Owens-Illinois Reports First Quarter Results

April 19, 2000

TOLEDO, Ohio, April 19 /PRNewswire/ -- Owens-Illinois, Inc., (NYSE: OI) today reported net earnings of $58.7 million, or $0.36 per share (diluted), for the first quarter of 2000. In 1999, the company reported first quarter net earnings of $69.3 million, or $0.41 per share (diluted). First quarter net sales rose to $1.346 billion, up from $1.307 billion in the prior year.

Joseph H. Lemieux, Owens-Illinois chairman and chief executive officer, said, "Our first quarter results were much as we expected, as our worldwide glass containers and plastics packaging segments both benefited from increased unit shipments and net sales. Earnings continue to be adversely affected by weak macroeconomic conditions in Eastern Europe and South America. However, we continue to see signs of economic recovery in South America and expect our operations there to report improved year-over-year results beginning in the second quarter of this year. Our first quarter results also were hurt by cost increases for energy, currency effects in Europe, and by increased interest expense resulting from higher interest rates."

The glass containers segment reported EBIT of $135.0 million for the first quarter of 2000 compared with EBIT of $140.3 million for the first quarter of 1999. (EBIT consists of consolidated earnings before interest income, interest expense, provision for income taxes, and minority share owners' interests in earnings of subsidiaries.) Net sales for the glass containers segment were $883.9 million for the first quarter of 2000, up from net sales of $873.1 million in the first quarter of 1999.

The domestic glass container operations achieved increased year-over-year sales and EBIT, resulting principally from improved productivity and continued strong demand for beer and wine bottles.

Several of the European glass container businesses experienced strong increases in unit shipments on a year-over-year basis, led by the company's largest European operation, its affiliate in Italy. Reported results of the European glass container operations were affected adversely by the strength of the U.S. dollar compared with the Euro.

The Asia Pacific glass container businesses recorded good year-over-year increases in unit shipments, led by continued strong results in China. These increases were achieved despite temporarily reduced production in Australia during the scheduled rebuild of a major glass melting furnace.

As expected, first quarter results of the South American glass container operations trailed those of the first quarter of 1999, when the severe macroeconomic conditions affecting many South American countries were becoming apparent in Venezuela. In some parts of South America, conditions showed improvement in the first quarter of this year. Glass container shipments in Brazil increased on a year-over-year basis for the fourth straight quarter, and the Colombian operations had improved year-over-year shipments for the first time in nine quarters.

The plastics packaging segment had net sales of $443.2 million and EBIT of $71.5 million in the first quarter of 2000, compared with net sales of $415.3 million and EBIT of $79.7 million in the 1999 first quarter.

Increased shipments of food and beverage closures contributed to improved results for the closure and specialty products operations. Strong year-over- year improvements by plastics packaging operations in the Asia Pacific and Latin American regions also contributed to first quarter results.

Shipments of custom polyethylene terephthalate (PET) containers increased at double-digit percentage rates, both in the United States and abroad. First quarter 2000 results of the custom PET operations were adversely affected by start-up costs for a new manufacturing plant in the U.S. and higher overall costs associated with the addition of new capacity at existing plants and the introduction of new products.

Results of the prescription products operations compared unfavorably to those of the first quarter of 1999, when shipments reached all-time record levels, due in part to a severe cold and flu season.

As announced previously, the company was authorized in May 1999 to repurchase up to 10 million shares of common stock and in February 2000 to repurchase up to an additional 10 million shares. To date, Owens-Illinois has repurchased approximately 10.2 million shares. The company intends to continue to repurchase its stock from time to time on the open market, depending on market conditions and other considerations.

Forward-Looking Statements

This news release may contain "forward looking" statements as defined in the Private Securities Litigation Reform Act of 1995. Forward looking statements reflect the Company's best assessment at the time, and thus involve uncertainty and risk. It is possible the Company's future financial performance may differ from expectations due to a variety of factors such as those described in the Company's 1999 Form 10-K filed with the Securities and Exchange Commission. 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 intend to update any particular forward looking statements contained in this news release.

Owens-Illinois Profile

Owens-Illinois is the largest manufacturer of glass containers in North America, South America, Australia, New Zealand, and China, and one of the largest in Europe. O-I also is a worldwide manufacturer of plastics packaging with operations in North America, South America, Australia, Europe, and Asia. Plastics packaging products manufactured by O-I include containers, closures, and prescription containers.

Conference Call

A conference call to discuss first quarter results will be held Thursday, April 20, 2000, at 8:30 a.m., EDT. To listen to this call, dial 888-733-1701 and ask for the Owens-Illinois conference call. The conference call also will be broadcast live over the Internet. To access the call, go to the Owens- Illinois

website at www.o-i.com and click on "Investor Information," or log on to the web at: http://www.videonewswire.com/OWENSILLINOIS/042000/.

OWENS-ILLINOIS, INC.
Condensed Consolidated Results of Operations
(Millions of dollars, except per share amounts)

	Three Months ended March 31, 2000	1999
Revenues:		
Net sales	$1,345.6	$1,307.0
Royalties and net technical assistance	7.2	7.0
Equity earnings	3.3	4.5
Interest	6.8	5.8
Other	47.2	29.0
Total	1,410.1	1,353.3
Costs and expenses:		
Manufacturing, shipping, and delivery	1,045.9	999.8
Research and development	10.5	9.6
Engineering	11.8	9.4
Selling and administrative	75.3	66.6
Interest	115.2	105.2
Other	50.1	43.5
Total	1,308.8	1,234.1
Earnings before items below	101.3	119.2
Provision for income taxes	40.5	46.2
Minority share owners' interests in earnings of subsidiaries	2.1	3.7
Net earnings	58.7	69.3
Preferred stock dividends:		
Convertible	(5.4)	(5.4)
Exchangeable	(.1)	(.2)
Net earnings available to common share owners	53.2	63.7
Effect of dilutive securities - Exchangeable preferred stock dividends	.1	.2
Net earnings used in diluted earnings per share calculation	$ 53.3	$ 63.9
Basic net earnings per share of common stock	$ 0.36	$ 0.41
Weighted average shares outstanding (000s)	146,585	155,611
Diluted net earnings per share of common stock	$ 0.36	$ 0.41
Diluted average shares (000s)	147,184	157,110

OWENS-ILLINOIS, INC.
Consolidated Supplemental Financial Data
(Preliminary - subject to change)

(Millions of dollars)

	Three Months ended March 31, 2000	1999
Net sales:		
Glass Containers	$ 883.9	$ 873.1
Plastics Packaging	443.2	415.3
Other	18.5	18.6
Segment and consolidated net sales	$1,345.6	$1,307.0
EBIT(a):		
Glass Containers	$ 135.0	$ 140.3
Plastics Packaging	71.5	79.7
Other	(.1)	1.7
Segment EBIT	206.4	221.7
Eliminations and other retained costs	3.3	(3.1)
Consolidated EBIT	$ 209.7	$ 218.6
Amortization of deferred costs	$ 36.3	$ 34.3
Depreciation	$ 104.3	$ 102.4
Additions to property, plant, and equipment	$ 134.8	$ 101.8

	March 31, 2000	March 31, 1999
Total debt	$6,003.1	$5,951.4
Share owners' equity	$2,364.9	$2,410.3

(a) -- EBIT consists of consolidated earnings before interest income, interest expense, provision for income taxes, and minority share owners' interests in earnings of subsidiaries.

SOURCE Owens-Illinois, Inc.

Web site: http: //www.O-I.com

Company News On-Call: http: //www.prnewswire.com/comp/117254.html or fax, 800-758-5804, ext. 117254

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