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 24, 2012
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)	(Commission File Number)	(IRS Employer Identification No.)

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 24, 2012, Owens-Illinois, Inc. issued a press release announcing its results of operations for the quarter ended September 30, 2012. 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 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated October 24, 2012, announcing results of operations for the quarter ended September 30, 2012
99.2	Additional financial information — quarter ended September 30, 2012

SIGNATURES

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

OWENS-ILLINOIS, INC.

Date: October 24, 2012	By:	/s/ Stephen P. Bramlage, Jr.
	Name:	Stephen P. Bramlage, Jr.
	Title:	Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

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Exhibit 99.1

FOR IMMEDIATE RELEASE

O-I REPORTS THIRD QUARTER 2012 RESULTS

Strong free cash flow generation drives deleveraging and share repurchases;
European asset optimization continues

PERRYSBURG, Ohio (October 24, 2012) — Owens-Illinois, Inc. (NYSE: OI) today reported financial results for the third quarter ending September 30, 2012.

Highlights

- **Earnings:** O-I reported third quarter 2012 earnings from continuing operations attributable to the Company of $0.55 per share (diluted), compared to $0.72 per share (diluted) in the same period last year. Adjusted net earnings (non-GAAP) were $0.69 per share, compared to $0.84 per share in the third quarter of 2011.

- **Operating profit mixed in regions:** As expected, lower demand in Europe — and the Company's corresponding actions to balance production — led to lower operating profit in the third quarter, yet improved working capital. These results were partially offset by higher operating profit in all of the Company's other regions.

- **Price and product mix up:** Year-over-year price and product mix were up more than four percent, which allowed for continued recovery of some of the margin erosion experienced in the prior year.

- **Free cash flow outlook remains solid:** The Company remains confident that it will generate at least $250 million of free cash flow in 2012. In the third quarter, the Company generated $171 million of free cash flow, repaid $189 million of gross debt and repurchased $14 million of the Company's outstanding shares.

- **European asset optimization:** To improve asset efficiency and capabilities, the Company continues to better align its European footprint with market and customer needs.

Net earnings from continuing operations attributable to the Company in the third quarter of 2012 were $92 million, or $0.55 per share (diluted), compared with $119 million, or $0.72 per share (diluted), in the same period of the prior year. Exclusive of the items not representative of ongoing operations listed in Note 1, third quarter 2012 adjusted net earnings (non-GAAP) were $115 million, or $0.69 per share (diluted), compared with $139 million, or $0.84 per share (diluted), in the same period of the prior year.

Commenting on the Company's third quarter results, Chairman and Chief Executive Officer Al Stroucken said, "On balance, our operations performed well this quarter, boosted by higher demand in the Americas and cost reductions across the company. As planned, our actions to balance European production with lower demand resulted in a decline in operating profit. More importantly, our focused efforts generated more cash this quarter, enabling further deleveraging and share repurchases."

Operational Highlights

Third quarter net sales were $1.747 billion in 2012, down from $1.862 billion in the prior year third quarter, primarily due to unfavorable foreign currency translation. The Company achieved more than a four percent gain in price and product mix, which was mostly offset by a five percent (in tonnes) decline in sales volume. Higher shipments in the Americas were more than offset by lower demand in Europe due to slower macroeconomic conditions in that region.

Segment operating profit was $245 million in the quarter, down from $268 million in the third quarter of 2011. Higher sales prices offset the impact of cost inflation and lower global shipments. This was more

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than offset by higher manufacturing and delivery costs, primarily due to the Company's actions to curtail production in Europe.

Financial highlights

The Company reported total debt of $3.893 billion and cash of $336 million at September 30, 2012. Net debt was $3.557 billion, a decrease of $126 million from the second quarter of 2012 and $275 million lower than the third quarter of 2011. The sequential decrease in net debt was primarily due to $171 million of free cash flow, partially offset by $50 million of unfavorable foreign currency translation. In the third quarter, the Company repaid $189 million in gross debt and repurchased $14 million of the Company's outstanding shares. At the end of the third quarter, O-I's leverage ratio (net debt to EBITDA) was 2.8 times, down from 3.0 times at the end of the prior year third quarter.

Asbestos-related cash payments during the third quarter and first nine months of 2012 were $28 million and $86 million, respectively, compared to $34 million and $102 million in the same periods last year.

Business outlook

Commenting on the Company's business outlook for the fourth quarter of 2012, Stroucken said, "We are expecting higher year-over-year profit in South America due to stronger demand and efficiencies driven by our newly constructed furnace in southern Brazil. However, we will continue to balance production with lower demand in Europe, and this will likely lead to lower fourth quarter 2012 adjusted earnings for O-I. We are confident in our ability to generate at least $250 million of free cash flow this year and to maintain our focus on debt reduction."

Stroucken continued, "During the next several years, we will be increasing the efficiency and capability of our European operations to better align our footprint with market and customer needs through investments and by addressing assets with higher cost structures. We will execute in such a way to ensure that the phasing of these actions does not impede our ability to grow O-I's free cash flow."

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			
	2012		2011	
	Earnings	EPS	Earnings	EPS
Earnings from Continuing Operations Attributable to the Company	$ 92	$ 0.55	$ 119	$ 0.72
Items that management considers not representative of ongoing operations consistent with Segment Operating Profit				
Charges for restructuring and asset impairment	23	0.14	20	0.12
Adjusted Net Earnings	$ 115	$ 0.69	$ 139	$ 0.84

$ Millions, except per-share amounts

	Nine months ended September 30			
	2012		2011	
	Earnings	EPS	Earnings	EPS
Earnings from Continuing Operations Attributable to the Company	$ 348	$ 2.10	$ 273	$ 1.64
Items that management considers not representative of ongoing operations consistent with Segment Operating Profit				
Charges for restructuring and asset impairment	23	0.14	28	0.17
Charges for note repurchase premiums and write-off of finance fees			24	0.15
Adjusted Net Earnings	$ 371	$ 2.24	$ 325	$ 1.96

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 $7.4 billion in 2011, 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 continuing operating activities less capital spending (both as determined in accordance with GAAP) and has included this non-GAAP information to assist in understanding the comparability of cash flows. Management uses 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 website — www.o-i.com/investors.

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,", "ensure", "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 success in implementing necessary restructuring plans and the impact of such restructuring plans on the carrying value of recorded goodwill, (16) the Company's ability to successfully navigate the structural changes in Australia, 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 25, 2012

O-I CEO Al Stroucken and CFO Steve Bramlage will conduct a conference call to discuss the Company's latest results on Thursday, October 25, 2012, at 8:30 a.m., Eastern Time. A live webcast of the conference call, including presentation materials, will be available on the O-I website, www.o-i.com/investors, 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 25. Ask for the O-I conference call. A replay of the call will be available on the O-I website, www.o-i.com/investors, 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 website at www.o-i.com.

O-I's fourth quarter 2012 earnings conference call is currently scheduled for Thursday, January 31, 2013, at 8:30 a.m., Eastern Time.

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

	Three months ended September 30, 2012	Three months ended September 30, 2011 (a)	Nine months ended September 30, 2012	Nine months ended September 30, 2011 (a)
Net sales	$ 1,747	$ 1,862	$ 5,252	$ 5,540
Manufacturing, shipping and delivery expense	(1,405)	(1,475)	(4,156)	(4,455)
Gross profit	342	387	1,096	1,085
Selling and administrative expense	(131)	(138)	(410)	(426)
Research, development and engineering expense	(13)	(18)	(45)	(52)
Interest expense (b)	(61)	(70)	(187)	(246)
Interest income	2	2	7	8
Equity earnings	16	19	47	52
Royalties and net technical assistance	4	4	13	12
Other income	4	2	10	6
Other expense (c)	(36)	(40)	(55)	(66)
Earnings from continuing operations before income taxes	127	148	476	373
Provision for income taxes	(28)	(25)	(113)	(85)
Earnings from continuing operations	99	123	363	288
Loss from discontinued operations	(2)	(3)	(4)	(2)
Net earnings	97	120	359	286
Net earnings attributable to noncontrolling interests	(7)	(4)	(15)	(15)
Net earnings attributable to the Company	$ 90	$ 116	$ 344	$ 271
Amounts attributable to the Company:				
Earnings from continuing operations	$ 92	$ 119	$ 348	$ 273
Loss from discontinued operations	(2)	(3)	(4)	(2)

Net earnings	$ 90	$ 116	$ 344	$ 271
Basic earnings per share:				
Earnings from continuing operations	$ 0.55	$ 0.73	$ 2.11	$ 1.66
Loss from discontinued operations	(0.01)	(0.02)	(0.03)	(0.01)
Net earnings	$ 0.54	$ 0.71	$ 2.08	$ 1.65
Weighted average shares outstanding (000s)	164,800	163,812	164,614	163,602
Diluted earnings per share:				
Earnings from continuing operations	$ 0.55	$ 0.72	$ 2.10	$ 1.64
Loss from discontinued operations	(0.01)	(0.02)	(0.03)	(0.01)
Net earnings	$ 0.54	$ 0.70	$ 2.07	$ 1.63
Diluted average shares (000s)	165,765	165,695	165,964	166,017

(a) Amounts for the nine months ended September 30, 2011 reflect the retrospective application of the change in inventory method. The effect of this change is an increase in net earnings of $10 million, or $0.06 per diluted share. There is no effect of this change on the three months ended September 30, 2011.

(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 and nine months ended September 30, 2012 includes charges of $33 million ($23 million after tax amount attributable to the Company) for restructuring and asset impairments. The effect of this charge is a reduction in earnings per share of $0.14.

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.

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

	Sept. 30, 2012	Dec. 31, 2011 (a)	Sept. 30, 2011 (a)
Assets			
Current assets:			
Cash and cash equivalents	$ 336	$ 400	$ 256
Short-term investments, at cost which approximates market			1
Receivables, less allowances for losses and discounts	1,133	1,158	1,218
Inventories	1,228	1,061	1,101
Prepaid expenses	91	124	112
Total current assets	2,788	2,743	2,688
Investments and other assets:			
Equity investments	300	315	312
Repair parts inventories	148	155	163
Pension assets	120	116	60
Deposits, receivables and other assets	715	687	685
Goodwill	2,065	2,082	2,762
Total other assets	3,348	3,355	3,982
Property, plant and equipment, at cost	6,837	6,899	6,998
Less accumulated depreciation	4,102	4,022	4,067
Net property, plant and equipment	2,735	2,877	2,931
Total assets	$ 8,871	$ 8,975	$ 9,601
Liabilities and Share Owners' Equity			
Current liabilities:			
Short-term loans and long-term debt due within one year	$ 356	$ 406	$ 345
Current portion of asbestos-related liabilities	165	165	170
Accounts payable	853	1,038	935
Other liabilities	664	636	663

Total current liabilities	2,038	2,245	2,113
Long-term debt	3,537	3,627	3,743
Deferred taxes	209	212	204
Pension benefits	792	871	530
Nonpension postretirement benefits	269	269	252
Other liabilities	370	404	412
Asbestos-related liabilities	220	306	204
Share owners' equity:			
The Company's share owners' equity:			
Common stock	2	2	2
Capital in excess of par value	3,002	2,991	2,990
Treasury stock, at cost	(413)	(405)	(408)
Retained earnings (loss)	(35)	(379)	392
Accumulated other comprehensive loss	(1,270)	(1,321)	(987)
Total share owners' equity of the Company	1,286	888	1,989
Noncontrolling interests	150	153	154
Total share owners' equity	1,436	1,041	2,143
Total liabilities and share owners' equity	$ 8,871	$ 8,975	$ 9,601

(a) Amounts for December 31, 2011 and September 30, 2011 reflect the retrospective application of the change in inventory method. The effect of this change is an increase to Inventories and Retained earnings of $49 million for both periods.

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

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Cash flows from operating activities:				
Net earnings	$ 97	$ 120	$ 359	$ 286
Loss from discontinued operations	2	3	4	2
Non-cash charges:				
Depreciation	96	100	287	308
Amortization of intangibles and other deferred items	9	4	25	13
Amortization of finance fees and debt discount	8	8	24	24
Pension expense	25	25	69	69
Restructuring	33	29	33	41
Other	(8)	15	23	32
Pension contributions	(37)	(16)	(76)	(43)
Asbestos-related payments	(28)	(34)	(86)	(102)
Cash paid for restructuring activities	(7)	(14)	(47)	(27)
Other changes in non-current assets and liabilities	(20)	(35)	(59)	(87)
Change in components of working capital	55	(16)	(325)	(235)
Cash provided by continuing operating activities	225	189	231	281
Cash utilized in discontinued operating activities	(2)	(3)	(4)	(1)
Total cash provided by operating activities	223	186	227	280
Cash flows from investing activities:				
Additions to property, plant and equipment	(54)	(51)	(178)	(204)
Acquisitions, net of cash acquired		(1)	(5)	(148)
Net cash proceeds related to sale of assets and other	29	1	49	1
Proceeds from collection of minority partner loan			9	
Cash utilized in investing activities	(25)	(51)	(125)	(351)
Cash flows from financing activities:				
Additions to long-term debt		109	119	1,560
Repayments of long-term debt	(147)	(205)	(275)	(1,849)
Increase (decrease) in short-term loans	(42)	(21)	(11)	40
Net receipts (payments) for hedging activity	(2)	(13)	25	(22)
Payment of finance fees				(18)
Dividends paid to noncontrolling interests	(1)	(1)	(24)	(32)
Treasury shares purchased	(14)		(14)	
Issuance of common stock and other		3	1	5
Cash utilized in financing activities	(206)	(128)	(179)	(316)
Effect of exchange rate fluctuations on cash	8	(11)	13	3
Decrease in cash	—	(4)	(64)	(384)
Cash at beginning of period	336	430	400	640
Cash at end of period	$ 336	$ 426	$ 336	$ 256

OWENS-ILLINOIS, INC.
Consolidated Supplemental Financial Data
(Dollars in millions)

	Three months ended September 30, 2012	Three months ended September 30, 2011 (a)	Nine months ended September 30, 2012	Nine months ended September 30, 2011 (a)
Net sales:				
Europe	$ 652	$ 770	$ 2,088	$ 2,355
North America	513	497	1,511	1,466
South America	323	310	882	881
Asia Pacific	254	270	741	778
Reportable segment totals	1,742	1,847	5,222	5,480
Other	5	15	30	60
Net sales	$ 1,747	$ 1,862	$ 5,252	$ 5,540
Segment Operating Profit (b):				
Europe	$ 74	$ 111	$ 289	$ 299
North America	75	67	249	180
South America	69	67	154	165
Asia Pacific	27	23	79	56
Reportable segment totals	245	268	771	700
Items excluded from Segment Operating Profit:				
Retained corporate costs and other	(26)	(23)	(82)	(48)
Restructuring	(33)	(29)	(33)	(41)
Interest income	2	2	7	8
Interest expense	(61)	(70)	(187)	(246)
Earnings from continuing operations before income taxes	$ 127	$ 148	$ 476	$ 373

(a) Amounts for the three months and nine months ended September 30, 2011 reflect the retrospective application of the change in inventory method and in the allocation of pension costs to the Company’s segments. The effect of these changes for the three months ended September 30, 2011 is a decrease in Segment Operating Profit of $1 million and a decrease in Retained corporate and other of $1 million. The effect of these changes for the nine months ended September 30, 2011 is an increase in Segment Operating Profit of $7 million and a decrease in Retained corporate costs and other of $3 million.

The following notes relate to Segment Operating Profit:

(b) 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 from continuing operations 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.

Exhibit 99.2

O-I earnings presentation

Third Quarter 2012

www.o-i.com

Introduction

Agenda

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

Presenters

Al Strroucken
Chairman and CEO

Steve Bramlage
SVP and CFO

Regulation G
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Forward Looking Statements
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Presentation Note
Unless otherwise noted, the information presented in this presentation reflects continuing operations only.

Improved Price Spread Offset by Production Curtailments

Financial review

	Reportable Segments		
	Sales (1)	Operating Profit	Adjusted Net Income
	($ Millions)	($ Millions)	(Non-GAAP EPS)
3Q11	$1,847	$268	$0.84
Price			
Price and product mix	82	82	0.40
Cost pass-through provision (2)	3	-	-
Cost Inflation		(47)	(0.23)
Spread		35	0.17
Sales volume	(80)	(23)	(0.11)
Manufacturing and delivery (3)		(32)	(0.16)
Operating and other costs		2	-
Currency translation	(110)	(5)	(0.02)
Operational	(105)	(23)	(0.12)
Retained corporate costs			(0.01)
Net interest expense			0.04
Noncontrolling interests			(0.01)
Effective tax rate			(0.05)
Non-operational	-	-	(0.03)
Total reconciling items	(105)	(23)	(0.15)
3Q12	$1,742	$245	$0.69

3Q12 Recap

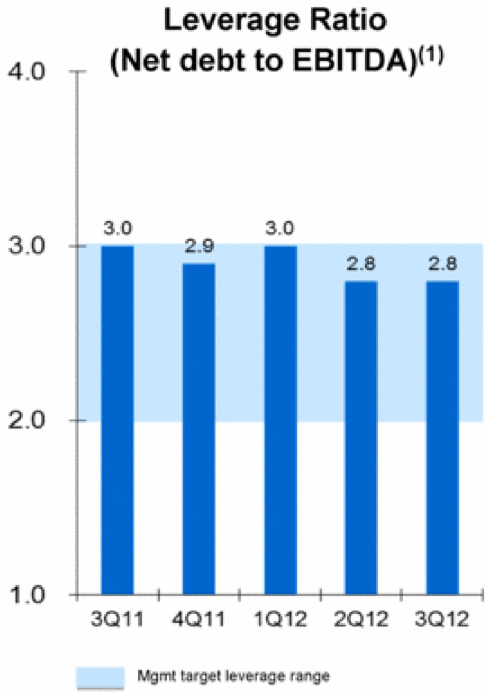
- Adjusted EPS was $0.69
- Price/mix up >4% YoY
- Shipments down ~5% YoY driven by Europe
- Earnings impacted by production curtailments in Europe

[1] Reportable segment sales exclude $5 million and $15 million in 3Q12 and 3Q11, respectively, principally for the Company's global equipment sales business.
[2] Contractual cost-pass through provision primarily relates to North American energy costs.
[3] Primarily relates to unabsorbed fixed costs resulting from the Company's actions to curtail production in Europe.

Balance Sheet, Cash Flow and Capital Structure

Financial review

($ Millions)	3Q12	3Q11	Δ YoY
Cash	$336	$256	$80
Debt	$3,893	$4,088	($195)
Net debt	$3,557	$3,832	($275)
Net debt to EBITDA [1]	2.8x	3.0x	(0.2x)
Free Cash Flow [2]	$171	$138	$33
Capital expenditures	($54)	($51)	($3)
Working capital source/(use)	$55	($16)	$71
Asbestos payments	($28)	($34)	$6



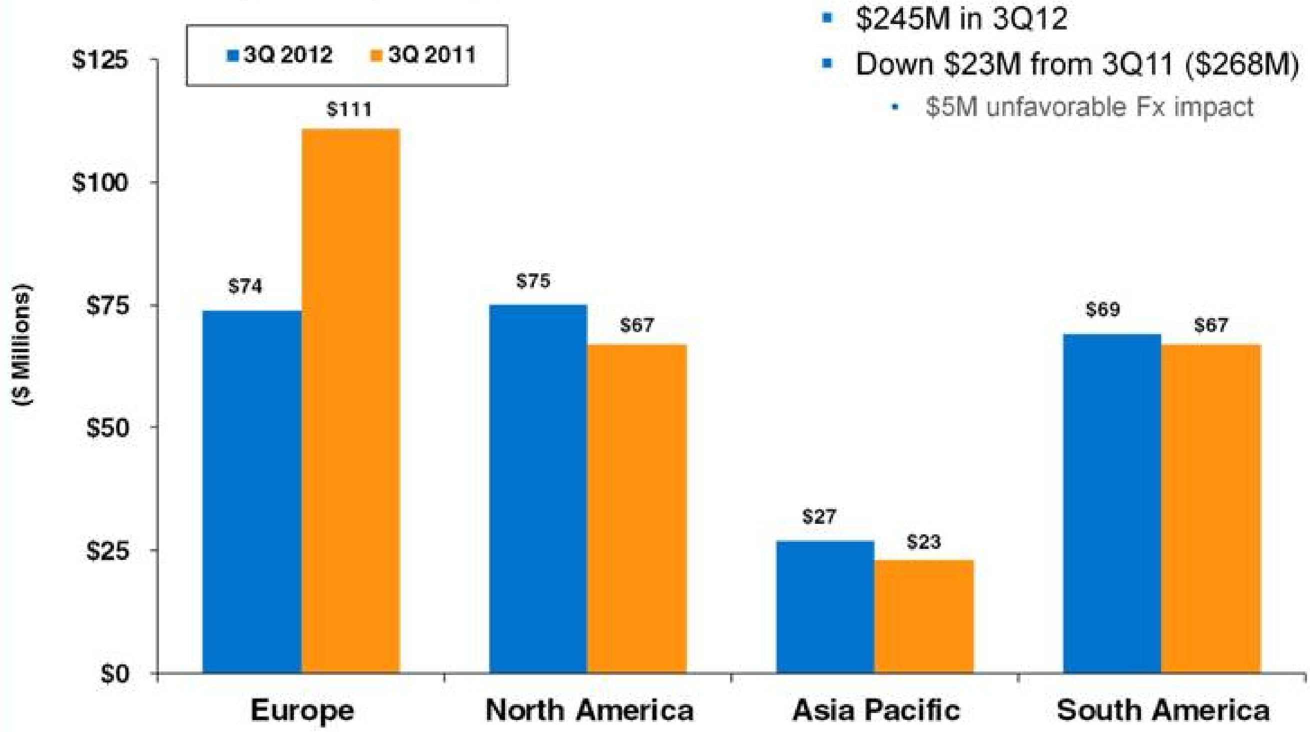
1 Total debt less cash divided by bank credit agreement EBITDA. See appendix for EBITDA reconciliations. Current bank covenants allow for a maximum ratio of 4.0x.

2 Free cash flow is defined as cash provided by continuing operating activities less capital spending.

Segment Profit up in all Regions except Europe

Business discussion

Segment Operating Profit



Total Operating Profit

- $245M in 3Q12
- Down $23M from 3Q11 ($268M)
  - $5M unfavorable Fx impact

4Q12 Business Outlook

Favorable / Unfavorable
Impact on Earnings

	4Q12 vs 4Q11	Comments
Operational		
Europe	↓	• Sales volumes down ~10% with steeper decline in production • Price increases recovering inflation
North America	↓	• Sales volumes ~flat • Production levels down given inventory building in 4Q11
Asia Pacific	↔	• Sales volumes remain sluggish in Australia and New Zealand • Reduction in fixed costs from capacity alignment
South America	↑	• Sales volumes up high single-digits • New furnace ramps up in Brazil
Non-Operational		
Corporate and Other Costs	↔	• Corporate costs expected to range between $25-30M • Annual effective tax rate expected to range between 24-25%
Net Income		
Adjusted Earnings	↓	• Percentage decline likely somewhat larger than YoY 3Q12

European Asset Optimization Framework

Improve asset efficiency and capabilities in O-I's largest region

Improve alignment with European market and customer needs
- Addressing assets with higher cost structures, including rationalization
- Invest for improved throughput, capability and quality

Initial phase already underway
- Completed three furnace closures
- Investing in several significant productivity projects

Next phase to commence in 2013
- ~$70M in cash spending (incremental to ongoing EU capex levels)
- Benefits from this program to begin in 2H13

Phased approach to not impede growth in O-I's Free Cash Flow

Concluding Remarks and Q&A

3Q12 results in-line with expectations
- Actions result in good free cash flow generation

On track to deliver at least $250M of Free Cash Flow in 2012
- Debt paydown remains as primary capital allocation priority

European asset optimization program already underway

Investor Day in NYC: Save the Date for February 14, 2013

Fourth quarter 2012 earnings dates
- Press release to be issued after market close Wednesday, January 30, 2013
- Earnings conference call Thursday, January 31, 2013 @ 8:30 am ET

Appendix

Reconciliation of GAAP to non-GAAP Items

$ Millions, except per-share amts	Three months ended September 30				Nine months ended September 30			
	2012		2011		2012		2011	
	Earnings	EPS	Earnings	EPS	Earnings	EPS	Earnings	EPS
Earnings from continuing operations attributable to the Company	$ 92	$ 0.56	$ 119	$ 0.72	$ 348	$ 2.10	$ 273	$ 1.64
Items that management considers not representative of ongoing operations consistent with Segment Operating Profit								
• Charges for restructuring and asset impairment	23	0.14	20	0.12	23	0.14	28	0.17
• Charges for note repurchase premiums and write-off of finance fees							24	0.15
Adjusted net earnings	$ 115	$0.69	$ 139	$ 0.84	$ 371	$ 2.24	$ 325	$ 1.96
Diluted shares outstanding (millions)	165.8		165.7		166.0		166.0	

Free Cash Flow

$ Millions	Three months ended Sept 30		Nine months ended Sept 30	
	2012	2011	2012	2011
Net earnings	$ 97	$ 120	$ 359	$ 286
Plus: Loss (gain) from disc. operations	2	3	4	2
Earnings from continuing operations	99	123	363	288
Non-cash charges:				
Depreciation and amortization	113	112	336	345
Restructuring	33	29	33	41
Pension Expense	25	25	69	69
All other non-cash charges	(8)	15	23	32
Payments and other reconciling items:				
Asbestos-related payments	(28)	(34)	(86)	(102)
Restructuring payments	(7)	(14)	(47)	(27)
Pension Contributions	(37)	(16)	(76)	(43)
Change in components of working capital	55	(16)	(325)	(235)
Change in non-current assets and liabilities	(20)	(35)	(59)	(87)
Cash provided by continuing operating activities	225	189	231	281
Additions to PP&E for continuing operations	(54)	(51)	(178)	(204)
Free Cash Flow (1)	$ 171	$ 138	$ 53	$ 77

(1) Free cash flow is cash provided by continuing operating activities less capital spending.

Reconciliation of Credit Agreement EBITDA

$ Millions	Last 12 months ended Sept 30	
	2012	2011
Earnings from continuing operations attributable to the Company	$ (426)	$ 200
Interest expense	255	348
Provision for income taxes	113	78
Depreciation	384	410
Amortization of intangibles	29	17
EBITDA	355	1,053
Adjustments in accordance with the Company's bank credit agreement:		
Asia Pacific goodwill adjustment	641	-
Charges for asbestos-related costs	150	150
Restructuring and asset impairment	104	46
Other	20	21
Credit Agreement EBITDA	$ 1,270	$ 1,270