

O-I Earnings Call
1st Quarter 2007
April 26, 2007

Core Management Priorities

- **Increase prices near term to offset inflationary pressures - past and present**
- **Improve liquidity – reduce leverage**
- **Achieve successful European integration**
- **Improve system cost and capital capabilities**
- **Implement global procurement initiatives**
- **Modest growth momentum**

Reconciliation of GAAP to non-GAAP Items

1st Quarter 2007 and 1st Quarter 2006

\$ Millions, except per share amounts

	Three months ended March 31,			
	2007		2006	
	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>
Net earnings	\$ 53.2	\$ 0.30	\$ 24.3	\$ 0.12
Items that management considers not representative of ongoing operations (consistent with Segment Operating Profit):				
Loss from mark to market effect of natural gas hedge contracts			3.3	0.02
Net earnings exclusive of above item	<u>\$ 53.2</u>	<u>\$ 0.30</u>	<u>\$ 27.6</u>	<u>\$ 0.14</u>

Net Sales Reconciliation

1st Quarter 2006 vs. 1st Quarter 2007

\$ Millions	Glass Containers	Plastics Packaging	Total
	<u> </u>	<u> </u>	<u> </u>
2006 Net sales	\$ 1,488.7	\$ 199.6	\$ 1,688.3
Sales volume	55.6	5.0	60.6
Price and product mix	61.2	1.2	62.4
Resin effects		(6.3)	(6.3)
Currency translation	78.5		78.5
Divestitures - Australia plastics		(7.9)	(7.9)
Contract Mfg - blow-molded plastics		(3.3)	(3.3)
Total reconciling items	<u>195.3</u>	<u>(11.3)</u>	<u>184.0</u>
2007 Net sales	<u><u>\$ 1,684.0</u></u>	<u><u>\$ 188.3</u></u>	<u><u>\$ 1,872.3</u></u>

Segment Operating Profit Reconciliation

1st Quarter 2006 vs. 1st Quarter 2007

\$ Millions	Glass Containers	Plastics Packaging	Other Retained Items	Total
2006 Segment Operating Profit	\$ 166.2	\$ 31.7	\$ (23.3)	\$ 174.6
Sales volume	18.1	1.1		19.2
Price and product mix	61.5	2.1		63.6
Productivity and production volume	28.3	(0.8)		27.5
Manufacturing inflation net of cost savings	(31.3)	(1.1)		(32.4)
Warehouse, delivery and other costs	(29.6)	(0.4)		(30.0)
Operating expenses	(1.0)	(0.2)	(0.3)	(1.5)
Accrual for self-insured risks			(5.8)	(5.8)
Currency translation	8.0			8.0
All other	(3.3)	(1.9)	(3.5)	(8.7)
Total reconciling items	50.7	(1.2)	(9.6)	39.9
2007 Segment Operating Profit	\$ 216.9	\$ 30.5	\$ (32.9)	\$ 214.5

EPS Reconciliation

1st Quarter 2006 vs. 1st Quarter 2007

2006 EPS exclusive items that management considers not representative of ongoing operations		\$ 0.14
Reconciling items:		
Sales volume	0.08	
Price and product mix	0.25	
Productivity and production volume	0.11	
Manufacturing inflation net of cost savings	(0.13)	
Warehouse, delivery and other costs	(0.12)	
Operating expenses	(0.01)	
Accrual for self-insured risks	(0.02)	
Currency translation	0.03	
Effective tax rate	0.00	
All other	(0.03)	
Total reconciling items	0.16	0.16
2007 EPS exclusive items that management considers not representative of ongoing operations		\$ 0.30

Free Cash Flow

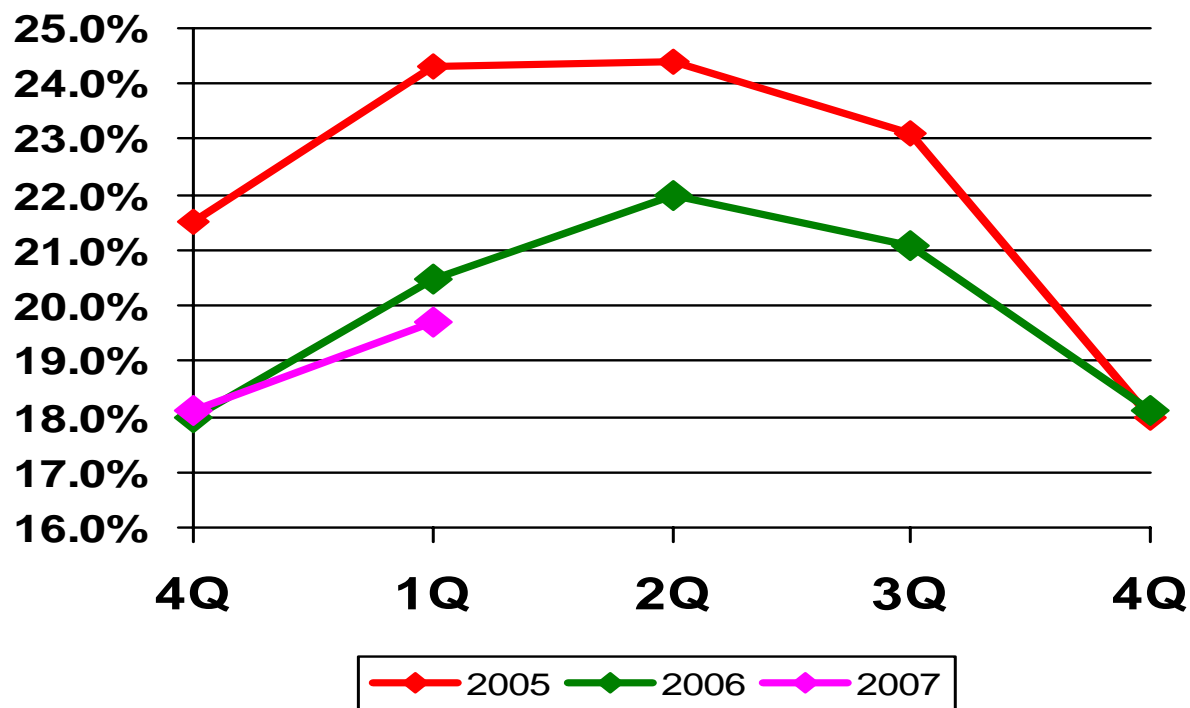
1st Quarter 2007 vs. 1st Quarter 2006

\$ Millions	Three months ended March 31,	
	2007	2006
Net earnings	\$ 53.2	\$ 24.3
Depreciation and amortization	119.8	127.6
Change in components of working capital	(186.1)	(363.3)
Asbestos-related payments	(41.0)	(41.0)
Mark to market effect of nat. gas hedge contracts		3.5
Change in non-current assets, liabilities & other	10.0	(25.5)
Cash utilized in operating activities	(44.1)	(274.4)
Collections on receivables arising from consolidation of receivables securitization		122.8
Additions to property, plant, and equipment	(41.4)	(53.4)
Free Cash Flow ⁽¹⁾	\$ (85.5)	\$ (205.0)

(1) Management defines Free Cash Flow as cash provided by operating activities plus collections on receivables arising from securitization less capital spending

Management Working Capital as a % of Sales

Working Capital as % of Last Twelve Months Sales



(1) Management working capital = accounts receivable, plus inventory and repair parts, less accounts payable.

(2) The working capital values prior to 4Q 2005 have been adjusted to reflect the European accounts receivable securitization program, which was off-balance sheet prior to that time.