



O-I THIRD QUARTER 2016 EARNINGS

OCTOBER 26, 2016

Safe Harbor Comments

Regulation G

Management believes that its presentation and use of certain non-GAAP financial measures, including adjusted EPS and free cash flow, provide relevant and useful information, which is widely used by analysts, investors and competitors in the industry, as well as by management in assessing both consolidated and business unit performance. The information presented regarding adjusted EPS 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 normal earnings of the business, divided by weighted average shares outstanding (diluted). In addition, the Company also presents adjusted EPS on a constant currency basis adjusting the currency translation effect on prior year earnings to allow management to evaluate the Company's operations without the external impact of currency translation. Management has included adjusted EPS to assist in understanding the comparability of results of ongoing operations. Further, the information presented regarding free cash flow relates to cash provided by continuing operating activities less capital spending and management has included free cash flow 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 relation 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, as amended (the "Exchange Act") 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) the Company's ability to integrate the Vitro Business in a timely and cost effective manner, to maintain on existing terms the permits, licenses and other approvals required for the Vitro Business to operate as currently operated, and to realize the expected synergies from the Vitro Acquisition, (2) risks related to the impact of integration of the Vitro Acquisition on earnings and cash flow, (3) risks associated with the significant transaction costs and additional indebtedness that the Company incurred in financing the Vitro Acquisition, (4) the Company's ability to realize expected growth opportunities and cost savings from the Vitro Acquisition, (5) foreign currency fluctuations relative to the U.S. dollar, specifically the Euro, Brazilian real, Mexican peso, Colombian peso and Australian dollar, (6) changes in capital availability or cost, including interest rate fluctuations and the ability of the Company to refinance debt at favorable terms, (7) 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, (8) impacts from the United Kingdom's referendum of withdrawal from the European Union on foreign currency exchange rates and the Company's business, (9) consumer preferences for alternative forms of packaging, (10) cost and availability of raw materials, labor, energy and transportation, (11) the Company's ability to manage its cost structure, including its success in implementing restructuring plans and achieving cost savings, (12) consolidation among competitors and customers, (13) the Company's ability to acquire businesses and expand plants, integrate operations of acquired businesses and achieve expected synergies, (14) unanticipated expenditures with respect to environmental, safety and health laws, (15) the Company's ability to further develop its sales, marketing and product development capabilities, (16) 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, (17) the Company's ability to accurately estimate its total asbestos-related liability, and (18) the Company's ability to successfully remediate the material weakness in its internal control over financial reporting, and the other risk factors discussed in the Company's Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended December 31, 2015 and any subsequently filed 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.

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

Continued Strong Performance in 3Q16

3Q guidance ¹ (versus PY, except adj. EPS)		3Q actuals vs guidance
3Q16 Adjusted EPS ¹	\$0.65 - \$0.70	✓ \$0.68
On a constant currency basis ²	Europe	↔ ✓
	North America	▲ ✓
	Latin America	▲ ✓ Up, yet Brazil volumes lower than anticipated
	Asia Pacific	↔ - Down due to planned downtime and geo sales mix
	Corporate and other costs	▼ ✓ Corp and tax more favorable than expected

- Earnings up 26% in constant currency³
- Higher earnings driven by acquisition and continued progress on strategic initiatives
- Improved year-to-date efficiencies at 60% of global facilities



¹ From Company presentation at a sell side conference on September 15, 2016.

² Adjusted EPS excludes items management does not consider representative of ongoing operations. See the table entitled Reconciliation to Adjusted Earnings and Constant Currency in the appendix of this presentation. In 3Q 2016 there were no items management did not consider representative of ongoing operations. Therefore, in 3Q 2016 adjusted EPS represents GAAP EPS.

³ Prior year translated at 3Q16 exchange rates

Business Expected to Deliver on 2016 Targets

	2016 Target	Status	Full Year Outlook
Organic volume growth	~ 1%	●	<ul style="list-style-type: none">Overall volume growth projected to be ~1% for full yearIn mature markets, volume growth expected to be >1%In emerging markets, lower sales due to macro weakness and investments in assets
Segment operating profit margin expansion	+100 bps	●	<ul style="list-style-type: none">YTD margin expansion of 120 bps, with gains in all regions except Asia Pacific (geographic sales mix; planned rebuilds)



Europe

3Q review

- Shipments on par with prior year
- Strategic manufacturing initiatives deliver YoY gains
 - Improved productivity at focus plants in region
 - Higher year-to-date efficiencies at ~70% of EU facilities
- Ongoing price pressure and planned production downtime

Full year outlook

- Volume growth of 1%, driven by wine and beer
- Increasing performance delivered by manufacturing initiatives
- Ongoing pricing pressure, although less intense YoY
- Solid margin expansion in 2016, yet less than the target

Segment Operating Profit
\$ Millions



	2016 Target	Status	Full Year Outlook
Organic volume growth	~ 1%	●	Gains driven by beer and wine
Segment operating profit margin expansion	+150 bps	●	Gains in volume and operating efficiencies partially offset by impact from Brexit and planned downtime

¹ Prior year translated at 3Q16 exchange rates



North America

3Q review

- Shipments up 9% due, primarily due to acquired business
- Legacy business shipments modestly up vs. prior year
 - Beer posts YoY gains as incremental business with CBI more than offsets declines in domestic beer
 - Non-alcoholic beverages continue to grow

Full year outlook

- Legacy business essentially stable YoY on 1% organic volume growth and higher operating efficiencies
 - Improved productivity at focus plants in region
- Higher profitability driven mostly by addition of O-I Packaging Solutions (acquired business in NA)

Segment Operating Profit
\$ Millions



	2016 Target	Status	Full Year Outlook
Organic volume growth	~ 1%	●	Stronger YoY growth expected in 2H, driven by higher shipments to CBI and OIPS contribution to organic growth in 4Q
Segment operating profit margin expansion	+20 bps	●	Higher margin driven by OIPS, volume and efficiency gains

¹ Prior year translated at 3Q16 exchange rates



Latin America

3Q review

- Strong performance in Mexico continues
 - Acquired business: incremental \$25M segment operating profit
- Legacy business: solid performance despite Brazil weakness
 - Legacy segment operating profit similar to prior year
 - Double-digit decline in shipments, led by Brazil and Ecuador
 - Continued cost containment plus monetizing minor non-strategic asset

Full year outlook

- Continuation of challenging economic situation in Brazil
- Solid demand forecast expected to continue in Mexico
- Maintain focus on cost containment

Segment Operating Profit
\$ Millions



	2016 Target	Status	Full Year Outlook
Organic volume growth	~ -3%	●	Smaller YoY volume decline in 2H, as Brazil YoY declines wane and Mexico contributes to organic growth in 4Q
Segment operating profit margin expansion	+60 bps	●	Strong margins YTD, driven by strong execution in the legacy business and the acquisition

¹ Prior year translated at 3Q16 exchange rates



Asia Pacific

3Q review

- Growth in end use demand throughout the region
 - Modest growth in mature markets
 - Stronger growth in emerging markets
- Significant planned engineering activity limits O-I production in AU, NZ
- Intra-regional shipments support higher margin sales in AU, NZ
- For O-I, flat YoY shipments in mature markets are offset by lower domestic sales in emerging markets

Full year outlook

- Trends listed in 3Q review above most pronounced in 2H16
- Stage set for improvement in 2017



	2016 Target	Status	Full Year Outlook
Organic volume growth	~ 2%	●	Modest growth in mature markets supported by intra-regional production; lower domestic sales in emerging markets
Segment operating profit margin expansion	+25 bps	●	Higher planned downtime and costs of intra-regional shipments modestly weigh on margin in 2016 before expanding in 2017

¹ Prior year translated at 3Q16 exchange rates

Improved Segment Operating Profit

Segment Operating Profit \$ millions		
3Q15 Segment Operating Profit	\$199	
Currency	(4)	Negative currency impact of ~2% (GBP, MXN)
3Q15 in constant currency ¹	195	
Acquisition	37	Strong performance continues in both Mexico and U.S.
Price-inflation spread ²	7	Primarily in the Americas
Sales volume	(8)	Decline in legacy Latin America, mainly Brazil
Operating costs, excl. inflation	6	Strategic initiatives partially offset by lower production volumes (rebuilt & matching LA supply with demand)
Total reconciling items	42	
3Q16 Segment Operating Profit	\$237	22% increase on constant currency basis

¹ Prior year translated at 3Q16 exchange rates

² Price-inflation spread represents the net impact of movement in selling prices and cost inflation.

See the table entitled Reconciliation to Earnings from Continuing Operations Before Income Taxes and the table entitled Price, Sales Volume, Operating Costs and Currency Impact on Reportable Segment Operating Profit in the appendix of this presentation.

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

Strong Year-on-Year Growth in Adjusted EPS in 3Q16

3Q16 Adjusted EPS Bridge

3Q15 Adjusted EPS ¹	\$0.57	
Currency	(0.03)	▪ Headwinds in Europe and Latin America
3Q15 in constant currency ¹	0.54	
Segment operating profit	0.19	▪ Strong performance from acquisition and strategic initiatives
Retained corporate costs	(0.02)	▪ Uptick in pension expense and lack of PY hedge gains
Net interest expense	(0.06)	▪ Interest expense up due to acquisition-related debt
Effective tax rate	0.03	▪ Favorable tax audit settlements
Total reconciling items	0.14	
3Q16 Adjusted EPS	\$0.68	Up 26% vs. prior year in constant currency

¹ See appendix for a reconciliation to adjusted earnings and constant currency.

4Q16 Adjusted EPS Outlook

	4Q15 Adjusted EPS¹	\$0.40	
	Currency Impact	(\$0.01)	Assumptions: ² EUR = 1.12; BRL = 3.26; COP = 2,892; AUD = 0.76; MXN = 19.6
	4Q15 Adjusted EPS in Constant Currency¹	\$0.39	
On a constant currency basis ²	Europe	▲	<ul style="list-style-type: none"> Sales volume gain, mfg initiatives more than offset price-cost pressure
	North America	▲	<ul style="list-style-type: none"> Low-single digit gain in sales volume
	Latin America	↔	<ul style="list-style-type: none"> Strong ongoing performance in Mexico Volume declines in Brazil lessen – lapping prior year declines
	Asia Pacific	↔	<ul style="list-style-type: none"> Low-single digit decline in sales volume offset by cost savings
	Segment Operating Profit	▲	
	Corporate and Other Costs	↔	<ul style="list-style-type: none"> Corporate flat – JV with CBI offsets higher pension expense Annual tax rate projected to be ~24%
		4Q16 Adjusted EPS³	\$0.46- \$0.51

¹ Adjusted EPS excludes items management does not consider representative of ongoing operations. See the table entitled Reconciliation to Adjusted Earnings and Constant Currency – 4Q 2015 in the appendix of this presentation.

² Assumes September 30, 2016 FX rates continue for the fourth quarter.

³ Expected 4Q16 adjusted EPS represents expected GAAP EPS because there are no items that management does not consider representative of ongoing operations that have been identified at this time. The adjustment for asbestos-related costs, if any, will not be determined until the company completes its annual comprehensive legal review in the fourth quarter.

Full Year 2016 Outlook

Narrowed adjusted EPS¹ guidance to \$2.27-\$2.32

- Midpoint implies 15% YoY growth

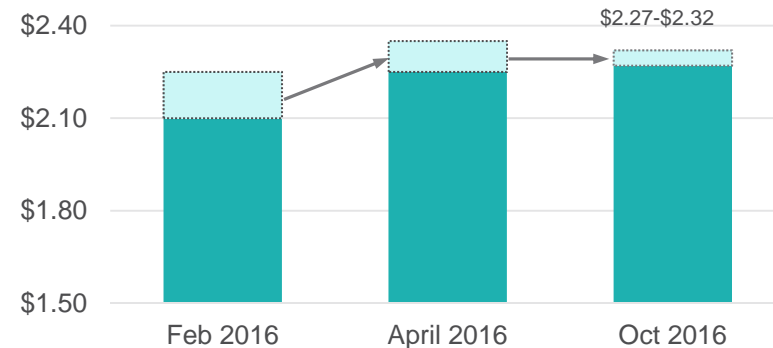
Consistent Free Cash Flow² guidance of ~\$300M

- Received ~\$130M VAT refund in Aug. 2016
- FCF impacted by ~\$130M estimated asbestos payments in 2016

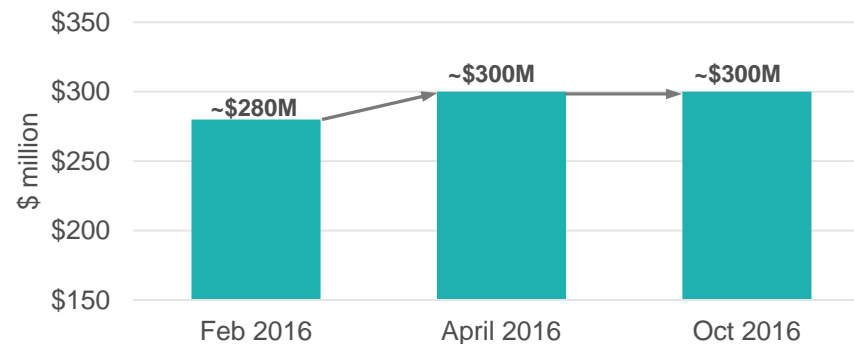
Progress on deleveraging

- Expected leverage ratio of ~3.8 at YE16

Evolution of 2016 Adjusted EPS Guidance



Evolution of 2016 FCF guidance



¹ See table entitled Reconciliation to Expected Adjusted Earnings - FY16 Fcst in the appendix of this presentation.
¹² ² See table entitled Reconciliation to Free Cash Flow in the appendix of this presentation.



2016 Management Priorities

Strategic

- Establish and maintain revenue and operational stability
- Improve commercial and end-to-end supply chain performance
- Maximize the value of the food and beverage acquisition in Mexico
- Leverage an enterprise approach and ensure accountability

Operational

- Exercise a balanced approach to volume and price
- Improve operational performance through asset stability, quality, higher productivity, improved flexibility and lower inventories
- Continue to reduce structural costs

Financial

- Improve earnings and margins
- Generate strong cash flows in local currencies
~\$300M free cash flow at current exchange rates¹
- Deleverage the balance sheet

¹ Assumes Sept. 30, 2016 exchange rates continue for remainder of the year. See the table entitled Reconciliation to Free Cash Flow in the appendix of this presentation.

Appendix



Price, Volume and Currency Impact on Reportable Segment Sales

\$ Millions

	Europe	North America	Latin America	Asia Pacific	Total ¹
3Q15 Segment Sales	\$605	\$520	\$265	\$162	\$1,552
Currency ²	(10)	-	-	10	-
3Q15 at constant currency	595	520	265	172	1,552
Price	(8)	9	16	2	19
Volume (excl. acquisition)	(1)	(3)	(26)	(4)	(34)
Acquisition	-	52	110	-	162
Total reconciling items	(9)	58	100	(2)	147
3Q16 Segment Sales	\$586	\$578	\$365	\$170	\$1,699

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

² Currency effect determined by using month-end foreign currency exchange rates in 2016 to translate 2015 local currency results

Price, Sales Volume, Operating Costs and Currency Impact on Reportable Segment Operating Profit

\$ Millions

	Europe	North America	Latin America	Asia Pacific	Total ¹
3Q15 Segment Operating Profit	\$68	\$61	\$51	\$19	\$199
Currency ²	(4)	-	(3)	3	(4)
3Q15 at constant currency	64	61	48	22	195
Price	(8)	9	16	2	19
Sales volume (excl. acquisition)	-	-	(8)	-	(8)
Operating costs	8	(3)	(7)	(4)	(6)
Acquisition	-	12	25	-	37
Total reconciling items	-	18	26	(2)	42
3Q16 Segment Operating Profit	<u>\$64</u>	<u>\$79</u>	<u>\$74</u>	<u>\$20</u>	<u>\$237</u>

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

² Currency effect determined by using month-end foreign currency exchange rates in 2016 to translate 2015 local currency results

Reconciliation to Earnings from Continuing Operations Before Income Taxes

(Dollars in millions)

Unaudited	Three months ended	
	September 30	
	2016	2015
Net sales:		
Europe	\$ 586	\$ 605
North America	578	520
Latin America	365	265
Asia Pacific	170	162
Reportable segment totals	1,699	1,552
Other	13	14
Net sales	<u>\$ 1,712</u>	<u>\$ 1,566</u>
Segment operating profit ^(a) :		
Europe	\$ 64	\$ 68
North America	79	61
Latin America	74	51
Asia Pacific	20	19
Reportable segment totals	237	199
Items excluded from segment operating profit:		
Retained corporate costs and other	(18)	(10)
Items not considered representative of ongoing operations ^(b)	-	(64)
Interest expense, net	(66)	(67)
Earnings from continuing operations before income taxes	<u>\$ 153</u>	<u>\$ 58</u>
Ratio of earnings from continuing operations before income taxes to net sales	8.9%	3.7%
Segment operating profit margin ^(c) :		
Europe	10.9%	11.2%
North America	13.7%	11.7%
Latin America	20.3%	19.2%
Asia Pacific	11.8%	11.7%
Reportable segment margin totals	13.9%	12.8%

(a) 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.

(b) Reference reconciliation to adjusted earnings and constant currency.

(c) Segment operating profit margin is segment operating profit divided by segment net sales.

Reconciliation to Adjusted Earnings and Constant Currency

(Dollars in millions, except per share amounts)

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

Unaudited	Three months ended	
	September 30,	
	2016	2015
Earnings from continuing operations attributable to the Company	\$ 111	\$ 18
Items impacting other expense, net:		
Restructuring, asset impairment and other charges		41
Strategic transactions costs		13
Items impacting cost of good sold:		
Acquisition-related fair value inventory adjustments		10
Items impacting interest expense:		
Charges for note repurchase premiums and write-off of finance fees		14
Items impacting income tax:		
Net benefit for income tax on items above		(4)
Items impacting net earnings attributable to noncontrolling interests:		
Net impact of noncontrolling interests on items above		-
Total adjusting items (non-GAAP)	\$ -	\$ 74
Adjusted earnings (non-GAAP)	\$ 111	\$ 92
Currency effect on earnings (2015 only) ^(a)		(5)
Adjusted earnings on a constant currency basis (2015 only) (non-GAAP)		\$ 87
Diluted average shares (thousands)	163,204	161,612
Earnings per share from continuing operations (diluted)	\$ 0.68	\$ 0.11
Adjusted earnings per share (non-GAAP)	\$ 0.68	\$ 0.57
Adjusted earnings per share on a constant currency basis (non-GAAP)		\$ 0.54

(a) Currency effect on earnings determined by using month-end foreign currency exchange rates in 2016 to translate 2015 local currency results.

Reconciliation to Adjusted Earnings and Constant Currency – 4Q 2015

(Dollars in millions, except per share amounts)

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

Unaudited	Three months ended December 31 <u>2015</u>
Earnings (loss) from continuing operations attributable to the Company	\$ (201)
Items impacting cost of goods sold:	
Acquisition-related fair value inventory adjustments	12
Items impacting other expense, net:	
Charges for asbestos related costs	225
Restructuring, asset impairment and related charges	11
Acquisition-related fair value intangible adjustments	10
Strategic transaction costs	4
Items impacting income tax:	
Net benefit for income tax on items above	(5)
Net expense (benefit) for certain tax adjustments	<u>8</u>
Total adjusting items	<u>\$ 265</u>
Adjusted earnings	<u>\$ 64</u>
Currency effect on earnings ⁽¹⁾	<u>\$ (1)</u>
Adjusted earnings on a constant currency basis	<u>\$ 63</u>
Diluted average shares (thousands)	<u>160,827</u>
Earnings (loss) per share from continuing operations (diluted)	<u>\$ (1.25)</u>
Adjusted earnings per share ⁽²⁾	<u>\$ 0.40</u>
Adjusted earnings per share on a constant currency basis	<u>\$ 0.39</u>

(1) Currency effect on earnings determined by using Sept. 30, 2016 foreign currency exchange rates to translate fourth quarter 2015 local currency results.

(2) For adjusted earnings per share, the diluted average shares (in thousands) are 161,733 for the three months ended December 31, 2015.

Reconciliation to Expected Adjusted Earnings – FY16 Fcst

(Dollars in millions, except per share amounts)

Unaudited

	Forecast for Year Ended December 31, 2016	
	Low End of Guidance Range	High End of Guidance Range
Earnings from continuing operations attributable to the Company	\$ 359	to \$ 367
Items management considers not representative of ongoing operations: ^(a)		
Restructuring, asset impairment and related charges ^(b)	19	19
compensation for land in China that the Company was required to return to the government ^(b)	(7)	(7)
Net benefit for income tax on items above ^(b)	(4)	(4)
Net impact of noncontrolling interests on items above ^(b)	2	2
Total adjusting items	<u>\$ 10</u>	<u>\$ 10</u>
Adjusted earnings	<u>\$ 369</u>	to <u>\$ 377</u>
Diluted average shares (thousands)	<u>162,500</u>	<u>162,500</u>
Earnings per share from continuing operations (diluted)	<u>\$ 2.21</u>	to <u>\$ 2.26</u>
Adjusted earnings per share	<u>\$ 2.27</u>	to <u>\$ 2.32</u>

(a) The items management considers not representative of ongoing operations does not include an adjustment for asbestos-related costs. The adjustment for asbestos-related costs, if any, will not be determined until the company completes its annual comprehensive legal review in the fourth quarter.

(b) Includes management decisions through the third quarter of 2016. Further actions may be taken in 2016.



Reconciliation to Free Cash Flow

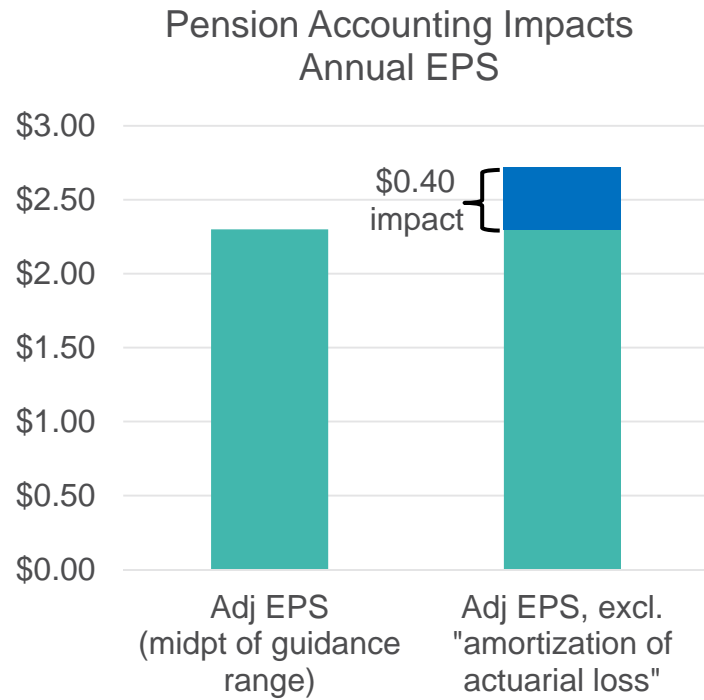
\$ Millions

		2016 <u>Fcst</u>
Cash flows		
Cash provided by continuing operating activities	~	\$ <u>750</u>
Cash utilized in investing activities		\$ <u>(a)</u>
Cash provided by financing activities		\$ <u>(a)</u>
Free cash flow		
Cash provided by continuing operating activities	~	\$ 750
Additions to property, plant and equipment	~	(450)
Free cash flow	~	\$ <u>300</u>

(a) Management is not able to estimate this amount.

Note: Management defines free cash flow as cash provided by continuing operating activities less additions to property, plant and equipment from continuing operations (both as determined in accordance with GAAP).

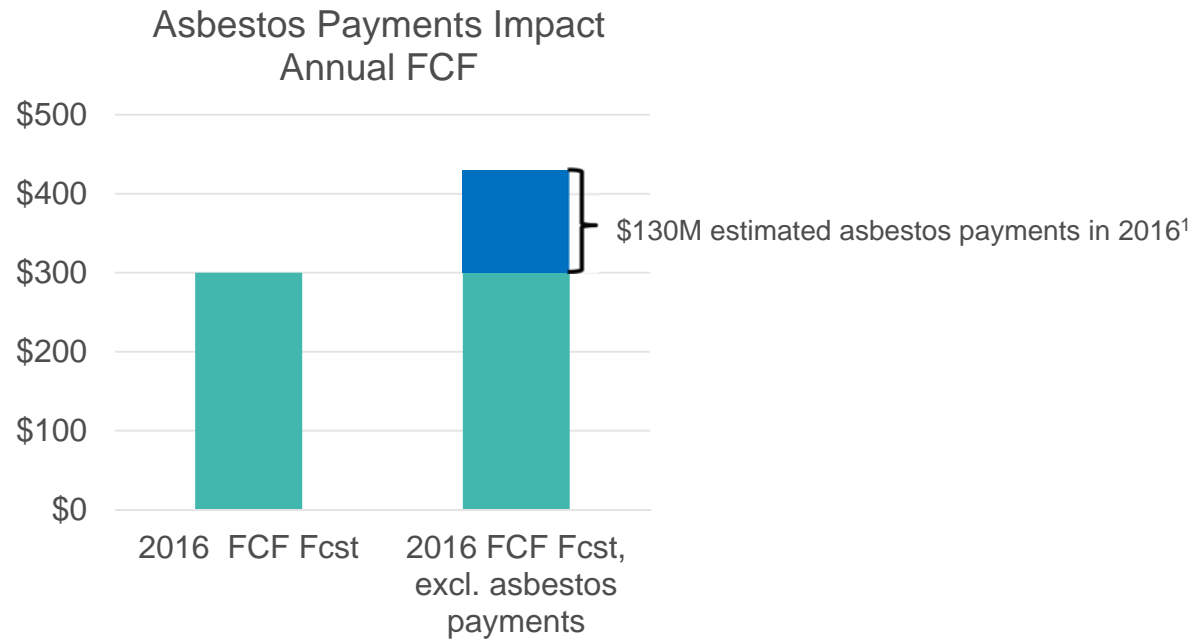
Pension Accounting Impacts Annual EPS



- Sustained non cash pension expense reduces EPS by ~ \$0.40¹
- Actively managing pension liabilities

¹ Related to the "amortization of actuarial loss" component of pension expense, which is included in GAAP EPS and adjusted EPS

Asbestos Payments Impact Annual Free Cash Flow



¹ Asbestos payments are included in Cash provided by continuing operating activities and free cash flow. See table entitled Reconciliation to free cash flow in the appendix of this presentation.

Impact from Currency Rates

	Approx. translation impact on EPS from 10% FX change
Euro	\$0.10
Mexican peso	\$0.07
Brazilian real	\$0.05
Colombian peso	\$0.03
Australian dollar	\$0.05