# Owens-Illinois Reports Second Quarter Results

July 23, 2002

TOLEDO, Ohio, July 23 /PRNewswire-FirstCall/ -- Owens-Illinois, Inc., (NYSE: OI) today reported net earnings of $96.9 million, or $0.62 per share (diluted) for the second quarter of 2002. This represents a 15% increase over second quarter 2001 earnings of $0.54 per share (diluted) before unusual and extraordinary items and goodwill amortization.

The year-over-year increase in second quarter results was principally due to improved business fundamentals, lower energy costs, the incremental benefit of the Canadian glass container acquisition, favorable foreign currency translation rates, and lower interest expense. Partially offsetting was the absence of the Harbor Capital Advisors business, which was sold in the second quarter a year ago. The second quarter also showed lower asbestos spending.

Joseph H. Lemieux, Owens-Illinois chairman and chief executive officer, said, "We have now achieved improved year-over-year operating results for each of the past four quarters, and we are well-positioned to continue that trend. Our worldwide unit shipments in both glass and plastics grew by more than 6% during the second quarter. We expect to maintain sales unit volume growth going forward, and we will continue to improve productivity and drive down costs."

For the second quarter of 2001, the Company reported net earnings of $243.5 million, or $1.58 per share (diluted). The 2001 second quarter results included a gain on the sale of the Harbor Capital Advisors business and several unusual and extraordinary charges. Excluding all of these items, the Company reported earnings per share of $0.38 (diluted). In addition, goodwill amortization in the second quarter of 2001 amounted to $0.16 per share. O-I discontinued the amortization of goodwill effective January 1, 2002, upon the adoption of SFAS 142.

Second quarter 2002 net sales were $1.497 billion, compared to $1.390 billion in the prior year. Consolidated EBIT was $249.6 million compared with adjusted EBIT (excluding unusual items and goodwill amortization) of $235.6 million in the second quarter of 2001. (EBIT consists of consolidated earnings before interest income, interest expense, provision for income taxes, minority shareowners' interests in earnings of subsidiaries, and extraordinary items.) EBIT improvements resulting from increased unit shipments, lower energy costs, the Canadian glass container operations acquired in the fourth quarter of 2001, and favorable foreign currency translation rates were partially offset by lower pension income, competitive pricing in certain product lines and the absence of the Harbor Capital Advisors business, which was sold in the second quarter of 2001.

Interest expense, excluding the 2001 unusual item, decreased $6.7 million to $106.2 million in the second quarter of 2002 from the second quarter of 2001. The effects of lower short-term variable interest rates and slightly lower average debt levels were partially offset by the January 2002 issuance of $1 billion principal amount of 8-7/8% Senior Secured Notes due 2009. Proceeds from the Senior Secured Notes were used to reduce a variable-rate term loan under the bank credit facility.

Business Review

The Glass Containers segment reported second quarter net sales of $1.026 billion versus $899.7 million in the second quarter of 2001, and EBIT of $192.9 million compared with EBIT, excluding unusual items and goodwill amortization, of $164.9 million in the second quarter of 2001. These increases in sales and EBIT reflect the Canadian operations acquired in the fourth quarter of 2001, higher unit shipments, improved pricing, and favorable foreign currency translation rates in Europe and the Asia Pacific region.

The North American glass container operations achieved year-over-year increased unit shipments, sales and EBIT. The favorable EBIT results were due principally to lower energy costs and improved pricing. The Canadian operations also contributed significantly to the year-over-year sales and EBIT increases.

The South American glass container operations reported higher sales and EBIT principally due to higher unit shipments. EBIT also benefited from lower raw material and manufacturing costs. These favorable effects more than offset weakness in certain South American currencies.

The European glass container operations reported higher sales and EBIT as a result of favorable foreign currency translation rates and modestly improved pricing. Unit sales volumes in the second quarter of 2002 approximately equaled the record unit sales volumes achieved in the second quarter of 2001. EBIT also benefited from improved productivity, principally in Italy.

In the Asia/Pacific glass container operations, higher wine sales in Australia and New Zealand and strong demand for beer in China, coupled with favorable foreign currency translation rates, contributed to higher sales and EBIT.

For the second quarter of 2002, the Plastics Packaging segment reported net sales of $471.0 million and EBIT of $78.2 million. This compares with net sales of $490.1 million and adjusted EBIT of $79.5 million in the second quarter of 2001. Lower resin prices, which are typically passed through to customers, reduced second quarter 2002 sales by approximately $13 million, compared with the prior year period. The decline in net sales of the Plastics Packaging segment also reflected lower unit pricing in some product lines. Effects of competitive pricing were offset by lower costs and improved manufacturing performance. Worldwide unit shipments were up in all business units.

Six-Month Results

For the first six months of 2002, the Company reported a net loss of $608.4 million, or $4.23 per share. Excluding the effects of unusual and extraordinary items and the change in method of accounting for goodwill, first-half 2002 earnings were $167.1 million, or $1.06 per share (diluted). This compares to reported earnings for the first half of 2001 of $292.4 million, or $1.90 per share (diluted). Excluding extraordinary, unusual, other largely one-time items, and goodwill amortization of $46.2 million, earnings from operations for the first half of 2001 were $143.7 million, or $0.92 per share (diluted).

Asbestos-Related Costs

Asbestos-related payments for the second quarter were $50.4 million, a reduction of $6.2 million, or 11%, from the second quarter of 2001. The Company expects that asbestos-related payments will be moderately lower in 2002 than in the prior year, when such payments totaled $245.9 million. The Company anticipates that cash flows from operations and other sources will be sufficient to meet all asbestos-related obligations. Also in the second quarter of 2002, the Company collected $14.5 million in asbestos-related insurance proceeds. The remaining receivable for asbestos-related insurance is $22.5 million, which the Company expects to receive over the next several years.

Forward Looking Statements

This news release may contain "forward looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. 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 including, but not limited to the following: (1) foreign currency fluctuations relative to the U.S. dollar, (2) change in capital availability or cost, including interest rate fluctuations, (3) the general political, economic and competitive conditions in markets and countries where the Company has operations, including competitive pricing pressures, inflation or deflation, and changes in tax rates, (4) consumer preferences for alternative forms of packaging, (5) fluctuations in raw material and labor costs, (6) availability of raw materials, (7) costs and availability of energy, (8) transportation costs, (9) consolidation among competitors and customers, (10) the ability of the Company to integrate operations of acquired businesses, (11) the performance by customers of their obligations under purchase agreements, and (12) the timing and occurrence of events which are beyond the control of the Company. It is not possible to foresee or identify all such factors. Any forward looking statements in this news release are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments, and other factors it believes are appropriate in the circumstances. 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 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 consumer products (blow molded containers, injection molded closures and dispensing systems) and prescription containers.

Conference Call

As announced previously, a conference call to discuss the Company's latest results will be held Wednesday, July 24, at 10:00 a.m., Eastern Time. 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 conference call also may be accessed by dialing 888-733-1701 (U.S. and Canada) or 706-634-4943 (International) by 9:50 a.m. (Eastern Time) on July 24. Ask for the Owens- Illinois conference call. A replay of the call will be available from approximately 1:00 p.m. (Eastern Time) on July 24 through August 2. In addition to the Owens-Illinois web site, the replay also may be accessed by dialing 800-642-1687 (U.S. and Canada) or 706-645-9291 (International). The conference ID number to access the replay is 4750638.

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

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

| | Three Months ended June 30, | |
|---|---|---|
| | 2002 | 2001 |
| Revenues: | | |
| Net sales | $1,497.3 | $1,389.8 |
| Royalties and net technical assistance | 6.3 | 7.5 |
| Equity earnings | 6.2 | 5.3 |
| Interest | 6.6 | 8.4 |
| Other(a) | 6.6 | 482.3 |
| | 1,523.0 | 1,893.3 |
| Costs and expenses: | | |
| Manufacturing, shipping, and delivery | 1,153.1 | 1,083.3 |
| Research and development | 9.2 | 10.2 |
| Engineering | 9.7 | 7.9 |
| Selling and administrative (b) | 83.9 | 101.5 |
| Interest (c) | 106.2 | 116.9 |
| Other (d) | 10.9 | 131.5 |
| | 1,373.0 | 1,451.3 |

| | | |
|---|---|---|
| Earnings before items below | 150.0 | 442.0 |
| Provision for income taxes (e) | 47.3 | 193.1 |
| Minority share owners' interests in earnings of subsidiaries | 5.8 | 1.3 |
| Earnings before extraordinary item | 96.9 | 247.6 |
| Extraordinary charge from early extinguishment of debt, net of applicable income taxes (f) | | (4.1) |
| Net earnings | $ 96.9 | $ 243.5 |
| Earnings before extraordinary item | $ 96.9 | $ 247.6 |
| Less convertible preferred stock dividends | (5.4) | (5.4) |
| Available to common share owners | $ 91.5 | $ 242.2 |
| Basic earnings per share of common stock: | | |
| Earnings before extraordinary item | $ 0.62 | $ 1.67 |
| Extraordinary charge (f) | | (0.03) |
| Net earnings | $ 0.62 | $ 1.64 |
| Weighted average shares outstanding (000s) | 146,659 | 144,872 |
| Diluted earnings per share of common stock: | | |
| Earnings before extraordinary item | $ 0.62 | $ 1.61 |
| Extraordinary charge (f) | | (0.03) |
| Net earnings | $ 0.62 | $ 1.58 |
| Diluted average shares (000s) | 148,222 | 153,697 |
| Adjusted earnings and earnings per share data (g): | | |
| Earnings before extraordinary item | $ 96.9 | $ 270.7 |
| Per share - basic | 0.62 | 1.83 |
| Per share - diluted | 0.62 | 1.77 |
| Net earnings | $ 96.9 | $ 265.3 |
| Per share - basic | 0.62 | 1.80 |

| | | |
|---|---|---|
| Per share - diluted | 0.62 | 1.74 |

(a) Amount for 2001 includes a gain of $457.3 million ($284.4 million after tax) related to the sale of the Company's Harbor Capital Advisors business. The net aftertax effect of this item is an increase in earnings per share of $1.96 (diluted).

(b) Amount for 2001 includes $30.9 million ($19.4 million after tax) related to special employee benefit programs. The net after effect of these items is a reduction in earnings per share of $0.13 (diluted).

(c) Amount for 2001 includes $4.0 million ($2.8 million after tax) related to interest on the resolution of the transfer of pension assets and liabilities for a previous acquisition and divestiture. The net after tax effect of this item is a reduction in earnings per share of $0.02 (diluted).

(d) Amount for 2001 includes charges totaling $88.4 million ($69.2 million after tax and minority share owners' interests) for: (1) $79.9 million ($63.9 million after tax and minority share owners' interests) related to restructuring and impairment charges at certain of the Company's international glass operations, principally Venezuela and Puerto Rico, as well as certain other domestic and international operations, and (2) $8.5 million ($5.3 million after tax) for certain contingencies. The net aftertax effect of these items is a reduction in earnings per share of $0.48 (diluted).

(e) Amount for 2001 includes a charge of $6.0 million to adjust tax liabilities in Italy as a result of tax legislation. This item is a reduction in earnings per share of $0.04 (diluted).

The net aftertax effects of these charges on diluted earnings per share for the three months ended June 30, 2001 are as follows:

| | |
|---|---|
| Net earnings before extraordinary item: | $ 1.61 |
| Dilutive effect of convertible preferred shares | 0.06 |
| Unusual items and other charges: | |
| Sale of Harbor Capital business | (1.96) |
| Restructuring and impairment | 0.44 |
| Special employee benefit programs | 0.13 |
| Certain contingencies | 0.04 |
| Italian tax adjustment | 0.04 |
| Interest related to resolution of the transfer of pension assets and liabilities | 0.02 |
| Net earnings before extraordinary and unusual items | 0.38 |
| Add goodwill amortization (g) | 0.16 |
| Adjusted earnings before extraordinary and unusual items | $ 0.54 |

(f) The 2001 write-off of unamortized deferred finance fees related to indebtedness repaid prior to its scheduled maturity totaled $6.6 million, less applicable income taxes of $2.5 million.

(g) Earnings and earnings per share data for 2001 have been adjusted to eliminate goodwill amortization of $23.1 million, or $0.16 per share, as required by SFAS No. 142.

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

| | Six Months ended June 30, | |
|---|---|---|
| | 2002 | 2001 |
| Revenues: | | |
| Net sales | $2,808.2 | $2,695.9 |
| Royalties and net technical assistance | 13.1 | 12.9 |
| Equity earnings | 12.2 | 8.9 |
| Interest | 11.9 | 14.9 |
| Other(a) | 15.9 | 525.2 |
| | 2,861.3 | 3,257.8 |
| Costs and expenses: | | |
| Manufacturing, shipping, and delivery | 2,172.9 | 2,111.0 |
| Research and development | 20.0 | 20.4 |
| Engineering | 17.5 | 14.7 |
| Selling and administrative (b) | 164.7 | 179.9 |
| Interest (c) | 207.1 | 230.4 |
| Future asbestos-related costs (d) | 475.0 | -- |
| Other (e) | 19.9 | 178.4 |
| | 3,077.1 | 2,734.8 |
| Earnings (loss) before items below | (215.8) | 523.0 |
| Provision (credit) for income taxes (f) | (84.4) | 220.3 |
| Minority share owners' interests in earnings of subsidiaries | 10.3 | 6.2 |
| Earnings (loss) before extraordinary items and cumulative effect of accounting change | (141.7) | 296.5 |
| Extraordinary charges from early extinguishment of debt, net of applicable income taxes (g) | (6.7) | (4.1) |
| Cumulative effect of accounting change (h) | (460.0) | -- |
| Net earnings (loss) | $(608.4) | $ 292.4 |
| Earnings (loss) before extraordinary items and cumulative effect of accounting change | $ (141.7) | $ 296.5 |
| Less convertible preferred stock dividends | (10.7) | (10.7) |
| Available to common share owners | $ (152.4) | $ 285.8 |
| Basic earnings (loss) per share of common stock: | | |

| | | |
|---|---|---|
| Earnings (loss) before extraordinary items and cumulative effect of accounting change | $ (1.04) | $ 1.98 |
| Extraordinary charges | (0.05) | (0.03) |
| Cumulative effect of accounting change | (3.14) | -- |
| Net earnings (loss) | $ (4.23) | $ 1.95 |
| Weighted average shares outstanding (000s) | 146,464 | 144,756 |

Diluted earnings (loss) per share of common stock:

| | | |
|---|---|---|
| Earnings (loss) before extraordinary items and cumulative effect of accounting change | $ (1.04) | $ 1.93 |
| Extraordinary charges | (0.05) | (0.03) |
| Cumulative effect of accounting change | (3.14) | -- |
| Net earnings (loss) | $ (4.23) | $ 1.90 |
| Diluted average shares (000s)(i) | 146,464 | 153,638 |

Adjusted earnings and earnings per share data (j):

| | | |
|---|---|---|
| Earnings (loss) before extraordinary items and cumulative effect of accounting change | $ (141.7) | $ 342.7 |
| Per share - basic | (1.04) | 2.30 |
| Per share - diluted | (1.04) | 2.25 |
| Net earnings (loss) | $ (608.4) | $ 338.6 |
| Per share - basic | (4.23) | 2.27 |
| Per share - diluted | (4.23) | 2.22 |

(a) Amount for 2001 includes first quarter gains totaling $13.1 million ($12.0 million after tax) related to the sale of the Company's label business and the sale of a minerals business in Australia. The net aftertax effect of these items is an increase in earnings per share of $0.08 (diluted).

Amount for 2001 includes a second quarter gain of $457.3 million ($284.4 million after tax) related to the sale of the Company's Harbor Capital Advisors business. The net aftertax effect of this item is an increase in earnings per share of $1.96 (diluted).

(b) Amount for 2001 includes second quarter charges of $30.9 million ($19.4 million after tax) related to special employee benefit programs. The net after effect of these items is a reduction in earnings per share of $0.13 (diluted).

(c) Amount for the second quarter of 2001 includes $4.0 million ($2.8 million after tax) related to interest on the resolution of the transfer of pension assets and liabilities for a previous acquisition and divestiture. The net after tax effect of this item is a reduction

in earnings per share of $0.02 (diluted).

(d) Relates to a net aftertax charge of $308.8 million related to adjustment of the reserve for estimated future asbestos-related costs. The net aftertax effect of this charge is a reduction in earnings per share of $2.11.

(e) Amount for 2001 includes second quarter charges totaling $88.4 million ($69.2 million after tax and minority share owners' interests) for: (1) $79.9 million ($63.9 million after tax and minority share owners' interests) related to restructuring and impairment charges at certain of the Company's international glass operations, principally Venezuela and Puerto Rico, as well as certain other domestic and international operations, and (2) $8.5 million ($5.3 million after tax) for certain contingencies. The net aftertax effect of these items is a reduction in earnings per share of $0.48 (diluted).

(f) Amount for 2001 includes a second quarter charge of $6.0 million to adjust tax liabilities in Italy as a result of tax legislation. This item is a reduction in earnings per share of $0.04 (diluted).

The net aftertax effects of these charges on diluted earnings per share for the six months ended June 30, 2002 and 2001 are as follows:

| | 2002 | 2001 |
|---|---|---|
| Net earnings (loss) before extraordinary items and cumulative effect of accounting change: | $(1.04) | $ 1.93 |
| Dilutive effect of convertible preferred shares and other | (0.01) | 0.04 |
| Unusual items and other charges: | | |
| Future asbestos-related costs | 2.11 | |
| Sale of Harbor Capital business | | (1.96) |
| Sale of the labels business and the sale of a minerals business in Australia | | (0.08) |
| Restructuring and impairment | | 0.44 |
| Special employee benefit programs | | 0.13 |
| Certain contingencies | | 0.04 |
| Italian tax adjustment | | 0.04 |
| Interest related to resolution of the transfer of pension assets and liabilities | | 0.02 |
| Net earnings before extraordinary items, cumulative effect of accounting change and unusual items | 1.06 | 0.60 |
| Add goodwill amortization (j) | -- | 0.32 |
| Adjusted earnings before extraordinary items, cumulative effect of accounting change and unusual items | $ 1.06 | $ 0.92 |

(g) The 2002 write-off of unamortized deferred finance fees related to indebtedness repaid prior to its scheduled maturity totaled $10.9 million, less applicable income taxes of $4.2 million.

The 2001 write-off of unamortized deferred finance fees related to indebtedness repaid prior to its scheduled maturity totaled $6.6 million, less applicable income taxes of $2.5 million.

(h) On January 1, 2002, the Company adopted Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"). As required by SFAS No. 142, the transitional goodwill impairment loss of

$460.0 million is recognized as the cumulative effect of a change in method of accounting.

(i) Diluted earnings per share of common stock are equal to basic earnings per share of common stock for 2002 due to the net loss.

(j) Earnings and earnings per share data for 2001 have been adjusted to eliminate goodwill amortization of $46.2 million, or $0.32 per share, as required by SFAS No. 142.

OWENS-ILLINOIS, INC.
Consolidated Supplemental Financial Data
With EBIT as reported
(Millions of dollars)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| Net sales: | | | | |
| Glass Containers | $1,026.3 | $ 899.7 | $1,896.4 | $1,741.5 |
| Plastics Packaging | 471.0 | 490.1 | 911.8 | 949.9 |
| Other | -- | -- | -- | 4.5 |
| Segment and consolidated net sales | $1,497.3 | $1,389.8 | $2,808.2 | $2,695.9 |
| EBIT as reported(a)(b)(c): | | | | |
| Glass Containers | $ 192.9 | $ 93.0 | $ 344.0 | $ 235.4 |
| Plastics Packaging | 78.2 | 51.9 | 153.0 | 130.8 |
| Other | -- | -- | -- | 3.0 |
| Segment EBIT | 271.1 | 144.9 | 497.0 | 369.2 |
| Eliminations and other retained items (d) | (21.5) | 428.7 | (517.6) | 415.5 |
| Consolidated EBIT before goodwill amortization | $ 249.6 | $ 573.6 | $ (20.6) | $ 784.7 |
| Amortization of goodwill (b) | -- | (23.1) | -- | (46.2) |
| Consolidated EBIT | $ 249.6 | $ 550.5 | $ (20.6) | $ 738.5 |

Selected Cash Flow Information

| | | | | |
|---|---|---|---|---|
| Amortization of deferred costs, which includes $23.1 and $46.2 million of goodwill amortization for the three and six months ended June 30, 2001, respectively | $ 12.8 | $ 33.8 | $ 25.0 | $ 66.6 |
| Depreciation | $ 109.8 | $ 99.5 | $ 217.2 | $ 200.2 |
| Additions to property, plant, and equipment | $ 125.5 | $ 126.8 | $ 237.8 | $ 219.9 |

| | | | | |
|---|---|---|---|---|
| Asbestos-related payments | $ 50.4 | $ 56.6 | $ 111.7 | $ 125.4 |
| Asbestos-related insurance proceeds | $ 14.5 | $ 37.4 | $ 14.5 | $ 149.2 |

| | June 30, 2002 | June 30, 2001 |
|---|---|---|
| Total debt | $5,462.0 | $5,340.3 |
| Share owners' equity | $1,579.9 | $2,053.8 |

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

(b) In accordance with SFAS No. 142, goodwill is no longer amortized beginning in 2002. In order to facilitate comparisons, goodwill amortization in 2001 has been reclassified out of the Glass Containers and Plastics Packaging segments and reported separately.

(c) EBIT for the three and six months ended June 30, 2001 includes a net gain of $338.0 million related to the following: (1) a gain of $457.3 million related to the sale of the Company's Harbor Capital business; (2) charges of $79.9 million related to restructuring and impairment charges at certain of the Company's international glass operations, principally Venezuela and Puerto Rico, as well as certain other domestic and international operations; (3) charges of $30.9 million related to special employee benefit programs; (4) a charge of $8.5 million for certain contingencies.

EBIT for the six months ended June 30, 2001 includes a net gain of $13.1 million related to the following: (1) $10.3 million gain from the sale of a minerals business in Australia, and (2) $2.8 million gain from the sale of the Company's labels business.

Such charges (gains) are included as follows in consolidated EBIT for the three and six months ended June 30, 2001:

| | Three months ended June 30, 2001 | Six months ended June 30, 2001 |
|---|---|---|
| Glass Containers | $ 71.9 | $ 61.6 |
| Plastics Packaging | 27.6 | 27.6 |
| Other | | (2.8) |
| Total Product Segments | 99.5 | 86.4 |
| Eliminations and other retained items | (437.5) | (437.5) |
| Consolidated Totals | $(338.0) | $(351.1) |

(d) Amount for 2002 includes a first quarter charge of $475.0 million related to adjustment of the reserve for estimated future asbestos-related costs.

OWENS-ILLINOIS, INC.
Consolidated Supplemental Financial Data
With EBIT excluding unusual items
(Millions of dollars)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| Net sales: | | | | |
| Glass Containers | $1,026.3 | $ 899.7 | $1,896.4 | $1,741.5 |
| Plastics Packaging | 471.0 | 490.1 | 911.8 | 949.9 |
| Other | -- | -- | -- | 4.5 |
| Segment and consolidated net sales | $1,497.3 | $1,389.8 | $2,808.2 | $2,695.9 |
| EBIT as reported(a)(b)(c): | | | | |
| Glass Containers | $ 192.9 | $ 164.9 | $ 344.0 | $ 297.0 |
| Plastics Packaging | 78.2 | 79.5 | 153.0 | 158.4 |
| Other | -- | -- | -- | 0.2 |
| Segment EBIT | 271.1 | 244.4 | 497.0 | 455.6 |
| Eliminations and other retained items (d) | (21.5) | (8.8) | (42.6) | (22.0) |
| Consolidated EBIT before goodwill amortization | $ 249.6 | $ 235.6 | $ 454.4 | $ 433.6 |
| Amortization of goodwill (b) | -- | (23.1) | -- | (46.2) |
| Consolidated EBIT | $ 249.6 | $ 212.5 | $ 454.4 | $ 387.4 |

Selected Cash Flow Information

| | | | | |
|---|---|---|---|---|
| Amortization of deferred costs, which includes $23.1 and $46.2 million of goodwill amortization for the three and six months ended June 30, 2001, respectively | $ 12.8 | $ 33.8 | $ 25.0 | $ 66.6 |
| Depreciation | $ 109.8 | $ 99.5 | $ 217.2 | $ 200.2 |
| Additions to property, plant, and equipment | $ 125.5 | $ 126.8 | $ 237.8 | $ 219.9 |
| Asbestos-related payments | $ 50.4 | $ 56.6 | $ 111.7 | $ 125.4 |
| Asbestos-related insurance proceeds | $ 14.5 | $ 37.4 | $ 14.5 | $ 149.2 |

| | June 30, 2002 | June 30, 2001 |
|---|---|---|

| | | |
|---|---|---|
| Total debt | $5,462.0 | $5,340.3 |
| Share owners' equity | $1,579.9 | $2,053.8 |

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

(b) In accordance with SFAS No. 142, goodwill is no longer amortized beginning in 2002. In order to facilitate comparisons, goodwill amortization in 2001 has been reclassified out of the Glass Containers and Plastics Packaging segments and reported separately.

(c) EBIT for the three and six months ended June 30, 2001 excludes a net gain of $338.0 million related to the following: (1) a gain of $457.3 million related to the sale of the Company's Harbor Capital business; (2) charges of $79.9 million related to restructuring and impairment charges at certain of the Company's international glass operations, principally Venezuela and Puerto Rico, as well as certain other domestic and international operations; (3) charges of $30.9 million related to special employee benefit programs; (4) a charge of $8.5 million for certain contingencies.

EBIT for the six months ended June 30, 2001 excludes a net gain of $13.1 million related to the following: (1) $10.3 million gain from the sale of a minerals business in Australia, and (2) $2.8 million gain from the sale of the Company's labels business.

Such charges (gains) are excluded as follows in consolidated EBIT for the three and six months ended June 30, 2001:

| | Three months ended June 30, 2001 | Six months ended June 30, 2001 |
|---|---|---|
| Glass Containers | $ 71.9 | $ 61.6 |
| Plastics Packaging | 27.6 | 27.6 |
| Other | | (2.8) |
| Total Product Segments | 99.5 | 86.4 |
| Eliminations and other retained items | (437.5) | (437.5) |
| Consolidated Totals | $(338.0) | $(351.1) |

(d) Amount for 2002 excludes a first quarter charge of $475.0 million related to adjustment of the reserve for estimated future asbestos-related costs.

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