Owens-Illinois Solicits Consents from Holders of Debt Securities

May 25, 2001

TOLEDO, Ohio, May 25 /PRNewswire/ -- Owens-Illinois, Inc., (NYSE: OI) today announced that it has commenced a solicitation of consents from the holders of its senior notes and debentures in connection with proposed amendments to the indentures governing these securities.

As announced previously, the company, and two of its principal subsidiaries, in connection with its subsidiaries' recent bank financing, is offering to secure its obligations under the indentures and the securities with second liens on the intercompany debt and capital stock held by the two principal subsidiaries that own its glass container and plastics packaging businesses. In addition, the two principal subsidiaries are offering to guarantee the senior notes and debentures on a subordinated basis.

If the company receives consents from holders representing a majority of the principal amount with respect to any series of securities, the company intends to execute promptly (and in any event on or prior to the Expiration Date) a supplemental indenture with the trustee under the applicable indenture that will enact the proposed amendments with respect to such series of securities. However, the proposed amendments as to any series of securities will not become operative unless and until the company has obtained the requisite consent from each series of securities. Once a supplemental indenture has been executed, a holder's consent is irrevocable.

The consent solicitation involves six series of senior notes and debentures with an aggregate principal amount of $1.7 billion. These securities include:

$300 million of 7.85% Senior Notes due 2004,
$300 million of 8.10% Senior Notes due 2007,
$350 million of 7.15% Senior Notes due 2005,
$250 million of 7.35% Senior Notes due 2008,
$250 million of 7.50% Senior Debentures due 2010, and
$250 million of 7.80% Senior Debentures due 2018.

The company is seeking consents from holders of record of the notes and debentures as of the close of business on May 25, 2001. Each of the consent solicitations is scheduled to expire at 5:00 p.m., New York City time, on June 26, 2001, unless extended.

The company has received informal and unsolicited indications from debt- securities holders representing approximately $270 million or more aggregate principal amount of the six series of senior notes and debentures that they intend to consent to the proposed amendments.

The company has retained MacKenzie Partners, Inc., as the Information, Consent and Tabulation Agent for the consent solicitation. Any questions or requests for assistance or additional copies of consent solicitation materials may be directed to MacKenzie Partners at (212) 929-5500 (call collect) or 800-322-2885 or by e-mail at proxy@mackenziepartners.com.

Owens-Illinois announced on April 26 that certain of its subsidiaries had entered into new three-year senior secured bank credit facilities totaling $4.5 billion. Borrowings under these new facilities are secured by substantially all the assets of the company's domestic subsidiaries and certain foreign subsidiaries. Borrowings under the new facilities also are secured by a pledge of the intercompany debt and equity in most of the domestic subsidiaries and certain stock in certain foreign subsidiaries. Proceeds from borrowings under the new facilities were used to terminate the company's previous $4.5 billion credit facility, which had been unsecured.

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 March 31, 2001 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.

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.

Copies of Owens-Illinois news releases are available at the Owens-Illinois web site at www.o-i.com or at www.prnewswire.com. To contact Owens-Illinois investor relations, dial 419-247-2400.

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