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

October 26, 2011
Date of Report (Date of earliest event reported)

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

Delaware	1-9576	22-2781933
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

One Michael Owens Way **Perrysburg, Ohio**	**43551-2999**
(Address of principal executive offices)	(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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On October 26, 2011, Owens-Illinois, Inc. (the "Company") issued a press release announcing its results of operations for the quarter ended September 30, 2011. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. Additional financial information, posted to the Company's web site, is attached hereto as Exhibit 99.2.

ITEM 5.02. DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

On October 26, 2011, the Company entered into an amended and restated employment agreement with Mr. Al Stroucken pursuant to which the terms of his employment will be governed for the period January 1, 2012 through June 30, 2016, when Mr. Stroucken plans to retire. This amended and restated agreement will substantially continue the same terms and provisions of his current agreement, which were previously described in an 8-K/A filed on November 28, 2006, except as follows:

- He will no longer have the right to severance upon non-renewal of the agreement;
- Following a change in control, his severance in the event of his termination without cause or constructively for good reason is increased to three times his base salary and target bonus from two times his base salary and target bonus;
- Previously, he voluntarily gave up his right to all tax gross ups and his rights to receive home security services from the Company, which are now reflected in the agreement;
- The potential reimbursement on his home sale loss will be capped at the lesser of $240,000 or 20% of the appraised value of the home at the time of termination, and such protection applies only if he were to sell the home within two years following his termination;
- He will be allowed to use the Company's aircraft for personal use in excess of 50 hours a year, but only if he reimburses the Company for the cost of such use; and

- In the event he would be subject to excess parachute taxes in connection with a change in control, either all payments to which he would be entitled will be paid, or the payments will be reduced to an amount that he will no longer be subject to such excess parachute taxes, whichever produces the highest after-tax benefits to him.

Under the terms of the new agreement Mr. Stroucken's base salary will be $1,049,000 per year, and his target bonus will continue to be 150% of his base salary, with a maximum bonus of 300% of base salary. He will continue to participate in the Company's equity and employee benefit plans upon the same terms as other senior executives. If he is terminated without cause during the term of his new agreement he will receive the same severance as under his current agreement, equal to two times his base salary and target bonus (payable over 24 months) plus continued health coverage for up to 24 months, or until he obtains coverage under another health plan. If the Company is prohibited from providing such continued health benefits under health care reform laws, then the Company will pay him a lump sum cash value equal to 24 months of the premiums. All severance payments are conditioned upon his execution of a release and continued compliance with 2 year non-compete and nonsolicitation covenants, as well as confidential information covenant. The Company also agreed to reimburse Mr. Stroucken for up to $25,000 in legal fees incurred in connection with the renegotiation of his employment agreement. Certain other technical changes were made to the amended and restated agreement to comply with the tax laws under Section 409A of the Internal Revenue Code and to eliminate references to historical equity grants and other benefits the receipt of which is subject to conditions that have been or will be satisfied in full before the new agreement becomes effective.

The foregoing description of the amended and restated employment agreement is qualified in its entirety by reference to its terms, which is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit No.	**Description**
10.1	Amended and Restated Letter Agreement between Owens-Illinois, Inc. and Albert P.L. Stroucken
99.1	Press Release dated October 26, 2011, announcing results of operations for the quarter ended September 30, 2011
99.2	Additional financial information — quarter ended September 30, 2011

SIGNATURE

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

OWENS-ILLINOIS, INC.

Date: October 26, 2011

By: /s/ Edward C. White
Name: Edward C. White
Title: Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	**Description**
10.1	Amended and Restated Letter Agreement between Owens-Illinois, Inc. and Albert P.L. Stroucken
99.1	Press Release dated October 26, 2011, announcing results of operations for the quarter ended September 30, 2011
99.2	Additional financial information — quarter ended September 30, 2011

Exhibit 10.1

OWENS-ILLINOIS

WORLD OPERATIONS

October 26, 2011

Mr. Albert P. L. Stroucken
4832 Devilbiss Court
Toledo, OH 43623

Dear Al:

As discussed, this letter agreement (the "Letter Agreement") will amend and restate that letter agreement dated January 3, 2007, (the "Prior Agreement") and will govern the terms of your continued employment with Owens-Illinois, Inc. (the "Company") on and after January 1, 2012 (the "Effective Date").

1. Position and Term. During the Term (as defined below), you will continue to serve as both Chief Executive Officer and Chairman of the Board of Directors of Owens-Illinois, Inc. (the "Board" and the "Company," respectively). During the Term, you agree to inform the Board if you are considering serving as a member of the board of directors of any other company or organization, in addition to those on which you serve as of the date of this Letter Agreement.

2. Term. Your employment under the terms set forth in this Letter Agreement will commence on the Effective Date and shall continue until June 30, 2016 (the "Term"), subject to earlier termination as provided herein. Upon expiration of the Term, you will be deemed to have voluntarily terminated your employment due to retirement.

3. Base Salary. You will be entitled to an annual base salary of $1,049,000, plus such increases, if any, as may be determined from time to time by the Compensation Committee of the Board ("Base Salary"). The Base Salary will be paid, subject to income tax and benefit plan withholdings, in accordance with the Company's normal payroll practices for executives.

4. Annual Bonus. You will participate in the Company's Incentive Bonus Plan, as amended from time to time (or any successor plan). Subject to the terms of that plan, you will be eligible for a bonus. Your target bonus will be 150% of your Base Salary (the "Target Bonus"), which is achieved if you meet 100% of the target objectives, and your maximum bonus will be 300% of your Base Salary, which you will earn if you exceed your target objectives according to the Incentive Bonus Plan.

5. Equity Awards. You will continue to participate in the Company's equity plans in effect from time to time in accordance with the terms of such plans. You will be eligible for future equity awards in the sole discretion of the Board.

---

6. Nonqualified Retirement Benefits.

a. Defined Contribution. You will continue to be eligible to participate in the Company's Executive Deferred Savings Plan during the Term.

b. Defined Benefit SERP. You will receive following your termination of employment for any reason, including voluntary termination, a non-qualified pension benefit (the "SERP Benefit") based on (i) your actual years of service as an employee with the Company plus 1.5 years, and (ii) your final average earnings, as calculated under the Owens-Illinois Salary Retirement Plan and the Owens-Illinois Supplemental Retirement Benefit Plan as in effect on December 4, 2006 (the "Plans"). The SERP Benefit will be converted to a single lump-sum determined by calculating the actuarial equivalent of the 100% single life annuity amount on the date of your retirement using (x) the applicable interest rate then in effect under the Plans and (y) a remaining life expectancy at the time of retirement using the then applicable mortality table under the Plans. Payment of the lump sum SERP Benefit will be made within 30 business days after retirement or, if required by Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), the first business day on or after the date which is 6 months after your retirement.

7. Employee Benefits and Perquisites.

a. You also will continue to be eligible to participate in the Company's employee benefit plans (except for the severance plan, as in effect from time to time), including without limitation the Company's 401(k) plan, group health plans (medical, dental, vision and prescription drug benefits), short term disability, long term disability, and life insurance or benefit plans (collectively, the "Employee Benefits"), on the same basis as those benefits are generally made available to other senior executives of the Company.

b. Vacation. You will be provided with five weeks (25 days) of paid vacation per calendar year.

c. Physical Exam. Each year during the Term, you will be reimbursed for the cost of an annual physical exam in accordance with the Company policies and programs in effect from time to time for senior executives.

d. Car Allowance. Each year during the Term, you will be provided with an annual car allowance of not less than $24,000 per calendar year payable in no less frequent than monthly installments of $2,000 each, in accordance with the Company policies and programs in effect from time to time for senior executives.

e. Life Insurance. Each year during the Term, you will be reimbursed for the premiums on a term life insurance policy on your life with a coverage amount equal to three times your Base Salary.

f. Aircraft. You will be permitted to use Company aircraft for business purposes and up to 50 hours per calendar year for personal travel in accordance with the Company policies and programs in effect from time to time for senior executives. The cost of personal usage of the Company's aircraft will be imputed into your income in accordance with applicable tax laws. For any personal use of the

Company's aircraft over 50 hours per calendar year, you will reimburse the Company for the incremental cost of each flight, with such incremental cost determined according to the methodology used by the Company for reporting the cost of personal aircraft usage by executives in the Company's annual proxy statement. However, if necessary to comply with applicable FAA rules, you will enter into an aircraft time share agreement with the Company pursuant to which you will agree to reimburse the Company for personal usage of the Company's aircraft over 50 hours according to and consistent with such time share agreement and applicable FAA rules.

g. Tax and Financial Services. You will be reimbursed for personal tax and financial services up to $15,000 per calendar year during the Term in accordance with the Company policies and programs in effect from time to time for senior executives.

h. 409A Requirements. All reimbursements under this Section 7 and Section 8 shall be made as specified herein, or if no date is so specified, as soon as practicable following the date such expense is properly submitted for reimbursement, but no later than the last day of the calendar year following the calendar year in which such reimbursable expense was incurred. You may not accrue amounts for use in later calendar years, and the reimbursements or benefits provided under this Section 7 are for each calendar year only, and may not be used to increase or decrease the amount reimbursable or available in any subsequent year. You may not liquidate or exchange your rights to reimbursement and or receipt of benefits under this Section 7 for cash or any other benefit.

8. Reimbursement for Loss on Sale of Ohio Residence. If your employment with the Company is terminated at anytime other than for Cause and you sell your primary residence in the Toledo, Ohio area, within two years of such termination, then the Company will reimburse you for any loss on such sale, subject to a maximum reimbursement equal to the lesser of (a) $240,000 or (b) 20% of the then appraised value of the residence. For example, if your residence has an appraised value of $1.2 million at the time of your termination, your reimbursement for a loss will not exceed $240,000 (20% of the appraised value.) For this purpose, your loss on the sale is difference between (i) the appraised value of the residence at the time of your termination of employment and (ii) the actual sale price, after deducting brokerage commissions. Such reimbursement will be made as soon as practicable after you submit to the Company documents evidencing the loss, but no earlier than the first day of the second taxable year following the year of your termination and no later than the last day of such taxable year.

9. Payment of Legal Fees. The Company will reimburse you for reasonable legal and consultant costs you incur in connection with the negotiation of this Letter Agreement, up to a maximum of $25,000.

10. Miscellaneous.

a. Governing Law. This Letter Agreement will be governed by and construed in accordance with the laws of the State of Ohio, without regard to conflicts of laws principles thereof.

b. Arbitration. Any dispute, claim or controversy based on, arising out of or relating to your employment or this Agreement shall be settled by final and binding arbitration in Toledo, Ohio, before a single neutral arbitrator in accordance with

the National Rules for the Resolution of Employment Disputes (the "Rules") of the American Arbitration Association ("AAA"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. If the parties are unable to agree upon an arbitrator, the Company shall obtain a list from AAA of the names of 10 arbitrators who are members of the national Academy of Arbitrators to ensure their neutrality. From that list, with you to strike first, you and the Company will alternately strike names, until one name remains and that person will be the arbitrator. Each party shall pay the fees of its own attorneys, the expenses of its witnesses and all other expenses connected with presenting its case; however, you and the Company agree that, to the extent permitted by law, the arbitrator may, in his discretion, award reasonable attorneys' fees to the prevailing party. Other costs of the arbitration, including the cost of any record or transcripts of the arbitration, AAA's administrative fees, the fee of the arbitrator, and all other fees and costs, shall be borne by the Company. Arbitration is intended to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Letter Agreement or relating to your employment; provided, however, that neither this Letter Agreement nor the submission to arbitration shall limit the parties' right to seek provisional relief, including without limitation injunctive relief, in any Ohio court of competent jurisdiction. Seeking any such relief shall not be deemed to be a waiver of such party's right to compel arbitration. Both parties expressly waive their right to a jury trial.

c. Entire Agreement; Amendments. This Letter Agreement contains the entire understanding of the parties with respect to your employment by the Company. Appendix A is a part of this Letter Agreement and is incorporated by reference. This Letter Agreement (including Appendix A) may not be amended except by written instrument signed by you and the Company.

d. No Waiver. The failure of the Company or you to insist upon strict adherence to any term of this Letter Agreement (including Appendix A) will not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Letter Agreement.

e. Severability. Whenever possible, each provision of this Letter Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Letter Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, and such invalid, void or otherwise unenforceable provision will be null and void. It is the intent of the parties, however, that any invalid, void or otherwise unenforceable provisions be automatically replaced by other provisions which are as similar as possible in terms to such invalid, void or otherwise unenforceable provisions but are valid and enforceable to the fullest extent permitted by law.

f. Withholding Taxes. The Company may withhold from the amounts payable under this Letter Agreement any amounts required by law.

g. Headings and Interpretations. The headings of the sections contained in this Letter Agreement are for convenience only and will not be deemed to control or affect the meaning or construction of any provision of this Agreement. Neither this Letter Agreement nor any uncertainty or ambiguity herein will be construed or resolved against a party as the draftsperson.

h. Counterparts. This Letter Agreement may be signed in counterparts, each of which will be an original.

i. No Mitigation; No Offset. You will be under no obligation to seek other employment following a termination of employment and there will be no offset against amounts due you under the Letter Agreement.

j. Assignability; Binding Nature. This Letter Agreement will be binding upon and inure to the benefit of (i) the Company and its respective successors and permitted assigns and (ii) you and your heirs, executors, beneficiaries and administrators. No obligations of the Company under this Letter Agreement may be assigned without your consent; provided that the Company may assign this Letter Agreement without your consent to any of its direct or indirect subsidiaries or in a Change in Control without your consent. You may not assign your rights or obligations under this Letter Agreement without the consent of the Company.

k. Survival. The respective rights and obligations of you and the Company hereunder will survive any termination of your employment to the extent necessary to the intended preservation of such rights and obligations.

l. Notices. Any notice or other communication to be given hereunder will be in writing and will be deemed sufficient if (i) mailed by United States certified mail, return receipt requested, (ii) sent by nationally recognized overnight courier, (iii) if sent to a Company, sent by facsimile (with confirmation), or (iv) delivered in person, in each case, at the address set forth below, or such other address as a party may provide to the other in accordance with the procedure for notices set forth in this Letter Agreement. Any notice or other communication so delivered will constitute valid notice under this Agreement and will be deemed to have been received (A) on the fifth business day after the date of deposit in the United States mail, (B) on the next business day after the date when sent in the case of delivery by nationally recognized overnight courier, (C) upon receipt by the sender of confirmation of delivery if sent by facsimile prior to 5 p.m. local time on a business day and otherwise on the next business day, and (D) on the day of actual delivery in the case of personal delivery if delivered on a business day and otherwise on the next business day.

If to the Company:	Owens-Illinois, Inc. James W. Baehren Senior Vice President, Strategic Planning and General Counsel Attention: Board of Directors Telephone: (567) 336-1032
If to you:	Mr. Albert P.L. Stroucken current address and phone no. on file with the Company for purposes of W-2
With a copy to:	Reed Smith LLP 225 Fifth Avenue Pittsburgh, PA 15222 Attention: Dodi Walker Gross, Esquire Telephone: (412) 288-4132

Al, we look forward with great pleasure to working with you. Please countersign this Letter and Appendix A in the space indicated below, and return an original to my attention.

Owens-Illinois, Inc.

/s/ James W. Baehren

By: James W. Baehren
Its: Senior Vice President Strategic Planning and General Counsel

Acknowledged and Agreed:
ALBERT P. L. STROUCKEN

/s/ Albert P.L. Stroucken

Date: October 26, 2011

Appendix A to Letter Agreement – Albert P. L. Stroucken

Provisions Relating to Termination of Employment and Restrictive Covenants

This Appendix A, dated October 26, 2011, is an integral part of the Letter Agreement, which is incorporated herein and constitutes part of the Letter Agreement, and amends and restates the Appendix A entered into and which formed a part of the Prior Agreement. Capitalized terms used herein will have the meaning set forth in the Letter Agreement, unless otherwise defined below.

Paragraph 1. Termination of Employment. Your employment may be terminated by the Company at any time prior to the end of the Term with Cause, without Cause upon ninety days prior written notice or due to your Disability. You may terminate your employment during the Term for any reason upon ninety days prior written notice to the Company. Termination will occur automatically on your death.

a. Termination Without Cause. If your employment is terminated by the Company without Cause, you will receive the following:

(i) the Accrued Rights.

(ii) Severance Pay payable over a period of 24 months commencing immediately following your termination, except as otherwise provided in Paragraph 1(c) below, and subject to your continued compliance with the provisions of Paragraphs 2 and 3 of this Appendix A, and execution and non-revocation of a general release on terms reasonably satisfactory to the Company, within 60 days following your termination date.

(iii) Health Benefits for a period of up to 24 months (with such coverage being concurrent with and not in addition to any COBRA continuation rights you may have under Section 4980A of the Internal Revenue Code of 1986, as amended ("Code") or any similar state law), provided that this continued coverage will terminate if you become covered under a subsequent employer's group health plan, or if you fail to make timely payment of the same premiums for the coverage you would have paid as an active employee. Notwithstanding the foregoing, if the Company determines in its sole discretion that it cannot provide the foregoing Health Benefits without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall, in lieu of such Health Benefits, provide you a taxable lump sum cash payment in an amount equal to the cost of the monthly Health Benefit premium as in effect immediately prior to the date of termination, calculated at the same cost to you as in effect immediately prior to such date (the "Monthly Premium"), multiplied by 24 (the "Health Benefits Payment"). In addition, if at any time following the commencement of providing health insurance benefits under this Section 5(c), the Company determines in its sole discretion that the provision of such benefits potentially would violate applicable law, the Company shall, in lieu of such health insurance benefits, make a taxable lump sum cash payment to you in an amount equal to the Monthly Premium multiplied by the number of full calendar months remaining until the second anniversary of the date of termination, which amount shall be paid within thirty

(30) days following the date of the Company's determination, subject to any required delay under Section 1(f) hereof;

The payments and benefits under clauses (i), (ii), and (iii) above constitute the "Basic Termination Benefits.

b. Disability. If your employment terminates due to your Disability you will be entitled to the Basic Termination Benefits (and subject to the same terms) and all other outstanding equity awards shall vest and be exercisable in full.

c. Death. If your employment terminates due to your death, you will be entitled to the Accrued Rights and the Target Bonus for the year of death and all other outstanding equity awards shall vest and be exercisable in full. Payments under this Paragraph 1(c) will be made to your surviving spouse or, if no surviving spouse, to your estate within 60 business days of your death.

d. Change of Control. If within 1 year after a Change of Control you are terminated without Cause or within 2 years after a Change of Control you voluntarily terminate because your responsibilities are significantly reduced or altered (after providing the Company with written notice of such reduction/alteration within 90 days after the reduction/alteration and the Company's failure to cure within 30 days after the notice to the Company), in addition to receiving the Basic Termination Benefits (and subject to the same terms), and subject to any applicable 6-month delay required under Section 409A:

(i) You will receive an amount equal to one times the sum of (A) your Base Salary in effect when your employment terminates; and (B) your Target Bonus, payable over a period of 12 months following the end of the payment of the Basic Termination Benefits under Paragraph 1(a)(ii), (the sum of (A) and (B) constituting "Additional Severance Pay") subject to your continued compliance with the provisions of Paragraphs 2 and 3 of this Appendix A, and the execution and non-revocation of the general release required under Paragraph 1(a)(ii), (so that the total of the Severance Pay and Additional Severance Pay shall equal three times the sum of your Base Salary and Target Bonus payable over a period of 36 months following termination of employment);

(ii) In the event it shall be determined that any payment or distribution by the Company to or for your benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Letter Agreement or otherwise, (a "Payment") would be subject to the tax imposed by Section 4999 of the Code (such excise tax, together with any such interest and penalties, are collectively referred to as the "Excise Tax"), then either (A) such Payments shall be paid in full, or (B) the Payments shall be reduced until no such Payments are subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in you receiving on an after-tax basis, the greatest amount of Payments, notwithstanding that all or some portion of such Payments may be taxable under Section 4999 of the Code. If Payments are to be reduced, such reduction will be made in a manner as you and the Company shall mutually agree that would not result in a violation of Section 409A. All determinations required to be made under this Paragraph 1(d)(ii), and the assumptions to be utilized in arriving at such determination, shall be made by the a nationally recognized public accounting firm as may be designated by the Company (the "Accounting Firm") based on reasonable assumptions, interpretations and approximations concerning applicable taxes and relying on reasonable good faith interpretations concerning the applications or Code Sections 280G and 4999; provided such determinations are made with substantial authority (within the meaning of Code Section 6662). The Accounting Firm shall provide detailed supporting calculations both to the Company and you within 15 business days of the receipt of notice from you that there has been a Payment, or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

e. By the Company For Cause or by Your Resignation For Any Reason. If your employment is terminated by the Company for Cause or if you voluntarily terminate for any reason not covered by (d) above, you will receive the Accrued Rights, subject to any 6-month delay required under Section 409A.

f. 409A Requirements. If required to comply with Section 409A, all or a portion of the Severance Pay or other payments under this Appendix A or the Letter shall be delayed, and you may be required to pay part or all of the full cost of the Health Benefits, during the six-month period following your termination of employment (the "Delay Period"). Upon expiration of the Delay Period, the Company shall pay you in a lump sum an amount equal to (x) the amounts of Severance Pay and other payments which otherwise would have been paid during the Delay Period if not for the requirements of Section 409A (including the Health Benefits Payment, if payable) plus (y) if you are receiving the Health Benefits and not the Health Benefits Payment, then the amount of the Health Benefits paid by you during the Delay Period to the extent it exceeded the amount you would have paid as an active employee during the Delay Period. In addition, if the 60 day period in which you have to execute and return the release required to receive the Severance Pay would span two taxable years, the Severance Pay shall not commence until the taxable year immediately following the taxable year in which the date of termination occurs. A termination of employment shall be deemed to occur on the date you terminate employment with all members of the Company's controlled group (within the meaning of Section 409A) or such earlier date as would constitute a separation from service under Section 409A.

Paragraph 2. Non-Competition/Non-Solicitation.

a. You acknowledge and recognize the highly competitive nature of the businesses of the Company and its affiliates and accordingly agree as follows:

(i) While employed and for a period of one year thereafter, you will not, directly or indirectly:

(A) engage in, invest in, or enter into the employ of or otherwise render any services to, any business that competes with the business of the Company or its affiliates (including, without limitation, businesses which the Company or its affiliates have specific plans to conduct in the future and as to which you are aware of such planning) in any geographical area where the Company or its affiliates manufactures,

produces, sells, leases, rents, licenses or otherwise provides its products or services (a "Competitive Business"); or

(B) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the date of the Letter Agreement) between the Company or any of its affiliates and customers, clients, suppliers, or investors of the Company or its affiliates. Notwithstanding anything to the contrary in this Letter Agreement, you may own up to 2% of the securities of any person engaged in the business of the Company or its affiliates that are publicly traded.

(ii) While employed by the Company and for a period of two years thereafter, you will not, directly or indirectly:

(A) solicit or encourage any employee of the Company or its affiliates to leave the employment of the Company or its affiliates; or

(B) hire any employee who was employed by the Company or its affiliates within one year prior to termination of your employment.

b. It is expressly understood and agreed that, although you and the Company consider the restrictions contained in this Paragraph 2 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Appendix A is an unenforceable restriction against you, the provisions of this Appendix A will not be rendered void but will be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Appendix A is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding will not affect the enforceability of any of the other restrictions contained herein.

Paragraph 3. Confidentiality. You may not disclose to any person outside the Company any non-public, proprietary or confidential information concerning the business of the Company, and its subsidiaries and affiliates, unless such information is required by law to be disclosed.

Paragraph 4. Specific Performance. You acknowledge and agree that the Company's remedies at law for a breach or threatened breach of any of the provisions of Paragraph 2 or Paragraph 3 of Appendix A would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. Accordingly, you agree that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, will be entitled to cease making any payments or providing any benefit otherwise required by the Letter Agreement and/or Appendix A and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

Paragraph 5. Certain Definitions.

a. "Accrued Rights" mean:

(i) your accrued but unpaid Base Salary through the date of termination payable in accordance with applicable law;

(ii) unless you are terminated for Cause, any annual bonus earned but unpaid under the Company's Incentive Bonus Plan for any previously completed fiscal year payable in accordance with applicable law;

(iii) benefits under any Company benefit plan or program in which you are a participant on the date of termination, specifically including the SERP Benefit, payable in accordance with the terms of the applicable benefit plan or program to the extent not inconsistent with the terms of the Letter Agreement or this Appendix A; and

(iv) unless you are terminated for Cause, any loss on the sale of your Ohio residence, as provided in Paragraph 8 of the Letter Agreement.

b. "Cause" means:

(i) the commission of an act of fraud against the Company or any affiliate thereof or embezzlement;

(ii) breach of one or more of the following duties to the Company:

(A) the duty of loyalty;

(B) the duty not to take willful actions which would reasonably be viewed by the Company as placing your interest in a position adverse to the interest of the Company;

(C) the duty not to engage in self-dealing with respect to the Company's assets, properties or business opportunities;

(D) the duty of honesty; or

(E) any other fiduciary duty which you owe to the Company;

(iii) your conviction (or a plea of *nolo contendere* in lieu thereof) for

(A) a felony; or

(B) a crime involving fraud, dishonesty or moral turpitude;

(iv) intentional misconduct as an executive of the Company, including, but not limited to, knowing and intentional violation by you of material written policies of the Company or specific directions of the Board, which policies or directives are neither illegal (or do not involve illegal conduct) nor do they require you to violate reasonable business ethical standards; or

(v) your failure to substantially perform your duties for the Company (other than as a result of total or partial incapacity due to physical or mental illness) for a period of 10 days following written notice by the Company of such failure.

However, "Cause" does not include termination of your employment due to Disability or death, or upon expiration of the Term. Additionally, the Company shall provide you written notice of any event or action which the Board has determined constitutes Cause, and if the Board determines in its sole discretion that such event or action is curable, will provide you with a reasonable opportunity to cure prior to terminating you for Cause.

c. "Change of Control" means:

(i) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its subsidiaries, an employee benefit plan maintained by the Company or any of its subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(ii) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in paragraphs (a) or (c)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(iii) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(A) Which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or

otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction; and

(B) After which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this subparagraph (c)(ii) as beneficially owning 50% or more of combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction; or

(iv) The Company's stockholders approve a liquidation or dissolution of the Company.

d. "Disability" shall mean your permanent and total disability as determined in the discretion of the Board based on the advice of a licensed physician that you will be unable to perform the essential duties of your employment for an unknown period of time.

e. "Health Benefits" mean coverage under the Company's group health plan in which you participated at the time of your termination of employment.

f. "Severance Pay" means an amount equal to two times the sum of:

(i) your Base Salary in effect when your employment terminates; and

(ii) your Target Bonus.

OWENS-ILLINOIS, INC.

/s/ James W. Baehren
By: James W. Baehren
Its: Senior Vice President Strategic Planning and General Counsel

Acknowledged and Agreed:
ALBERT P. L. STROUCKEN

/s/ Albert P.L. Stroucken

Date Signed: October 26, 2011

Exhibit 99.1

FOR IMMEDIATE RELEASE

O-I REPORTS THIRD QUARTER 2011 RESULTS

North American operating performance improved; Australian restructuring activities underway

$138 million of free cash flow primarily used to pay down debt

PERRYSBURG, Ohio (October 26, 2011) — Owens-Illinois, Inc. (NYSE: OI) today reported financial results for the third quarter ending September 30, 2011.

Summary

- **Earnings:** O-I reported third quarter 2011 earnings from continuing operations attributable to the Company of $0.72 per share (diluted), compared to $0.77 per share (diluted) for the same period in the prior year. Adjusted net earnings (non-GAAP) were $0.84 per share, compared to $0.83 per share in the third quarter of 2010, with some benefit from a lower annual effective tax rate. Third quarter adjusted net earnings improved from second quarter 2011 results of $0.59 per share.
- **Higher sales and volume:** Prior year acquisitions and organic growth drove net revenue higher as tonnes shipped increased by 4 percent from the same period in the prior year, and volumes improved across all regions. Sales also benefited from favorable pricing and foreign currency translation, despite the strengthening of the U.S. dollar during the quarter.
- **Stronger operating performance in North America:** Following a challenging second quarter, operating performance in O-I's North American region improved during the third quarter. Previously idled capacity has been restarted to satisfy higher demand and ease logistical pressures.
- **Restructuring underway in Australia:** In Australia, market conditions have stabilized at a lower level, resulting in reduced year-over-year sales and production levels. To address market challenges, a furnace in Australia was permanently closed at the end of the third quarter. An additional furnace closure is planned in Australia by mid-2012.
- **Free cash flow targets reconfirmed:** O-I generated $138 million of free cash flow from continuing operations in the third quarter of 2011, which was primarily used to reduce debt. As a result, O-I's leverage ratio improved from 3.2 times EBITDA at the end of the second quarter to 3.0 times at the end of the third quarter. O-I remains committed to generating full-year 2011 free cash flow of between $200 and $250 million.
- **Business outlook:** O-I expects fourth quarter 2011 adjusted earnings per share will approximate prior year fourth quarter adjusted earnings. This outlook assumes a continued strong U.S. dollar, which would negatively impact fourth quarter earnings.

Third quarter net sales were $1.862 billion in 2011, up from $1.689 billion in the prior year's third quarter, primarily due to higher sales volume and favorable foreign currency translation effects.

Net earnings from continuing operations attributable to the Company in the third quarter of 2011 were $119 million, or $0.72 per share (diluted), compared with net earnings from continuing operations in the third quarter of 2010 of $127 million, or $0.77 per share (diluted). Exclusive of the items not representative of ongoing operations listed in Note 1, third quarter 2011 adjusted net earnings were $139 million, or $0.84 per share (diluted), compared with adjusted net earnings in the prior year third quarter of $136 million, or $0.83 per share (diluted). Third quarter 2011 adjusted net earnings improved significantly from second quarter 2011 adjusted net earnings of $98 million, or $0.59 per share (diluted).

Commenting on the Company's third quarter, Chairman and Chief Executive Officer Al Stroucken said, "We made good progress in the third quarter. Earnings were in line with the prior year and improved significantly from the second quarter due to better operating performance, especially in North America and Asia Pacific. To address market challenges in Australia, we closed a furnace at the end of September.

Globally, higher year-over-year shipments and prices contributed to earnings, but were offset by high cost inflation. We used the $138 million of free cash flow generated in the quarter primarily to reduce debt. This is consistent with our goal of reducing our leverage ratio to between two and three times EBITDA."

Operational highlights

O-I reported third quarter 2011 segment operating profit of $269 million, down from $279 million in the third quarter of 2010. Higher sales prices, stronger shipments and favorable foreign currency translation were offset by increased manufacturing costs due to elevated cost inflation.

Higher average selling prices benefited segment operating profit by $25 million in the third quarter and reflected additional surcharges implemented in Europe to partially offset incremental energy inflation experienced in the third quarter. In addition, higher sales volume increased operating profit by $16 million. Global shipments (in tonnes) improved 4 percent from the prior year. Acquisitions completed in 2010 represented about 3 percent of this volume growth. The remaining increase was due to organic growth, as favorable demand in all regions more than offset lower volume in Australia. Favorable foreign currency translation also benefited operating profit by $7 million in the quarter.

Manufacturing costs increased $37 million from the prior year, as $55 million of additional cost inflation was partially offset by improved operating performance. Also, other operating costs increased in the third quarter due to both higher spending to support sales and marketing initiatives and the absence of several one-time items that benefited the prior year.

North American and Australian improvement plans progressing well

The North American region ran at high operating rates during the third quarter, improving customer service levels and reducing logistics costs. Two previously idled furnaces were restarted by July and ran at full capacity during the quarter. Total production exceeded shipments in the third quarter. O-I also has leveraged its global footprint and imported inventory from South America to support demand in North America. As a result, the North American region has increased inventory levels during the third quarter, which were critically low in the second quarter.

Challenging market conditions persisted in Australia, but have stabilized at a lower demand level. As a result, sales and production were down compared to the prior year. In response, one furnace in Australia was permanently closed at the end of the third quarter. One additional furnace closure is planned in Australia by mid-2012. As a result, the Company recorded a $20 million charge, primarily related to this restructuring activity, which management does not consider representative of ongoing operations (Note 1). Further restructuring activities will depend on 2012 supply and demand trends as well as the outcome of contract negotiations. Given market conditions and restructuring activities in Australia, the Company is currently assessing its Asia Pacific market outlook and business plan, which could impact the carrying value of the region's recorded goodwill.

Financial highlights: $138 million of free cash flow primarily used to reduce debt

The Company reported total debt of $4.088 billion and cash of $256 million at September 30, 2011. Net debt was $3.832 billion, a decrease of $248 million from the second quarter of 2011. The decrease in net debt reflected $138 million of free cash flow from continuing operations, which was primarily used to repay debt. In addition, net debt decreased by $130 million in the third quarter due to foreign currency translation effects. O-I's leverage ratio improved from 3.2 times EBITDA at the end of the second quarter to 3.0 at the end of the third quarter. As of September 30, 2011, in addition to cash on hand, O-I had $767 million of available liquidity under the Company's global revolving credit facility.

Net interest expense increased $9 million from the prior year as a result of additional borrowings in 2010 used to fund acquisitions. Corporate costs increased $3 million from the prior year, primarily reflecting the net effect of higher marketing costs, higher non-cash pension expense and higher equity earnings from the Company's ownership in a soda ash joint venture.

In the third quarter, the Company reduced its annual effective tax rate outlook to approximately 21.5 percent (excluding items identified in Note 1 that management does not consider representative of ongoing operations). The lower tax rate was primarily attributable to a change in forecasted earnings mix by country. The impact of a reduced annual effective tax rate benefited third quarter adjusted earnings by $0.09 per share compared to the prior year.

Asbestos-related cash payments during the third quarter of 2011 were $34 million, compared to $37 million in the third quarter of 2010. New lawsuits and claims filed during the first nine months of 2011 were approximately thirteen percent lower than the same period last year. Approximately 5,300 asbestos-related lawsuits and claims remained pending as of September 30, 2011, down from approximately 5,900 at the end of 2010.

Business outlook

Commenting on the Company's outlook for the fourth quarter of 2011, Stroucken said, "The global macroeconomic outlook for the second half of this year has softened. As a result, we expect our fourth quarter shipments will be flat or slightly up compared with prior year levels. Average prices will be up from 2010 levels, but we expect continued cost inflation. Considering the unfavorable foreign currency exchange rate trends we have seen since mid-year, we expect fourth quarter 2011 adjusted earnings to approximate the prior year fourth quarter results. We expect full year 2011 free cash flow to be between $200 and $250 million, which is unchanged from the range provided in the second quarter. Future free cash flow will be used for further debt reduction until our leverage ratio is more comfortably within our target range."

Stroucken continued, "O-I has incurred significant cost inflation in 2011 related to higher raw material, labor and energy prices, which has negatively impacted our margins. Looking to 2012, we will re-focus on our value over volume strategy to repair our margins. Our business that is covered by long-term customer contracts includes pass-through formulas that allow for higher pricing next year as a result of this inflation. For business not covered by pass-through formulas, we expect to increase prices in 2012 where possible to pass along both unrecovered current year and prospective 2012 inflation. As a result of this inflation, depending on the country or region, price increases for these annual agreements can be expected on average to range between high single digit and even double digit percentages in 2012."

Note 1:

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

$ Millions, except per-share amounts	Three months ended September 30 2011 Earnings	2011 EPS	2010 Earnings	2010 EPS
Earnings from Continuing Operations Attributable to the Company	$ 119	$ 0.72	$ 127	$ 0.77
Items that management considers not representative of ongoing operations consistent with Segment Operating Profit				
Charges for restructuring and asset impairment	20	0.12		
Charges for acquisition transaction costs and fair value inventory adjustments			9	0.06
Adjusted Net Earnings	$ 139	$ 0.84	$ 136	$ 0.83

$ Millions, except per-share amounts	Three months ended June 30 2011 Earnings	2011 EPS	2010 Earnings	2010 EPS
Earnings from Continuing Operations Attributable to the Company	$ 71	$ 0.42	$ 132	$ 0.79
Items that management considers not representative of ongoing operations consistent with Segment Operating Profit				
Charges for note repurchase premiums and write-off of finance fees	24	0.15		
Charges for restructuring and asset impairment	3	0.02	8	0.05
Adjusted Net Earnings	$ 98	$ 0.59	$ 140	$ 0.84

$ Millions, except per-share amounts	Nine months ended September 30							
	2011				2010			
	Earnings		EPS		Earnings		EPS	
Earnings from Continuing Operations Attributable to the Company	$	263	$	1.58	$	341	$	2.04
Items that management considers not representative of ongoing operations consistent with Segment Operating Profit								
Charges for restructuring and asset impairment		28		0.17		8		0.05
Charges for note repurchase premiums and write-off of finance fees		24		0.15				
Charges for acquisition transaction costs and fair value inventory adjustment						9		0.06
Adjusted Net Earnings	$	315	$	1.90	$	358	$	2.15

Company profile

Owens-Illinois, Inc. (NYSE: OI) is the world's largest glass container manufacturer and preferred partner for many of the world's leading food and beverage brands. With revenues of $6.6 billion in 2010, the Company is headquartered in Perrysburg, Ohio, USA, and employs more than 24,000 people at 81 plants in 21 countries. O-I delivers safe, effective and sustainable glass packaging solutions to a growing global marketplace. For more information, visit www.o-i.com.

Regulation G

The information presented above regarding adjusted net earnings relates to net earnings attributable to the Company exclusive of items management considers not representative of ongoing operations and does not conform to U.S. generally accepted accounting principles (GAAP). It should not be construed as an alternative to the reported results determined in accordance with GAAP. Management has included this non-GAAP information to assist in understanding the comparability of results of ongoing operations.

Management uses this non-GAAP information principally for internal reporting, forecasting, budgeting and calculating bonus payments. Further, the information presented above regarding free cash flow does not conform to GAAP. Management defines free cash flow as cash provided by 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 this non-GAAP information principally for internal reporting, forecasting and budgeting. 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.

The Company routinely posts important information on its Web site — www.o-i.com/investorrelations.

Forward looking statements

This news release contains "forward looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Forward looking statements reflect the Company's current expectations and projections about future events at the time, and thus involve uncertainty and risk. 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, (3) the general political, economic and competitive conditions in markets and countries where the Company has operations, including uncertainties related to the economic conditions in Europe and Australia, the expropriation of the Company's operations in Venezuela, 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) fluctuations in raw material and labor costs, (6) availability of raw materials, (7) costs and availability of energy, including natural gas prices, (8) transportation costs, (9) the ability of the Company to raise selling prices commensurate with energy and other cost increases, (10) consolidation among competitors and customers, (11) the ability of the Company to acquire businesses and expand plants, integrate operations of acquired businesses and achieve expected synergies, (12) unanticipated expenditures with respect to environmental, safety and health laws, (13) the performance by customers of their obligations under purchase agreements, (14) the Company's ability to further develop its sales, marketing and product development capabilities, (15) the Company's ability to resolve its production and supply chain issues in North America, (16) the Company's success in implementing necessary restructuring plans and the impact of such restructuring plans on the carrying value of recorded goodwill, and (17) 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, and events related to asbestos-related claims. 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 news release.

Conference call scheduled for October 27, 2011

O-I CEO Al Stroucken and CFO Ed White will conduct a conference call to discuss the Company's latest results on Thursday, October 27, 2011, at 8:30 a.m., Eastern Time. A live webcast of the conference call, including presentation materials, will be available on the O-I Web site, www.o-i.com/investorrelations, in the Presentations & Webcast section.

The conference call also may be accessed by dialing 888-733-1701 (U.S. and Canada) or 706-634-4943 (international) by 8:20 a.m., Eastern Time, on October 27. Ask for the O-I conference call. A replay of the call will be available on the O-I Web site, www.o-i.com/investorrelations, for 90 days following the call.

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

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

O-I's fourth-quarter 2011 earnings conference call is currently scheduled for Thursday, January 26, 2012, at 8:30 a.m., Eastern Time.

# # #

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

	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Net sales	$ 1,862	$ 1,689	$ 5,540	$ 4,905
Manufacturing, shipping, and delivery expense (a)	(1,475)	(1,329)	(4,465)	(3,863)
Gross profit	387	360	1,075	1,042
Selling and administrative expense	(138)	(124)	(426)	(367)
Research, development, and engineering expense	(18)	(14)	(52)	(43)
Interest expense (b)	(70)	(61)	(246)	(177)
Interest income	2	2	8	10
Equity earnings	19	20	52	46
Royalties and net technical assistance	4	4	12	12
Other income	2	7	6	10
Other expense (c)	(40)	(6)	(66)	(28)
Earnings from continuing operations before income taxes	148	188	363	505
Provision for income taxes	(25)	(53)	(85)	(136)
Earnings from continuing operations	123	135	278	369
Earnings (loss) from discontinued operations	(3)	16	(2)	31
Net earnings	120	151	276	400
Net earnings attributable to noncontrolling interests	(4)	(12)	(15)	(35)
Net earnings attributable to the Company	$ 116	$ 139	$ 261	$ 365
Amounts attributable to the Company:				
Earnings from continuing operations	$ 119	$ 127	$ 263	$ 341
Earnings (loss) from discontinued operations	(3)	12	(2)	24
Net earnings	$ 116	$ 139	$ 261	$ 365
Amounts attributable to noncontrolling interests:				
Earnings from continuing operations	$ 4	$ 8	$ 15	$ 28
Earnings from discontinued operations		4		7
Net earnings	$ 4	$ 12	$ 15	$ 35
Basic earnings per share:				
Earnings from continuing operations	$ 0.73	$ 0.78	$ 1.60	$ 2.07
Earnings (loss) from discontinued operations	(0.02)	0.07	(0.01)	0.14
Net earnings	$ 0.71	$ 0.85	$ 1.59	$ 2.21
Weighted average shares outstanding (000s)	163,812	163,079	163,602	164,638
Diluted earnings per share:				
Earnings from continuing operations	$ 0.72	$ 0.77	$ 1.58	$ 2.04
Earnings (loss) from discontinued operations	(0.02)	0.07	(0.01)	0.14
Net earnings	$ 0.70	$ 0.84	$ 1.57	$ 2.18

Diluted average shares (000s)	165,695	165,591	166,017	167,558

(a) Amount for the three and nine months ended September 30, 2010, includes charges of $5 million ($3 million after tax amount attributable to the Company) for acquisition-related fair value inventory adjustments. The effect of these charges is a reduction in earnings per share of $0.02.

(b) Amount for the nine months ended September 30, 2011 includes charges of $25 million ($24 million after tax) for note repurchase premiums and the write-off of finance fees related to debt that was repaid prior to its maturity. The aftertax effect of this charge is a reduction in earnings per share of $0.15.

(c) Amount for the three months ended September 30, 2011, includes charges of $29 million ($20 million after tax amount attributable to the Company) for restructuring and asset impairment. The effect of this charge is a reduction in earnings per share of $0.12.

Amount for the nine months ended September 30, 2011, includes charges of $41 million ($28 million after tax amount attributable to the Company) for restructuring and asset impairment. The effect of this charge is a reduction in earnings per share of $0.17.

Amount for the three and nine months ended September 30, 2010, includes charges of $6 million (pretax and after tax amount attributable to the Company) for acquisition transaction costs. The effect of these charges is a reduction in earnings per share of $0.04.

Amount for the nine months ended September 30, 2010, includes charges of $8 million (pretax and after tax amount attributable to the Company) for restructuring and asset impairment. The effect of these charges is a reduction in earnings per share of $0.05.

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

	Sept. 30, 2011	Dec. 31, 2010	Sept. 30, 2010
Assets			
Current assets:			
Cash and cash equivalents	$ 256	$ 640	$ 657
Short-term investments, at cost which approximates market	1		1
Receivables, less allowances for losses and discounts	1,218	1,075	1,165
Inventories	1,052	946	986
Prepaid expenses	112	77	64
Assets of discontinued operations			93
Total current assets	2,639	2,738	2,966
Investments and other assets:			
Equity investments	312	299	287
Repair parts inventories	163	147	141
Pension assets	60	54	45
Deposits, receivables, and other assets	685	588	623
Goodwill	2,762	2,821	2,744
Assets of discontinued operations			35
Total other assets	3,982	3,909	3,875
Property, plant, and equipment, at cost	6,998	7,016	6,975
Less accumulated depreciation	4,067	3,909	3,933
Net property, plant, and equipment	2,931	3,107	3,042
Total assets	$ 9,552	$ 9,754	$ 9,883
Liabilities and Share Owners' Equity			
Current liabilities:			
Short-term loans and long-term debt due within one year	$ 345	$ 354	$ 339
Current portion of asbestos-related liabilities	170	170	175
Accounts payable	935	878	838
Other liabilities	663	677	779
Liabilities of discontinued operations			25
Total current liabilities	2,113	2,079	2,156
Long-term debt	3,743	3,924	4,006
Deferred taxes	204	203	229
Pension benefits	530	576	547
Nonpension postretirement benefits	252	259	265
Other liabilities	412	381	313
Asbestos-related liabilities	204	306	196

Liabilities of discontinued operations			15
Share owners' equity:			
The Company's share owners' equity:			
Common stock	2	2	2
Capital in excess of par value	2,990	3,040	3,034
Treasury stock, at cost	(408)	(412)	(413)
Retained earnings	343	82	494
Accumulated other comprehensive loss	(987)	(897)	(1,179)
Total share owners' equity of the Company	1,940	1,815	1,938
Noncontrolling interests	154	211	218
Total share owners' equity	2,094	2,026	2,156
Total liabilities and share owners' equity	$ 9,552	$ 9,754	$ 9,883

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

	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Cash flows from operating activities:				
Net earnings	$ 120	$ 151	$ 276	$ 400
(Earnings) loss from discontinued operations	3	(16)	2	(31)
Non-cash charges:				
Depreciation	100	92	308	267
Amortization of intangibles and other deferred items	4	5	13	18
Amortization of finance fees and debt discount	8	7	24	16
Deferred tax provision (benefit)	(12)	1	(22)	(7)
Restructuring and asset impairment	29		41	8
Charge for acquisition-related fair value inventory adjustments		5		5
Other	52	(11)	123	78
Asbestos-related payments	(34)	(37)	(102)	(114)
Cash paid for restructuring activities	(14)	(18)	(27)	(49)
Change in non-current operating assets	(30)	(7)	(72)	(32)
Change in non-current liabilities	(21)	(14)	(58)	(44)
Change in components of working capital	(16)	63	(225)	(145)
Cash provided by continuing operating activities	189	221	281	370
Cash provided by (utilized in) discontinued operating activities	(3)	10	(1)	35
Total cash provided by operating activities	186	231	280	405
Cash flows from investing activities:				
Additions to property, plant, and equipment - continuing	(51)	(154)	(204)	(389)
Additions to property, plant, and equipment - discontinued		(2)		(3)
Acquisitions, net of cash acquired	(1)	(728)	(148)	(754)
Change in short-term investments	(1)		(1)	
Net cash proceds related to sale of assets and other	2	1	2	1
Cash utilized in investing activities	(51)	(883)	(351)	(1,145)
Cash flows from financing activities:				
Additions to long-term debt	109	680	1,560	1,370
Repayments of long-term debt	(205)	(5)	(1,849)	(495)
Increase (decrease) in short-term loans - continuing	(21)	(21)	40	(28)
Decrease in short-term loans - discontinued		(1)		(2)
Net receipts (payments) for hedging activity	(13)	12	(22)	34
Payment of finance fees		(15)	(18)	(33)
Dividends paid to noncontrolling interests	(1)	(1)	(32)	(23)
Treasury shares purchased				(199)
Issuance of common stock and other	3	1	5	4
Cash provided by (utilized in) financing activities	(128)	650	(316)	628
Effect of exchange rate fluctuations on cash	(11)	20	3	
Increase (decrease) in cash	(4)	18	(384)	(112)
Cash at beginning of period	260	682	640	812
Cash at end of period	256	700	256	700
Cash - discontinued operations		43		43
Cash - continuing operations	$ 256	$ 657	$ 256	$ 657

OWENS-ILLINOIS, INC.
Consolidated Supplemental Financial Data

(Dollars in millions)

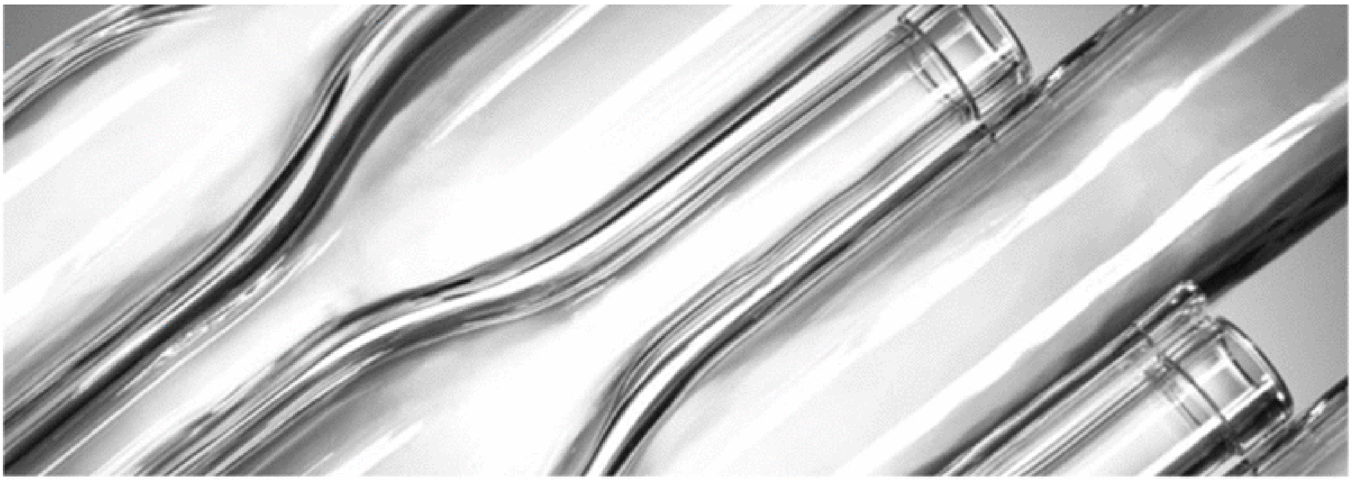
	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Net sales:				
Europe	$ 770	$ 702	$ 2,355	$ 2,086
North America	497	483	1,466	1,443
South America	310	243	881	625
Asia Pacific	270	251	778	724
Reportable segment totals	1,847	1,679	5,480	4,878
Other	15	10	60	27
Net sales	$ 1,862	$ 1,689	$ 5,540	$ 4,905
Segment Operating Profit (a):				
Europe	$ 106	$ 114	$ 284	$ 274
North America	73	72	188	222
South America	67	56	165	142
Asia Pacific	23	37	56	105
Reportable segment totals	269	279	693	743
Items excluded from Segment Operating Profit:				
Retained corporate costs and other	(24)	(21)	(51)	(52)
Restructuring and asset impairment	(29)	—	(41)	(8)
Acquisition-related fair value inventory adjustments and restructuring, transaction and financing costs		(11)		(11)
Interest income	2	2	8	10
Interest expense	(70)	(61)	(246)	(177)
Earnings from continuing operations before income taxes	$ 148	$ 188	$ 363	$ 505

The following notes relate to Segment Operating Profit:

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

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



O-I earnings presentation

Third quarter 2011

www.o-i.com

Owens-Illinois, Inc.

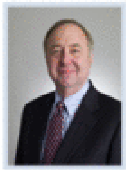
Introduction

Agenda

- Business discussion
- Financial review
- Business outlook
- Concluding remarks and Q&A

Presenters

Al Stroucken
Chairman and CEO



Ed White
SVP and CFO

Regulation G
The information included in this presentation regarding adjusted net earnings relates to net earnings attributable to the Company exclusive of items management considers not representative of ongoing operations does not conform to U.S. generally accepted accounting principles (GAAP). It should not be construed as an alternative to the reported results determined in accordance with GAAP. Management has included this non-GAAP information to assist in understanding the comparability of results of ongoing operations. Management uses this non-GAAP information principally for internal reporting, forecasting, budgeting and calculating bonus payments. Further, the information in this presentation regarding free cash flow does not conform to GAAP. Management defines free cash flow as cash provided by 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 this non-GAAP information principally for internal reporting, forecasting, and budgeting. Management believes that the non-GAAP presentation allows the board of directors, management, investors and analysts to better understand the Company's financial performance in relationship to core operating results and the business outlook.

Forward Looking Statements
This presentation contains "forward looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Forward looking statements reflect the Company's current expectations and projections about future events at the time, and thus involve uncertainty and risk. 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, (3) the general political, economic and competitive conditions in markets and countries where the Company has operations, including uncertainties related to the economic conditions in Europe and Australia, the expropriation of the Company's operations in Venezuela, 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) fluctuations in raw material and labor costs, (6) availability of raw materials, (7) costs and availability of energy, including natural gas prices, (8) transportation costs, (9) the ability of the Company to raise selling prices commensurate with energy and other cost increases, (10) consolidation among competitors and customers, (11) the ability of the Company to acquire businesses and expand plants, integrate operations of acquired businesses and achieve expected synergies, (12) unanticipated expenditures with respect to environmental, safety and health laws, (13) the performance by customers of their obligations under purchase agreements, (14) the Company's ability to further develop its sales, marketing and product development capabilities, (15) the Company's ability to resolve its production and supply chain issues in North America, (16) the Company's success in implementing necessary restructuring plans, and the impact of such restructuring plans on the carrying value of recorded goodwill, and (17) 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, and events related to asbestos-related claims. 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 he 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 presentation.

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

Third quarter 2011 results

Business discussion

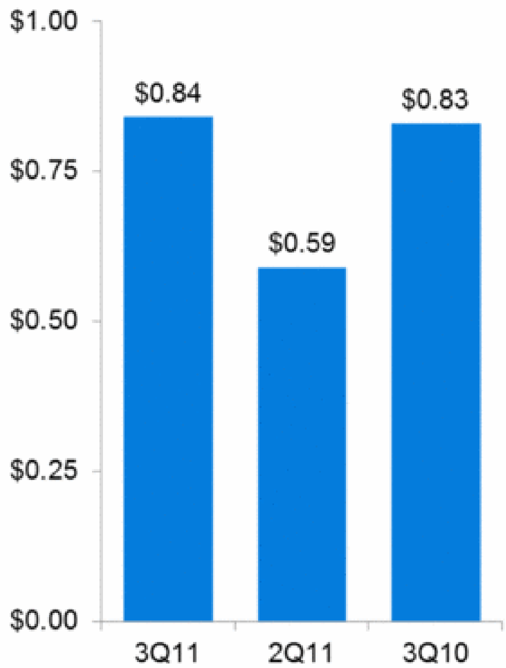
3Q11: $0.84/sh EPS, $138M free cash flow (1)

- Shipments up 4% YoY
  - Acquisitions add 3% volume, organic up 1%
    - Organic up ~2%, excluding Australia
  - Volume up in all regions
- Price up slightly YoY; inflation remained high
- Improved production volumes
  - Production/supply chain issues improving in NA
  - Further restructuring underway in Australia
  - Lower YoY tax rate due to country earnings mix
- Free cash flow of $138M, primarily for debt repayment

Business outlook

- 4Q11 shipment levels flat to slightly up YoY
- Expect 4Q11 earnings to approximate 4Q10
- Expect FY11 FCF of $200 to $250M (unchanged)

Adjusted net earnings per share (2)



(1) Free Cash Flow is defined as cash from continuing operations less capital spending from continuing operations.
(2) EPS exclusive of items management considers not representative of ongoing operations. A description of all items that management considers not representative of ongoing operations, including discontinued operations, and a reconciliation of the GAAP to non-GAAP earnings and earnings per share can be found in the appendix to this presentation.

European segment review

Business discussion

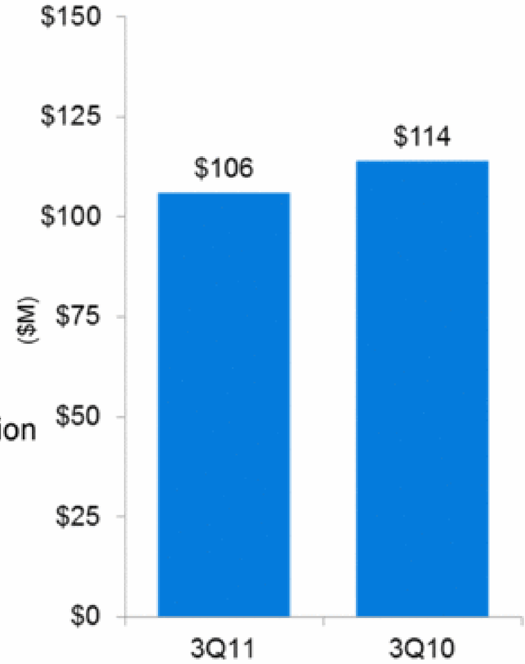
3Q11 results (YoY)

- Shipments up slightly, higher production levels
- Price up ~2%, including energy surcharge
- Continued higher cost inflation

Business trends

- 3Q11 customer and consumer trends
  - Varied by country; exposure to macro uncertainty
- 2012 customer agreements in process
  - Target higher 2012 prices to offset 2011/2012 inflation

Segment operating profit



South America segment review

Business discussion

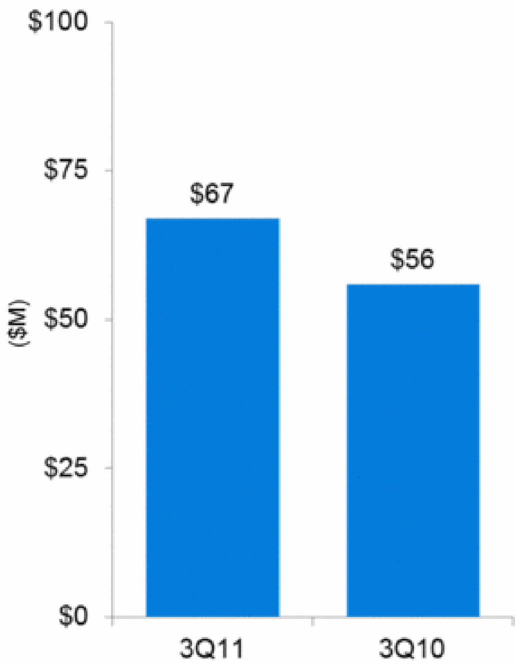
3Q11 results (YoY)

- Volume up ~24%
- Driven by organic growth, led by Brazil & Argentina
- Anniversary of CIV acquisition, Sept. 2011
- ~22% segment operating profit margin
- O-I's strategy drives above-market growth in Brazil

Brazil capacity expansion plans

- Euromonitor 5-year CAGR growth: ~4% in Brazil
- 2012 furnace addition planned at existing facility

Segment operating profit



North America segment review

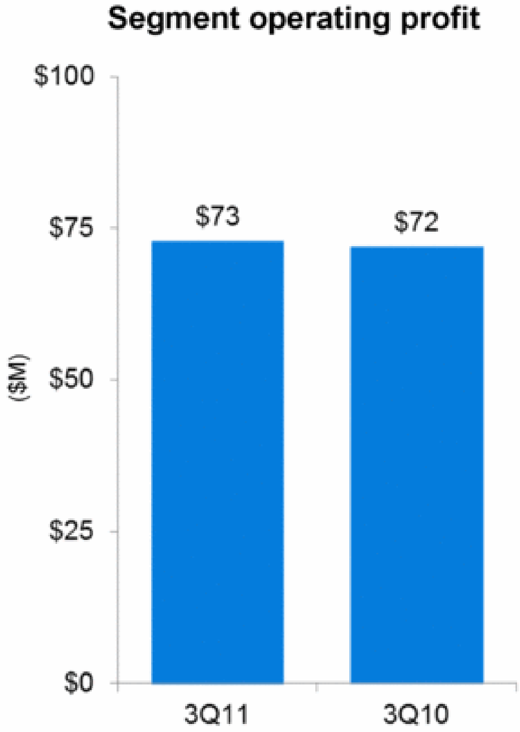
Business discussion

3Q11 results (YoY)

- Shipments up 2%
  - Wine and spirits – up; beer – flat
- Elevated cost inflation
- Higher operating rate
  - 2 restarted furnaces running full

Remediation plan progress

- High production to rebuild inventories
- Operational audits are yielding improvements

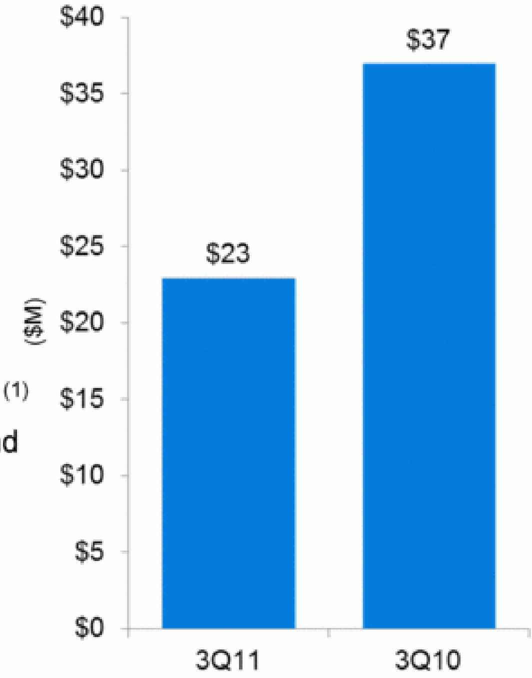


Asia Pacific segment review
Business discussion

3Q11 results (YoY)
- Total regional volume up slightly
- China volume up due to acquisitions
- Australia beer and wine shipments down ~15%

Remediation plan and business trends
- Australian restructuring underway
  - One furnace closure in Sept 2011
  - Second furnace closure expected in 1H12
  - $20M restructuring charge primarily for AP in 3Q11 (1)
  - Additional steps contingent on market conditions and contract negotiations
- China priorities
  - No further acquisitions in short term
    - Continued integration of 2010 acquisitions
  - Relocation of certain legacy plants
    - Funded by proceeds from sale of existing facilities

Segment operating profit



(1) Item not representative of ongoing operations and excluded from segment operating profit, see reconciliation of GAAP to non-GAAP in appendix.

Stronger sales and pricing offset by cost inflation
Financial review

	Reportable Segments		
	Sales (1)	Operating Profit	Adjusted Net Income
	($ Millions)	($ Millions)	(Non-GAAP EPS)
3Q10	**$1,679**	**$279**	**$0.83**
Sales volume	**64**	**16**	**0.07**
Price			
Price	**25**	**25**	**0.11**
Product mix	**(8)**		
Cost pass-through provision (2)	**1**		
Manufacturing and delivery (3)		**(37)**	**(0.16)**
Operating expenses		**(9)**	**(0.04)**
Other (4)		**(12)**	**(0.06)**
Currency translation	**86**	**7**	**0.03**
Operational	**168**	**(10)**	**(0.05)**
Retained corporate costs			**(0.01)**
Net interest expense			**(0.04)**
Noncontrolling interests			**0.02**
Effective tax rate			**0.09**
Non-operational	**-**	**-**	**0.06**
Total reconciling items	**168**	**(10)**	**0.01**
3Q11	**$1,847**	**$269**	**$0.84**

1 Reportable segment sales in 3Q11 exclude $15 million of revenue, principally for the Company's global equipment sales business.
2 Contractual cost pass-through provisions conducted on a monthly or quarterly basis had an immaterial effect on operating profit in 3Q11.
3 Includes the following significant items (all amounts are approximates): $55 million of cost inflation, partially offset by $18 million of higher capacity utilization and other cost savings.
4 Year-over-year variance primarily caused by lower equity earnings from the Company's North American joint-venture that underwent a furnace rebuild, as well as the absence of several one-time items that benefited 3Q10.

Balance sheet, cash flow and capital structure
Financial review

Highlight of select balance sheet and cash flow items [1]

($M)

	3Q11	3Q10	• YoY
Cash	$256	$657	($401)
Debt	$4,088	$4,345	($257)
Net debt	$3,832	$3,688	$144
Net debt to EBITDA [2]	3.0x	2.8x	0.2x
Free Cash Flow	$138	$67	$71
Capital expenditures	($51)	($154)	$103
Working capital	($16)	$63	($79)
Restructuring pymts	($14)	($18)	$4
Asbestos pymts	($34)	($37)	$3

Debt repayment progress
- $138M FCF primarily used to repay debt
- Leverage ratio reduced to 3.0x EBITDA

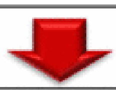
Capital allocation priorities
- Reduce leverage ratio < 3.0x EBITDA
- Australian restructuring
- Brazil brownfield expansion

Year-end planning
- Asbestos review
- Australian restructuring plan
  - Goodwill assessment
  - ~$640M goodwill related to AP
  - SAP NA implementation – 1Q12

[1] All information presented is from continuing operations only.
[2] Total debt less cash divided by bank credit agreement EBITDA. The 3Q11 and 3Q10 ratios were calculated excluding the impact of the discontinued Venezuelan operations. Current bank covenants allow for a maximum ratio of 4.0x.

4Q11 business outlook

Favorable / Unfavorable
Impact on Earnings

	4Q11 vs 4Q10	Comments
Operating Profit		
Europe		• Sales volume flat • Higher price more than offset by inflation
North America		• Sales volume flat to slightly up • Slightly higher price offset by inflation
Asia Pacific		• Weak demand in Australia • Lower production volumes
South America		• Strong seasonal demand • Segment margin percentage expected to approximate 3Q11
Non-Operational		
Corporate and Other Costs		• Corporate costs ~ $25 to $30M • Net interest expense ~$63M
Net Income		
Adjusted Earnings		• Expected 4Q11 adjusted earnings to approximate 4Q10 • See appendix for foreign currency sensitivities

Concluding remarks and Q&A

Good progress in the third quarter

- Volumes up in all regions
- Stronger operating performance in North America
- Restructuring underway in Australia
- $138M of free cash flow primarily used for debt reduction

Expect $200 to $250M free cash flow in 2011

- Top priority - further debt repayment

Higher 2012 pricing to offset 2011 and 2012 cost inflation

Fourth quarter 2011 earnings dates

- Press release to be issued after market close Wednesday, January 25, 2012
- Earnings conference call Thursday, January 26, 2012 @ 8:30am ET

Appendix

Reconciliation of GAAP to non-GAAP items

$ Millions, except per-share amts	Three months ended September 30				Nine months ended September 30			
	2011		2010		2011		2010	
	Earnings	EPS	Earnings	EPS	Earnings	EPS	Earnings	EPS
Earnings from continuing operations attributable to the Company	$ 119	$ 0.72	$ 127	$ 0.77	$ 263	$ 1.58	$ 341	$ 2.04
Items that management considers not representative of ongoing operations consistent with Segment Operating Profit								
• Charges for restructuring and asset impairment	20	0.12			28	0.17	8	0.05
• Charges for note repurchase premiums and write-off of finance fees					24	0.15		
• Charges for acquisition transaction costs and fair value inventory adjustments			9	0.06			9	0.06
Adjusted net earnings	$ 139	$0.84	$ 136	$ 0.83	$ 315	$ 1.90	$ 358	$ 2.15
Diluted shares outstanding (millions)	165.7		165.6		166.0		167.6	

$ Millions, except per-share amts	Three months ended June 30			
	2011		2010	
	Earnings	EPS	Earnings	EPS
Earnings from continuing operations attributable to the Company	$ 71	$ 0.42	$ 132	$ 0.79
Items that management considers not representative of ongoing operations consistent with Segment Operating Profit				
• Charges for note repurchase premiums and write-off of finance fees	24	0.15		
• Charges for restructuring and asset impairment	3	0.02	8	0.05
Adjusted net earnings	$ 98	$0.59	$ 140	$0.84
Diluted shares outstanding (millions)	166.3		166.5	

Free cash flow

$ Millions	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Net earnings	$ 120	$ 151	$ 276	$ 400
Less: Loss (earnings) from discontinued ops	3	(16)	2	(31)
Earnings from continuing operations	123	135	278	369
Non-cash charges:				
Depreciation and amortization	112	104	345	301
Restructuring and asset impairment	29	-	41	8
All other non-cash charges	40	(5)	101	76
Payments and other reconciling items:				
Asbestos-related payments	(34)	(37)	(102)	(114)
Restructuring payments	(14)	(18)	(27)	(49)
Change in components of working capital	(16)	63	(225)	(145)
Change in non-current assets and liabilities	(51)	(21)	(130)	(76)
Cash provided by continuing operating activities	189	221	281	370
Additions to PP&E for continuing operations	(51)	(154)	(204)	(389)
Free Cash Flow (1)	$ 138	$ 67	$ 77	$ (19)

(1) Free Cash Flow equals cash provided by continuing operating activities less capital spending from continuing operations.

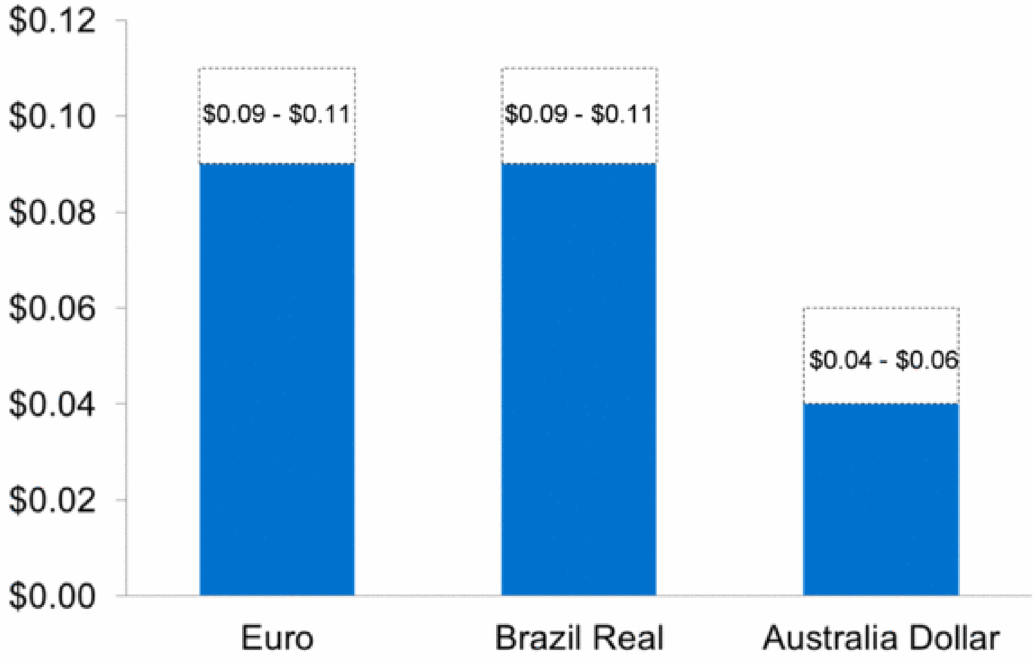
Reconciliation of credit agreement EBITDA to net earnings attributable from continuing operations

$ Millions	Last 12 months ended September 30	
	2011	2010
Net Income from continuing operations	$ 204	$ 207
Interest expense	318	234
Provision for income taxes	78	104
Depreciation	410	365
Amortization of intangibles	17	21
EBITDA	1,027	931
Adjustments in accordance with the Company's bank credit agreement:		
Charges for asbestos-related costs	170	180
Proforma EBITDA for acquistions (1)	-	60
Restructuring and asset impairment	46	108
Other	21	29
Credit Agreement EBITDA	$ 1,264	$ 1,308

(1) Based on historical EBITDA of acquired entities and for those periods not already included in net income from continuing operations.

Foreign currency exchange rate trends

Annual estimated EPS sensitivity to a 10% change in exchange rate with U.S. $ [1]



[1] Estimated based on 2011 net earnings mix, which includes segment profit, net interest, and tax expense recorded in each currency.