Owens-Illinois to Complete $1.9 Billion Refinancing Plan by Redeeming $100 Million of Senior Subordinated Notes

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TOLEDO, Ohio, Sept. 2 /PRNewswire/ -- Owens-Illinois, Inc., (NYSE: OI) today announced that it will call for redemption all $100 million principal amount of its 9.95% Senior Subordinated Notes due 2004. The Notes will be redeemed on October 15, 1997, at a redemption price of 104.975% of the principal amount plus accrued interest to the redemption date, as provided in the terms of the notes. Holders will receive formal notice of the redemption from Harris Trust and Savings Bank, trustee for the 9.95% Senior Subordinated Notes.

The redemption of the 9.95% Senior Subordinated Notes will complete the company's plan to reduce interest expense and improve its financial flexibility by refinancing more than $1.9 billion of debt securities with interest rates ranging from 9.75% to 11%. The refinancing is being funded with proceeds from the company's recent public offerings of lower-coupon debt and common stock, along with additional borrowings under its amended bank credit facility. The public offerings, completed in May and June, included $300 million principal amount of 7.85% Senior Notes due 2004, $300 million principal amount of 8.10% Senior Notes due 2007, and 16.9 million shares of common stock.

Under the plan, announced in April, the company has refinanced the following amounts of outstanding indebtedness, as announced previously.

* May 23 -- purchased $957,354,500 aggregate principal amount of its 11% Senior Debentures due 2003 pursuant to a tender offer and consent solicitation.

* June 16 -- redeemed all $250 million of its 10-1/4% Senior Subordinated Notes due 1999 and all $150 million of its 10-1/2% Senior Subordinated Notes due 2002.

* August 1 -- redeemed all $250 million of its 10% Senior Subordinated Notes due 2002.

* August 15 -- redeemed all $200 million of its 9-3/4% Senior Subordinated Notes due 2004.

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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