



O-I Agrees to Enter into Joint Venture and Long-Term Supply Agreement with Constellation Brands

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Perrysburg, Ohio (Oct. 2, 2014) - Owens-Illinois, Inc. (NYSE: OI) announced today that it has agreed to enter into a 50-50 joint venture with Constellation Brands Inc. (STZ). The joint venture will operate the glass container production plant in Nava, Mexico, that Constellation recently agreed to purchase from Anheuser-Busch Inbev (ABI). The plant will provide bottles exclusively for Constellation's adjacent brewery, which brews a leading portfolio of Mexican beer brands for export to the United States, including Corona Extra, Corona Light, Modelo Especial, Negra Modelo and Pacifico.

To help meet current and rising demand from Constellation's brewery, the joint venture plans to expand the plant from one furnace to four over the next four years. O-I and Constellation will each initially contribute approximately \$100 million to the joint venture. The capacity expansion, which is expected to cost approximately \$350 million, will be financed by equal contributions from both partners. O-I will account for the investment and returns as an equity joint venture.

In a related development, O-I has agreed to enter into a long-term agreement to supply glass containers to Constellation's Nava brewery. Supply under the agreement, primarily from O-I's plant in Waco, Texas, begins in late 2015, ramping up significantly in the following year. O-I is expected to supply the output from at least one furnace under this agreement.

After the joint venture expansion is complete, supply under the agreements will add the equivalent of approximately 20 percent of O-I's existing North America production. Together, these transactions are expected to contribute \$0.05 per share to O-I's 2016 earnings, increasing to \$0.15 per share once the agreements are fully implemented.

These transactions will not impact O-I's projected free cash flow generation of approximately \$350 million in 2014 and \$400 million in 2015, and they will not affect the Company's commitment to repurchase at least \$100 million in shares in 2015. Funding the joint venture is expected to reduce the capital allocated to O-I's deleveraging efforts.

"Constellation is an important and strategic customer, so we are pleased to support the expansion of its beer business in these ways," said Al Stroucken, chairman and CEO of O-I. "The financial flexibility O-I has developed allows us to take advantage of strategic opportunities that promise strong returns over an extended period of time, while allowing us to deliver on our capital allocation commitments."

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About O-I

Owens-Illinois, Inc. (NYSE: OI) is the world's largest glass container manufacturer and preferred partner for many of the world's leading food and beverage brands. With revenues of \$7.0 billion in 2012, the Company is headquartered in Perrysburg, Ohio, USA, and employs approximately 22,500 people at 79 plants in 21 countries. O-I delivers safe, sustainable, pure, iconic, brand-building glass packaging to a growing global marketplace. O-I's Glass Is Life(TM) movement promotes the widespread benefits of glass packaging in key markets around the globe. For more information, visit www.o-i.com or www.glassislife.com.

[Espanol Estrella press release](#)

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