Millions	Year ended December 31 2015
Earnings (loss) from continuing operations	\$ (47)
Interest expense	258
Provision for income taxes	106
Depreciation	323
Amortization of intangibles	86
EBITDA	<u>726</u>
Adjustments to EBITDA:	
Charges for asbestos-related costs	225
Restructuring, asset impairment and other	80
Strategic transaction costs	23
Acquisition-related fair value inventory adjustments	22
Acquisition-related fair value intangible adjustments	10
Pro forma EBITDA for acquisitions ¹	206
Adjusted EBITDA	<u>\$ 1,292</u>
Total debt	\$ 5,573
Less cash	399
Net debt	<u>\$ 5,174</u>
Net debt divided by adjusted EBITDA	4.0

Impact from currency rates

	2015 Average	Rates Assumed for 2016 ¹	Devaluation	Approx. Translation Impact on EPS from 10% FX Change
Euro	1.10	1.10	0%	\$0.10
Mexican peso	15.98	17.25	7%	\$0.07
Brazilian real	3.39	4.00	15%	\$0.05
Colombian peso	2,769	3,200	13%	\$0.03
Australian dollar	0.75	0.73	3%	\$0.05

Debt maturity schedule: minimal near-term maturities



- Focus on deleveraging
- No significant maturities until 2020
- \$250 million of senior notes due in 2018



REGIONAL
OVERVIEW

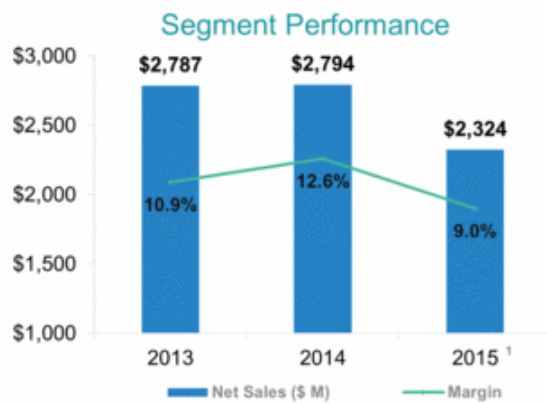


Business Drivers

- Overall stable industry demand
- Solid export trends, given FX rate
- Improved price-volume dynamics in 2016

Region Specific Initiative

- Realizing benefits of completed asset optimization program



2016 Financial Targets

Sales Volume Growth	~1%
Segment Operating Margin	+150 bps

* NAB = Non-Alcoholic Beverages

¹ Segment margin is defined as segment operating profit divided by segment sales.

North America

Sales by Category



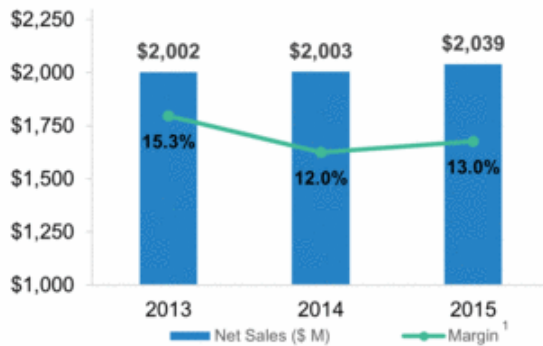
Business Drivers

- Well balanced supply and demand
- Growth in premium products and high-end beer offset decline in megabeer

Region Specific Initiative

- Integration of O-I Packaging Solutions

Segment Performance



2016 Financial Targets

Sales Volume Growth² ~1%

Segment Operating Margin +20 bps



* NAB = Non-Alcoholic Beverages

¹ Segment margin is defined as segment operating profit divided by segment sales.

² Sales volume growth excludes the acquired business.

Sales by Category



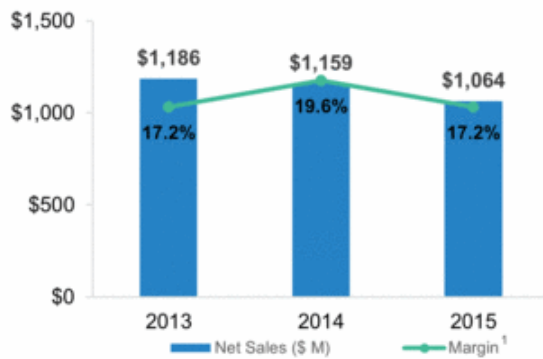
Business Drivers

- Higher growth in one-way glass in Brazil
- Weak FX impacts translation and USD-priced raw materials

Region Specific Initiative

- Continuing integration of the acquisition boosts top and bottom line

Segment Performance



2016 Financial Targets

Sales Volume Growth² ~ -3%

Segment Operating Margin +60 bps

* NAB = Non-Alcoholic Beverages

¹ Segment margin is defined as segment operating profit divided by segment sales.

² Sales volume growth excludes the acquired business.

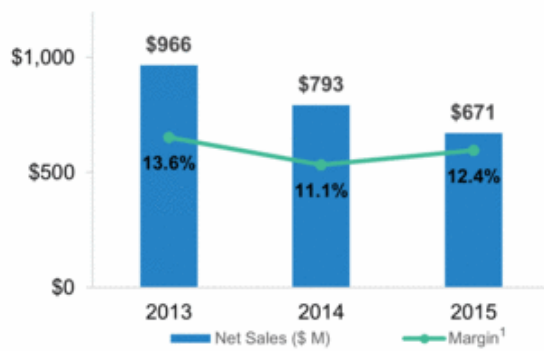
Sales by Category



Business Drivers

- Volume uptick from beer contract and Australian wine exports
- Inflation headwinds, driven by FX
- Profitable growth in emerging markets

Segment Performance



2016 Financial Targets

Sales Volume Growth	~2%
Segment Operating Margin	+25 bps



LEADERSHIP
BIOS

Andres Lopez

CHIEF EXECUTIVE OFFICER



Andres Lopez's focus is to enhance the performance of the business to benefit customers, employees, investors and other key stakeholders. Lopez has established himself as a strong and successful leader, most recently serving as chief operating officer during 2015 and playing a leading role on the recent acquisition of Vitro's food and beverage business in Mexico, the U.S. and Bolivia. He has also served as president of O-I Americas, with a focus on strengthening O-I's North America operations. Prior to that role, he served as president of O-I's South America operations, where he led the region through significant organic and acquisition-based growth, adding new capabilities in Brazil and Argentina. Lopez has held various other leadership positions at O-I, including global vice president of manufacturing and engineering; vice president of manufacturing, North America; and country general manager for O-I Peru.

John Haudrich

SENIOR VICE PRESIDENT AND CHIEF STRATEGY AND INTEGRATION OFFICER



John Haudrich, in partnership with the Global Leadership Team, leads the development and execution of O-I's strategy. He is focused on enhancing the stability of O-I's operations, driving sustainable performance improvements, and enabling longer-term breakthroughs to advance O-I's position in the marketplace. Haudrich has leadership accountability for strategic planning, program management, performance management, supply chain, procurement, continuous improvement and enterprise communications. Haudrich was named senior vice president and chief strategy and integration officer in October 2015. Since joining O-I in 2009, Haudrich has also served as vice president of investor relations, vice president of finance and corporate controller, and as acting CFO.

Jan Bertsch

SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER



Jan Bertsch leads O-I's financial and information technology functions, including finance and accounting, corporate reporting, corporate tax, treasury, investor relations, internal audit and IT. She is focused on maintaining the financial flexibility of the company, as well as ensuring the company's strategic initiatives and capital allocation philosophy deliver appropriate shareholder value. Working to increase connectivity and efficiency, Bertsch is also responsible for the delivery of technology solutions focused on collaboration. Bertsch joined O-I in 2015, bringing extensive experience as an operationally-focused CFO with a solid track record of value creation and asset optimization across various manufacturing companies.

Jim Baehren

SENIOR VICE PRESIDENT AND GENERAL COUNSEL



Jim Baehren oversees activities related to legal, ethics and compliance, mergers and acquisitions and government relations. With nearly two decades serving in a general counsel capacity, Baehren has extensive experience managing the global legal team on projects including general litigation, contract management, environment, intellectual property and workplace ethics.

Paul Jarrell

SENIOR VICE PRESIDENT AND CHIEF ADMINISTRATIVE OFFICER



Paul Jarrell joined O-I in 2011 with extensive experience leading functions in complex global organizations, including structuring and staffing organizations to consistently deliver results. Jarrell is responsible for leading the company's global human resources and environment, health and safety functions. He is developing and implementing people strategies that enable O-I to meet its business objectives. His focus is on ensuring that the organization has the right people in the right roles; on building capability at the individual and team level; and on building and supporting a culture of sustainable employee engagement.

Giancarlo Currarino

SENIOR VICE PRESIDENT AND CHIEF TECHNOLOGY OFFICER



Giancarlo Currarino is leading O-I's technology group in the pursuit of new capabilities to enhance the manufacture of glass containers. He has direct responsibility for the company's manufacturing, engineering, research and development, quality, and licensing functions. He is leading the integration of the O-I Mexico business that O-I acquired in 2015, adding five plants in Mexico to O-I's footprint and more than 6,000 employees. Currarino is overseeing the expansion of O-I's joint venture with Constellation Brands, Industria Vidriera de Coahuila (IVC) in Nava, Mexico.

Suley Muratoglu

VICE PRESIDENT AND CHIEF MARKETING OFFICER



Suley Muratoglu leads O-I's global sales and marketing activities and is responsible for ensuring the deployment of corporate strategy as it applies to commercial activity. Working closely with the sales and marketing leaders in each of O-I's four geographic regions, Muratoglu is focused on enhancing commercial productivity and ensuring delivery of customer value through product innovation, market knowledge and customer support. Prior to joining O-I in 2015, Muratoglu spent 20 years at Tetra Pak, serving most recently as vice president, marketing and product management for the U.S. and Canada. While at Tetra Pak, Muratoglu also served in a variety of roles in Turkey, Kazakhstan and the U.K.

Miguel Alvarez

PRESIDENT, O-I LATIN AMERICA



Miguel Alvarez leads O-I's operations in Latin America, home to some of the world's fastest growing markets for glass. The region generates approximately 20 percent of O-I's global revenues. Focused on continuing strong growth in the region, Alvarez leads more than 5,000 employees. Prior to being named president of the region in late 2014, Alvarez was president of O-I Brazil, where he oversaw significant growth in the operations. Alvarez joined O-I in 1990 in Colombia, and held a variety of roles of expanding responsibility in sales and marketing. He spent six years in leadership positions in Chile, Argentina and Ecuador with a leading global beauty products company and returned to O-I in 2010 to lead the Brazilian operations.

Tim Connors

PRESIDENT, O-I ASIA PACIFIC



Tim Connors oversees nine plants and more than 2,500 employees in Australia, New Zealand, China and Indonesia, as well as O-I's joint ventures in Malaysia, Vietnam and China. In his nearly 20 year career at O-I, Connors has served in a variety of finance, manufacturing and business strategy leadership roles in North America and Asia Pacific. Prior to being named president of O-I Asia Pacific in 2015, Connors was general manager of O-I's Australian operations, where he successfully strengthened the company's position in the country's wine and beer markets through footprint realignment, customer engagement, and a focus on total cost. He previously served as the chief financial officer of O-I's Asia Pacific operations.

Sergio Galindo

PRESIDENT, O-I NORTH AMERICA



Sergio Galindo oversees 19 plants with nearly 5,200 employees in the U.S. and Canada. He has more than 20 years of experience serving the company in various key positions in several countries. He was an instrumental force behind expanding O-I's glass packaging specialties business. Prior to being named president of O-I North America, Galindo served as president of O-I Asia Pacific, leading that region during challenging market conditions. He successfully led new business development, manufacturing and overall supply chain capabilities and performance in the region.

Vitaliano Torno

PRESIDENT, O-I EUROPE



Vitaliano Torno is focused on strengthening O-I's leading market position in Europe, the largest of O-I's four regions, where the company employs 8,000 people in 11 countries. Torno was instrumental in the design and implementation of the successful reorganization that allowed the company to focus on country, market and segment strategies. A 25-year veteran of the glass industry, Torno was named President of O-I Europe in January 2015. He led the asset optimization program, a multi-year investment initiative that improved the quality, sustainability and manufacturing capabilities of the operations.