O-I Enters Joint Venture with OST Group

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TOLEDO, Ohio, Oct. 20 /PRNewswire-FirstCall/ -- Owens-Illinois, Inc. (NYSE: OI) today announced that it has entered a joint venture with the OST Group, one of Russia's largest producers of spirits and soft drinks.

O-I has purchased a minority stake in OST Tara, an OST Group company which operates a glass container plant near Moscow. The recently constructed plant began production in May 2004. As part of the joint venture, O-I has a series of call options through which it may acquire a controlling interest in OST Tara in the future. O-I also has entered into a technical assistance agreement with OST Tara. The OST Group has entered into a long-term supply contract with OST Tara for a major portion of its glass container requirements.

"We entered this joint venture with a focus on broadening our market base in an emerging economy demonstrating strong growth," said Steve McCracken, O-I Chairman and CEO. "OST has a prominent standing throughout the Russian Federation and has aggressive development plans. This venture will give us an opportunity to grow with an important customer as well as provide a foundation for growth in the Russian glass markets in general."

The OST Tara plant produces more than 200 million glass bottles per year using modern production technology. The site layout and infrastructure offer the opportunity to expand the current production capacity. Additionally, the plant was designed to be environmentally friendly, with a full waste recycling system. Prior to the opening of the plant, the OST Group purchased bottles from O-I's operations in Finland, as well as other suppliers in Ukraine and Latvia.

The OST Group is composed of more than 30 companies and is one of Russia's largest producers of alcoholic beverages and soft drinks. In 2004, OST Group sales were approximately $300 million.

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.

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