Owens-Illinois Announces Terms of Debenture Purchase

May 21, 1997

TOLEDO, Ohio, May 21 /PRNewswire/ -- Owens-Illinois, Inc., (NYSE: OI) announced today that it has determined the price on its previously announced offer to purchase its outstanding 11% Senior Debentures due 2003, pursuant to the Offer to Purchase and Consent Solicitation Statement dated April 25, 1997.

The Total Consideration for each $1,000 principal amount of 11% Senior Debentures validly tendered and consented prior to 5 p.m., New York City time, on May 9, 1997, will be $1,115.60 (such payment includes a $20.00 Consent Payment). Holders who tender after 5 p.m., New York City time, on May 9, 1997, but prior to the Expiration Date will receive the Tender Consideration of $1,095.60 only. In each case the consideration will be in addition to accrued and unpaid interest to the payment date. The assumed payment date for calculation purposes was May 23, 1997. The reference yield on the 7 3/4% U.S. Treasury note due November 30, 1999, as of 4 p.m. New York City time, on May 20, 1997, was 6.32%.

The tender offer is currently scheduled to expire at midnight, New York City time, on May 22, 1997, unless extended. Holders of the 11% Senior Debentures who have not already done so must properly tender their Debentures in the offer on or prior to the Expiration Date in order to be eligible to receive the tender offer consideration.

Requests for information or documents should be directed to Lehman Brothers at 800-438-3242 or 212-528-7581, or Morgan Stanley & Co. Incorporated at 212-761-4000 (the Co-Dealer Managers) or MacKenzie Partners, Inc., at 800- 322-2885, or 212-929-5500 (the Information Agent).

Owens-Illinois is one of the world's leading manufacturers of packaging products. It is the largest manufacturer of glass containers in the United States, North America, South America, and India, and the second largest in Europe. Approximately one of every two glass containers made worldwide is made by Owens-Illinois, its affiliates, or its licensees. The company also manufactures plastic containers, plastic closures, plastic prescription containers, labels, and multipack plastic carriers for beverage containers.
SOURCE Owens-Illinois, Inc.
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