



O-I First Quarter 2015 Earnings Presentation
April 29, 2015





Safe Harbor Comments

Regulation G

The information presented here regarding adjusted net earnings and adjusted EPS relates to net earnings from continuing operations 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. Further, the information presented here regarding free cash flow does not conform to GAAP. Management defines free cash flow as cash provided by continuing operating activities less capital spending (both as determined in accordance with GAAP) and has included this non-GAAP information to assist in understanding the comparability of cash flows. Management uses non-GAAP information principally for internal reporting, forecasting, budgeting and calculating compensation payments. Management believes that the non-GAAP presentation allows the board of directors, management, investors and analysts to better understand the Company's financial performance in relationship to core operating results and the business outlook.

Forward-Looking Statements

This document contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Forward-looking statements reflect the Company's current expectations and projections about future events at the time, and thus involve uncertainty and risk. The words "believe," "expect," "anticipate," "will," "could," "would," "should," "may," "plan," "estimate," "intend," "predict," "potential," "continue," and the negatives of these words and other similar expressions generally identify forward-looking statements. It is possible the Company's future financial performance may differ from expectations due to a variety of factors including, but not limited to the following: (1) foreign currency fluctuations relative to the U.S. dollar, specifically the Euro, Brazilian real, Colombian peso and Australian 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 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) cost and availability of raw materials, labor, energy and transportation, (6) the Company's ability to manage its cost structure, including its success in implementing restructuring plans and achieving cost savings, (7) consolidation among competitors and customers, (8) the ability of the Company to acquire businesses and expand plants, integrate operations of acquired businesses and achieve expected synergies, (9) unanticipated expenditures with respect to environmental, safety and health laws, (10) the Company's ability to further develop its sales, marketing and product development capabilities, and (11) the timing and occurrence of events which are beyond the control of the Company, including any expropriation of the Company's operations, floods and other natural disasters, events related to asbestos-related claims, and the other risk factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 and any subsequently filed Annual Report on Form 10-K or Quarterly Report on Form 10-Q. It is not possible to foresee or identify all such factors. Any forward-looking statements in this document are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments, and other factors it believes are appropriate in the circumstances. Forward-looking statements are not a guarantee of future performance and actual results or developments may differ materially from expectations. While the Company continually reviews trends and uncertainties affecting the Company's results of operations and financial condition, the Company does not assume any obligation to update or supplement any particular forward-looking statements contained in this document.

Presentation Note

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



First quarter 2015 summary

- EPS of \$0.44, consistent with management guidance
 - Strong operating performance in NA and SA, offset by larger-than-expected currency headwinds
- Shipments down ~2.5% year on year
 - Beer down versus strong 1Q14 (World Cup build-up and China retrenchment)
 - Other categories stable
- Segment profits (constant currency¹) stable/up year on year except Europe
 - NA up: improved supply chain performance
 - SA stable: price offsets cost inflation, strong productivity
 - AP stable: footprint restructuring offsets lower volume
 - EU down: competitive price dynamics, lower production
- Ongoing capital structure management
 - Launched \$100M accelerated stock repurchase program
 - Completed \$2.1B bank credit agreement in April 2015



¹ Prior year translated at 1Q15 exchange rates. See appendix for a reconciliation to constant currency for EPS.

Europe and North America 1Q performance



Europe

(\$ Millions)	1Q 2015	1Q 2014
Net Sales - constant currency ¹	\$567	\$706 \$578
Segment Operating Profit - constant currency ¹	\$49	\$87 \$68
Segment Operating Profit Margin - constant currency	8.6%	12.3% 11.8%

North America

(\$ Millions)	1Q 2015	1Q 2014
Net Sales - constant currency ¹	\$470	\$485 \$479
Segment Operating Profit - constant currency ¹	\$71	\$65 \$65
Segment Operating Profit Margin - constant currency	15.1%	13.4% 13.6%

- Euro continued to weaken vs USD, reducing operating profit by 22%
- Shipments down <1%
- Lower average selling prices
- Lower production
 - Asset optimization activities
 - Heavy furnace rebuild schedule

- Sales volume down ~1.5%
 - Mid-single-digit decline in beer
- Continued improvement in supply chain performance
- Disciplined supply and demand management

¹ Prior year translated at 1Q15 exchange rates

South America and Asia Pacific 1Q performance



South America

(\$ Millions)	1Q 2015	1Q 2014
Net Sales - constant currency ¹	\$205	\$239 \$197
Segment Operating Profit - constant currency ¹	\$30	\$41 \$30
Segment Operating Profit Margin - constant currency	14.6%	17.2% 15.2%

Asia Pacific

(\$ Millions)	1Q 2015	1Q 2014
Net Sales - constant currency ¹	\$163	\$203 \$180
Segment Operating Profit - constant currency ¹	\$18	\$25 \$20
Segment Operating Profit Margin - constant currency	11.0%	12.3% 11.1%

- Currency headwinds reduced operating profit by >25%
- Shipments² down <1%
- Price offset significant inflation
 - Energy costs in Brazil
 - USD-priced soda ash
- Strong operational performance

- Stronger USD reduced operating profit by 20%
- Sales volume declined ~15%,
 - China plant closures in prior year
 - Weak demand beginning to stabilize in Australia
- Substantial savings from Australia footprint actions in prior year

¹ Prior year translated at 1Q15 exchange rates

² Shipments for glass containers only

1Q15 segment sales and operating profit

Segment Sales	
	(\$ Millions)
1Q14 as reported	\$1,633
Currency	(199)
1Q14 at constant currency ¹	1,434
Price	11
Sales volume	(40)
1Q15	\$1,405

- Stronger USD decreased sales by 12%
- Price up ~1%
- Shipments down ~1.5%, excl. planned closures in China

Segment Operating Profit	
	(\$ Millions)
1Q14 as reported	\$218
Currency	(35)
1Q14 at constant currency ¹	183
Price	11
Sales volume	(8)
Operating costs	(18)
1Q15	\$168

- Currency drove 70% of decline
- \$10M of inflation in operating costs
 - Primarily USD-priced raw materials
- Lower sales and production volume
 - Compared with strong prior year levels (World Cup)

¹ Prior year translated at 1Q15 exchange rates

Note: Reportable segment data excludes the Company's global equipment business

1Q15 EPS bridge

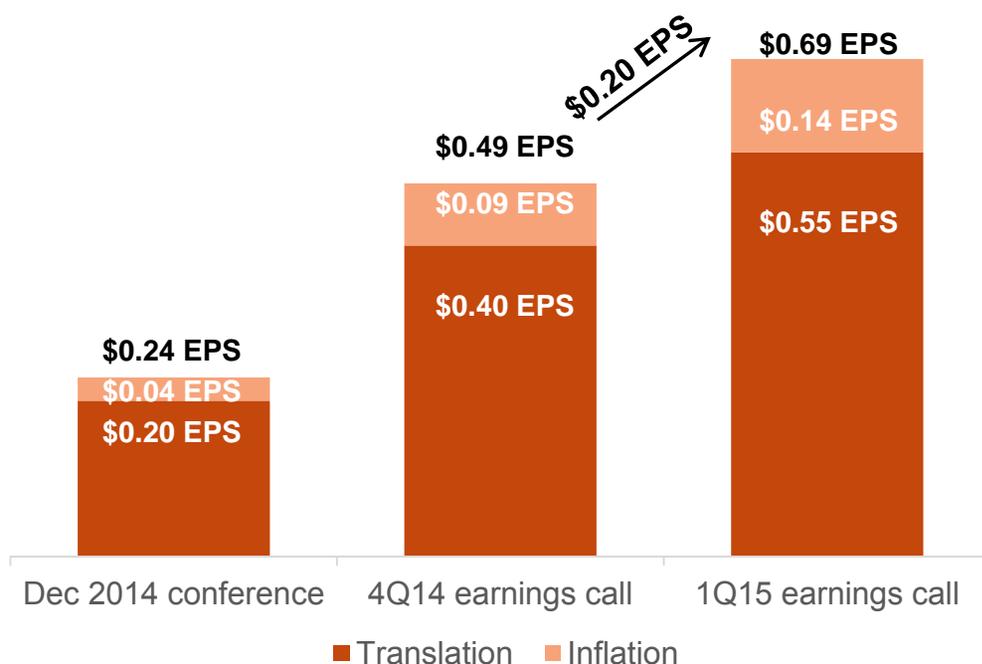
Earnings Per Share	
1Q14 as reported	\$0.62
Currency	(0.12)
1Q14 at constant currency ¹	0.50
Segment operating profit	(0.07)
Retained corporate costs	0.02
Net interest expense	0.01
Non-controlling interests	—
Effective tax rate	(0.03)
Share count reduction	0.01
Total reconciling items	(0.06)
1Q15	\$0.44

- Two-thirds of the decline driven by currency
- Segment profit impacted by lower sales and higher operating costs
- Lower pension expense and staff spending levels reduced corporate costs
- Favorable tax rate in prior year
 - 23-25% range for 2015
- Accelerated share repurchase program benefited EPS

¹ Prior year translated at 1Q15 exchange rates. See appendix for a reconciliation to constant currency for EPS

Financial outlook impacted by strong USD

Rising currency headwind
expected on full year 2015 EPS¹



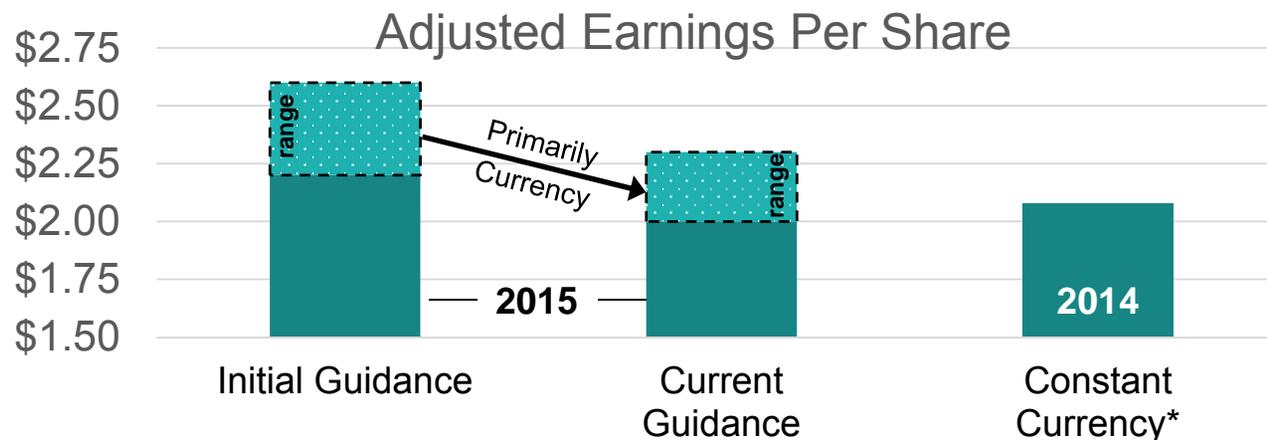
- USD has significantly strengthened since 4Q14 earnings call in early Feb
 - ~\$0.20 incremental FY impact
- FX on translation an expected ~\$0.55 headwind to EPS²
 - -\$130M on 2015 segments
- FX on inflation an expected ~\$0.14 adverse impact to EPS²
 - Inflation on USD-priced raw materials purchased abroad
 - -\$30M on 2015 segments

¹ Based on rates as of December 8, 2014, and January 26, 2015 and March 31, 2015 for the Dec 2014 BAML conference, 4Q14 earnings call and 1Q15 earnings call, respectively.

² Includes currency impact on non-operational items (principally interest expense and tax).

Updates to 2015 guidance

Currency headwinds outweigh improving business



- Current 2015 adjusted EPS guidance: \$2.00 to \$2.30
 - ~\$0.20 incremental currency impact vs prior guidance
 - Price pressure in Europe and ongoing weak beer trends tighten range
- Midpoint of 2015 adj. EPS guidance favorable to 2014 in constant currency
 - Indicates higher 2H15 YoY earnings in constant currency
- Current 2015 FCF guidance: ~\$250 million
 - No change to cash generation in local currencies
 - Adverse incremental currency impact of \$50 million vs prior guidance

* Prior year translated at 2015 exchange rates, assuming 2Q-4Q14 at rates as of March 31, 2015

2Q15 EPS outlook

	2Q14 EPS	\$0.80		
	Currency Impact	-\$0.17	Assumptions: EUR = 1.08; BRL = 3.23; COP = 2,573; AUD = 0.76	
	2Q14 EPS – Constant Currency	\$0.63		
On a constant currency basis ¹	Europe		<ul style="list-style-type: none"> Stable sales volume vs strong comparable period Timing factors: production downtime; energy credits Continuation of price-cost gap 	
	North America		<ul style="list-style-type: none"> Trends in megabeer partially offset elsewhere Align sales and production volumes 	
	South America		<ul style="list-style-type: none"> Volume plateaus against strong PY; modest growth in 2H Headwinds: inflation; non-repeat of asset sales (2Q14) 	
	Asia Pacific		<ul style="list-style-type: none"> Stabilizing volume at lower level, plus inflation Restructuring benefits likely to offset headwinds 	
	Segment Operating Profit			
	Corporate and Other Costs		<ul style="list-style-type: none"> Corporate costs and net interest expense improvement Lower tax rate (~20%) due to timing and geographic mix 	
		2Q15 EPS	\$0.55- \$0.60	

¹ Prior year translated at March 31, 2015 exchange rates

2015 management priorities

<p>Strategic</p>	<ul style="list-style-type: none"> ▪ Advance leadership succession ▪ Execute key projects: asset optimization, JV in Mexico, integration of Kalama plant into NA ▪ Progression in innovation, especially melting and forming technology
<p>Operational</p>	<ul style="list-style-type: none"> ▪ Enhance manufacturing capabilities and stability ▪ Continue to reduce structural costs ▪ Exercise disciplined price / volume management
<p>Financial</p>	<ul style="list-style-type: none"> ▪ Generate strong cash flows in local currencies <ul style="list-style-type: none"> • ~\$250M free cash flow at current exchange rates¹ ▪ Target \$125M of share repurchases ▪ Further enhance financial flexibility

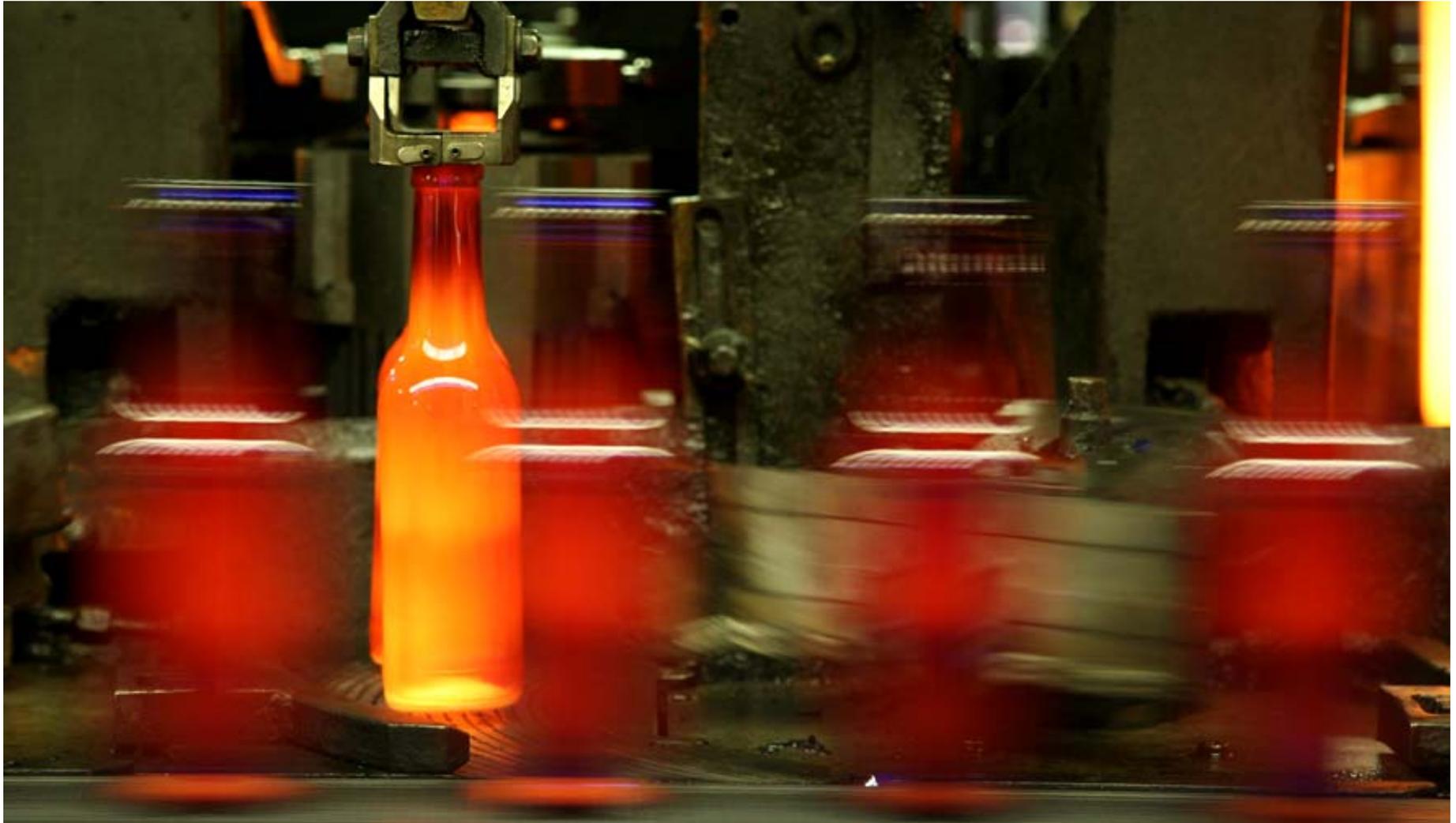
¹ Assumes March 31, 2015 exchange rates continue for remainder of the year

First-ever sustainability report launched

- Extensive report based on GRI's G4 framework
- Addresses O-I's commitment to sustainability and sustainability of glass packaging
- Reports on sustainability goals:
 - Energy usage
 - Emissions reductions
 - Increased use of recycled material
 - Improved safety
- Showcases employee programs, customer partnerships, community engagement and innovation



Appendix



Price, volume and currency impact on reportable segment sales



\$ Millions

	Europe	North America	South America	Asia Pacific	Total ¹
1Q14 Segment Sales	\$706	\$485	\$239	\$203	\$1,633
Currency	(128)	(6)	(42)	(23)	(199)
1Q14 at constant currency	578	479	197	180	1,434
Price	(10)	3	15	3	11
Volume	(1)	(12)	(7)	(20)	(40)
Total reconciling	(11)	(9)	8	(17)	(29)
1Q15 Segment Sales	<u>\$567</u>	<u>\$470</u>	<u>\$205</u>	<u>\$163</u>	<u>\$1,405</u>

¹ Reportable segment sales exclude the Company's global equipment business

Reconciliation to constant currency



\$ Millions, except per share amounts

	Three months ended March 31, 2014
Earnings from continuing operations attributable to the Company	\$ 102
Currency effect on earnings ⁽¹⁾	<u>(19)</u>
Earnings on a constant currency basis	<u>\$ 83</u>
Diluted average shares (thousands)	<u>166,165</u>
Earnings per share from continuing operations (diluted)	<u>\$ 0.62</u>
Earnings per share from continuing operations (diluted) on a constant currency basis	<u>\$ 0.50</u>

(1) Currency effect on earnings determined by using month-end foreign currency exchange rates in the first quarter of 2015 to translate first quarter 2014 local currency results.

Estimated impact from currency rate changes



Translation impact on EPS from a 10% change compared with the U.S. dollar

- EU (primarily Euro): ~\$0.10
- SA (primarily Brazilian Real and Colombian Peso): ~\$0.09
- AP (primarily Australian Dollar and New Zealand Dollar): ~\$0.05