O-I Announces Planned Capacity Reductions in Germany and France

May 24, 2005

TOLEDO, Ohio, May 24, 2005 /PRNewswire-FirstCall via COMTEX/ -- Owens-Illinois, Inc., (NYSE: OI) today announced that the Company intends to reduce capacity at two of its facilities in Europe, pending the completion of information- consultation operations of appropriate works councils. Approximately 460 employees would be affected by the reductions.

The plan calls for the closing of the plant in Dusseldorf, Germany, as well as one of two furnaces in the Reims, France, food container facility.

The capacity reductions are a further step in O-I's previously announced strategy to optimally align the manufacturing capacities with the market and improve operational efficiencies. Both of the facilities that would be affected by the shut downs were part of the Company's acquisition of BSN Glasspack in June 2004, which more than doubled O-I's European presence. These steps are also tied to a company-wide priority to improve system costs and capital capabilities.

Last month, O-I announced the establishment of a new European headquarters in Lausanne, Switzerland, to centrally manage its operations in 11 countries.

"Given our new European structure, the planned reductions reflect a rationalization of our regional plant footprint in response to the significant increase of overall capacity with the acquisition of BSN Glasspack. We intend to reorganize operations and transfer capacity to our other facilities in order to achieve the synergies without compromising service to our customers," said Steve McCracken, O-I Chairman & CEO.

The Dusseldorf facility currently employs about 230 people and manufactures glass containers for beer, wine and non-alcoholic beverage products. After presenting plans to the works council in November 2004, the Company closed one furnace at the Dusseldorf plant last month resulting in the reduction of about 150 jobs. The plan would include shutting down the remaining two furnaces at Dusseldorf.

The Reims plant, operated by O-I subsidiary VMC, currently manufactures glass containers for the food industry. About 230 employees would be affected by the closing of one furnace at the Reims food plant, and 150 people would remain to support the other furnace. O-I also has another plant in Reims that serves the beverage industry and employs about 260 people, which will not be affected.

Once the information-consultation operations are carried out, production would be phased out and some capacity would be transferred to other O-I facilities over time. Displaced employees who could not be assigned to other O-I Europe facilities will be offered outplacement services.

"Our policy is to reassign employees in priority within the Company in Europe if possible. If not, we'll help them to be placed in their local area," said Jean-Jacques Lonjaret, director of human resources for O-I Europe.

If the Dusseldorf plant is closed, O-I would have 39 manufacturing plants in Europe and approximately 10,200 employees.

The Dusseldorf plant was founded in 1864 and subsequently established as Gerresheimer Glas AG. In 1999, Gerresheimer Glas was bought by BSN Glasspack.

The Reims plant, located in Saint Brice, was built in 1911 with particular focus on glass packaging for the food industry. The plant currently manufactures jars, tumblers and glass pots; and also has decoration equipment.

About O-I

Millions of times a day, O-I glass containers, healthcare packaging and specialty closure systems deliver many of the world's best-known consumer products to people all around the world. With leading positions in Europe, North America, Asia Pacific and South America, O-I provides consumer-preferred products that enable superior taste, purity, visual appeal and value benefits for our customers' products. Established in 1903, the company employs nearly 30,000 people and has more than 100 manufacturing facilities in 23 countries. In 2004, annual revenues were $6.2 billion. For more information, visit http://www.o-i.com .

SOURCE O-I

Sara Theis of O-I, +1-419-247-1297

http://www.prnewswire.com