Owens-Brockway Glass Container Inc. Commences Partial Tender Offer for 8-7/8% Senior Secured Notes due 2009

June 12, 2006

TOLEDO, Ohio, June 12 /PRNewswire-FirstCall/ -- Owens-Brockway Glass Container Inc., an indirect wholly owned subsidiary of Owens-Illinois, Inc. (NYSE: OI) today announced that it has commenced a cash tender offer for up to $100,000,000 aggregate principal amount of its 8-7/8% Senior Secured Notes due 2009.

The tender offer will expire at 5:00 p.m., New York City time, on Tuesday, July 11, 2006, unless extended or earlier terminated (the "Expiration Date"). Holders who validly tender their Notes prior to 5:00 p.m., New York City time, on Friday, June 23, 2006, unless extended or earlier terminated, will be entitled to receive $1,040, payable in cash, for each $1,000 principal amount of Notes accepted for payment, which amount includes an early tender payment of $30 per $1,000 of Notes accepted for payment. Holders who validly tender their Notes after such time but prior to the Expiration Date will receive $1,010 per $1,000 principal amount of Notes accepted for purchase. Accrued and unpaid interest up to, but not including, the settlement date will be paid in cash on all validly tendered and accepted Notes. The settlement date will be promptly after the Expiration Date and is expected to be on or about July 12, 2006.

If holders tender more than $100,000,000 aggregate principal amount of the Notes the amount of Notes that will be purchased will be prorated based on the aggregate principal amount of Notes validly tendered in the tender offer.

Owens-Brockway Glass Container Inc. intends to finance the tender offer with the proceeds of borrowings under a new approximately $1.70 billion credit facility, which will also refinance its existing third amended and restated credit facility. The closing of the tender offer will be conditioned, among other things, on the closing of the new credit facility and the availability of sufficient funds under the new credit facility to pay the consideration described above.

The terms and conditions of the tender offer, including Owens-Brockway Glass Container Inc.'s obligation to accept the Notes tendered and pay the purchase price therefor, are set forth in Owens-Brockway Glass Container Inc.'s Offer to Purchase dated June 12, 2006. Owens-Brockway Glass Container Inc. may amend, extend or, subject to certain conditions, terminate the tender offer.

Owens-Brockway Glass Container Inc. has retained Banc of America Securities LLC as the exclusive dealer manager in connection with the tender offer. Questions regarding the tender offer and requests for documents may be directed to Banc of America Securities LLC, High Yield Special Products, at (888) 292-0070 (U.S. toll-free) and (704) 388-4813 (collect). Copies of the offer to purchase can also be obtained from the information agent, Global Bondholder Services Corporation at (866) 795-2200 (U.S. toll-free) and (212) 430-3774 (collect).

This press release shall not constitute an offer to purchase or a solicitation of an offer to purchase with respect to any securities. Any such offer or solicitation will be made only by means of the Offer to Purchase dated June 12, 2006.

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. Any forward looking statements in this news release are based on certain assumptions and expectations made by Owens-Brockway Glass Container Inc. in light of its experience and expectations with respect to future developments and other factors it believes are appropriate in the circumstances. Forward looking statements are not a guarantee of future events and actual results or developments may differ materially from expectations.

NOTE TO EDITORS: Copies of this press release as well as other O-I news releases are available at the O-I web site at http://www.o-i.com or at http://www.prnewswire.com.

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