

## **EMPLOYEE Q & A:**

### **What is happening?**

O-I is announcing the expansion of its manufacturing capacity at the Lurin, Peru plant. Concurrently, O-I is also announcing that as a result of the ongoing review of its global manufacturing and engineering footprint, the Global Manufacturing and Engineering Center (GMEC) will organize an engineering center at the Lurin site to service the growing needs in the regions. The engineering office is expected to be operational in the second quarter of 2008 and will create approximately 60 to 80 jobs over the next 12 to 18 months. This realignment of the company's engineering resources to Lurin from the company's global center in Perrysburg will enhance the engineering support capabilities of O-I on a global basis.

### **Why was the decision made to open an engineering center in Latin America?**

This decision reflects the global nature of our company. We will continue to operate the Global Manufacturing & Engineering Center in Perrysburg at the O-I headquarters with an increased emphasis on global operations. GMEC will continue to lead the company's global manufacturing and engineering efforts centrally, while being able to continue to support the various regions from both the center and from the new engineering center in Lurin. In addition, Latin America is the fastest growing region and it is beneficial to have local engineering resources.

### **What will happen to the GMEC operations in Perrysburg?**

There will be a gradual phasing in of the engineering positions in Peru over the next 12 to 18 months. At the same time we will begin to phase out certain positions in Perrysburg over that same time period.

### **How soon could this phasing in/out of jobs begin?**

There will be a gradual process. The first 10 to 15 positions could be phased in at the Peru facility within the next month or so. It will take some time to begin adding positions in Peru. Once this process begins, then the phasing out of some of the positions in Perrysburg will begin. We anticipate that the phasing out of some of the Perrysburg positions will begin within the next 4 to 6 months.

### **How many jobs will be phased out of GMEC in Perrysburg?**

Overall, we anticipate that approximately 65 positions will be gradually phased out of the GMEC facility in Perrysburg over the next 12 to 18 months.

### **How will I know if my job is scheduled to be phased out?**

The management team of GMEC will meet with all employees individually in a timely manner.

### **What happens to me if my position is scheduled to be phased out?**

Depending on the timing and sequencing of the jobs being phased in at the Peru facility, you could be able to continue your job for up to 12 to 18 months. Regardless of when your job is phased out of Perrysburg, we will look for available positions in the company that may be a match for your skill sets, experience, and your interests.

If there are no opportunities for you, there will be a standard severance package available for those who work until they are released by the company.

**O-I Announces Expansion of Glass Container Manufacturing in Lurin, Peru  
New global engineering center to be created**

PERRYSBURG, Ohio, March 12, 2008 - Owens-Illinois, Inc., (NYSE: OI) today announced it is doubling the capacity of its new glass container manufacturing plant in Lurin, Peru, by adding a second furnace. CEO Al Stroucken made the announcement at the official opening ceremony of the plant.

The \$30 million expansion, which is expected to be in full operation in the second quarter of 2009, will support the region's continuing growth in demand for glass packaging and will create approximately 65 new jobs.

"The growing demand for glass packaging by various market segments in Peru, most notably the agricultural export market and the domestic beer market, has clearly demonstrated a need for increased production," said Jose Lorente, president, O-I Latin America. "We are pleased we can meet this demand by expanding our Lurin operations, and we see the potential for some exports as well."

The company also announced it will establish an engineering center at the Lurin manufacturing facility. The new center is expected to be operational in the second quarter of 2008 and will create approximately 60-80 jobs over the next 12 to 18 months. This realignment of the Company's engineering resources to Lurin from the global center in Perrysburg will enhance the engineering support capabilities.

"Engineering is a core capability of O-I that we will continue to build upon by organizing resources regionally to support the needs of our facilities," said Andres Lopez, vice president, global manufacturing and engineering. "Establishing this center will also allow us to deliver on our strategy to grow with emerging economies like Peru, while serving O-I's global engineering needs more efficiently."

The Lurin facility is the first O-I plant to be built outside of the United States in 30 years. It began production in October 2007 and is operating at world-class standards. It has already manufactured more than 111 million glass containers. O-I also operates another glass container manufacturing facility in Callao, Peru.

**About O-I**

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 83 manufacturing facilities in 22 countries. In 2007, net sales were \$7.6 billion. For more information, visit <http://www.o-i.com>.

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Copies of O-I news releases are available at the O-I Web site at [www.o-i.com](http://www.o-i.com); or at [www.prnewswire.com](http://www.prnewswire.com).

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