Owens-Illinois Reports Fourth Quarter Results

January 28, 2003

TOLEDO, Ohio, Jan. 28 /PRNewswire-FirstCall/ -- Owens-Illinois, Inc., (NYSE: OI) today reported a net loss in 2002 of $460.2 million, or $3.29 per share compared with 2001 net earnings of $356.6 million or $2.30 per share (diluted). Earnings for 2002 before unusual and extraordinary items and the change in method of accounting for goodwill were $318.2 million, or $2.01 per share (diluted), compared with 2001 earnings before unusual and extraordinary items and goodwill amortization of $291.3 million, or $1.86 per share (diluted).

For the fourth quarter of 2002, the Company reported net earnings of $50.3 million, or $0.30 per share (diluted) compared with a fourth quarter 2001 net loss of $5.2 million or $0.07 per share. Earnings before extraordinary items for the fourth quarter of 2002 were $53.2 million, or $0.32 per share (diluted), compared with 2001 fourth quarter earnings before unusual items and goodwill amortization of $55.2 million, or $0.34 per share (diluted).

Joseph H. Lemieux, Owens-Illinois chairman and chief executive officer, said, "Our operations achieved strong results, mainly due to a favorable combination of price, cost, volume and product mix across most of our global product lines. Our performance also benefited from generally favorable foreign exchange rates, in addition to lower energy cost and interest expense in the first part of 2002. I am pleased with our liquidity performance this year. Despite funding our net asbestos payments out of cash flow, we reduced debt by nearly $55 million."

Net sales for 2002 were $5.640 billion compared with $5.403 billion in 2001, an increase of 4.4%. EBIT for 2002 was $414.2 million compared with $1,074.3 million in 2001. Adjusted EBIT for 2002 was $889.2 million compared with adjusted EBIT of $856.6 million in 2001, an increase of 3.8%. (EBIT consists of earnings before interest income, interest expense, provision for income taxes, minority share owners' interests in earnings of subsidiaries, extraordinary items, and cumulative effect of accounting change. Adjusted EBIT consists of EBIT excluding unusual items and, for 2001, excluding goodwill amortization.)

Interest expense for 2002 was $421.7 million, down $8.3 million from 2001 interest, adjusted to exclude an unusual expense of $4.0 million. This decline was mainly due to lower interest rates on variable rate debt, partially offset by the first quarter 2002 issuance of $1 billion principal amount of 8-7/8% Senior Secured Notes due 2009 and the fourth quarter 2002 issuances of 8-3/4% Senior Secured Notes due 2012 totaling $625 million. Proceeds from the Senior Secured Notes were used to repay lower cost, variable rate debt borrowed under the bank credit facility.

Consolidated debt at year-end 2002 was $5,346.2 million compared with $5,400.9 million at year-end 2001, a reduction of $54.7 million.

Business Review

The Glass Containers segment reported 2002 net sales of $3,875.2 million, up 8.5% from $3,572.3 million a year ago. The segment also reported EBIT of $709.0 million for 2002 compared with adjusted EBIT of $627.1 million for 2001, an increase of 13.1%. EBIT margins in 2002 improved to 18.3% from 17.6% in 2001.

North American glass container operations achieved a 16% increase in both sales and EBIT for the full year 2002 compared with 2001, with over half the EBIT increase resulting from the Canadian operations acquired early in the fourth quarter of 2001.

South American glass container operations reported lower sales and EBIT for the full year 2002 as compared with 2001. The decreases were due to unfavorable currency translation rates compared with 2001 and slightly lower unit sales volumes, primarily caused by political and economic uncertainty in Venezuela. A national strike in Venezuela that began in early December caused energy supply curtailments that forced the Company to idle its two plants in the country. Fourth quarter sales and EBIT were adversely affected by approximately $20 million and $5 million, respectively.

European glass container operations continued to report improved sales, EBIT, and EBIT margins for the full year 2002 compared with 2001 as a result of higher unit shipments, increased selling prices, improved manufacturing performance, and favorable currency translation rates.

Asia Pacific glass container operations recorded a 5% increase in both sales and EBIT for the full year 2002 compared with 2001. Higher unit shipments and favorable currency translation rates were partially offset by modestly lower selling prices and higher warehousing and distribution costs.

For 2002, the Plastics Packaging segment reported net sales of $1,765.2 million compared with net sales of $1,825.7 million in 2001. The sales decline was mainly due to competitive pricing pressures, the absence of sales from several small businesses that were sold over the past twelve months, and the pass-through effects on sales of lower resin prices. Partially offsetting this decline was an increase in unit shipments for most product lines. Plastics Packaging EBIT was $258.2 million in 2002 compared with adjusted EBIT of $287.2 million in 2001. The full year EBIT decline was largely due to competitive pricing pressures mentioned above, and two events which occurred in the third quarter: 1) an unfavorable accounting adjustment at one of our foreign affiliates principally for the write down of inventories to net realizable value, and 2) reduced sales and EBIT within our advanced technology systems business, as a major customer discontinued production in the United States and relocated that production to the Far East.

Effective Tax Rate

Excluding the effect of the first quarter asbestos-related charge of $475.0 million, ($308.8 million after tax), the Company's effective tax rate for 2002 was 30.1%. This compares with an effective rate of 30.3% for 2001, adjusted to exclude the effects of goodwill amortization and unusual items.

Asbestos-Related Costs

Asbestos-related cash payments for 2002 were $221.1 million, a reduction of $24.8 million, or 10.1%, from 2001. The Company estimates that the number of plaintiffs and claimants involved in asbestos claims pending against the Company at December 31, 2002 was 24,000, down from 27,000 at December 31, 2001. The Company anticipates that cash flows from operations and other sources will be sufficient to meet all asbestos-related

obligations in 2003. Also, the Company collected $24.8 million in asbestos-related insurance proceeds during 2002. The remaining receivable for asbestos-related insurance is approximately $12 million, which the Company expects to collect over the next two years.

Fourth Quarter

For the fourth quarter of 2002, sales for the Glass Containers segment were $959.0 million, up $26.6 million from $932.4 million for the fourth quarter of 2001. Glass Containers' EBIT of $159.5 million for the fourth quarter of 2002 compares with adjusted EBIT of $153.2 million for the fourth quarter of 2001.

Fourth quarter sales and EBIT for the North American glass container operations improved 4% and 1%, respectively. Contributing to those improved fourth quarter results were higher unit shipments and modestly improved pricing in the United States, partially offset by higher energy costs.

In the South American glass container operations, fourth quarter sales and EBIT trailed 2001 due to lower unit sales volumes, unfavorable currency translation rates, and the idling of two plants resulting from the Venezuelan national strike previously mentioned.

Fourth quarter sales and EBIT for the European glass container operations improved compared with 2001 as a result of higher unit shipments, increased selling prices, improved manufacturing performance, and favorable currency translation rates.

In the Asia Pacific glass container operations, fourth quarter 2002 sales increased 11.3% but EBIT was relatively unchanged largely due to modestly lower selling prices and higher warehousing and distribution costs.

For the fourth quarter of 2002, sales for the Plastics Packaging segment were $401.1 million compared with $414.0 million in the fourth quarter of 2001. The effects of unit volume increases were more than offset by the competitive pricing effects previously mentioned. For the fourth quarter of 2002, the Plastics Packaging segment reported EBIT of $40.3 million compared with adjusted EBIT of $45.1 million for the prior year quarter. This modest EBIT decline was largely due to residual effects of reduced sales and EBIT within the advanced technology systems business. This EBIT reduction was partially offset by the absence of a prior year write-off of working capital associated with the restructuring of the Company's medical devices business.

The effective tax rate for the fourth quarter 2002 was 22.5% compared with the adjusted rate of 30.1% for the full year 2002. The lower effective tax rate for the fourth quarter 2002 reflects favorable adjustments to estimated tax rates at certain foreign affiliates.

Outlook

"With our glass container operations continuing to be largely sold out throughout the world, the Company's fundamental competitive strengths and advantages continue to position us very well for the long term," said Mr. Lemieux. "We do, however, expect to face earnings pressure resulting from several factors, including principally lower pension income and higher interest expense, which we believe will make 2003 an especially challenging year."

The following summarizes the Company's outlook with regard to these factors:

Lower Pension Income -- Declines in the stock market over the last few years have reduced the fair value of the Company's pension plan assets which, in turn, has caused reduced credits to earnings. In 2003, the Company also expects to reduce its assumed rate of return on pension assets. The lower assumed rate, combined with a lower asset base, will cause the pretax credits to earnings to be substantially lower in 2003 compared with 2002. The Company has not completed its analysis, but the reduction in pension credits in 2003 is currently expected to be approximately $55 million.

Higher Interest Expense -- In 2002, the Company refinanced $1.625 billion of lower cost, variable rate bank debt with higher cost, fixed rate notes maturing in 2009 and 2012. The increased interest expense in 2003 resulting from the 2002 refinancing activity is expected to be approximately $25 million. In 2003, the Company expects to continue its debt refinancing which may include the replacement of more of its shorter term, lower cost, variable rate debt with longer term, higher cost, fixed rate debt. Interest costs would also be affected by any changes in short term, variable rates.

A number of other factors could affect 2003 results, including currency translations, energy costs, pricing, further refinancing activity and cost reduction initiatives. It is not possible to quantify these factors at this time.

Forward Looking Statements

This news release contains "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 current expectations and projections about future events 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) changes 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 disruptions in the supply chain, competitive pricing pressures, inflation or deflation, and changes in tax rates and laws, (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) unanticipated expenditures with respect to environmental, safety and health laws, (12) the performance by customers of their obligations under purchase agreements, and (13) the timing and occurrence of events which are beyond the control of the Company, including events related to asbestos-related claims. 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, January 29, at 8:30 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 8:20 a.m. (Eastern Time) on January 29. Ask for the Owens-Illinois conference call. A replay of the call will be available from approximately 11:00 a.m. (Eastern Time) on January 29 through February 7. 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 7498377.

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
(Dollars in millions, except per share amounts)

	Year ended December 31,	
	2002	2001
Revenues:		
Net sales	$5,640.4	$5,402.5
Royalties and net technical assistance	24.2	24.6
Equity earnings	27.0	19.4
Interest	24.1	26.9
Other (a)	44.4	539.9
	5,760.1	6,013.3
Costs and expenses:		
Manufacturing, shipping, and delivery	4,413.4	4,218.4
Research and development	41.1	41.2
Engineering	38.9	31.4
Selling and administrative (b)	318.6	341.3
Interest (c)	421.7	434.0
Future asbestos-related costs (d)	475.0	--
Other (e)	34.8	279.8
	5,743.5	5,346.1
Earnings before items below	16.6	667.2
Provision (credit) for income taxes (f)	(18.3)	286.4
Minority share owners' interests in earnings of subsidiaries	25.5	20.1
Earnings before extraordinary items and cumulative effect of accounting change	9.4	360.7
Extraordinary charges from early extinguishment of debt, net of applicable income taxes (g)	(9.6)	(4.1)
Cumulative effect of accounting change (h)	(460.0)	--
Net earnings (loss)	$ (460.2)	$ 356.6
Earnings before extraordinary		

items and cumulative effect of accounting change	$ 9.4	$ 360.7
Less convertible preferred stock dividends	(21.5)	(21.5)
Available to common share owners	$ (12.1)	$ 339.2
Basic earnings (loss) per share of common stock:		
Earnings (loss) before extraordinary items and cumulative effect of accounting change	$ (0.08)	$ 2.33
Extraordinary charges	(0.07)	(0.03)
Cumulative effect of accounting change	(3.14)	--
Net earnings (loss)	$ (3.29)	$ 2.30
Weighted average shares outstanding (000s)	146,616	145,456
Diluted earnings (loss) per share of common stock:		
Earnings (loss) before extraordinary items and cumulative effect of accounting change	$ (0.08)	$ 2.33
Extraordinary charges	(0.07)	(0.03)
Cumulative effect of accounting change	(3.14)	--
Net earnings (loss)	$ (3.29)	$ 2.30
Diluted average shares (000s)(i)	146,616	145,661
Adjusted earnings and earnings per share data (j):		
Earnings before extraordinary items and cumulative effect of accounting change	$ 9.4	$ 453.0
Per share - basic	(0.08)	2.97
Per share - diluted	(0.08)	2.97
Net earnings (loss)	$ (460.2)	$ 448.9
Per share - basic	(3.29)	2.94
Per share - diluted	(3.29)	2.94

(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 $1.95 (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 aftertax 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 to adjust 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).

Amount for 2001 also includes fourth quarter charges totaling $41.1 million ($37.3 million after tax) for the following: (1) $31.0 million (pretax and after tax) related to the loss on the sale of the Company's facilities in India;(2) $7.9 million ($4.9 million after tax) related to restructuring manufacturing capacity in the medical devices business; and (3) $2.2 million ($1.4 million after tax) related to restructuring initiatives at certain of the Company's Plastics Packaging facilities. The net aftertax effect of these items is a reduction in earnings per share of $0.25 (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 years ended December 31, 2002 and 2001 are as follows:

	2002	2001
Net earnings (loss) before extraordinary items and cumulative effect of accounting change	$(0.08)	$ 2.33
Dilutive effect of options and other	(0.02)	
Unusual items and other charges:		
Future asbestos-related costs	2.11	
Sale of Harbor Capital business		(1.95)
Sale of the labels business and the sale of a minerals business in Australia		(0.08)
Restructuring and impairment		0.48
Sale of the Company's operations in India		0.21
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	2.01	1.22
Add goodwill amortization (j)	--	0.64
Adjusted earnings before extraordinary items, cumulative effect of accounting change and unusual items	$ 2.01	$ 1.86

(g) The 2002 write-off of unamortized deferred finance fees related to indebtedness repaid prior to its scheduled maturity totaled $15.4 million, less applicable income taxes of $5.8 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" ("FAS No. 142"). As required by FAS 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 $92.3 million, or $0.64 per share, as required by FAS No. 142.

OWENS-ILLINOIS, INC.
Condensed Consolidated Results of Operations
(Dollars in millions, except per share amounts)

	Three Months ended December 31,	
	2002	2001
Revenues:		
Net sales	$1,360.1	$1,346.4
Royalties and net technical assistance	5.7	5.6
Equity earnings	7.2	5.7
Interest	6.3	5.7
Other	18.9	8.3
	1,398.2	1,371.7
Costs and expenses:		
Manufacturing, shipping, and delivery	1,102.8	1,070.5
Research and development	11.1	9.7
Engineering	9.8	9.9
Selling and administrative	77.3	92.2
Interest	107.7	98.5
Other (a)	8.0	70.3
	1,316.7	1,351.1
Earnings before items below	81.5	20.6
Provision for income taxes	18.4	18.5

Minority share owners' interests in earnings of subsidiaries	9.9	7.3
Earnings (loss) before extraordinary item	53.2	(5.2)
Extraordinary charge from early extinguishment of debt, net of applicable income taxes (b)	(2.9)	--
Net earnings (loss)	$ 50.3	$ (5.2)
Earnings (loss) before extraordinary item	$ 53.2	$ (5.2)
Less convertible preferred stock dividends	(5.4)	(5.4)
Available to common share owners	$ 47.8	$ (10.6)
Basic net earnings (loss) per share of common stock:		
Earnings (loss) before extraordinary item	$ 0.33	$ (0.07)
Extraordinary charge	(0.02)	--
Net earnings (loss)	$ 0.31	$ (0.07)
Weighted average shares outstanding (000s)	146,781	146,143
Diluted net earnings (loss) per share of common stock:		
Earnings (loss) before extraordinary item	$ 0.32	$ (0.07)
Extraordinary charge	(0.02)	--
Net earnings (loss)	$ 0.30	$ (0.07)
Diluted average shares (000s)(c)	147,683	146,143
Adjusted earnings and earnings per share data (d):		
Earnings before extraordinary item	$ 53.2	$ 17.9
Per share - basic	0.33	0.09
Per share - diluted	0.32	0.09
Net earnings	$ 50.3	$ 17.9
Per share - basic	0.31	0.09
Per share - diluted	0.30	0.09

(a) Amount for 2001 includes charges totaling $41.1 million ($37.3 million after tax) for the following: (1) $31.0 million (pretax and after tax) related to the loss on the sale of the Company's facilities in India;(2) $7.9 million ($4.9 million after tax) related to restructuring manufacturing capacity in the medical devices business; and (3)

$2.2 million ($1.4 million after tax) related to restructuring initiatives at certain of the Company's Plastic Packaging facilities. The net aftertax effect of these items is a reduction in earnings per share of $0.25.

The net aftertax effects of these charges on diluted earnings per share for the three months ended December 31, 2001 are as follows:

	2002	2001
Net earnings (loss) before extraordinary items	$ 0.32	$(0.07)
Unusual items and other charges	--	0.25
Add goodwill amortization (d)	--	0.16
Adjusted earnings before extraordinary and unusual items	$ 0.32	$ 0.34

(b) The 2002 write-off of unamortized deferred finance fees related to indebtedness repaid prior to its scheduled maturity totaled $4.5 million, less applicable income taxes of $1.6 million.

(c) Diluted earnings per share of common stock are equal to basic earnings per share of common stock for 2001 due to the net loss.

(d) 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 FAS No. 142.

OWENS-ILLINOIS, INC.
Consolidated Supplemental Financial Data
With EBIT as reported
(Dollars in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2002	2001	2002	2001
Net sales:				
Glass Containers	$ 959.0	$ 932.4	$3,875.2	$3,572.3
Plastics Packaging	401.1	414.0	1,765.2	1,825.7
Other	--	--	--	4.5
Segment and consolidated net sales	$1,360.1	$1,346.4	$5,640.4	$5,402.5
EBIT as reported (a)(b)(c):				
Glass Containers	$ 159.5	$ 122.2	$ 709.0	$ 534.5
Plastics Packaging	40.3	35.0	258.2	249.5
Other	--	--	--	3.0
Segment EBIT	199.8	157.2	967.2	787.0
Eliminations and other retained items (d)	(16.9)	(20.7)	(553.0)	379.6
Consolidated EBIT before goodwill amortization	$ 182.9	$ 136.5	$ 414.2	$1,166.6
Amortization of goodwill (b)	--	(23.1)	--	(92.3)

Consolidated EBIT	$ 182.9	$ 113.4	$ 414.2	$1,074.3
Consolidated EBITDA	$ 299.4	$ 250.3	$ 871.8	$1,598.1
Selected Cash Flow Information				
Amortization of goodwill	$ --	$ 23.1	$ --	$ 92.3
Amortization of intangibles and other deferred items	9.4	9.7	29.4	28.3
Amortization of deferred finance fees	6.4	6.5	23.1	19.9
Total amortization	$ 15.8	$ 39.3	$ 52.5	$ 140.5
Depreciation	$ 107.1	$ 104.1	$ 428.2	$ 403.2
Additions to property, plant, and equipment	$ 152.8	$ 187.8	$ 496.0	$ 531.9
Asbestos-related payments	$ 53.7	$ 59.1	$ 221.1	$ 245.9
Asbestos-related insurance proceeds	$ 1.6	$ 5.5	$ 24.8	$ 163.7

	December 31, 2002	December 31, 2001
Total debt	$5,346.2	$5,400.9
Share owners' equity	$1,670.8	$2,151.8
Cash	$ 126.4	$ 155.6
Short term investments	$ 17.6	$ 16.4

(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 FAS 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 months and year ended December 31, 2001 includes charges totaling $41.1 million for the following: (1) $31.0 million related to the loss on the sale of the Company's facilities in India;(2) $7.9 million related to restructuring manufacturing capacity in the medical devices business; and (3) $2.2 million related to restructuring initiatives at certain of the Company's Plastic Packaging facilities.

EBIT for the year ended December 31, 2001 also includes a net gain of

$351.1 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 (3)a gain of $457.3 million related to the sale of the Company's Harbor Capital business; (4) 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; (5) charges of $30.9 million related to special employee benefit programs; and (6) a charge of $8.5 million for certain contingencies.

Such charges (gains) are included as follows in consolidated EBIT for the three months and year ended December 31, 2001:

	Three months ended December 31, 2001	Year ended December 31, 2001
Glass Containers	$ 31.0	$ 92.6
Plastics Packaging	10.1	37.7
Other	--	(2.8)
Total Product Segments	41.1	127.5
Eliminations and other retained items	--	(437.5)
Consolidated Totals	$ 41.1	$(310.0)

(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
(Dollars in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2002	2001	2002	2001
Net sales:				
Glass Containers	$ 959.0	$ 932.4	$3,875.2	$3,572.3
Plastics Packaging	401.1	414.0	1,765.2	1,825.7
Other	--	--	--	4.5
Segment and consolidated net sales	$1,360.1	$1,346.4	$5,640.4	$5,402.5
Adjusted EBIT (a)(b)(c):				
Glass Containers	$ 159.5	$ 153.2	$ 709.0	$ 627.1
Plastics Packaging	40.3	45.1	258.2	287.2
Other	--	--	--	0.2
Segment adjusted EBIT	199.8	198.3	967.2	914.5
Eliminations and other retained items (d)	(16.9)	(20.7)	(78.0)	(57.9)
Consolidated adjusted EBIT before goodwill amortization	$ 182.9	$ 177.6	$ 889.2	$ 856.6

Amortization of goodwill (b)	--	(23.1)	--	(92.3)
Consolidated adjusted EBIT	$ 182.9	$ 154.5	$ 889.2	$ 764.3
Consolidated adjusted EBITDA	$ 299.4	$ 291.4	$1,346.8	$1,288.1

Selected Cash Flow Information

Amortization of goodwill	$ --	$ 23.1	$ --	$ 92.3
Amortization of intangibles and other deferred items	9.4	9.7	29.4	28.3
Amortization of deferred finance fees	6.4	6.5	23.1	19.9
Total amortization	$ 15.8	$ 39.3	$ 52.5	$ 140.5
Depreciation	$ 107.1	$ 104.1	$ 428.2	$ 403.2
Additions to property, plant, and equipment	$ 152.8	$ 187.8	$ 496.0	$ 531.9
Asbestos-related payments	$ 53.7	$ 59.1	$ 221.1	$ 245.9
Asbestos-related insurance proceeds	$ 1.6	$ 5.5	$ 24.8	$ 163.7

	December 31, 2002	December 31, 2001
Total debt	$5,346.2	$5,400.9
Share owners' equity	$1,670.8	$2,151.8
Cash	$ 126.4	$ 155.6
Short term investments	$ 17.6	$ 16.4

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

(b) In accordance with FAS 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) Adjusted EBIT for the three months and year ended December 31, 2001 excludes charges totaling $41.1 million for the following: (1) $31.0 million related to the loss on the sale of the Company's facilities in India; (2) $7.9 million related to restructuring manufacturing capacity in the medical devices business; and (3) $2.2 million related to

restructuring initiatives at certain of the Company's Plastic Packaging facilities.

Adjusted EBIT for the year ended December 31, 2001 also excludes a net gain of $351.1 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 (3) a gain of $457.3 million related to the sale of the Company's Harbor Capital business; (4) 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; (5) charges of $30.9 million related to special employee benefit programs; and (6) a charge of $8.5 million for certain contingencies.

Such charges (gains) are excluded as follows from consolidated adjusted EBIT for the three months and year ended December 31, 2001:

	Three months ended December 31, 2001	Year ended December 31, 2001
Glass Containers	$ 31.0	$ 92.6
Plastics Packaging	10.1	37.7
Other	--	(2.8)
Total Product Segments	41.1	127.5
Eliminations and other retained items	--	(437.5)
Consolidated Totals	$ 41.1	$(310.0)

(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.

SOURCE Owens-Illinois, Inc.