



O-I Acquires Two Plants in Northern China

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Now China's second largest glass container manufacturer

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Owens-Illinois, Inc. (NYSE: OI), the world's largest maker of glass packaging, today announced it had entered into an agreement to acquire the glass container manufacturing business of Hebei Rixin Glass Group Co., Ltd. in northern China. The deal, expected to close before year-end, means O-I has more than doubled its capacity in China in the past year to more than one million tonnes (up from 440,000 tonnes), making the company China's second largest glass container manufacturer.

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The acquisition, located in the fast-growing Beijing/Tianjin region of China's Hebei province, includes two plants and delivers an additional 270,000 tonnes of capacity for O-I. The Hebei province is the third largest glass market in China and represents approximately 10 percent of the total Chinese market. The newly acquired plants produce glass containers predominantly for China's rapidly growing domestic beer market. By 2015, China's domestic beer market is expected to reach 573 million hectoliters - more than twice the size of the U.S. beer market, which is the world's second largest.

"This acquisition supports our strategy of expanding in emerging markets with strong growth and long-term earnings potential," said O-I Chairman and CEO Al Stroucken. "Our operations in China now include eight glass manufacturing plants, as well as a plant in Tianjin that produces moulds for glass manufacturing. The newly acquired plants have lower cost profiles than our existing operations in China, thereby enabling us to expand our reach beyond the premium markets and into the rapidly growing mass beer market."

Today's announcement follows recent acquisitions in China's Sichuan Province, announced in May, and Guangdong Province, announced in October. In addition to increasing O-I's capacity, the acquisition has strengthened the company's customer base among China's leading breweries, such as Tsingtao, Yanjing and CRB - owner of the world's largest beer brand, Snow.

O-I Asia Pacific President Greg Ridder said the latest acquisition further strengthens O-I's position in China, especially the beer market. "This acquisition complements our existing production in China, adding to our product range and mix, and significantly increases our profile in the greater Beijing/Tianjin area. Many of our customers are targeting growth in this region, so our presence there enables us to partner with them, as well as serve new customers," said Ridder.

Company Profile

Millions of times a day, O-I glass containers deliver many of the world's best-known consumer products to people all around the world. With the leading position in Europe, North America, Asia Pacific and Latin America, O-I manufactures consumer-preferred, 100-percent recyclable glass containers that enable superior taste, purity, visual appeal and value benefits for our customers' products. Established in 1903, the company employs more than 24,000 people with 81 plants in 22 countries. In 2009, net sales were \$7.1 billion. For more information, visit www.o-i.com.

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