April 2, 2019

Andres Lopez
Chief Executive Officer
One Michael Owens Way, Plaza 1
Perrysburg OH 43551-2999

Dear Stakeholder,

Every day I am joined by more than 26,000 employees worldwide in our commitment to make 100 percent recyclable, beautiful and pure glass containers for the most loved food and beverage brands. For all of us, it is a win - win. We are a changing company with a strong future that makes a product people believe in and feel good about. And that belief in glass is growing.

The trends for premiumization and sustainability are driving growth. Glass energizes the senses unlike any other material and is all natural and fully recyclable. When it comes to taste, look and feel, glass containers provide an unmatched experience that other packaging substrates cannot offer our customers and consumers.

We recognize that 2018 offered plenty of challenges for the company, yet it also provided the opportunity to display our improved leadership accountability, increased flexibility and focus on our customers, and our ability to execute as a single integrated global enterprise.

We are more resilient than ever before. In 2018, the Company achieved full-year adjusted earnings[1] of $2.72 per share compared to $2.65 per share in the prior year. This was a clear demonstration of the ongoing determination and success of our transformation…overcoming obstacles both externally and internally. Adjusted earnings per share have improved 36 percent over the past three years from when we started our transformation journey in early 2016.

In 2019, we are executing a robust plan to deliver shareholder value. And that value will be delivered through five value creation platforms:

- Growth and expansion – leverage capabilities and translate favorable market trends into grounded, high profitability, top line growth opportunities.
- Structural cost improvement – continue and expand Total System Cost, a best-in-class approach that will contribute to our bottom line for years to come.
- Sustainability – enter attractive renewable energy contracts to improve our environmental footprint, and increase the amount of recycled glass used in making new containers.
- Breakthrough technology – commercialize new disruptive glass technology to advance the packaging industry.
- Capital allocation – continue to de-risk O-I's balance sheet and increase the return of cash to shareholders.

For the first time in more than 30 years, we were thrilled to offer a dividend to our shareholders. This was a substantial, progressive step in our capital allocation profile and exemplifies O-I's board and management's confidence in our future.

We have seen significant progress in our transformational journey. As we continue moving forward, we appreciate your trust in us to deliver on our operational and financial commitments that will drive shareholder value for years to come.

Best Regards,

Andres Lopez
Chief Executive Officer

[1] Adjusted earnings per share is a non-GAAP financial measure. See table included in this letter for reconciliation to the most directly comparable GAAP measure.

Forward-Looking Statements

This letter contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, 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, (2) changes in capital availability or cost, including interest rate fluctuations and the ability of the Company to refinance debt at favorable terms, (3) the general political, economic and competitive conditions in markets and countries where the Company has operations, including uncertainties related to economic and social conditions, disruptions in the supply chain, competitive pricing pressures, inflation or deflation, and changes in tax rates and laws, such as those related to Brexit, (4) the Company’s ability to generate sufficient future cash flows to ensure the Company’s goodwill is not impaired, (5) consumer preferences for alternative forms of packaging, (6) cost and availability of raw materials, labor, energy and transportation, (7) the Company’s ability to manage its cost structure, including its success in implementing restructuring plans and achieving cost savings, (8) consolidation among competitors and customers, (9) the Company’s ability to acquire businesses and expand plants, integrate operations of acquired businesses and achieve expected synergies, (10) unanticipated expenditures with respect to environmental, safety and health laws, (11) unanticipated operational disruptions, including higher capital spending, (12) the Company’s ability to further develop its sales, marketing and product development capabilities, (13) the failure of the Company’s joint venture partners to meet their obligations or commit additional capital to joint ventures, (14) the Company’s ability to prevent and detect cybersecurity threats against its information technology systems and comply with data privacy regulations, (15) the Company’s ability to accurately estimate its total asbestos-related liability or to control the timing and occurrence of events related to outstanding asbestos-related claims, including but not limited to settlements of those claims, (16) changes in U.S. trade policies, (17) the Company’s ability to achieve its strategic plan, and the other risk factors discussed in the Annual Report on Form 10-K for the year ended December 31, 2018 and any subsequently filed Annual Report on Form 10-K, Quarterly Report on Form 10-Q or the Company’s other filings with the Securities and Exchange Commission.

It is not possible to foresee or identify all such factors. Any forward-looking statements in this letter 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 letter.

Non-GAAP Financial Measures

The Company uses certain non-GAAP financial measures, which are measures of its historical or future financial performance that are not calculated and presented in accordance with GAAP, within the meaning of applicable SEC rules. Management believes that its presentation and use of certain non-GAAP financial measures, including adjusted earnings per share, provide relevant and useful supplemental financial information, which is widely used by analysts and investors, as well as by management in assessing both consolidated and business unit performance. These non-GAAP measures are reconciled to the most directly comparable GAAP measures and should be considered supplemental in nature and should not be considered in isolation or be construed as being more important than comparable GAAP measures.

Adjusted earnings relates to net earnings from continuing operations attributable to the Company, exclusive of items management considers not representative of ongoing operations because such items are not reflective of the Company’s principal business activity, which is glass container production. Adjusted earnings are divided by weighted average shares outstanding (diluted) to derive adjusted earnings per share. Management uses adjusted earnings per share to evaluate its period-over-period operating performance because it believes this provides a useful supplemental measure of the results of operations of its principal business activity by excluding items that are not reflective of such operations. Adjusted earnings per share may be useful to investors in evaluating the underlying operating performance of the Company’s business as this measure eliminates items that are not reflective of its principal business activity.

OWENS-ILLINOIS, INC.
Reconciliation to Adjusted Earnings

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

$ in millions, except per share amounts	Year ended December 31		
	2018	2017	2015
Earnings (loss) from continuing operations attributable to the Company	$ 144	$ 183	$ 139
Items impacting cost of good sold:			
Restructuring, asset impairment and other charges	5		
Acquisition-related fair value inventory adjustments			22
Items impacting equity earnings			5
Items impacting other expense, net:			
Pension settlement charges	74	218	
Charge for asbestos-related costs	125		16
Strategic transaction costs			23
Acquisition-related fair value intangible adjustments			10
Restructuring, asset impairment and other charges	97	77	75
Items impacting interest expense:			
Charges for note repurchase premiums and write-off of finance fees	11	18	42
Items impacting income tax:			
Net expense (benefit) for income tax on items above	(14)	(27)	(15)
Tax expense (benefit) recorded for certain tax adjustments		(29)	8
Items impacting net earnings attributable to noncontrolling interests:			
Net impact of noncontrolling interests on items above	(1)	(3)	
Total adjusting items (non-GAAP)	$ 297	$ 254	$ 186
Adjusted earnings (non-GAAP)	$ 441	$ 437	$ 325
Diluted average shares (thousands)	162,088	164,647	162,135
Earnings (loss) per share from continuing operations (diluted)	$ 0.89	$ 1.11	$ 0.85
Adjusted earnings per share (non-GAAP)	$ 2.72	$ 2.65	$ 2.00

The Company routinely posts important information on its website – www.o-i.com/investors.