Owens-Illinois Comments on Expected Results; Announces Q4 Earnings Conference Call

January 24, 2001

TOLEDO, Ohio, Jan. 24 /PRNewswire/ -- Owens-Illinois, Inc., (NYSE: OI) today announced that higher energy costs and the weakness of foreign currencies, which adversely affected the company's operating results throughout the past year, are continuing to have a negative impact in the first quarter of 2001. As a result, the company expects that operating earnings for the first quarter of 2001 will be below those of the prior year period. In the first quarter of 2000 the company reported net earnings of $0.36 per share (diluted).

The company also expects that operating earnings for the fourth quarter of 2000 will be below prior year levels. Despite increased unit shipments by the company's worldwide glass containers and plastics packaging operations, earnings for the fourth quarter will be approximately one half of prior year levels, based on preliminary results. In the fourth quarter of 1999 the company reported earnings before extraordinary items of $0.24 per share (diluted).

Rapidly rising energy costs and foreign currency weakness had increasingly adverse effects on the company's results in each successive quarter during the year 2000 and are continuing to contribute to adverse year-over-year comparisons in the first quarter of 2001. Natural gas prices reached their highest level of the year 2000 in the fourth quarter. Present natural gas prices in the United States are over twice as high as their average level during the first quarter of 2000. In addition, at current U.S. dollar exchange rates, the values of key currencies such as the Australian dollar, the euro, and the pound sterling range from approximately 8% to 15% lower than they were in the first quarter of 2000.

The company has been able to offset a portion of its increased energy costs through price adjustments, although these adjustments lag behind recent natural gas price changes.

The strength of the U.S. dollar against foreign currencies adversely affected the company's year-over-year EBIT comparisons by more than $30 million in 2000, including approximately $15 million in the fourth quarter alone. (EBIT consists of consolidated earnings before interest income, interest expense, provision for income taxes, and minority share owners' interests in earnings of subsidiaries.)

In the fourth quarter of 2000, the Australian dollar, the euro, and the pound sterling all hit lows for the year compared with the value of the U.S. dollar. Although these currencies strengthened slightly near the end of 2000, their recovery was too small and too late to offset their adverse effects for most of the quarter. Furthermore, even after the improvement, these exchange rates remain well below the average rates in the fourth quarter of 1999 and first quarter of 2000.

Earnings Conference Call

Owens-Illinois expects to issue a news release announcing fourth quarter and full year 2000 financial results after 5 p.m. (Eastern Time) on January 31. The company will hold a conference call on February 1 at 8:30 a.m. (Eastern Time) to discuss these financial results.

To listen to the conference call, please dial 888-733-1701 (U.S. and Canada) or 706-634-4943 (International) by 8:20 a.m. (Eastern Time) on February 1. Ask for the Owens-Illinois conference call.

A replay of the call will be available from approximately 11:30 a.m. (Eastern Time) on February 1 through February 9. To access the replay, please dial 800-642-1687 (U.S. and Canada) or 706-645-9291 (International). The conference ID number to access the replay is 840589.

In addition, a live webcast and a replay of the conference call will be available on the Internet at the Owens-Illinois web site (www.o-i.com). The replay will be available through February 9.

Company 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.

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 September 30, 2000 Form 10-Q 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.

Copies of Owens-Illinois news releases are available at the Owens-Illinois web site at www.o-i.com; or at www.prnewswire.com; or by fax at Company News on Call, 800-758-5804, Extension 117254. To contact Owens-Illinois investor relations, dial 419-247-2400.
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
CONTACT: John Hoff of Owens-Illinois, 419-247-1203