



2012

PASSION
FOR
GLASS



2012

WWW.O-I.COM

O-I GLASS IGNITES BRANDS

Iconic brands the world over distinguish themselves in glass packaging. O-I glass inherently communicates quality, escalating brand appeal regardless of product category or price point. It's a natural brand-booster that offers unmatched advantages.

A FEW OF OUR BRAND PARTNERS



Geir Skeie,
chef and 2009 Bocuse d'Or winner



TASTE

With glass, true taste prevails. Unlike other packaging materials, glass naturally protects flavor. Glass-packaged products come to the consumer in their purest form and taste exactly as intended.

Stefano Agostini, Sanpellegrino S.p.A
chairman and CEO



QUALITY

Glass effortlessly conveys a superior image. It looks and feels substantial. Consumers associate glass with quality, and brands turn to the colors, decorations and countless shapes of O-I glass to differentiate their products on crowded store shelves.

Céline Cousteau, environmentalist and
granddaughter of Jacques Cousteau



SUSTAINABILITY

Made from abundant, natural ingredients and endlessly recyclable, glass is an environmental masterpiece. Brands that use glass are choosing one of the most planet-friendly packaging materials available.

Mirella Guedes Campelo,
mother



HEALTH

Glass represents a union of preservation and safety. Natural, non-toxic glass contains no chemicals that can leach into the products it holds, making it the optimal packaging material for health-conscious consumers and brands that insist on unquestioned product integrity.

Edson Auricchio,
Olé Foods CEO



VERSATILITY

Glass knows no boundaries. Table-ready at a moment's notice, it moves seamlessly from shelf to table to refrigerator. Glass works with all categories of food and beverages and extends packaging life when users serve, store and display items in glass containers, even after their original contents are consumed.

Nic Lecloux,
co-founder of true fruits



TRANSPARENCY

Brands show off best in O-I glass. Consumers see food and beverage products as they were meant to be seen: as fresh as the day they were packaged, with nothing to hide.

GLASS IS LIFE™

#GlassIsLife



As the champion of glass, O-I launched the *Glass is Life™* movement in 2011 to showcase the good glass can do for brands, consumers and the environment.

Glass is Life celebrates the unique benefits of and reveals enthusiasts' emotional connection to beautiful, safe, sustainable glass.

The campaign embodies the passion O-I employees feel for glass and taps into consumer sentiment that glass is the best packaging material. Customer testimonials give a voice to the movement through examples of how O-I glass builds successful food and beverage brands.



GLASS INSPIRES GLASS DELIVERS

JOHN MCLEAN
CEO OF BUNDABERG
BREWED DRINKS

“Glass locks in the unique
flavors of our handcrafted
product and delivers the
exact taste we intended.
Only glass can do that.”



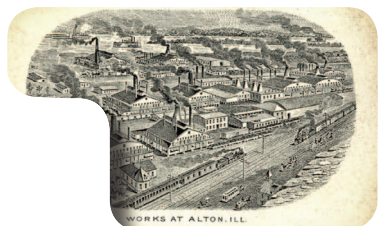
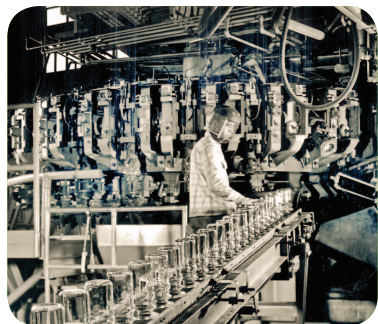
A woman wearing a blue patterned headband, safety glasses, and white gloves is inspecting a brown glass bottle on a conveyor belt. The conveyor belt is filled with many similar bottles. In the background, there is a large yellow tank and industrial machinery.

PASSION FOR GLASS BROUGHT TO LIFE

O-I's passion is as clear as the glass it makes. O-I employees – the undisputed industry experts – know that glass is the best way for people around the world to hold, protect and enjoy food and drink. The company draws on its zeal and business-based insights to create the most preferred, brand-building packaging on store shelves today.

2011 O-I FACTS

- \$7.4 billion in net sales
- 81 plants in 21 countries
- 24,000 employees worldwide
- 49,000+ customers in 86 countries
- 10,000+ products
- 1,900+ worldwide patents



THE GOLD STANDARD



Forming glass into premier packaging is not only a meticulous craft – at O-I, it’s also an honor. When founder Michael Owens sent his first bottle down the line in 1903, he created an industry and changed forever how glass is made.

That tradition thrives today at O-I through dedicated employees who continue to set the bar for quality and innovation. They love what they do and believe in the benefits of O-I glass. Customers and consumers do, too.

Research shows that people worldwide prefer glass containers for their favorite food and beverage products, and they attribute higher levels of quality to glass-packaged items. Their sentiments stem from the ability to easily observe the contents – clearly visible in transparent glass jars and bottles – and experience how textural and substantial glass feels in their hands.

Smart brands, knowing glass can communicate premium positioning or create mass appeal, turn to O-I to stand out. With its superior manufacturing capabilities, growing market knowledge and passion for its craft, O-I creates best-in-class package options that catch consumers’ eyes and distinguish brands from their competitors.



EDISSON FLORES OPERATIONAL CAPABILITIES MANAGER

“I love the transparency of glass, how it has nothing to hide and how it delivers quality, beauty and reliability. We think about these things on the manufacturing floor. When you lead the industry, you have a singular ability to innovate and maintain a constant focus on the needs of customers and their consumers.”





CENTERED ON CUSTOMERS



CUSTOMER CENTRICITY SUPPORTS GROWTH AND BRANDS

O-I's success demands a deeper understanding of customers' businesses and product streams. This knowledge helps the company proactively align product development with market opportunities to grow the glass category and achieve strategic and profitable growth.

Programs like *glass smart*™ equip O-I with market-based insights about customers, retail channels and consumer trends. Armed with this intelligence, the company delivers strategy and ahead-of-the-curve product recommendations that help build brands.

O-I's customer-centric approach, at the heart of the company's global innovation portfolio, will yield new packaging options and marketplace value in 2012. O-I also is exploring ways to improve supply efficiencies and expand service offerings that would make it even easier for brands to use glass.





BONJOUR, WATER

O-I expanded its relationship with the world's largest bottled water company, Nestlé Waters, in 2011 through the acquisition of a glass container plant located adjacent to the Perrier® bottling facility in Vergéze, France. A long-time supplier to the S. Pellegrino® brand, a sister to the Perrier brand, O-I has grown its share of the bottled water category by becoming the leading supplier to two of the world's best known – and loved – bottled water brands.



JUAN GABRIEL GONZÁLEZ CEO OF AGUA DEL NACIMIENTO

“The best quality of water has to have the best bottle, so glass packaging was a natural decision for us.”

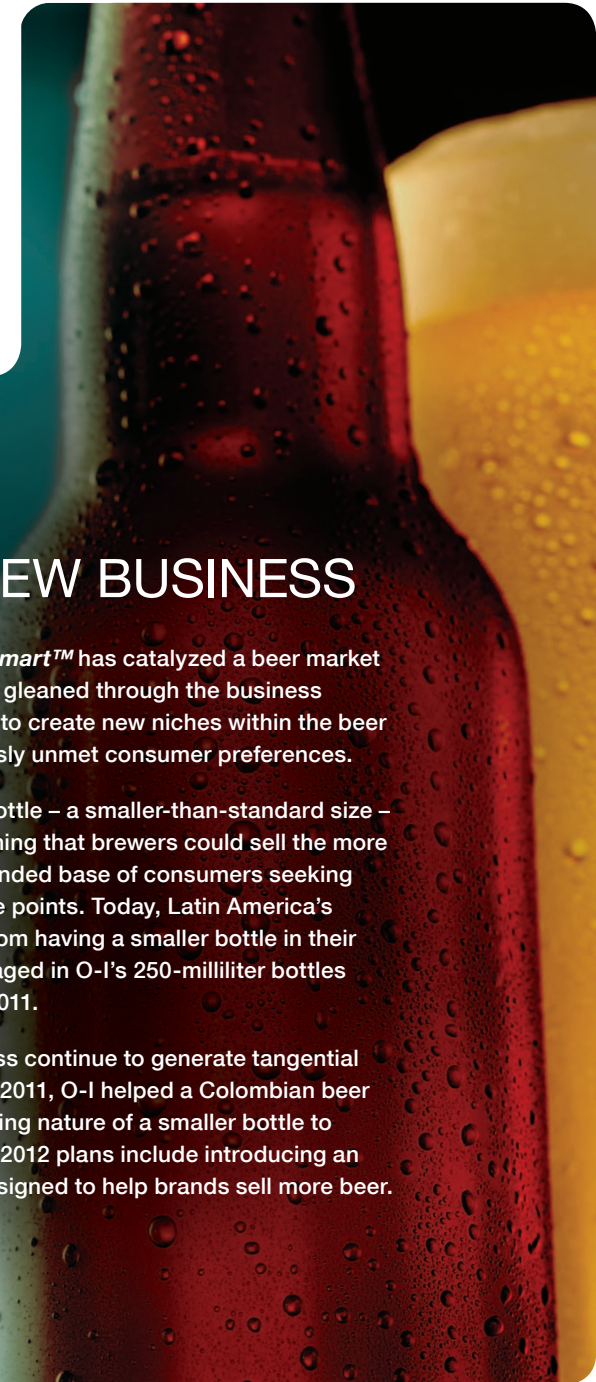


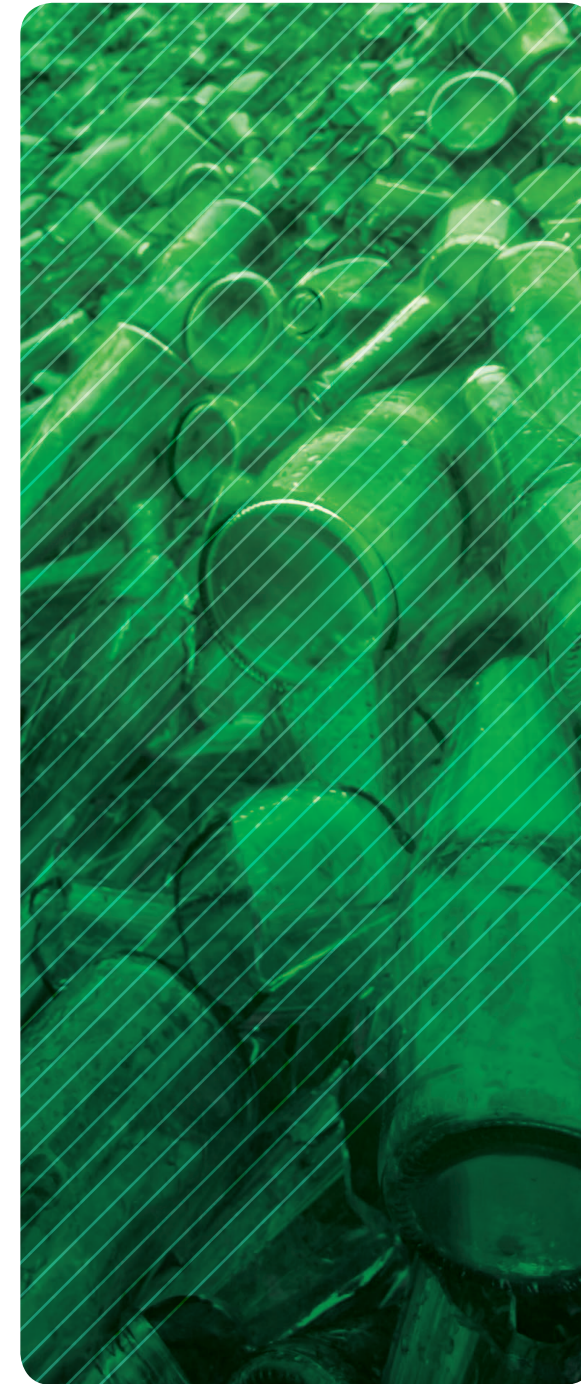
BOTTLES BREW BUSINESS

In Latin America, O-I's *glass smart™* has catalyzed a beer market revolution. Consumer insights gleaned through the business development program led O-I to create new niches within the beer category that tap into previously unmet consumer preferences.

O-I launched a 250-milliliter bottle – a smaller-than-standard size – in Brazil in 2007 after determining that brewers could sell the more affordable product to an expanded base of consumers seeking premium brands at lower price points. Today, Latin America's leading beer brands benefit from having a smaller bottle in their portfolios; sales of beer packaged in O-I's 250-milliliter bottles nearly doubled from 2010 to 2011.

Key learnings from this success continue to generate tangential marketplace opportunities. In 2011, O-I helped a Colombian beer brand leverage the faster-chilling nature of a smaller bottle to meet consumer desires. O-I's 2012 plans include introducing an additional series of bottles designed to help brands sell more beer.





AS GREEN AS GLASS

Glass is one of the greenest materials on earth. So it's only natural that the world's leading glass packaging maker is working to be the most sustainable one as well.

O-I has implemented dozens of initiatives to lower operating costs and reduce its impact on the planet, providing benefits for generations to come. The company has set aggressive sustainability goals to improve workplace safety, cut CO₂-equivalent emissions and energy consumption and increase the use of recycled glass.



LIFE CYCLE

GLASS LIVES CLEANER

In 2011, O-I added transparency to the sustainability discussion by sharing the methods and results of its 2010 complete Life Cycle Assessment (LCA). O-I's holistic review of glass containers' environmental impacts and natural resource demands was the first of its kind. It facilitated an "apples-to-apples" comparison of the closed-loop life cycle of glass containers with other consumer packaging alternatives.

O-I's independently confirmed analysis revealed that returnable, refillable glass bottles have a smaller carbon footprint than either aluminum or PET containers. Despite their heavier weight, even single-use glass containers generate carbon emissions competitive with PET plastic and aluminum in all four of O-I's operating regions.

PROTECTING PEOPLE, PLANET AND PROFITS

The company's uncompromising commitment to employee safety resulted in a 37-percent annual improvement in lost-time injuries in O-I's glass container plants, from 0.87 per 100 employees in 2010 to 0.55 in 2011. To achieve its goal of eliminating workplace accidents, O-I tracks performance to gain insight into strategies that will prevent injuries and learn from those that have already occurred.

Another area of focus is energy, which represents a large portion of O-I's global manufacturing expenditures. Cutting energy consumption in half by 2017 not only will lessen the company's reliance on fossil fuels, but also will significantly reduce its CO₂-equivalent emissions and improve its cost structure.

Success will hinge on replicating best practices — validated by research and development — at O-I facilities. The company has many projects already underway:

- O-I is implementing new global procedures that will optimize furnace operations. O-I plans to replicate additional measures during 2012 and make notable progress toward its energy goal.
- In Europe, the company is piloting programs to reuse waste heat from its manufacturing operations. Options include preheating raw materials and generating power it could sell to local communities.
- Other energy-cutting initiatives include investigating modifications to the composition of raw materials to reduce emissions and melt glass more efficiently and tapping the emerging field of carbon capture to convert CO₂ into a reusable product. These new ways to recycle CO₂ hold great promise for the company, industry and environment.





**BOB MORIN
PROJECT MANAGER,
ENERGY**

“I’m proud of O-I’s history, from Michael Owens’ invention of the first automated bottlemaking machine to our position today as a world leader in glass packaging. We’re leveraging the strengths of each plant to use energy more efficiently and make progress toward our goals. These efforts will significantly reduce our manufacturing costs and the environmental impact of one of the world’s greenest packaging materials.”

20
17

SUS
TAIN
ABILITY
GOALS

2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017

- 1 Eliminate workplace accidents.
- 2 Lower energy consumption by 50 percent.
- 3 Reduce carbon dioxide-equivalent (CO₂e) emissions by 65 percent.
- 4 Increase the amount of post-consumer recycled glass, or cullet, used to make new glass from an average of 34 percent to 60 percent.



SUSTAINABILITY

DOING GOOD

Recognizing it will take a multi-pronged approach to achieve its recycled glass sustainability goals, O-I is expanding its recycling reach and impact by developing partnerships with business, community and government organizations. These joint endeavors not only benefit the environment by lowering the amount of glass in the waste stream, but also reduce O-I's production costs by increasing the volume of recycled glass available for re-use. As part of this global recycling strategy, O-I cultivates programs that can be replicated in other parts of the world.

A GREENER GALÁPAGOS

O-I's partnership with a long-standing customer is helping maintain the famed flora and fauna in the Galápagos Islands, one of the world's most important ecosystems. A joint recycling effort of O-I Ecuador and brewery Cervecería Nacional, a SABMiller subsidiary, solves a significant garbage accumulation problem on the islands. Since it launched in 2010, the program has generated more than 160 tonnes of recycled glass that O-I uses locally to produce new glass. The company has similar public-private partnerships in other locations worldwide and is studying how these recycling successes can more quickly move the company toward its sustainability goals.

SCOUTING FOR GLASS

When the Asociación Scouts del Peru – a group of nearly 5,000 young people throughout the country – celebrated its 100-year anniversary in 2011, O-I recognized the milestone by co-sponsoring a three-month recycling project with the organization. O-I helped publicize the event and coordinated logistics, including supporting the effort with recycle bins and trucks. During the 90-day drive, the scouts collected more than 12 tonnes of glass. O-I purchased the recycled glass, and the Asociación donated the proceeds to a children's charity.

TRASH TO CASH

Having originally established New Zealand's glass recycling industry, O-I heightened consumer awareness about the importance of glass recovery by working with city governments across the country in 2011. In particular, the company collaborated with Dunedin and Wellington officials, where new, glass-only, color-sorted curbside recycling has stemmed the flow of glass into landfills and dramatically boosted the quality and quantity of glass available for O-I's New Zealand furnaces.

Dunedin's program also has eliminated the city's costs to crush glass for use as a landfill filtration medium and instead added O-I's recycled glass purchases to the city's coffers.

The image features three glass bottles of different colors (amber, brown, and green) standing on a wooden table. The background is a blurred outdoor scene with a sunset or sunrise, showing a green field and a body of water. The lighting is warm and golden, creating a serene atmosphere. The text is overlaid on the left side of the image.

THE SUN NEVER SETS ON O-I

At any given moment, more than 24,000 O-I employees are at work somewhere in the world creating brand-building glass packaging. The company's unmatched global footprint spans 21 countries and 81 plants, where O-I hones the art and science of glassmaking as the market leader in each of its four operating regions: Asia Pacific, Europe, Latin America and North America.

OUR LEADERSHIP: SUSTAINING SUCCESS

O-I's leadership team drives profits through an unbending commitment to the company's strategic priorities. Every day, O-I leaders strive for operational excellence that strengthens the company's position as the world's glass packaging leader.

Effective March 31, 2012



Al Stroucken
Chairman and Chief Executive Officer



Jim Baehren
Senior Vice President of Strategic Planning and General Counsel



Steve Bramlage
President of O-I Asia Pacific



Giancarlo Currarino
Vice President and Chief Technology Officer



Miguel Escobar
President of O-I North America



Tony Gardner
Senior Vice President and Chief Commercial Officer



Andres Lopez
President of O-I Latin America



Jose Lorente
President of O-I Europe



Paul Jarrell
Senior Vice President and Chief Human Resources Officer



Bob McGuire
President of O-I China



Ed Snyder
Senior Vice President of Integrated Supply Chain



Ed White
Senior Vice President and Chief Financial Officer



Ron White
Vice President and Chief Process Improvement Officer

Global Vice Presidents:

Radhika Batra
Vice President
Chief Procurement Officer

Tony Caracciolo
Vice President
Global Accounts

Nigel Dart
Vice President
Sustainability

John Haudrich
Vice President and
Corporate Controller

Deborah Hockman, Ph.D.
Vice President
Global Environment,
Health and Safety

Ann House
Vice President
Global Cullet

Kimberly Houchens, Ph.D.
Vice President
Research and Development

Mark Kott
Vice President
Office of Strategic
Management

Michael Lonsway
Vice President
Global Innovation

Shaun McMackin
Vice President
Global Quality

Joe O'Hara
Vice President
Associate General Counsel
and Secretary

Barbara Owens
Vice President
Chief Communications Officer

Jack Radke
Vice President
Chief Ethics and
Compliance Officer

Saga Shoffner
Vice President
Global Marketing

Dan Steen
Vice President
Government Affairs Counsel

Georgette Verdin
Vice President
Talent Management
and Organizational Development

MaryBeth Wilkinson
Vice President
Assistant General Counsel

Chris Williams
Vice President
Global Compensation

2011 FINANCIAL HIGHLIGHTS

U.S. Dollars in millions, except per-share amounts	2011	2010	2009
Net sales	7,358	6,633	6,652
Segment operating profit	894	964	891
Earnings (loss) from continuing operations attributable to the company	(511)	258	110
Diluted earnings per share			
• Earnings (loss) from continuing operations	(3.12)	1.55	0.65
• Adjusted net earnings ¹	2.37	2.60	2.61
Free cash flow ²	220	100	322
Net debt ³	3,633	3,638	2,853

1 Adjusted net earnings exclude goodwill impairment, asbestos-related charges, restructuring and other items management considers not representative of ongoing operations, which amounted to \$5.49 per share in 2011, \$1.05 per share in 2010 and \$1.96 per share in 2009.
 2 Free cash flow is defined as cash provided by continuing operating activities less capital expenditures for continuing operations.
 3 Net debt is defined as total debt less cash.

GLOBAL HEADQUARTERS

★ Perrysburg, Ohio, USA

900 employees

NORTH AMERICA

19 plants

Headquarters in Perrysburg, Ohio, USA

Operations in:

- Canada
- United States

5,200 employees

Largest customers

- Anheuser-Busch InBev
- Brown-Forman
- Diageo
- Heinz
- MillerCoors
- Pepsi Co.

★ Regional Headquarters

LATIN AMERICA

13 plants

Headquarters in Sao Paulo, Brazil

Operations in:

- Argentina
- Brazil
- Colombia
- Ecuador
- Peru

4,700 employees

Largest customers

- Aje Group
- Anheuser-Busch InBev
- Coca-Cola
- Diageo
- Nestlé
- SABMiller

★ Regional Headquarters

EUROPE

37 plants

Headquarters in Bussigny, Switzerland

Operations in:

- Czech Republic
- Estonia
- France
- Germany
- Hungary
- Italy
- The Netherlands
- Poland
- Spain
- United Kingdom

8,400 employees

Largest customers

- Carlsberg
- Diageo
- Heineken
- Nestlé Waters
- Pernod Ricard
- SABMiller
- Unilever

★ Regional Headquarters

ASIA PACIFIC

12 plants

Headquarters in Melbourne, Australia

Operations in:

- Australia
- China
- Indonesia
- New Zealand

5,100 employees

Largest customers

- Anheuser-Busch InBev
- Coca-Cola
- Asia Pacific Breweries
- SABMiller
- Lion
- Pernod Ricard Pacific

★ Regional Headquarters



PASSION

O-I's passion for glass unites employees and ignites brands. Engineers and research scientists ground the company's iconic glass packages in technical expertise, while designers and manufacturing experts elevate them through personal craftsmanship. Everyone's goal is the same: to produce the best products possible to help customers build their businesses.

A rich history of invention, unparalleled expertise and global reach set O-I apart. The glassmaker identifies market opportunities and transforms glass into packaging options that leverage those findings. The result is distinctive O-I bottles, jars and containers that showcase the world's favorite brands and attract consumers.

To lessen its impact on the environment and add marketplace value, O-I is exploring advanced glassmaking technologies that require less energy and fewer raw materials. O-I leaders are redefining the global glass industry by focusing on innovation, marketing and strategic growth. Customers and shareholders can count on O-I's continued commitment to reinventing glass in ways that set new industry quality, performance and sustainability standards.