



OWENS-ILLINOIS, INC.

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CREDIT SUISSE
BASIC MATERIALS CONFERENCE
SEPTEMBER 12, 2017

Safe Harbor Comments

Non-GAAP Financial Measures

The Company uses certain non-GAAP financial measures, which are measures of its historical or future financial performance that are not calculated and presented in accordance with GAAP, within the meaning of applicable SEC rules. Management believes that its presentation and use of certain non-GAAP financial measures, including adjusted earnings, adjusted earnings per share, segment operating profit, segment operating profit margin and adjusted free cash flow, provide relevant and useful supplemental financial information, which is widely used by analysts and investors, as well as by management in assessing both consolidated and business unit performance. These non-GAAP measures are reconciled to the most directly comparable GAAP measures and should be considered supplemental in nature and should not be considered in isolation or be construed as being more important than comparable GAAP measures.

Adjusted earnings 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 Company's principal business activity, which is glass container production. Adjusted earnings are divided by weighted average shares outstanding (diluted) to derive adjusted earnings per share. Segment operating profit relates to earnings from continuing operations before interest expense (net), provision for income taxes and is also exclusive of items management considers not representative of ongoing operations. Segment operating profit margin is segment operating profit divided by segment net sales. Management uses adjusted earnings, adjusted earnings per share, segment operating profit and segment operating profit margin to evaluate its period-over-period operating performance because it believes this provides a useful supplemental measure of the results of operations of its principal business activity by excluding items that are not reflective of such operations. Adjusted earnings, adjusted earnings per share, segment operating profit and segment operating profit margin may be useful to investors in evaluating the underlying operating performance of the Company's business as these measures eliminate items that are not reflective of its principal business activity.

Further, adjusted free cash flow relates to cash provided by continuing operating activities less additions to property, plant and equipment plus asbestos-related payments. Management uses adjusted free cash flow to evaluate its period-over-period cash generation performance because it believes this provides a useful supplemental measure related to its principal business activity. Adjusted free cash flow may be useful to investors to assist in understanding the comparability of cash flows generated by the Company's principal business activity. Since a significant majority of the Company's asbestos-related claims are expected to be received in the next ten years, adjusted free cash flow may help investors to evaluate the long-term cash generation ability of the Company's principal business activity as these asbestos-related payments decline. It should not be inferred that the entire adjusted free cash flow amount is available for discretionary expenditures, since the Company has mandatory debt service requirements and other non-discretionary expenditures that are not deducted from the measure. Management uses non-GAAP information principally for internal reporting, forecasting, budgeting and calculating compensation payments.

Safe Harbor Comments - continued

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 realize expected growth opportunities, cost savings and synergies from the Vitro Acquisition, (2) foreign currency fluctuations relative to the U.S. dollar, (3) changes in capital availability or cost, including interest rate fluctuations and the ability of the Company to refinance debt at favorable terms, (4) 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, (5) the Company's ability to generate sufficient future cash flows to ensure the Company's goodwill is not impaired, (6) consumer preferences for alternative forms of packaging, (7) cost and availability of raw materials, labor, energy and transportation, (8) the Company's ability to manage its cost structure, including its success in implementing restructuring plans and achieving cost savings, (9) consolidation among competitors and customers, (10) the Company's ability to acquire businesses and expand plants, integrate operations of acquired businesses and achieve expected synergies, (11) unanticipated expenditures with respect to environmental, safety and health laws, (12) the Company's ability to further develop its sales, marketing and product development capabilities, (13) the Company's ability to prevent and detect cybersecurity threats against its information technology systems, (14) the Company's ability to accurately estimate its total asbestos-related liability or to control the timing and occurrence of events relates to asbestos-related claims, (15) changes in U.S. trade policies, (16) the Company's ability to achieve its strategic plan, and the other risk factors associated with the business described in the Company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC. 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.

Why Invest in O-I?

Investment Thesis

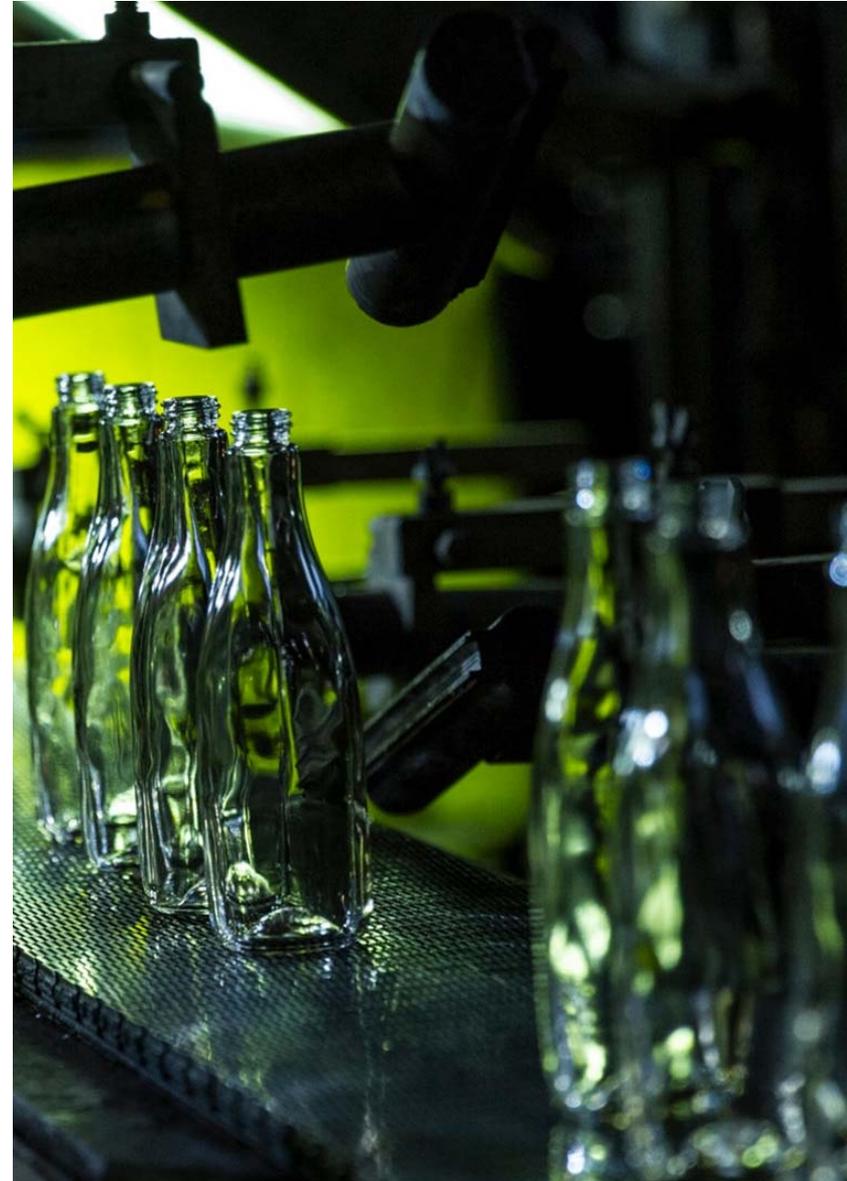
- Global leader in glass packaging
- Well positioned to modestly grow volume
 - Secular trends support glass growth
 - Select opportunities for smarter growth
 - Develop new business
- Improve commercial and end-to-end supply chain performance

Demonstrable Financial Impact

- Increase adjusted EPS¹
- Generate strong adjusted free cash flow²
- Deleverage balance sheet

¹ Adjusted EPS excludes items management does not consider representative of ongoing operations.

² Adjusted free cash flow is defined as cash provided by continuing operating activities less additions to property, plant and equipment plus asbestos-related payments.



Advancing Our Transformational Journey

Fixing Today's Business and Investing for the Future

STRATEGIC AMBITIONS

- The Preferred Glass Supplier
- Most Cost-Effective Producer
- Expand Segments and Markets

**ONE TEAM.
ONE ENTERPRISE.
ONE PLAN.**

People Leading Change

FOCUSED ACTIONS

- Customer-Centric
- Total Systems Cost
- Flexible, Integrated
- Results-Driven

BEHAVIORS

- Alignment
- Collaboration
- Accountability
- Leverage Scale and Knowledge

VALUE CREATION

- Shareholders
- Customers
- Employees

Unparalleled Global Reach with Leading Positions in Key Global Markets



- #1 position in Europe
- #1 position in North America
- #1 position in Australia and N. Zealand

- #1 position in Latin America
- Leading position within Southeast Asia
- Foothold in China

Plant count as of Dec. 31, 2016

O-I: Strong Franchise in Growing Markets

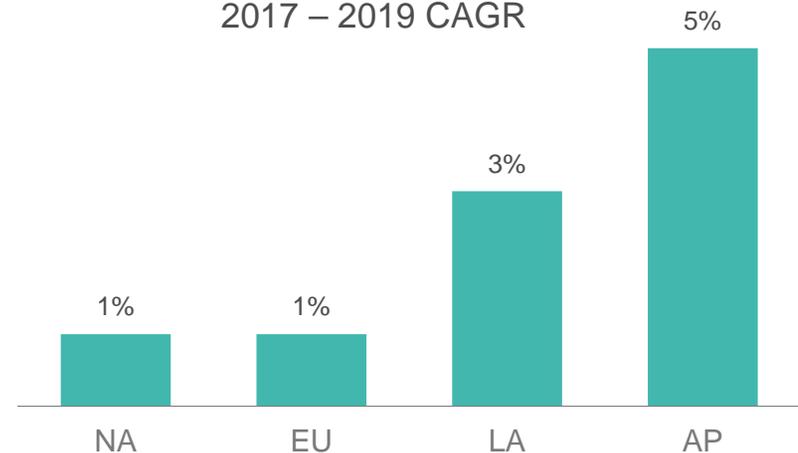
Trusted by the world's leading and emerging brands



Top 10 customers represent ~35% of global sales

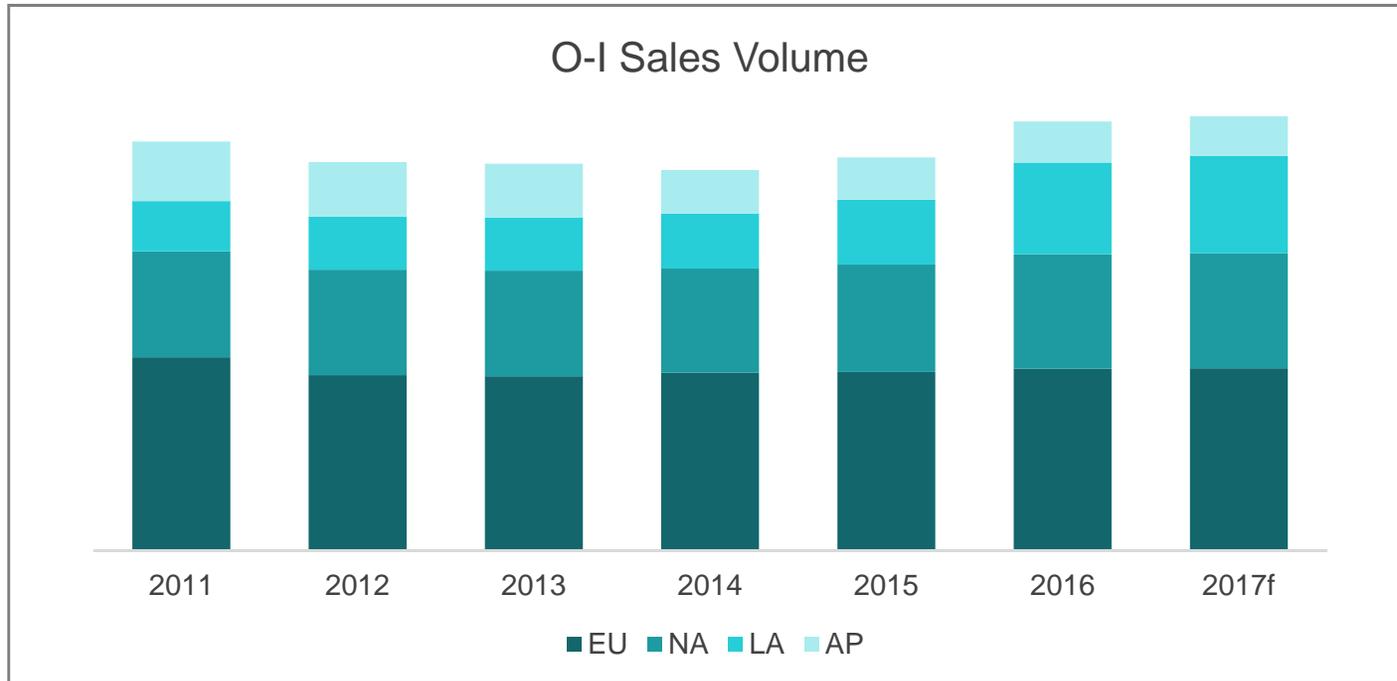
Globally, O-I markets are growing

Food & Beverage Markets
2017 – 2019 CAGR



Source: Euromonitor

O-I Sales Volume Growing



2016: Global sales volumes increased 9% from prior year

- Year-on-year growth in all major end use categories

2017 forecast: Expecting ~1% organic volume growth

Favorable End Market Demand Trends Continue

NORTH AMERICA

- Non-beer segments continue to grow
- Mainstream beer dynamics still challenging, yet continued strong performance in imports

EUROPE

- Supply/demand dynamics essentially unchanged
- Solid volume demand trends through the first half
- Constructive pricing environment for annual contracts

LATIN AMERICA

- Record demand in Mexico
- Early signs of recovery in Brazil
- Broad-based, low-single digit demand growth

ASIA PACIFIC

- Modest demand growth in AU and NZ
- Stronger growth trends in Southeast Asia

2017 Strategic Initiatives Drive Bottom Line Benefits



COMMERCIAL EFFORTS

Supporting market-plus volume growth in all regions

New business development adds ~80 bps in net sales growth year-to-date

- Continue to master Key Account Management
- Integrated approach to improve customer experience
- Enhance product innovation
- Building and strengthening strategic, long-term partnerships



TOTAL SYSTEMS COST

Expected to add \$35M-\$45M in operating profit in 2017

Delivered ~\$18M in 1H17

- Focus on lowering structural cost via end-to-end supply chain cost reduction
- Mastering enterprise-wide replication of best practices to improve:
 - Quality, flexibility, efficiency
 - Warehousing, logistics, sourcing



WORKING CAPITAL

Expected to be a \$50M source of cash in 2017

Inventory reduction on track through 2Q17

- Leveraging global supply chain team created in 2016
- Improving supply chain visibility through advanced analytics and technology
- Deploying supply-demand planning fundamentals

Beginning stages of organizational simplification

No Change to Guidance Ranges

Maintaining 3Q17 adjusted EPS guidance range of \$0.70 – \$0.75¹

- EU and LA performing modestly better-than-expected
- Incremental downward pressure in NA and AP, due to lower sales volumes and production downtime

2017 targets in line with (or better than) investor day targets

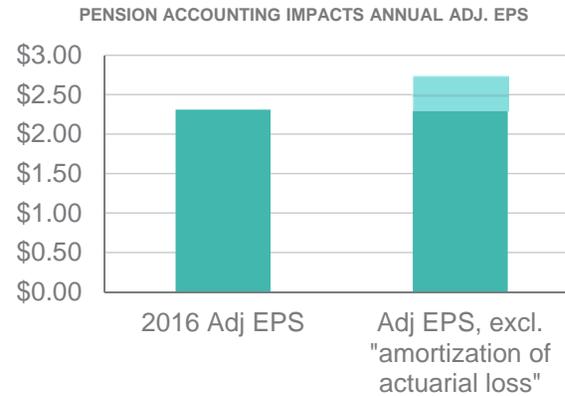
	2017 Targets	Comment
Adjusted EPS ²	\$2.55-\$2.65	Higher than I-Day
Adjusted free cash flow ²	~\$365M	Consistent with I-Day
Debt reduction (FX neutral)	~\$225M	Consistent with I-Day
Impact of strategic initiatives	\$35M-\$45M	Higher than I-Day
Organic volume growth	~ 1%	Consistent with I-Day
Segment operating profit margin expansion	~80 bps	Double initial I-Day target of 40 bps

¹ Expected 3Q17 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.

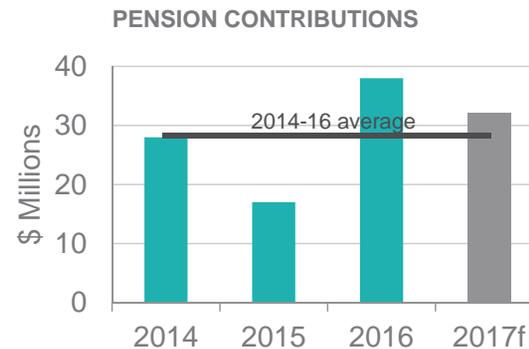
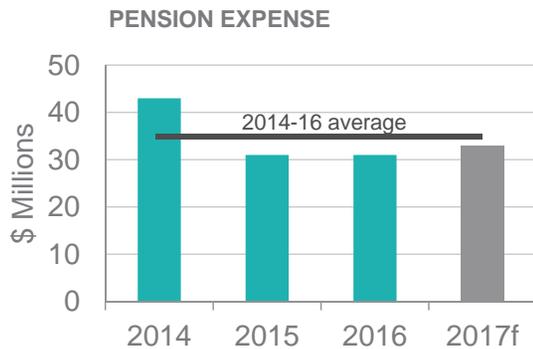
² See reconciliation tables in the appendix of this presentation.

Pension: Steady Despite Volatile Markets and Rates

- O-I pension expense and contributions continue to be stable
- Reducing risk profile of pension liabilities
- De-risking efforts reducing our sensitivity to changes in discount rates
- Sustained non cash pension expense reduces EPS by ~ \$0.40¹



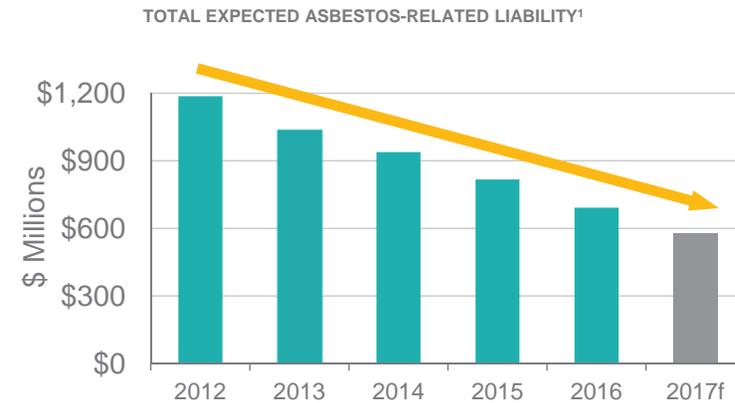
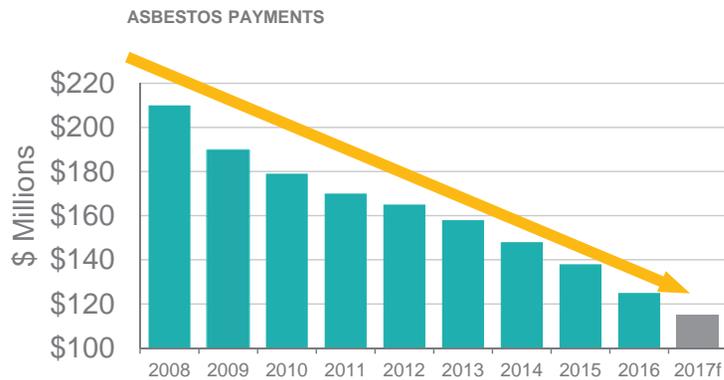
2017 pension contributions and expense expected to be similar to three year average



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

Continued Favorable Trends in Asbestos

- Annual comprehensive legal review yielded no change to liability in 2016
- Expecting \$10-15M reduction in asbestos payments in 2017 vs prior year
- Payments in 2016 were 40% lower than 2008
- Average age of claimant is >80 years old and continues to increase each year



¹ The Company's ultimate asbestos-related liability cannot be estimated with certainty. As part of its future comprehensive annual reviews, the Company will estimate its total asbestos-related liability and such reviews may result in adjustments to the liability accrued at the time of the review. The 2017 forecasted asbestos-related liability is calculated as the Dec. 31, 2016 asbestos-related liability less the forecasted 2017 asbestos payments and does not include an adjustment for asbestos-related costs at this time.

Appendix



Reconciliation to Expected Adjusted Earnings – FY17 Fcst

(Dollars in millions, except per share amounts)

Unaudited

	Current Guidance	
	Forecast for Year Ended December 31, 2017	
	Low End of Guidance Range	High End of Guidance Range
Earnings from continuing operations attributable to the Company	\$ 388	to \$ 405
Items management considers not representative of ongoing operations: ^(a)		
Restructuring, asset impairment and other charges ^(b)	49	49
Charges for note repurchase premiums and write-off of finance fees ^(b)	17	17
Tax expense (benefit) recorded for certain tax adjustments	(20)	(20)
Net benefit for income tax on items above ^(b)	(12)	(12)
Net impact of noncontrolling interests on items above ^(b)	(4)	(4)
Total adjusting items (non-GAAP)	<u>\$ 30</u>	<u>\$ 30</u>
Adjusted earnings (non-GAAP)	<u>\$ 418</u>	to <u>\$ 435</u>
Diluted average shares (thousands)	<u>164,000</u>	<u>164,000</u>
Earnings per share from continuing operations (diluted)	<u>\$ 2.37</u>	to <u>\$ 2.47</u>
Adjusted earnings per share (non-GAAP)	<u>\$ 2.55</u>	to <u>\$ 2.65</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 second quarter of 2017. Further actions may be taken in 2017.

Reconciliation to Adjusted Free Cash Flow

\$ Millions

Unaudited

	<u>2017</u> <u>Fcst</u>
Cash provided by continuing operating activities	~ \$ 750
Deduct: Additions to property, plant and equipment	~ (500)
Add: Asbestos-related payments	~ <u>115</u>
Adjusted free cash flow (non-GAAP)	~ <u><u>\$ 365</u></u>
Cash utilized in investing activities	<u>(a)</u>
Cash provided by (utilized in) financing activities	<u>(a)</u>

(a) Forecasted amounts are not yet determinable at this time.

Note: Management defines adjusted free cash flow as cash provided by continuing operating activities less additions to property, plant and equipment plus asbestos-related payments (all components as determined in accordance with GAAP).

Impact from Currency Rates

Approximate annual translation impact on EPS from 10% FX change	
Euro	\$0.08
Mexican peso	\$0.04
Brazilian real	\$0.03
Colombian peso	\$0.01
AU & NZ dollar	\$0.04