Owens-Illinois to Appeal Denial of Motion to Dismiss

January 15, 2002

TOLEDO, Ohio, Jan. 15 /PRNewswire-FirstCall/ -- Owens-Illinois, Inc. (NYSE: OI) today announced that it intends to appeal the denial of its motion to dismiss by the Supreme Court of the State of New York in the matter of Murray Capital Management, Inc. vs. Owens-Illinois, Inc.

Murray Capital, an investor specializing in the acquisition of distressed debt securities, sued Owens-Illinois and an affiliate of one of its lead lenders under its bank credit facility, Deutsche Bank AG, in March 2001 in connection with Murray Capital's purchase in early 2001 of approximately $4.5 million of Owens-Illinois' 7.85 % Senior Notes due 2004 and 8.10% Senior Notes due 2007. Murray's complaint asserts causes of action for fraud, negligent misrepresentation, declaratory and equitable relief, reformation and intentional fraudulent transfer.

Certain of Owens-Illinois' subsidiaries completed a refinancing of Owens-Illinois' bank credit facility on a secured basis in April 2001. In its complaint, Murray Capital claims, among other things, that Owens-Illinois' subsidiaries cannot grant security interests to the lenders under the restructured credit facility without securing the $1.7 billion of outstanding public debt securities of Owens-Illinois on an equal and ratable basis. Owens believes that the lien covenant in the indentures in question allows it to secure indebtedness of its subsidiaries without equally and ratably securing the Owens-Illinois debt securities. In June 2001, with the permission of its lender syndicate, Owens-Illinois secured the $1.7 billion of its outstanding public debt securities, including the debt securities owned by Murray Capital, on a second priority basis with a portion of the collateral securing the obligations under the secured credit agreement and had two of its principal subsidiaries guarantee those debt securities on a subordinated basis.

Owens-Illinois intends to appeal the decision of the Supreme Court of the State of New York because it believes that the claims are without merit and should be dismissed. Owens-Illinois believes that the terms of the indenture do not prevent O-I's subsidiaries from securing their own debt. In addition, Murray Capital is barred from bringing the action under the terms of the indenture.

Owens-Illinois expects to be successful in its appeal and to have the claims dismissed. If this order is not reversed upon appeal, O-I intends to vigorously defend this lawsuit and believes it should prevail at trial.

Company Profile

Owens-Illinois is the largest manufacturer of glass containers in North America, South America, Australia and New Zealand, and one of the largest in Europe. O-I also is a worldwide manufacturer of plastics packaging, with operations in North America, South America, Europe, Australia and New Zealand. 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, 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.

Copies of Owens-Illinois news releases are available at the Owens-Illinois web site at www.o-i.com; or at www.prnewswire.com.

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