Owens-Illinois Receives Approval from the European Commission for Acquisition of BSN Glasspack

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TOLEDO, Ohio, June 10 /PRNewswire-FirstCall/ -- Owens-Illinois, Inc. (NYSE: OI) today announced that the Company has received approval from the European Commission for its previously announced acquisition of BSN Glasspack, S.A. This is the final required regulatory approval. The Company expects to close on this transaction within the next two weeks.

In order to enable the Commission to clear the deal after the initial 6-week market investigation, O-I committed to divest the Barcelona, Spain, glass plant it is purchasing as part of this transaction and the Corsico, Italy, glass plant currently owned by O-I.

Steve McCracken, Owens-Illinois Chairman and Chief Executive Officer, said, "We are pleased to have this resolution of the Commission's regulatory review process. This is an important milestone for Owens-Illinois in our transformation to being a great global company. BSN is an excellent company with excellent people and we look forward to working with them in building a strong market-oriented O-I Europe."

"Even with the divestiture of the two plants, the transaction still makes strategic and financial sense for O-I," Mr. McCracken said.

As previously announced on February 18 of this year, total consideration for this acquisition is approximately 1,160 million euros (US$ 1,460 million)(a), including the assumption of debt.

The acquisition of BSN will make Owens-Illinois the largest glass container manufacturer in Europe, and will expand the Company's consolidated net sales by approximately $1.5 billion. It will also give the Company entry into the glass markets of Germany, France and the Netherlands where the Company currently does not have a manufacturing presence, and will expand the Company's presence in Spain.

About O-I

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. Owens-Illinois 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 Owens-Illinois include consumer products (blow molded containers, injection molded containers and closures, and dispensing systems) and prescription containers.

About BSN

BSN is the second largest glass container manufacturer in Europe with 19 plants, 40 furnaces and 129 glass production lines. BSN supplies glass containers primarily for wine and spirits, other beverages including beer, and specialty food products. Headquartered in Paris, BSN has approximately 6,400 employees with manufacturing facilities in France, Germany, Spain and the Netherlands.

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) the timing of the acquisition of BSN, (2) foreign currency fluctuations relative to the U.S. dollar, (3) changes in capital availability or cost, including interest rate fluctuations, (4) 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, (5) consumer preferences for alternative forms of packaging, (6) fluctuations in raw material and labor costs, (7) availability of raw materials, (8) costs and availability of energy, (9) transportation costs, (10) consolidation among competitors and customers, (11) the ability of the Company to integrate operations of acquired businesses and achieve expected synergies, (12) unanticipated expenditures with respect to environmental, safety and health laws, (13) the performance by customers of their obligations under purchase agreements, and (14) 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.

Footnote

(a) Amount translated using an exchange rate of US $1.2528 per euro. If translated at the 2003 average exchange rate of US $1.1399 per euro, the total consideration would have been US $1,322 million.

SOURCE Owens-Illinois, Inc.