



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

April 1, 2016

Dear Stakeholder,

I am pleased to have the opportunity to share my thoughts on 2015 and our outlook for the future in my first annual letter since assuming the role of CEO earlier this year. I do so with great optimism in light of the tremendous opportunity we have in front of us to drive significant, long-term value across the Company. At the same time, I am mindful of the work that lies ahead in order to realize this opportunity.

My optimism for the future is grounded in our solid finish to 2015. Our fourth quarter 2015 results were in-line with our expectations. We delivered earnings and cash flow that were on target while moving aggressively to integrate the operations of the acquired Vitro food and beverage glass container business in Latin America and North America. For the full year, the Company generated \$210 million of free cash flow, which, on a comparable currency basis, was similar to the level we generated in 2014.

Looking ahead, our position as the leading – and only truly global – glass container producer is a tremendous advantage. It allows us to support our customers as they expand throughout the world. It also enables us to operate locally with customized knowledge and a responsiveness that is key to our customers. This capability is becoming even more critical as we see two extremes for ongoing glass demand: high-growth premium products and the more commodity-like food and beverage market. We have to successfully meet the needs of both.

In addition, we have to enhance our execution across our entire platform. We exited 2015 with an improved level of overall performance, but we recognize we can, and must, perform even better. Consistent with that effort, we are implementing a comprehensive turnaround plan to deliver improved results in 2016 and beyond.

Our team around the world has embraced this plan, which addresses the key levers of our business: commercial, supply chain, operations, technology, organization, and talent. Our strategy is focused on performing as an integrated enterprise, not just a collection of functions, geographies, and markets.

The first and most critical component of our strategy is to establish revenue and operational stability. Stability is about consistent, predictable performance across all of our regions without disruption. It requires improved asset conditions and a balanced approach to price and volume.

While each of our regions is in a different phase of stability, each plays a key role in realizing our goals. Latin America is leading the way and performing well. North America faced a very difficult situation in 2014, implemented a turnaround strategy, delivered substantially improved performance in 2015, and continues to build momentum in 2016. Asia Pacific also turned the corner in 2015 after facing years of long-term structural challenges. In 2015, Europe faced some structural issues similar to the ones North America faced in 2014. As a company, we have the know-how to reverse the negative trends in Europe, and the European team has been working effectively to improve.

Next, we have established a set of initiatives to improve manufacturing, supply chain, and commercial performance.

One of these initiatives is to focus on improving our lowest performing plants, which represent tremendous financial opportunity. Dedicated plant improvement teams have been working on-site to build in-depth shop floor capability that can be sustained. We are already seeing results. We have also launched supply chain initiatives to improve our cost position and reduce inventories. On the commercial front, we have initiated a Key Account Management program and are building new business development capabilities. In addition to strengthening our commercial activities, we continue to invest in breakthrough technologies to support our long-term growth.

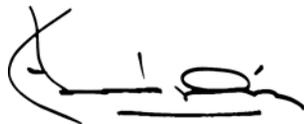
Our strategy also includes maximizing the value of the acquired business. This acquisition provides O-I the leading position in a growth market and a strategic geography. We continue to be very pleased with its performance to date. In the fourth quarter of 2015, it delivered a very strong operating margin and generated positive free cash flow in the quarter. We anticipate approximately \$85 million in free cash flow generation in 2016 from this acquired business and it remains on track to deliver free cash flow in excess of \$100 million in 2018.

The final component of our strategy is organizational and talent development. We are simplifying O-I by putting the right organization, processes and tools in place to operate a global corporation.

We are confident that delivering on our plan will translate into improved results for our shareholders. We expect that top line growth from our acquisition, a modest organic volume increase, and expanding margins from our initiatives will lead to higher free cash flow and earnings. This, in turn, will allow us to deleverage our balance sheet and enhance long-term value for our shareholders.

Overall, momentum is building, execution is improving and we're beginning to see the results in our operations. I attribute this to the fact that we have built a highly experienced, knowledgeable and committed leadership team; we are putting the right culture in place; we have developed a comprehensive plan; and we have employees who are engaged and working hard to improve our performance. I am confident we will deliver positive, sustainable financial results to increase shareholder value.

Best Regards,

A handwritten signature in black ink, appearing to read 'Andres Lopez', with a stylized flourish at the end.

Andres Lopez
Chief Executive Officer