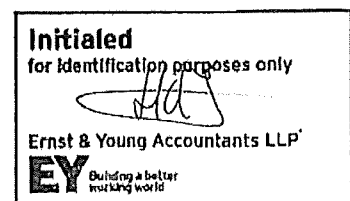


OI EUROPEAN GROUP B.V.

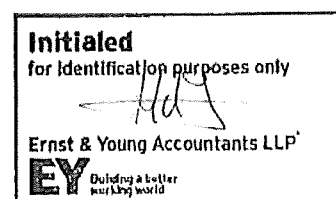
Schiedam, The Netherlands

Annual Report 2018



OI EUROPEAN GROUP B.V.

<u>Contents</u>	<u>Page</u>
Directors' report	3
<u>Annual Accounts</u>	
Balance Sheet as at December 31st, 2018	7
Income Statement for the financial year ended December 31st, 2018	8
Notes to the Balance Sheet and Income Statement as at December 31st, 2018	9
<u>Additional Information</u>	
Other Information	31



OI EUROPEAN GROUP B.V.

Directors' report

The Board of Managing Directors herewith submits the Financial Statements of OI European Group B.V. (the Company) for the financial year ended December 31st, 2018.

Summary of activities and source of income

The Company mainly acts as a holding and finance company for certain European, Asian and Latin American operations of Owens-Illinois Inc. ("the Parent company").

The Company's source of income consists of dividend received from its subsidiaries and interest income on its Global lending position, offset by the interest paid to intercompany parties as well external parties.

The state of affairs of the Company at the closing of the financial year is adequately presented in the balance sheet and the income statement, published herewith.

During the year the Company entered into several agreements with its participations and its shareholder including several group companies to streamline their legal structure of which the main ones are listed below.

In March 2018, the Company acquired 47% of Sichuan Skyhorse Glass Co. Ltd., a company incorporated in the People's Republic of China. The acquired company was formerly known as Sichuan Malaya Glass Co. Ltd. and was an indirect subsidiary in the past. The current share is 45% due to an additional capital contribution by the other shareholder.

As part of significant changes in tax legislation in the US (as well as anticipated changes in Dutch tax legislation), it is concluded that it is no longer beneficial to have OI Global C.V. as parent company. It is decided to liquidate OI Global C.V..

As a consequence thereof OI Global Holdings C.V. became the new parent of the Company. As a result, the Profit Guarantee Agreement (note 26), the Guarantee Agreement (equity at risk agreement note 25) as well as the financing APA (12 bps) have automatically been cancelled per 31 August, 2018.

OI Global C.V. transferred its assets to OI New Holding B.V. and administratively automatically ceased to exist in the beginning of September following the transfer of the shares of its former partners to OI Global Holdings C.V.. Subsequently, O-I New Holding B.V. merged into OI European Group B.V., which became effective at December 4, 2018 after fulfilling all (legal) requirements, including a waiting period of 1 month. As part of these changes the Company became 100% owner of O-I Ecuador LLC and O-I Hungary LLC.

On December 6, 2018, an ad hoc committee for the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") rejected the request by the Bolivarian Republic of Venezuela ("Venezuela") to annul the award issued by an ICSID tribunal in favor of OI European Group B.V. related to the 2010 expropriation of the Company's majority interest in two plants in Venezuela (the "Award"). The annulment proceeding with respect to the Award is now concluded. As a result of the favorable ruling by the ICSID ad hoc committee rejecting Venezuela's request to annul the Award, and thereby concluding those annulment proceedings, the Company has recognized a USD 115mln (EUR 101mln) gain in 2018. The proceeds of the sale are partly tax exempt under the participation exemption and that for fiscal purposes the gain has already been recognized in a tax return before 2018.

In December 2018 the Company sold its subsidiary Manufacturera de Vidrios Planos, C.A. for the amount of EUR 79k. The book value of this subsidiary was EUR 0.

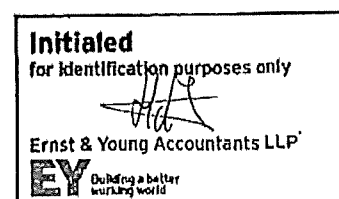
Impairments

Further to last year's assessment of the market valuation of the investment portfolio, the entity O-I Argentina S.A. had a further impairment charge of EUR 9mln, which relates to additional loans provided throughout the year.

Currently, the strategy in Brazil is being maximized to better respond to changing market conditions with restricted production capacity. Due to investments and construction work in the short term, the expected result has been decreased. Together with a decreasing currency this resulted in an impairment of EUR 78mln.

Finance activity

The Company assesses its capital raising and refinancing needs on an ongoing basis and may enter into additional credit facilities and seek to issue equity and/or debt securities in the domestic and international markets if the market conditions are favourable. Also depending on the market conditions, the Company may elect to repurchase portions of its debt securities in the open market.



The Company was lending to Australia and New Zealand for the amounts of AUS 229mln and NZD 150mln in the past. During the year the local companies managed to refinance this locally and repaid their loans to the Company.

In July 2018, the European Securitization plan was fully repaid and settled in combination with the settlement of the outstanding balances with OI Global C.V. This resulted in a capital contribution of EUR 16.8mln.

In Q4 2018 a new factoring program was set up in Europe. OI European Group BV's intercompany payable balance with O-I Europe Sarl as well as its cash balances are affected by this significantly.

Solvency and liquidity

The Company mainly acts as an intermediate holding and financing company for certain European, Asian and Latin American operations of Owens-Illinois Inc. As from incorporation in 1999 the Company is mainly financed with (inter company) debt, which was used to finance its activities. Taking commonly used solvency and liquidity ratios into account, the Company shows (with some exceptions) a stable development over its course of existence. The ratio's are used as follows:

	2018	2017
Solvency (Equity / Total debt) :	17	17
Liquidity: (Current assets / current liabilities) :	0,16	0,24

The Company's working capital (cash + short term assets - short term liabilities) shows a negative balance. However, if only external liabilities are taken into account (approximately EUR 22mln) the Company's working capital is positive.

During the last three years the Company refinanced its activity more and more with external bonds which will not mature on short notice and are guaranteed by various related companies. Additionally, most short term intercompany payables characterize as long term liabilities and it is not expected that counterparties will claim on the spot. If there is a need to repay any obligation the Company will make use of its ability to refinance this within the O-I group of companies, which is part of its ongoing finance activity as mentioned above. Taking this into consideration, Management is comfortable to apply a going concern principle.

During the year under review, the Company recorded a net profit of EUR 12mln. Details of which are set out in the attached income statement.

General Development of Business

Owens-Illinois, Inc. (the "Parent Company"), through its subsidiaries, is the largest manufacturer of glass containers in the world with leading positions in Europe, North America, South America and Asia Pacific.

Strategic Ambition and Competitive Strengths

The parent company is pursuing the following ambition:

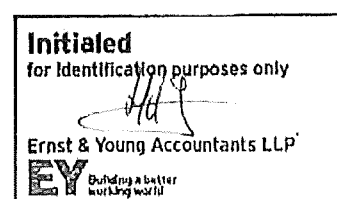
- To be the world's leading maker of brand-building glass containers
- To deliver unmatched quality, innovation and service to their customers
- To generate superior financial results for their investors
- And to provide a safe, motivating and engaging work environment for their employees.

Risk and risk appetite

The principle activity of the Company is the holding of investments and financing of these activities, globally. As part of the global business the Company faces risks and uncertainties. The Company faces currency-, liquidity-, and credit risk. The management prefers to be risk averse in general. Additionally, the Company's assets including long term investments, are generally less liquid than the liabilities.

The Board of Managing Directors utilizes a risk management policy and receives regular reports to enable prompt identification of financial risk so that appropriate action may be taken. The Company employs written policy and procedures that set out specific guidelines to manage foreign exchange risk, interest risk, credit risk, liquidity risk and the use of financial instruments to manage these.

As per January 1, 2006 the Company's shareholder, OI Global C.V., has also entered into a Profit Guarantee agreement with the Company which has no due date. The Profit Guarantee agreement ensures that the Company at all times will earn the agreed minimum margin on its' financing activities (excludes all holding interest) and ensures any remaining F/X risks borne by the Company are for the benefit or the account of the profit guarantor.



As per January 1, 2006 the Company's shareholder, OI Global C.V., is guarantor of various loans made by the Company to several group companies. The guarantor guarantees each and every principal and interest amount. In 2016 the agreement has been renewed. The Company bears a risk and pays the maximum amount of EUR 4,000,000. The actual risk is calculated pro-rata in relation to all outstanding loans together of any shortfall upon an event of default, like indebtedness, in terms of principal amount and/or interest payments due. The remainder of any shortfall will then be borne by the guarantor.

As part of significant changes in tax legislation in the US (as well as anticipated changes in Dutch tax legislation), it is concluded that it is no longer beneficial to have OI Global C.V. as parent company. It is decided to liquidate OI Global C.V.. As a consequence thereof OI Global Holdings C.V. became the new parent of the Company. As a result, the Profit Guarantee Agreement (note 26), the Guarantee Agreement (equity at risk agreement note 25) as well as the financing APA (12 bps) have automatically been cancelled.

The financial impact is estimated to be limited to the currency result of the loans that are not hedged (Brazil and Argentina) as well as any default like indebtedness in terms of principal amount and /or interest due. The risk of indebtedness is estimated to be the total of the intercompany loans and related accrued interest and amounts to EUR 618mln. Also the financing result will increase, given the increased risk profile of the company.

Although currently the tax implications are being discussed, it is assessed that the tax impact of the change of shareholder and cancellation of the mentioned agreements will be limited.

As part of the liquidation of OI Global C.V. the Company became 100% owner of O-I Ecuador LLC and O-I Hungary LLC.

Apart from the fact that OI Global Holdings C.V. is the full owner of OI European Group B.V. it also has a significant interest in the Mexican operations which is operating well. O-I Global Holdings C.V. is mainly financed with equity and as such the credit risk is limited.

The Company's investment in group companies is subject to impairments. Periodically, the Company reassesses the acquisition value based on the Business Enterprise Value calculation (BEV). The BEV is generally accepted and makes use of certain assumptions. Throughout the year the Board of Managing Directors assesses the capital raising and refinancing needs of its group companies. In case a group company is in need of significant additional funds, this will signal the Board of Managing directors of potential impairments.

Furthermore, derivative financial instruments such as forward currency contracts are used to manage risks generally associated with foreign exchange rates and interest rates on the Company's loan portfolio.

Reference is also made to the notes to the financial statements for further details on financial risk management.

The Company needs to adhere to local and international laws and regulations. Part of the implemented SOX controls cover these risks. The Board of Managing Directors are aware of (local) reporting requirements and makes sure that reporting deadlines are met. Regarding tax compliance the Company makes use of "horizontaal toezicht" and makes sure that all transactions are "at arms lengths".

Other strategic risk is managed by OI Inc, the Company's ultimate parent, which is set out above.

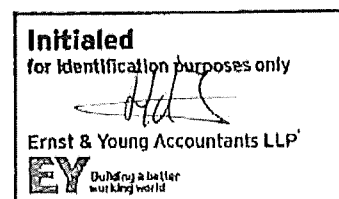
There are no R&D expenses as these are made by the Company's ultimate parent and various factories in the regions.

Employees of the Company

The Company employed 3 employees in 2018. During the year no Directors changes occurred.

As of January 1, 2013, the Dutch Management and Supervision Act came into effect. With this Act, statutory provisions were introduced to encourage a balanced representation of men and women in the management boards and supervisory boards of companies governed by this Act. Balanced representation of men and women is deemed to exist if at least 30% are filled by women.

The Board of Managing Directors currently has one seat taken by a woman. The Board of Managing Directors recognizes the benefits of diversity, including gender balance. However, it feels that gender is only one component of diversity. Management Board members will continue to be selected on the basis of wide ranging experience, backgrounds, skills, knowledge and insights.



Future developments and post balance sheet events

Globally, O-I's third quarter results were in-line with our most recent guidance and reflect the benefit of increased selling prices and our recent acquisition of Nueva Fanal which partially offset foreign currency pressures and lower than expected sales volumes. Consistent with our focus on strengthening O-I's balance sheet, O-I also reduced the company's debt levels supported by free cash flow during the quarter.

In the face of softer than expected demand, O-I is accelerating the actions to curtail capacity and reduce costs.

Separately, O-I is expanding the strategic portfolio review to include the evaluation of our Australia and New Zealand business.

Project Sky

Due to the competitive and rapidly changing environment and industry in Europe and given various internal and external business challenges, it is decided to refine the European Business Model. This refinement of the organizational model includes the merger of the local manufacturing and sales and distribution entities into one local entity. As a result, various intercompany agreements within Europe are amended whereby O-I Europe Sarl still directs and manages the activities and takes the main commercial and financial decisions within Europe. In the 2017 financial statements it was stated that the principal/agent structure was to be terminated, however this did not actually happen. In the refined European Business Model similar arms-length intercompany remunerations will apply. Currently, budgets are prepared considering the refined European Business Model for the remaining entities. These budgets are considered with respect to the expected future fiscal profitability of the fiscal unity and in relation to the identification of impairment triggers. No specific financial other impact for the Company from project Sky is foreseen.

Because of the merger of the local manufacturing and sales and distribution entities into one local entity most entity names have changed names per 1 January 2019. This has not been reflected in this annual report as it presents the position over 2018.

O-I Manufacturing U.K. Ltd.

As part of Project Sky the Company contributed an amount of EUR 61mln in its investment in the U.K. Kingdom.

Joint venture

In 2019 O-I transferred its joint venture in Mexico with Constellation Brands to OI European Group B.V. by way of capital contribution. Both the Company's equity as well as the investments increased with USD 260mln.

Partial redemption 6.75% Senior notes due 2020

In July 2019 the Company repaid EUR 250mln of the principal outstanding amount to the holders of the Companies outstanding 6.75% senior notes due 2020. Following the redemption, EUR 250 mln principle amount of the Notes will remain outstanding.

New USD 225mln sustainable improvement loan

O-I is furthering its commitment to sustainability by securing a USD 225mln bank loan with a sustainability-linked pricing mechanism. In October 2019 the loan is issued by OI European Group B.V.

Senior notes due 2025

In November 2019 the Company offered EUR 500mln aggregate principle amount of Senior notes due 2025.

The proceeds will be used to redeem the remaining EUR 250mln outstanding 6.75% Senior notes due 2020. Additionally, the proceeds will be used to partly redeem 4.875% Senior notes due 2021.

The Board of Managing Directors,

Ms. MB. Wilkinson

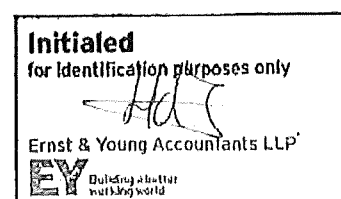
Mr. J. Ritmeijer

Mr. R. de Haan

Mr. S. Gedris

Mr. G. Copper

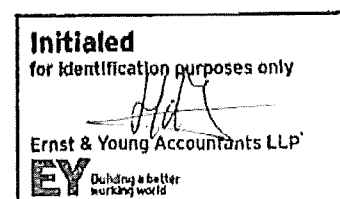
Schiedam, 22 November 2019



OI EUROPEAN GROUP B.V.

Balance Sheet as at December 31st, 2018
(in EUR, after appropriation of results)

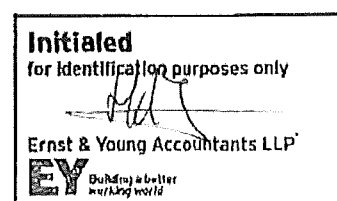
	<u>Notes</u>	<u>2018</u>	<u>2017 (restated)</u>
ASSETS			
Non-current assets			
Financial assets	6	<u>3.357.115.171</u>	<u>3.678.489.749</u>
		<u>3.357.115.171</u>	<u>3.678.489.749</u>
Current assets			
VAT receivable		13.888	36.657
Intercompany receivable	8	53.803	157.642.326
Corporate income tax receivable	7	1.186.519	683.802
Deferred tax asset	7	8.182.640	--
Other receivables	9	1.085.880	72.483.624
Short term intercompany loans receivable	10	31.789.519	14.535.289
Interest receivable	11	7.039.680	7.281.586
Cash at banks	12	<u>131.062.172</u>	<u>33.747.288</u>
		<u>180.414.101</u>	<u>286.410.572</u>
TOTAL ASSETS		<u><u>3.537.529.272</u></u>	<u><u>3.964.900.321</u></u>
EQUITY AND LIABILITIES			
Equity			
Issued and paid-up capital	13	18.450	18.450
Change in fair value of derivatives		(4.991.343)	(2.255.294)
Share premium reserve		388.194.216	447.475.007
Other reserves		<u>130.826.466</u>	<u>119.223.642</u>
		<u>514.047.789</u>	<u>564.461.805</u>
Non-current Liabilities	14	1.926.132.471	2.210.743.523
Current Liabilities			
Interest payable	15	25.566.164	27.227.529
Intercompany payable	16	30.683.018	9.194.228
Accounts payable and accrued expenses	17	657.858	96.632.721
Short term intercompany loans payable	18	1.039.680.897	1.056.546.211
Intercompany account f/x contracts	19	<u>761.075</u>	<u>94.304</u>
		<u>1.097.349.012</u>	<u>1.189.694.993</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3.537.529.272</u></u>	<u><u>3.964.900.321</u></u>



OI EUROPEAN GROUP B.V.

Income Statement 31st December, 2018
(in EUR)

	<u>Notes</u>	<u>2018</u>	<u>2017 (restated)</u>
Dividend income	20	24.768.223	106.009.506
Other non-routine income	21	100.948.034	---
Total income		<u>125.716.257</u>	<u>106.009.506</u>
Impairment gains / (losses)	22	(81.374.766)	327.351.220
Interest income on loans	23	44.938.567	55.524.489
Interest expense on loans	24	(20.606.869)	(35.289.455)
Interest expense on loans bank		(90.886.627)	(83.430.522)
Interest income on derivatives		12.023.183	1.897.322
Other short term interest		1.369.081	959.176
Other income and expense		(204.551)	(309.885)
Result profit guarantee agreement	26 & 27	48.335.635	40.935.950
Exchange differences (loss) / gain	28	(33.926.901)	(58.344.014)
		<u>(120.333.248)</u>	<u>249.294.281</u>
Total operating result		<u>5.383.009</u>	<u>355.303.787</u>
General and administrative expenses		(845.397)	(481.159)
Total expenses		<u>(845.397)</u>	<u>(481.159)</u>
RESULT BEFORE TAXATION		<u>4.537.612</u>	<u>354.822.628</u>
Corporate income tax (loss) / gain	7	7.065.212	(2.644.822)
NET RESULT AFTER TAXATION		<u>11.602.824</u>	<u>352.177.806</u>



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

1 GENERAL

OI European Group B.V. is a Dutch private company with limited liability. It is incorporated in Eindhoven on February 17, 1999 and 100% subsidiary of OI Global Holdings C.V. The Company is registered at the Commercial register with number 24291478. The principal activity of the Company is the holding of investments in group companies and the financing of these activities. The Company's statutory office address is Buitenhavenweg 114, 3113 BE Schiedam, The Netherlands, while as per February 2019 the office place of business is Spoorstraat 7, 3112 HD Schiedam, The Netherlands. The ultimate parent of the Company is Owens-Illinois Inc, which has its place of business at Perrysburg, Ohio (United States of America). The Financial Statements of Owens-Illinois Inc. can be found on www.o-i.com.

(a) Correction of prior year misstatement

During the preparation of the 2018 statutory financial statements the Company's management identified that a material error occurred in the 2017 calculation of the impairment reversal of two of the investments in group companies. It is noted that the value of Owens-Illinois (Australia) Pty Ltd is overstated by EUR 136m. It was concluded that the outstanding loan portfolio was not taken into account when determining the actual reversal of the impairment. Additionally it was noted that the value of Owens-Illinois Singapore Pte Ltd was understated by EUR 173m because not all "non operating assets" were included in the past. As such management used improved source documentation and has performed more detailed checks which enables management to improve reliability of the valuation analyses. This practice will be continued in the future to prevent similar restatements. In accordance with Dutch accounting standard 150.2 the Company will adjust the equity per 31 December 2017 and restate the Company's 2017 income statement for comparison purposes. The errors have a positive impact of EUR 38m on the Company's 2017 net result of EUR 314m reported in last year's financial statements. The Company's financial assets of EUR 3,640m and Equity of EUR 526m reported in last year's financial statements increased with EUR 38m per 31 December 2017. N.B. based on considerations regarding data availability and unreasonable effort required to determine whether the error for Owens-Illinois Singapore Pte Ltd already occurred before 2017, it was decided to recognize the entire correction through the P&L of 2017 and not to investigate whether part of the correction should have been included in the opening balance of equity of 2017, referring to the exemption allowed under Dutch accounting standard 150.205.

2 PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

The accompanying financial statements have been prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and in accordance with the generally accepted accounting principles accepted in the Netherlands (KJ).

(a) Comparison with previous year

The principles of valuation and determination of result remained unchanged compared to the previous year.

(b) Foreign currencies

All assets and liabilities denominated in currencies other than Euro have been translated at the rates on balance sheet date. All transactions in foreign currencies have been translated into Euro at rates of exchange approximating those prevailing on the dates of the transaction. Unless otherwise indicated, any resulting exchange differences are included in the income statement. Income and expenses are translated at the average rates of exchange during the year.

Exchange rates used at year-end

	2018	2017
USD	0,8752	0,8372
ARS	0,0232	0,0437
BRL	0,2259	0,2328
CHF	0,8883	0,8557
CAD	0,6421	0,6665
AUD	0,6179	0,6527
GBP	1,1104	1,1266
PLN	0,2326	0,2395
HUF	0,0031	0,0032
CZK	0,0189	0,0191
SGD	0,6413	0,6263
NZD	0,5874	0,5941

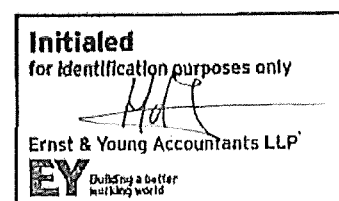
(c) Financial assets

The financial assets include participating interests and non-current receivables. Because of application of Article 408 as well as strong international entanglement the participating interests, are stated at acquisition cost in accordance with Article 389.9 of the Dutch Civil Code.

In case of a prolonged decline of the value of the shares, the participating interests are recorded at lower market value as determined on the basis of the Business Enterprise valuation of the group companies. Non-current receivables are valued at the lower of amortized cost or net realizable value. Considering interest rates are generally variable, fair value does generally not materially differ from amortized cost value (except for the impact of impairments). The losses arising from impairment are recorded through the income statement.

(d) Current assets / liabilities

On initial recognition current assets and liabilities are valued at the fair value adjusted for transaction costs. After initial recognition current assets and liabilities are recognized at amortized cost using the effective interest method. Provision for bad debts are deducted from the carrying amount of the receivable. The fair value of financial instruments included in the current assets and liabilities does generally not differ from the nominal value.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

2 PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES (Continued)

(e) Hedge of foreign currencies

Derivative financial instruments such as forward currency contracts are used to manage risks generally associated with foreign exchange rates. These are included in the balance sheet at fair value on the date of which a derivative contract was entered into and are subsequently re-measured at fair value. Re-measurement is recorded as realized/unrealized loss or gain through the income statement. The fair value of forward currency contracts is based on the difference between the forward exchange rate and the contract rate. The forward exchange rate is referenced to current forward exchange rates for contracts with similar maturity profiles. See notes 9 and 19 for additional information related to derivative instruments.

The Company has borrowings denominated in currencies other than the functional currency. As a result, the Company is exposed to fluctuation in currency of the borrowing against the Company's functional currency. The Company uses derivatives to manage these exposures and designates these derivatives as cash flow hedges of foreign exchange risks. The effective portion of the changes in the fair value of derivatives designated and that qualify as cash flow hedges of foreign exchange risk is recorded in equity and is subsequently reclassified into earnings in the period for which the hedged forecasted transaction affects earnings. The ineffective portion of the change in fair value of the derivative is recognized directly in earnings.

The Company's fixed-to-variable interest rate swaps are accounted for as fair value hedges. The relevant critical terms of the swap agreements match the corresponding terms of the notes and therefore there is no hedge ineffectiveness. The Company records the fair market values of the swaps as a liability or asset with a corresponding change in the carrying value of the hedged debt.

Under the swaps the Company receives fixed rate interest amounts (equal to the interest on the corresponding hedged note) and pays interest at a six-month Euribor rate (set in arrears) plus a margin spread. The interest rate differential on each swap is recognized as an adjustment of interest expense during each six-month period over the term of the agreement.

The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

(f) Financial risk management

Currency Risk

The company operates globally. The currency risk for the Company largely concerns positions and future transactions in US dollars, New Zealand Dollars, Hungarian Forint and Polish Zloty. Management has determined, based on a risk assessment, that some of these currency risks need to be hedged. Forward exchange contracts are used for this purpose. Additionally, the Company uses a cross currency swap as cash flow hedge.

Liquidity Risk

The Company uses Citibank globally in order to avail itself of a range of overdraft facilities.

Credit Risk

The Company does not have any significant concentrations of credit risk to external counterparties. For banks and financial institutions only independently rated parties with sufficient ratings are accepted. These counterparties do not have a history of non-performance.

The exposure with respect to receivables from group companies/related parties (which forms the majority of the credit exposure) is monitored based on the individual financial positions and business plans as well as the overall credit rating of the group as a whole.

Interest rate risk

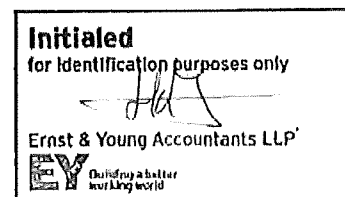
The Company bears an interest risk on the fluctuation in libor and Euribor.

Fair value risk

The Company bears a fair value risk on various loans with fixed interest. The Company uses an interest rate swap as fair value hedge.

(g) Non-current liabilities

Long-term liabilities are carried at amortized cost, being the amount received taking account of any premium or discount, less transaction costs. The difference between the carrying value determined and the ultimate repayment value, together with the interest due, is determined in such a manner that the effective interest is taken to the income statement during the term of liabilities.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

3 PRINCIPLES OF DETERMINATION OF RESULT

(a) General

Result is mainly determined as the difference between dividend income, interest income and the costs of fundings and other charges for the year. Income from transactions is recognized in the year in which it is realized.

(b) Exchange rate differences

Exchange rate differences arising upon the settlement of monetary items are recognized in the income statement in the period that they arise. Exchange rate differences on long-term loans relating to the financing of foreign participations are recognized in the income statement in the period they arise.

(c) Financial income and expenses

Interest income and expense is recognized on a time-weighted basis, making allowance for the effective interest rate applicable to the asset and liability item in question. Dividend income is recognized as soon as the company has the right to such income.

(d) Taxation

Domestic corporate income tax is determined by applying Dutch fiscal practice rules and taking into account allowable deductions, charges and exemptions.

(e) Result guarantee agreements

The Company is a party in several result guarantees.

As per January 1, 2006 the Company's shareholder, OI Global CV, is guarantor of various loans made by the Company to several group companies. The Guarantee agreement has been terminated on 31 August 2018.

As per January 1, 2006 the Company's shareholder, OI Global CV, ensures that the Company at all times will earn the agreed minimum margin on its financing activities and any remaining FX risks borne by the Company are for the benefit or the account of OI Global CV. The FX agreement has been terminated on 31 August 2018 and,

As per 24 February 2007, the deficit or surplus of OI Manufacturing Netherlands B.V. are for the benefit or the account of the Company.

As part of significant changes in tax legislation in the US (as well as anticipated changes in Dutch tax legislation), it is concluded that it is no longer beneficial to have OI Global C.V. as parent company. It is decided to liquidate OI Global C.V. As a consequence thereof OI Global Holdings C.V. became the new parent of the Company. As a result, the Profit Guarantee Agreement (note 26), the Guarantee Agreement (equity at risk agreement note 25) as well as the financing APA (12 bps) have automatically been cancelled. The financial impact is estimated to be limited to the currency result of the loans that are not hedged (Brazil, Argentina and O-I Glass C.V.) as well as any default like indebtedness in terms of principal amount and/or interest due. The risk of indebtedness is estimated to be the total of the intercompany loans and related accrued interest and amounts to EUR 61.5mln. Also the financing result will be increased, given the increased risk profile of the company. Although currently the tax implications are being discussed, it is assessed that the tax impact of the change of shareholder and cancellation of the mentioned agreements will be limited. Note 25, 26 and 27 provide further details on these arrangements.

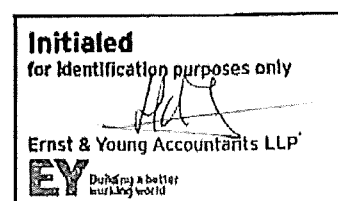
As the generally accepted accounting principles in the Netherlands do not provide specific guidance on result guarantees, the Company decided to recognize in the income statement of a specific year the amounts the Company becomes entitled to or liable for based on the results in that specific year. Hence, the Company does not recognize the guarantees as assets or liabilities in the balance sheet (except regarding the amounts recognized in the income statement but not yet paid or received) nor treat the payments and receipts as informal capital contributions or informal dividends. Given the duration of the guarantees and the fact that the guarantees are between related parties, it is difficult, if not impossible, to determine a reliable estimate of the value of the guarantee at the signing date of the agreements. In addition, given that the current payments and receipts are based on agreements signed in the past, these amounts are not informal capital contributions or dividends in the year they occur.

4 CONSOLIDATION

Consolidated Financial Statements have not been prepared, as is permitted by Article 408, Book 2 of the Dutch Civil Code. Pursuant to the conditions of this article, the Company will file with the Trade Register of the Chamber of Commerce in Rotterdam the consolidated financial statements of its (ultimate) parent company Owens-Illinois Inc., Perrysburg, United States of America.

5 CASH FLOW STATEMENT

In accordance with section RJ 360 104 the Company applies for exemption from including a cash flow statement in the financial statements. The consolidated cash flow statement is included in the financial statements of Owens-Illinois Inc.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

NON-CURRENT ASSETS

6 FINANCIAL ASSETS

	Investments in group companies	Amounts due from shareholder	Amounts due from indirect investments	Amounts due from direct investments	Total
Closing balance 2017 (restated)	2 711 674 488	--	386 386 839	580 428 432	3 678 489 749
Movements 2018					
Acquisitions/new loans	111 873 964	--	5 931 960	7 129 355	124 935 278
Repayments	--	--	(342 853 734)	(38 156)	(342 891 890)
Impairments *	(77 800 000)	--	--	--	(77 800 000)
Foreign exchange effects	--	--	4 003 949	(29 621 914)	(25 617 965)
Closing balance 31st December, 2018	<u>2 745 748 452</u>	<u>--</u>	<u>53 469 004</u>	<u>557 897 716</u>	<u>3 357 115 171</u>

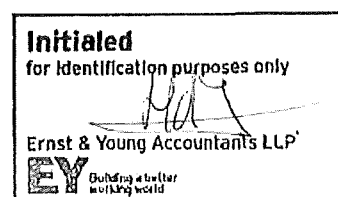
* (Reversal of) impairments made to investments in Brazil are based on Business Enterprise Value calculations. Investments are tested for impairments annually as of October 1 (or more frequently if impairment indicators arise). Step 1 compares the business enterprise value ("BEV") taking non-operating assets / liabilities into account, of each investment with its carrying value. The BEV is computed based on estimated future cash flows, discounted at the weighted average cost of capital of a hypothetical third-party buyer. If the BEV is less than the carrying value for any investment, then impairment must be calculated. Impairments will be calculated by comparing the investment's fair value with the carrying amount of the investment. Any excess of the carrying value of the unit over the fair value will be recorded as an impairment loss. The calculations of the BEV in Step 1 are based on significant unobservable inputs, such as projected future cash flows of the investments, discount rates, and terminal business value, and are classified as Level 3 in the fair value hierarchy. The Company's projected future cash flows incorporates management's best estimates of the expected future results including, but not limited to, price trends, customer demand, material costs, asset replacement costs and any other known factors. All investments are considered group companies except for Andover (11.6%), OST-Tara (19%) and Sichuan SkyHorse Glass Co. Ltd (45%). In Fabrica de Vidrios there is a direct 32% interest and through indirect investment there is control. The Company's investments in Andover, OST-Tara, SkyHorse Glass Co. Ltd and group companies comprise the following:

Name	Registered office	Ownership	Acquisition cost	2018	2017 (restated)
Centro de Mecanizados del Cauca S A	Colombia	100,00%	8 734 595	8 734 595	8 734 595
Cristalera Peldar, S A	Colombia	58,41%	34 368 673	34 368 673	34 368 673
Fabrica de Vidrios los Andes, C A	Venezuela	32,00%	1 415 737 (a)	--	--
Manufacturera de Vidrios Planos, C A	Venezuela	100,00%	-- (b)	--	--
Owens-Illinois do Brasil Industria e Comércio ("OI Brasil")	Brazil	99,47%	182 818 301	105 018 301	182 818 301
OI Canada Holdings B V	Netherlands	100,00%	98 833 073	98 833 073	98 833 073
O-I Ecuador LLC	United States	100,00%	17 117 253	17 117 253	--
OI Europe Sarl	Switzerland	100,00%	794 186	794 186	794 186
O-I Europe SAS	France	100,00%	395 037 000	395 037 000	395 037 000
OI Jaroslaw Centrum Serwisowe Maszyn Sp z o o	Poland	99,00%	877 877	877 877	877 877
OI Finnish Holdings OY	Finland	100,00%	7 161 656	7 161 656	7 161 656
O-I Glaspaek Beteiligungs & Verwaltung GmbH	Germany	100,00%	163 851 655	163 851 655	163 851 655
Sichuan Skyhorse Glass Co. Ltd	China	45,00%	17 122 506	17 122 506	--
OI Hungary LLC	United States	100,00%	76 427 037	76 427 037	--
O-I Manufacturing Italy S P A	Italy	99,78%	192 734 156	192 734 156	192 734 156
O-I Manufacturing Netherlands B V	Netherlands	100,00%	157 631 589	157 631 589	157 631 589
Owens-Illinois Holding (Australia) Pty Ltd	Australia	100,00%	1 229 761 060	739 469 690	739 469 690
O-I Andover Group Inc	Australia	11,60%	28 517 897	28 517 897	28 517 897
OI Sales & Distribution Netherlands B V	Netherlands	100,00%	17 898 000	17 898 000	17 898 000
Owens-Illinois de Venezuela, C A	Venezuela	73,97%	12 044 372 (a)	--	--
O-I Manufacturing U.K. Ltd	United Kingdom	100,00%	131 272 174	131 272 174	131 272 174
OST-Tara	Russia	19,00%	1	--	--
O-I Argentina S A	Argentina	92,00%	61 054 892	--	--
Vidriera Rovira S L	Spain	100,00%	263 051 683	263 051 683	261 844 515
Owens - Illinois Singapore Pte Ltd	Singapore	100,00%	260 414 118	260 414 118	260 414 118
O-I Sales and Distribution Spain	Spain	100,00%	29 414 901	29 414 901	29 414 901
OI GMEC Lurin S r l	Peru	99,00%	432	432	432
			<u>3 388 354 824</u>	<u>2 745 748 452</u>	<u>2 711 674 488</u>

Please note that the acquisitions of OI Hungary LLC and O-I Ecuador LLC are contributed as capital contribution as part of the merger with OI New Holding Company B V. Please also refer to note 13.

a) Regarding the two companies in Venezuela reference is made to Note 21 "Other non-routine income".

b) Manufacturera de Vidrios Planos, C A was sold to an external party in December 2018.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

6 FINANCIAL ASSETS (Continued)

The amounts due from indirect investments are specified as follows

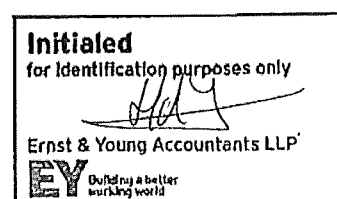
Name	Interest	CCY	Amount in CCY	2018	2017
ACI Operations Pty Ltd	6-months Libor plus 3.5%	AUD	--	--	149 935 768
O-I Glass C V	Annually 1.55%	USD	--	--	96 274 592
O-I Sales and Distribution France SAS	6-months Libor plus 2.25%	EUR	29 153 207	29 153 207	29 153 207
O-I Singapore Pte Ltd	6-months Libor plus 2.5%	USD	4 500 000	3 938 386	1 255 756
O-I Canada Corp	6-months Libor plus 1.612%	CAD	25 465 005	16 351 353	16 971 970
O-I Sales and Distribution Germany GmbH	6-months Libor plus 2.25%	EUR	--	--	224
O-I Sales and Distribution U.K. Ltd	6-months Libor plus 3.5%	GBP	--	--	13 519
ACI Operations NZ Ltd	6-months Libor plus 2.25%	NZD	--	--	89 108 558
O-I Hong Kong Ltd	6-months Libor plus 2.0%	USD	4 257 394	3 726 058	3 373 235
BSN Distribution SO	1-month Libor plus 4.25%	EUR	300 000	300 000	300 000
				<u>53 469 004</u>	<u>386 386 829</u>

The amounts due from direct investments are specified as follows

Name	Interest	CCY	Amount in CCY	2018	2017
Vidrieria Rovira S L	6-months Libor plus 4.67%	EUR	--	--	35 248
O-I Manufacturing Netherlands B V	1-month all in rate of 8.465%	BRL	1 090 544 971	246 313 907	275 664 416
O-I Europe SAS	6-month Libor plus 4.8%	EUR	157 398 966	157 398 966	150 434 338
O-I Europe Sarl	6-month Libor plus 3.6%	EUR	152 254 639	152 254 639	152 472 451
O-I Jaroslaw Centrum Serwisowe Maszyn Sp z o o	6-months Libor plus 7.17%	PLN	8 287 290	1 927 864	1 816 730
O-I Glasspack Beteiligungs & Verwaltungs GmbH	6-months Libor plus 1.25%	EUR	2 340	2 340	5 249
O-I Argentina S A	6-months flat rate of 1%	ARS	851 254 834 *	--	--
				<u>557 897 716</u>	<u>580 428 432</u>

Most loan agreements include a termination date of 31 May 2020, however some agreements are different or do not provide for a specific repayment date, which is to be agreed between the parties. The intention is that the loans are long-term. On termination dates, normally these loans are extended if needed. The movements on the loans are related to the working capital changes, interest capitalized and foreign exchange movements.

* Loan has been impaired because there are objective indications of a decline in value. Please refer to Note 22.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

CURRENT ASSETS

7 CORPORATE INCOME TAX

As part of significant changes in tax legislation in the US (as well as anticipated changes in Dutch tax legislation), it is concluded that it is no longer beneficial to have OI Global C.V. as parent company. It is decided to liquidate OI Global C.V. As a consequence thereof OI Global Holdings C.V. became the new parent of the Company. As a result, the Profit Guarantees Agreement (note 26), the Guarantee Agreement (equity at risk agreement note 25) as well as the financing APA (12 bps) have automatically been cancelled, i.e. currency and credit risk are no longer shifted to OI Global C.V. Taxation of currency results will be deferred until realization. Since the APA is cancelled, there is no longer an agreement in place with the Dutch Tax authorities regarding the applicable remuneration of the Company's financing activities.

For Dutch corporate income tax purposes, OI European Group B.V. as a parent company is part of a fiscal unity with its Dutch subsidiaries OI Canada Holdings B.V., O-I Manufacturing Netherlands B.V., O-I Sales and Distribution Netherlands B.V., and Veglaer B.V. For Dutch tax purposes the taxable income of the fiscal unity companies is consolidated. On a stand alone basis OI European Group B.V. has incurred a taxable loss for the current year. Furthermore, the fiscal unity as a whole incurred a taxable loss for the year as a result of which no Dutch corporate income tax is due. The nominal tax rate is 20% for the first EUR 200 000 taxable income and for all taxable income above it is 25%. The effective tax rate for 2018 is +155.7%.

The reconciliation between the result before taxation and the taxable income of OI European Group B.V. for Dutch corporate income tax purposes can be specified as follows:

	2018	2017
Result before taxation	4 537 612	354 822 628
Permanent and temporary differences	(20 481 132)	(379 333 966)
Taxable result	(15 943 520)	(24 511 338)

The difference between the result before taxation and the taxable result consist of the following elements:

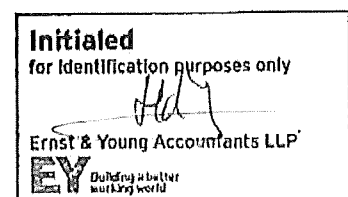
Exempted dividend income	(24 768 223)
Sale of the right, title and interest due under the BIT award on Venezuela (exempted)	(1 009 488 034)
Correction impairments for operations	81 374 766
Correction non-deductible interest	44 967 528
Non deductible exchange differences	(21 107 169)
Other (withholding tax)	--
	(20 481 132)

The fiscal unity profit/(loss) can be specified as follows:

	2018	2017
OI European Group B.V.	(15 943 520)	(24 511 338)
OI Canada Holdings B.V.	(5 000)	(5 000)
O-I Manufacturing Netherlands B.V.	(1 254 921)	6 595 976
O-I Sales and Distribution Netherlands B.V.	3 265 789	3 601 119
Veglaer B.V.	--	--
	(13 937 652)	(14 319 243)

On a stand-alone basis O-I Sales and Distribution Netherlands B.V. would have incurred a Dutch corporate tax expense. As a result of the fiscal unity principle, the taxable income of O-I Sales and Distribution Netherlands B.V. is offset against losses of OI European Group B.V., as a result of which no corporate income tax is due to the Tax Authorities. Therefore, the stand-alone corporate tax expense of O-I Sales and Distribution Netherlands B.V. is settled with OI European Group B.V. However, the corporate tax expense incurred by O-I Sales and Distribution Netherlands B.V. is actually received by the Company. Currently, the Company has recorded a receivable of EUR 1.2 mln related to corporate income tax. For more information on the Venezuela claim reference is made to Note 21 "Other non-routine income".

A limited amount of losses is valued as deferred income tax asset as it is foreseen that these will be utilized in the foreseeable future against income. Reason is that due to new tax rules introduced per January 1, 2019 (article 15b Corporate Income Tax Act), the fiscal unity is expected to report a limited taxable profit. The Company prepared a three years forecast of its estimated taxable income and used the applicable tax rate of 25% - 20.5% to value the NOL's to be utilized in this period. This results in the recognition of a net DTA amounting to EUR 8.2m. It is expected that NOL's will first be utilized when filing the 2019 CIT return (approx. EUR 4.8mln). Filing of return is ultimately expected in June 2021. Before netting a DTL for unrealized FX results is accounted for, due to the expected exchange difference gain (EUR 2.1 mln). This DTL is however fully offset with the DTA for NOL's, resulting in above mentioned net DTA of EUR 8.2m. No DTA is recorded for WHFT credits, since it is not expected these credits will be utilized in the foreseeable future. The amount not recognized is EUR 20mln.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

7 CORPORATE INCOME TAX (Continued)

Corporate income tax

The corporate income tax as included in the profit and loss account is comprised of foreign and Dutch corporate income tax and can be specified as follows

	2018	2017
Withholding tax on interest	(932 253)	(5 171 963)
Withholding tax on dividend	(687 893)	--
Deferred tax asset	8 182 640	--
Corporate income tax fiscal unity	502 718	2 527 141
Corporate income tax	<u>7 065 212</u>	<u>(2 644 822)</u>

8 INTERCOMPANY RECEIVABLE

	2018	2017
Accounts receivable from shareholder	1 000	157 573 993
Accounts receivable from direct investments	52 803	68 333
Total	<u>53 803</u>	<u>157 642 326</u>

The accounts receivable from shareholder can be specified as follows

	2018	2017
O-I Global Holding C.V. (current shareholder)	1 000	--
O-I Global C.V. (former shareholder)	--	157 573 993
	<u>1 000</u>	<u>157 573 993</u>

The accounts receivable from direct investments can be specified as follows

	2018	2017
O-I Europe Sarl	(8 493)	(7 991)
O-I Corporate staff	59 491	72 542
Other	1 805	3 782
	<u>52 803</u>	<u>68 333</u>

9 OTHER RECEIVABLES

Other receivables can be specified as follows

	2018	2017
Intercompany account fix contracts	1 082 953	857 797
Securitization	(a) --	71 622 900
Other receivable	2 927	2 927
	<u>1 085 880</u>	<u>72 483 624</u>

(a) In 2015 the Company renewed its Euro 215 million European accounts receivable securitization program into EUR 185 million

As part of this program the Company invested EUR 71,622,900 in 2017 and EUR 84,981,000 in 2016 in Subordinated Units. The investment in Subordinated Units varied from month to month depending on the actual amounts which are securitized. O-I Europe Sarl bears the risk of a debtors default.

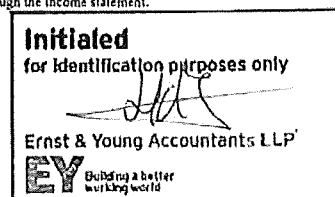
In July 2018 the European Securitization Program was fully repaid and settled. As a consequence various intercompany loan payables terminated as well, see note 14.

In 2018 the Company expanded capacity and use of its factoring program with BNP, resulting in a significant increase in cash.

The intercompany account fix contracts can be specified as follows

	Nominal Value	Due Date	2018	2017
CAD	(25 593 565)	May-19	707 469	85 008
GBP	--		--	69 806
CZK	686 986 266	May-19	260 640	106 632
HUF	5 543 641 239	May-19	90 712	88 568
PLN	(54 452 870)	Mar-19	23 478	472 719
USD	589 902	May-19	654	35 064
			<u>1 082 953</u>	<u>857 797</u>

The derivative contracts are recorded at fair value on the balance sheet, re-measurement is recorded as realized/unrealized loss or gain through the income statement.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

10 SHORT TERM INTERCOMPANY LOANS RECEIVABLE

	2018	2017
Short term intercompany loans receivable from indirect investments	31 139 424	13 974 208
Short term intercompany loans receivable from direct investments	602 527	523 513
Short term intercompany loans receivable from related parties	47 568	37 568
Total	31 789 519	14 535 289

Short term intercompany loans from indirect investments can be specified as follows

	2018	2017
O-I Hungary KA	7 466 534	--
O-I Glaspack GmbH & Co KG	321	321
O-I Sales and Distribution Estonia	456 569	--
O-I Sales and Distribution Germany GmbH	2 796 609	--
O-I Manufacturing U.K. Ltd	20 419 391	13 083 216
O-I Business Service Center Sp. z o.o.	--	890 671
	31 139 424	13 974 208

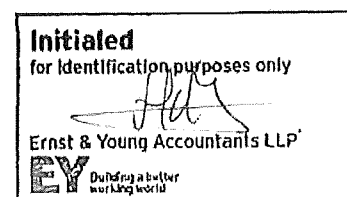
Short term intercompany loans from direct investments can be specified as follows

	2018	2017
O-I Canada Holdings B.V.	21 640	16 636
O-I Glaspack Beteiligungs & Verwaltungs GmbH	580 639	274 363
O-I Jaroslaw Centrum Serwisowe Maszyn Sp. z o.o.	--	232 266
O-I Manufacturing Netherlands B.V.	200	200
Vidrieria Rovira S.L. (Spain)	48	48
	602 527	523 513

Short term intercompany loans from related parties can be specified as follows

	2018	2017
O-I Mexico Holdings I B.V.	23 784	18 784
O-I Mexico Holdings II B.V.	23 784	18 784
	47 568	37 568

The short term intercompany loans receivable are created through the cash pooling process and bear variable interest rates. The main cash pooling account is the EUR account of the Company with the Citigroup London.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

11 INTEREST RECEIVABLE

	2018	2017
Interest receivable from indirect investments	526 409	1 566 097
Interest receivable from direct investments	3 924 199	4 047 325
Interest receivable from related parties	-	128 500
Interest receivable from credit-institutions	2 589 072	1 539 664
Total	7 039 680	7 281 586

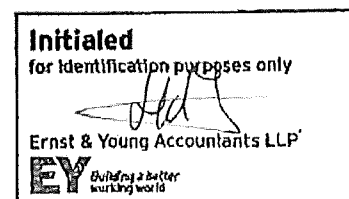
The interest receivable from indirect investments can be specified as follows

Name	CCY	Amount in CCY	2018	2017
ACI Operations Pty Ltd	AUD	-	-	734 763
O-I Sales and Distribution France SAS	EUR	81 556	81 556	82 095
O-I Canada Corp	CAD	128 753	82 674	68 100
O-I Sales and Distribution U.K. Ltd	GBP	4 960	5 508	5 505
O-I Sales and Distribution Estonia	EUR	15 464	15 464	12 333
O-I Sales and Distribution Germany GmbH	EUR	3 207	3 207	6 088
O-I Manufacturing France SAS	EUR	6 075	6 075	45 861
O-I Sales and Distribution Italy Srl	EUR	38 064	38 064	53 778
O-I Glasspack GmbH & Co KG	EUR	9 522	9 522	15 352
O-I Manufacturing Czech Republic s r o	CZK	1 183	46	45
O-I Sales and Distribution Czech Republic s r o	CZK	2 340	91	91
O-I Production Estonia AS	EUR	20 978	20 978	18 065
ACI Operations NZ Ltd	NZD	-	-	452 720
Owens-Illinois (HK) Limited	USD	34 353	30 066	21 429
BSN Distribution SO	EUR	526	526	525
O-I Manufacturing Poland SA	PLN	218 343	50 793	16 103
O-I Sales and Distribution Poland Sp Zoo	PLN	162 697	37 848	22 751
O-I Hungary Kft	HUF	5 969 329	18 586	-
O-I Business Service Center Sp. Z o o	PLN	11 950	2 780	5 849
O-I Singapore Pte Ltd	USD	140 111	122 625	4 644
			526 409	1 566 097

The interest receivable from direct investments can be specified as follows

Name	CCY	Amount in CCY	2018	2017
O-I Manufacturing Italy Sp A	EUR	822 411	822 411	821 786
O-I Manufacturing U.K. Ltd	GBP	48 871	54 269	73 322
O-I Sales and Distribution Spain	EUR	4 407	4 407	4 381
Vidrieria Rovira S.L.	EUR	61 517	61 517	68 651
O-I Sales and Distribution Netherlands B V	EUR	7 469	7 469	11 727
O-I Argentina S A	ARS	-	-	-
O-I Europe Sarl	EUR	335 847	335 847	280 860
O-I Manufacturing Netherlands B V	BRL	7 430 008	1 678 165	1 897 371
OI Jaroslaw Centrum Serwisowe Maszyn Sp z o o	PLN	99 390	23 121	23 706
O-I Glasspack Beteiligungs & Verwaltungs GmbH	EUR	11 321	11 321	3 981
O-I Mexico Holdings I D V	EUR	418	418	418
O-I Sparush Holdings B V	EUR	6 053	6 053	3 433
O-I Europe SAS	EUR	919 201	919 201	857 689
			3 924 199	4 047 325

* The interest receivable is fully impaired, based on the assessment on the likelihood whether this amount will be received



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

11 INTEREST RECEIVABLE (Continued)

The interest receivable from related parties can be specified as follows

Name	CCY	Amount in CCY	2018	2017
O-I Glass C V	USD	-	-	128 500
			-	128 500

The interest receivable from credit-institutions can be specified as follows

Name	CCY	Amount in CCY	2018	2017
Interest rate swap	EUR	(a) 691 891	691 891	1 221 577
Cross-currency / interest rate swap	EUR	(b) 1 897 181	1 897 181	318 087
			2 589 072	1 539 664

a) Relates to the interest receivable as part of the interest rate swap. Pls refer to note 14

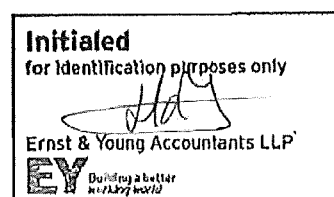
b) Relates to the interest receivable as part of the cross-currency / interest rate swap. Pls refer to note 14

12 CASH AT BANKS

	2018	2017
Cash/Call Deposits	131 062 172	33 747 288
Total	131 062 172	33 747 288

Cash at banks can be specified as follows	CCY	Amount in CCY	2018	2017
Citi Group London	EUR	50 562 644	50 562 644	15 421 243
BNP Paribas	EUR	(13 724)	(13 724)	1 444
Citi Group London	GBP	26 712 241	29 662 470	2 128 535
Citibank New York	USD	145 446	127 294	117 079
Citi Group Sydney	AUD	184 478	113 987	8 106
Citi Warsaw	CZK	448 379 083	17 434 921	3 758 203
Citi Budapest	HUF	1 606 314 875	5 001 394	2 918 638
Citibank Handlowy	PLN	120 077 410	27 933 489	9 528 786
Citi Group London	CHF	269 851	239 697	(34 746)
			131 062 172	33 747 288

There are no restrictions on the availability of cash and cash equivalents. These are readily available.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

13 EQUITY

The Company's authorized share capital amounts to EUR 90,000 and consists of 2,000 ordinary shares with a nominal value of EUR 45 each

As at December 31st, 2018 410 shares were issued and fully paid-up. The movements in the year under review can be summarized as follows

	Issued and paid-up capital	Change in fair value of derivative	Share premium	Other reserves	Total
Opening balance 1st January, 2017	18 450	--	447 475 007	(232 954 164)	214 539 293
Result for the period (restatement)	--	--	--	352 177 806	352 177 806
Cross-currency / interest rate swap	--	(2 255 294)	--	--	(2 255 294)
Capital contribution	--	--	--	--	--
Opening balance 1st January, 2018	<u>18 450</u>	<u>(2 255 294)</u>	<u>447 475 007</u>	<u>119 223 642</u>	<u>564 461 805</u>
Result for the period	--	--	--	11 602 824	11 602 824
Dividend	--	--	(173 928 986)	--	(173 928 986)
Capital contribution	--	--	114 648 195	--	114 648 195
Cross-currency / interest rate swap	--	(2 736 049) *	--	--	(2 736 049)
Closing balance 31st December, 2018	<u>18 450</u>	<u>(4 991 343)</u>	<u>388 194 216</u>	<u>130 826 466</u>	<u>514 047 789</u>

As part of global restructuring and refinancing programs the Company paid dividends partly in cash (USD 80mln) and partly by transferring an intercompany loan (USD 115mln)

As part of the liquidation of OI Global C V the Company merged with OI New Holding B V (a newly set up company) and became 100% owner of O-I Ecuador LLC and OI Hungary LLC by means of a capital contribution for the amount of EUR 94mln. The merger was processed using "carry over accounting". Additionally, because of global restructuring and refinancing programs where various intercompany balances with OI Global C V were settled, the Company received a capital contribution for the amount of EUR 21mln.

* The change in fair value represents the balance relating to the effective portion of the fair value of derivatives designated and that qualify as cash flow hedges of foreign exchange risk. Pls refer to note 14 of the Financial Statements

Appropriation of result:

The gain sustained by the Company during the year under review has been credited to the other reserve and such has been reflected in the Financial Statements

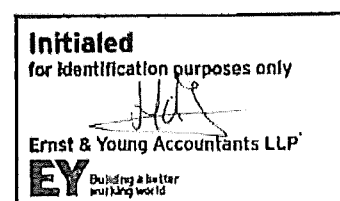
14 NON-CURRENT LIABILITIES

	2018	2017
Loans from indirect investments	10 822 034	243 377 239
Loans from direct investments	109 900 577	168 608 942
Debts to credit-institutions	1 805 409 860	1 798 757 342
Total	<u>1 926 132 471</u>	<u>2 210 743 523</u>

Repayment of liabilities within 12 months as at balance date, as set out above, are included under current liabilities

The loans from group indirect investments can be specified as follows

Name	Interest	CCY	Amount in CCY	2018	2017
ACI Operations Pty Ltd	6-month Libor plus 2.47%	EUR	--	--	80 827 171
O-I Production Estonia AS	6-months Libor 2.5%	EUR	--	--	976 923
O-I Manufacturing U.K. Ltd	n.a.	GBP	6	7	7
O-I Sales and Distribution U.K. Ltd	SECUR GB 1.3%	EUR	-- *	--	7 879 083
O-I Sales and Distribution France SAS	SECUR FR 1.3%	EUR	-- *	--	51 885 141
O-I Sales and Distribution Poland Sp z o o	6-months Libor plus 4.39%	PLN	46 520 539	10 822 027	10 478 040
O-I Sales and Distribution Italy Srl	SECUR IT 1.3%	EUR	-- *	--	79 133 475
O-I Sales and Distribution Germany GmbH	SECUR DE 1.3%	EUR	-- *	--	12 197 399
				<u>10 822 034</u>	<u>243 377 239</u>



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

14 NON-CURRENT LIABILITIES (Continued)

The loans from direct investments can be specified as follows

O-I Europe Sarl	6-months Libor plus 3.23%	EUR	21 792 907	21 792 907	21 155 656
O-I Europe Sarl	6-months Libor plus 3.60%	PLN	98 042 823	22 807 606	22 254 688
O-I Europe Sarl	6-months Libor plus 3.93%	CZK	210 000 000	8 165 709	8 215 799
O-I Europe Sarl	6-months Libor plus 4.39%	GBP	8 000 000	8 883 559	9 012 663
O-I Europe Sarl	SECUR CE00 1.3%	EUR	-	-	964 676
O-I Sales and Distribution Spain	SECUR ES 1.3%	EUR	-	-	16 817 026
O-I Sales and Distribution Spain	6-months Euribor plus 3.37%	EUR	14 025 686	14 025 686	14 025 686
O-I Manufacturing Italy S.p.A	6-months Libor plus 1.75%	EUR	-	-	29 447 492
O-I Sales and Distribution Netherlands B.V	6-months Libor 3.23%	EUR	1 143 319	1 143 319	1 143 319
O-I Manufacturing Netherlands B.V	6-months plus 4%	EUR	33 081 791	33 081 791	31 869 503
O-I Sales and Distribution Netherlands B.V	SECUR NL 1.3%	USD	-	-	13 702 434
				<u>109 900 577</u>	<u>168 608 942</u>

Most loan agreements include a termination date of 31 May 2020, however some agreements are different or do not provide for a specific repayment date, which is to be agreed between the parties. Although, all loans characterize as long term, if a loan agreement does not provide a specific repayment date, the loan is presented as short term intercompany loans payable. On termination dates, normally these loans are extended if needed. The movements on the loans are related to the working capital changes, interest capitalized and foreign exchange movements.

* The borrowing under the terms "SECUR", was the result of the Securitization Program's cash flows centralization through OI European Group B.V. OI European Group B.V. was enjoying the use of the funds generated by the program and was in exchange recognizing an intercompany loan facility from the participating sales entities at favorable borrowing. In July 2018, the European Securitization Program was fully repaid and settled.

The debts to credit-institutions are specified as follows

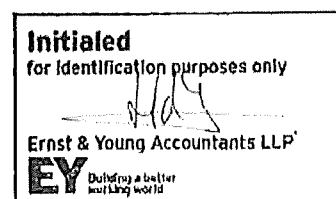
Name	Interest	CCY	Amount in CCY	2018	2017
Senior Notes due 2020	6.75% per annum	EUR	500 000 000	500 000 000	500 000 000
Senior Notes due 2021	4.875% per annum	EUR	330 000 000	330 000 000	330 000 000
Senior Notes due 2024	3.125% per annum	EUR	725 000 000	725 000 000	725 000 000
Interest rate swap	6 months Libor + 2.6%	EUR	a) (4 378 422)	(4 378 422)	6 204 268
Change in Fair value of Senior Notes due 2024	3.125% per annum	EUR	b) 4 378 421	4 378 421	(6 204 269)
Senior Notes due 2023	4.000% per annum	USD	310 000 000	271 311 045	259 522 813
Interest rate / cross-currency swap, Senior notes due 2023, USD 310mln		EUR	c) (4 958 941)	(4 958 941)	4 093 243
Deferred finance fees		EUR	(15 942 243)	(15 942 243)	(19 858 713)
				<u>1 805 409 860</u>	<u>1 798 757 342</u>

During September 2010, the Company issued Senior Notes with a face value of EUR 500 million due September 15, 2020. The notes bear interest at 6.75% and are guaranteed by Owens-Illinois Group Inc., Owens-Brockway Packaging Inc., OI Australia Inc., OI General FTS Inc., Owens-Illinois General Inc., Owens-Brockway Glass Container Inc. and O-I Packaging Solutions LLC. The notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading at the EUR MTF market of Luxembourg stock exchange.

During March 2013, the Company retired the existing, more expensive Senior Notes of EUR 300 million and re-issued new Senior Notes totaling EUR 330 million with a coupon of 4.875%. The notes are listed on the official list of the Luxembourg Stock Exchange and admitted for trading on the EURO MTF market of the Luxembourg Stock Exchange. The notes are due in March 31, 2021 and are guaranteed by the same entities as the Senior notes due 2020 as stated above. The proceeds were used for general funding purposes.

During November 2016, the Company issued Senior notes with a face value of EUR 500 million that bear interest at 3.125% and are due November 15, 2024. The notes were issued via a private placement and are guaranteed by Owens-Illinois Inc. The proceeds were used to repay other loans at Corporate level. In March 2017 the Company issued Senior notes under the same conditions for the amount of EUR 225 million. The notes are listed for the total amount of EUR 725 million on The International Stock Exchange (former Channel Islands Securities Exchange).

During December 2017, the Company issued Senior notes with a face value of USD 310 million that bear interest at 4.00% and are due March 15, 2023. The notes were issued via a private placement and are guaranteed by Owens-Illinois Inc. The proceeds were used to repay the Euro term loan. The notes are listed for the total amount of USD 310 million on The International Stock Exchange (former Channel Islands Securities Exchange).



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

a) Interest rate swap (fair value hedge):

In the third and fourth quarters of 2017, the Company entered into a series of interest rate swap agreements with a total notional amount of Eur 725 million that reach final maturity in 2024. The swaps were executed in order to maintain a capital structure containing appropriate amounts of fixed and floating-rate debt and to reduce net interest payments and expense in the near-term.

The Company's fixed-to-variable interest rate swaps were accounted for as fair value hedges. The relevant terms of the swap agreements match the corresponding terms of the notes and therefore there is no hedge ineffectiveness. The Company recorded the fair market values of the swaps as a liability or asset along with a corresponding change in the carrying value of the hedged debt.

Under the swaps the Company receives fixed rate interest amounts (equal to the interest on the corresponding hedged note) and pays interest at a six-month Euribor rate (set in arrears) plus a margin spread. The interest rate differential on each swap is recognized as an adjustment of interest expense during each six-month period over the term of the agreement.

The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

b) Fair value of Senior Notes due 2024

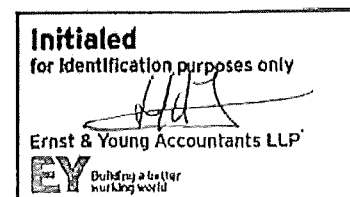
The balance represents the change in fair value of Senior Notes due 2024, which has been hedged, see note a.

c) Interest rate / cross currency swap (cash flow hedge):

The Company has borrowings denominated in currencies other than the functional currency. As a result, the Company is exposed to fluctuation in the currency of the borrowing against the Company's functional currency. The Company uses derivatives to manage these exposures and designates these derivatives as cash flow hedges of foreign exchange risks. The effective portion of the changes in the fair value of derivatives designated and that qualify as cash flow hedges of foreign exchange risk is recorded in equity and is subsequently reclassified into earnings in the period for which the hedge forecasted transaction affects earnings. The ineffective portion of the change in fair value of the derivative is recognized directly in earnings.

During the fourth quarter of 2017, the Company entered into a series of cross-currency interest rate swaps to manage its exposure to fluctuations in the Euro-U.S. dollar exchange rate arising from a U.S. Dollar denominated borrowing. These swaps involve exchanging fixed rate Euro interest payments for fixed rate U.S. Dollar interest receipts both of which will occur at the forward exchange rates in effect upon entering into the instrument. An unrecognized loss of EUR 5mln at December 31, 2018 related to these cross-currency interest rate swaps was included in the Company's equity. These instruments, in the aggregate, have a pay fixed notional amount of Eur 263 million and a receive notional amount of USD 310 million and reach final maturity in 2023. There was no ineffectiveness related to these cross-currency interest rate swaps for the year ended December 31, 2018. The Company records the fair values of derivative financial instruments as "non-current liability".

The deferred finance fees represent expenses incurred in issuing the Senior Notes.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

CURRENT LIABILITIES

15 INTEREST PAYABLE

	2018	2017
Interest payable to indirect investments	461 812	2 326 925
Interest payable to direct investments	1 125 858	807 552
Interest payable to Shareholder (former shareholder OI Global C.V.)	--	1 916 495
Interest payable to related parties	--	524
Interest payable to credit-institutions	23 978 494	22 176 033
Total	25 566 164	27 227 529

The interest payable to indirect investments can be specified as follows

Name	CCY	Amount in CCY	2018	2017
O-I Manufacturing Czech Republic a s	CZK	2 009 164	78 125	51 466
O-I Glasspack GmbH & Co KG	EUR	145 823	145 823	140 084
O-I Hungary Kft	HUF	19 561 389	60 906	55 286
O-I Sales and Distribution Hungary Kft	HUF	--	--	4
O-I Sales and Distribution Germany GmbH	EUR	--	--	5 726
O-I Production Estonia AS	EUR	--	--	2 717
O-I Sales and Distribution Czech Republic s r o	CZK	329 233	12 802	8 719
O-I Sales and Distribution Estonia	EUR	--	--	40
Karlulan Lasi OY	EUR	14 812	14 812	14 104
O-I Manufacturing France SAS	EUR	136 273	136 273	1 970 627
O-I Sales and Distribution France SAS	EUR	--	--	24 357
O-I Sales and Distribution U.K. Ltd	EUR	12 704	12 704	16 402
O-I Sales and Distribution Italy Srl	EUR	236	236	37 393
OI Jaroslaw Centrum Serwisowe Maszyn Sp z o o	PLN	563	131	--
			461 812	2 326 925

The interest payable to direct investments can be specified as follows

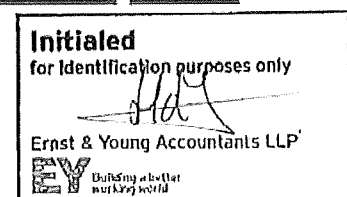
Name	CCY	Amount in CCY	2018	2017
O-I Manufacturing Italy S P A	EUR	177 706	177 706	170 679
Vidriera Rovira S L	EUR	55 225	55 225	55 225
O-I Sales and Distribution Poland Sp z o o	PLN	518 517	120 622	105 372
O-I Manufacturing Poland SA	PLN	--	--	236
O-I Business Service Center Sp Z o o	PLN	1 272	296	--
O-I Sales and Distribution Spain	EUR	55 790	55 790	62 157
OI Finnish Holdings OY	EUR	43 713	43 713	41 202
O-I Europe Sail	EUR	363 428	363 428	333 795
O-I Manufacturing Netherlands B V	EUR	30 052	30 052	20 223
O-I Sales and Distribution Netherlands B V	EUR	4 343	4 343	10 656
Centro de Mecanizados del Cauca S A	USD	691	605	605
O-I Glasspack Beteiligungs & Verwaltungs GmbH	EUR	2 298	2 298	2 209
O-I Singapore Pte Ltd	USD	310 536	271 780	5 193
			1 125 858	807 552

The interest payable to related parties can be specified as follows

Name	CCY	Amount in CCY	2018	2017
O-I International Holdings Inc	USD	--	--	524
			--	524

The interest payable to credit-institutions can be specified as follows

Name	CCY	Amount in CCY	2018	2017
EUR 500M Bond Due 2020	EUR	14 062 500	14 062 500	14 062 500
EUR 330M Bond Due 2021	EUR	4 066 563	4 066 563	4 066 563
EUR 725M Bond Due 2024	EUR	2 832 031	2 832 031	2 832 031
USD 310M Bond Due 2023	USD	1 587 852	3 140 977	4 348
All banks-FX (Premium)/Discount	EUR	(122 677)	(122 677)	1 210 591
			23 978 494	22 176 033



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

16 INTERCOMPANY PAYABLE

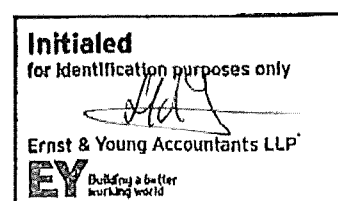
	2018	2017
Accounts payable to indirect investments	60 167	797 416
Accounts payable to direct investments	30 622 651	8 396 812
Total	30 683 018	9 194 228

The accounts payable to indirect investments can be specified as follows

	2018	2017
O-I Sales and Distribution Germany GmbH	--	48 000
O-I Manufacturing Poland SA	8 951	--
O-I Business Service Center Sp. z o.o.	890	--
O-I Sales and Distribution France SAS	--	240 000
O-I Manufacturing France SAS	--	275 507
O-I Sales and Distribution UK Ltd	--	96 000
O-I Manufacturing Czech Republic a.s.	3 456	3 456
O-I Hungary Kft	--	357
O-I Sales and Distribution Italy Srl	47 070	134 096
	60 167	797 416

The accounts payable to direct investments can be specified as follows

	2018	2017
O-I Manufacturing Netherlands B.V.	235 324	3 198
O-I Singapore Pte Ltd	30 383 924	8 237 614
O-I Europe Sarl	3 403	12 000
O-I Sales and Distribution Spain	--	48 000
O-I Sales and Distribution Netherlands B.V.	--	96 000
	30 622 651	8 396 812



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

17 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	2018	2017
Cash Payment	--	96 274 592
Accrued legal and tax fees	271 570	128 826
Payroll accruals	216 968	194 866
Accrued audit fees	169 320	94 000
Others	--	(59 563)
	<u>657 858</u>	<u>96 632 721</u>

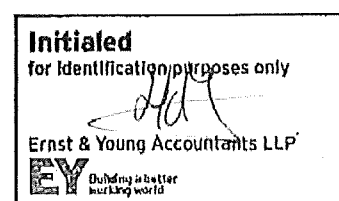
(a) The Company sold its right, title and interest in amounts due under the BIT Award on Venezuela. Under the terms of the sale, the Company received a payment, in cash equal to USD 115mln (the "Cash Payment"). In 2017 the Cash Payment was recorded as a liability, because of an annulment procedure, where the Company might be required to repay to the purchaser up to the entire amount of the Cash Payment. On December 6, 2018, an ad hoc committee for the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") rejected the request by the Bolivarian Republic of Venezuela ("Venezuela") to annul the award issued by an ICSID tribunal in favor of OI European Group B.V. related to the 2010 expropriation of the Company's majority interest in two plants in Venezuela (the "Award"). The annulment proceeding with respect to the Award is now concluded. As a result of the favorable ruling by an ICSID ad hoc committee rejecting Venezuela's request to annul the Award, and thereby concluding those annulment proceedings, the Company has recognized a USD 115mln (EUR 101mln) gain in 2018. The difference compared to the amount recorded in 2017 (96mln) relates to exchange differences. Please refer to note 21.

18 SHORT TERM INTERCOMPANY LOANS PAYABLE

	2018	2017
Short term intercompany loans payable to indirect investments	440 253 380	505 276 397
Short term intercompany loans payable to direct investments	599 427 517	256 256 945
Short term intercompany loans payable to the shareholder	--	294 845 173
Short term intercompany loans payable to related parties	--	167 696
Total	<u>1 039 680 897</u>	<u>1 056 546 211</u>

Short term intercompany loans to indirect investments can be specified as follows:

	2018	2017
O-I Sales and Distribution Czech Republic s r o	3 968 090	3 458 961
O-I Glasspack GmbH & Co KG	114 581 871	114 581 871
O-I Production Estonia AS	7 865 691	4 969 045
O-I Sales and Distribution Estonia	--	614 785
O-I Manufacturing France SAS	100 291 174	100 291 174
O-I Manufacturing France SAS	39 310 885	58 093 603
O-I Sales and Distribution France SAS	1 074 539	14 810 772
O-I Sales and Distribution Germany GmbH	--	1 315 083
O-I Manufacturing Czech Republic a s	9 621 406	6 336 817
O-I Hungary Kft	23 480 447	24 301 741
O-I Hungary Kft	--	6 340 098
O-I Sales and Distribution Hungary Kft	1 395 353	1 157 018
O-I Manufacturing Czech Republic a s	16 047 547	16 145 984
O-I Sales and Distribution Czech Republic s r o	2 449 713	2 464 740
O-I Sales and Distribution Estonia	--	21 602
Kerhulan Lasi Oy	7 764 196	7 649 531
O-I Spanish Holdings B V	496 623	501 723
O-I Glasspack GmbH & Co KG	24 499 185	21 865 930
O-I Manufacturing Poland SA	5 515 996	6 118 986
O-I Sales and Distribution Poland Sp Z o o	16 601 938	19 405 954
O-I Business Service Center Sp Z o o	580 004	--
O-I Sales and Distribution U K Ltd	8 315 997	9 510 410
O-I Sales and Distribution Italy Srl	56 392 725	85 320 569
	<u>440 253 380</u>	<u>505 276 397</u>



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

18 SHORT TERM INTERCOMPANY LOANS PAYABLE (Continued)

Short term intercompany loans to direct investments can be specified as follows

	2018	2017
O-I Manufacturing Netherlands B V	32 746 623	17 007 414
Vidieria Rovira S L	17 091 162	16 830 950
O-I Sales and Distribution Spain	3 504 489	5 195 713
O-I Manufacturing Italy S p A	79 738 652	49 548 436
O-I Glasspack Beteiligungs & Verwaltungs GmbH	1 803 713	1 803 713
O-I Finnish Holdings OY	9 139 848	8 804 716
O-I Sales and Distribution Netherlands B V	14 084 182	12 736 635
O-I Manufacturing Italy S p A	83 973 349	39 397 740
O-I Jaroslaw Centrum Serwisowe Maszyn Sp Z o o	59 029	-
O-I Europe SAS	13 204 393	8 269 575
O-I Europe Sari	344 082 077	96 662 053
	<u>599 427 517</u>	<u>236 236 945</u>

Short term intercompany loans to related parties can be specified as follows

	2018	2017
O-I International Holdings Inc	-	167 696
	<u>-</u>	<u>167 696</u>

The short term loans are related to the cash pooling balances. The main cash pooling account is the EUR account of the Company with the Citi Group London.

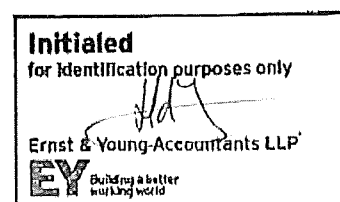
* These loans characterize as long term, however Dutch GAAP requires that they need to be presented as "current", mostly because the original loan agreements do not specify an end date.

19 INTERCOMPANY ACCOUNT FX CONTRACTS

The intercompany account fx contracts can be specified as follows.

	Nominal Value *	Due Date	2018	2017
AUD			-	1 236,25
CAD			-	58,5
CZK	(188 517 946)	March-19	42 751	132
GBP	(26 130 785)	May-19	414 773	14 638
HUF	(5 499 098 351)	March-19	19 546	9
PLN	136 585 120	May-19	27 173	20
NZD			-	194
USD	25 553 331	May-19	256 832	77 490
			<u>761 075</u>	<u>94 304</u>

* The nominal values are stated in foreign currencies.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

INCOME STATEMENT

20 DIVIDEND INCOME

The dividend received from subsidiaries can be specified as follows

Name	2018	2017
Vidrieria Rovira S.L.	--	88 330 845
O-I Manufacturing U.K. Ltd	--	1 492 207
O-I Manufacturing Italy S.p.A.	2 197 824	--
Owens-Illinois do Brasil Indústria e Comércio ("OI Brasil")	4 105 650	--
OI Finnish Holdings OY	800 000	--
O-I Sales and Distribution Netherlands B.V.	1 207 168	--
Cristaleria Peldar, S.A.	13 757 851	16 186 454
O-I Ecuador LLC	2 699 730	--
	<u>24 768 223</u>	<u>106 009 506</u>

21 OTHER NON-ROUTINE INCOME

On December 6, 2018, an ad hoc committee for the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") rejected the request by the Bolivarian Republic of Venezuela ("Venezuela") to annul the award issued by an ICSID tribunal in favor of OI European Group B.V. related to the 2010 expropriation of the Company's majority interest in two plants in Venezuela (the "Award"). The annulment proceeding with respect to the Award is now concluded. As a result of the favorable ruling by an ICSID ad hoc committee rejecting Venezuela's request to annul the Award, and thereby concluding those annulment proceedings, the Company has recognized a USD 115mln (EUR 101mln) gain in 2018. For tax purposes the income is recognized already in a tax return before 2018. The proceeds are partly tax exempt. The remaining amount has been offset with NOLs.

The government of Venezuela expropriated the Company's plants in 2010. The Company was awarded by the World Bank's International Centre for Settlement of Investment Disputes (ICSID) for compensation. As of 31 March 2018, that award amounts to more than USD 500 million. However, in 2017 the Company had the opportunity to sell its right, title and interest in amounts due under the BIT Award on Venezuela. Under the terms of the sale, the Company received a payment, in cash equal to USD 115mln (the "Cash Payment"). The Company may also receive additional payments in the future ("Deferred Amounts") calculated based on the total compensation that is received from Venezuela as a result of collection efforts or as settlement of the Award with Venezuela.

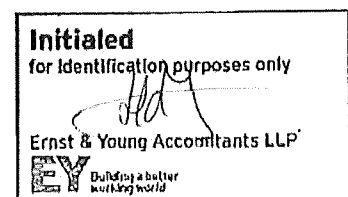
22 IMPAIRMENT ON INVESTMENT/LOANS

	2018	2017 (restated)
Recharge impaired loans to OI Global C.V.	5 372 271	19 692 954
Investment impairment Owens-Illinois do Brasil Industria e Comercio ("OI Brasil")	(77 800 000)	--
Reversal investment impairment Owens - Illinois Singapore Pte. Ltd	--	173 960 454
Forgiveness of loan to OI Asia Pacific Holdings	--	(622 257)
Forgiveness of loan to O-I Sales and Distribution France SAS	--	(878 937)
Loan and accrued interest impairments Argentina	(9 025 901)	(18 273 574)
Reversal of prior year investment impairments for Owens-Illinois Holding (Australia) Pty Ltd	--	154 000 000
Other investment impairments	78 865	(527 420)
	<u>(81 374 766)</u>	<u>327 351 220</u>

* (Reversal of) impairments made to investments in Brazil are based on Business Enterprise Value calculations. Investments are tested for impairments annually as of October 1 (or more frequently if impairment indicators arise). Step 1 compares the business enterprise value ("BEV") taking non-operating assets / liabilities into account, of each investment with its carrying value. The BEV is computed based on estimated future cash flows, discounted at the weighted average cost of capital of a hypothetical third-party buyer. If the BEV is less than the carrying value for any investment, then impairment must be calculated. Impairments will be calculated by comparing the investment's fair value with the carrying amount of the unit. Any excess of the carrying value of the unit over the fair value will be recorded as an impairment loss. The calculations of the BEV in Step 1 are based on significant unobservable inputs, such as projected future cash flows of the investments, discount rates, and terminal business value, and are classified as Level 3 in the fair value hierarchy. The Company's projected future cash flows incorporates management's best estimates of the expected future results including, but not limited to, price trends, customer demand, material costs, asset replacement costs and any other known factors.

Impairment made to the receivable from Argentina is based on the assessment on the likelihood whether this amount will be received.

For Brazil an impairment is recorded because currently, the strategy is being maximized to better respond to changing market conditions with restricted production capacity. Due to investments and construction work in the short term, the expected result has been decreased. Together with a decreasing currency this resulted in an impairment of EUR 78mln.



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

23 INTEREST INCOME ON LOANS

Interest income on loans due from indirect investments
Interest income on loans due from direct investments
Interest income on loans due from related parties

2018	2017
10 580 809	18 826 366
12 902 516	16 057 020
1 455 242	641 103
44 938 567	55 524 489

Interest income on loans due from indirect investments can be specified as follows

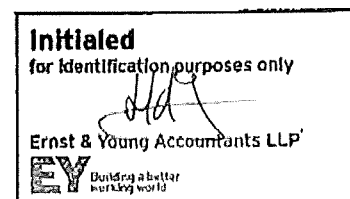
ACI Operations Pty Ltd
O-I Sales and Distribution France SAS
O-I Manufacturing France SAS
O-I Sales and Distribution Germany GmbH
O-I Sales and Distribution U K Ltd
O-I Sales and Distribution Italy Srl
O-I Glasspack GmbH & Co KG
O-I Canada Corp
O-I Hungary Kft
O-I Production Estonia AS
O-I Sales and Distribution Estonia
ACI Operations NZ Ltd
O-I Manufacturing U K Ltd
O-I Manufacturing Czech Republic a s
BSN Distribution SO
O-I Spanish Holdings B V
O-I Singapore Pte Ltd
O-I Hong Kong Ltd

2018	2017
4 663 130	9 932 856
698 811	758 823
115 312	220 244
26 542	30 569
331	1 223
318 793	270 850
96 765	72 562
603 206	550 847
146 485	--
29 619	16 141
3 131	1 785
2 899 478	6 272 848
648 065	503 230
1	5 923
11 803	11 796
2 619	2 620
115 277	4 645
201 441	169 404
10 580 809	18 826 366

Interest income on loans due from direct investments can be specified as follows

O-I Europe SAS
O-I Canada Holdings B V
O-I Europe Sarl
O-I Manufacturing Netherlands B V
O-I Glasspack Beteiligungs & Verwaltungs GmbH
Vidrieria Rovira S L
O-I Manufacturing Italy Sp A
O-I Sales and Distribution Netherlands B V
O-I Argentina S A
O-I Sales and Distribution Spain
O-I Manufacturing Poland SA
O-I Sales and Distribution Poland Sp Z o o
O-I Business Service Center Sp Z o o
O-I Jaroslaw Centrum Serwisowe Maszyn Sp Z o o

2018	2017
7 081 324	6 797 206
1	--
2 548 973	2 416 117
21 833 602	25 967 112
7 159	3 160
75 099	60 222
234 415	144 332
74 843	54 505
291 140	386 259
36 263	21 985
470 662	16 439
53 674	8 037
14 599	14 019
180 762	167 627
12 902 516	16 057 020



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

23 INTEREST INCOME ON LOANS (Continued)

Interest income on loans due from related parties can be specified as follows

	2018	2017
O-I Glass C V	1 455 242	641 103
	<u>1 455 242</u>	<u>641 103</u>

24 INTEREST EXPENSE ON LOANS

Interest expense on loans due to indirect investments
Interest expense on loans due to direct investments
Interest expense on loans due to shareholder
Interest expense on loans due to related parties

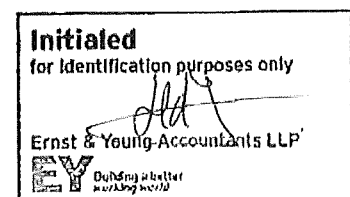
	2018	2017
Interest expense on loans due to indirect investments	5 809 733	7 188 719
Interest expense on loans due to direct investments	6 874 486	7 580 323
Interest expense on loans due to shareholder	7 915 859	20 516 362
Interest expense on loans due to related parties	6 791	4 051
	<u>20 606 869</u>	<u>35 289 455</u>

Interest expense on loans due to indirect investments can be specified as follows

	2018	2017
O-I Glasspack GmbH & Co KG	1 137 642	1 173 964
O-I Manufacturing Czech Republic a s	457 129	345 573
O-I Production Estonia AS	19 281	22 390
O-I Sales and Distribution France SAS	445 623	1 005 659
O-I Manufacturing Poland SA	--	10 452
O-I Sales and Distribution Poland Sp Z o o	670 160	635 918
O-I Jaroslaw Centrum Serwisowe Maszyn Sp Z o o	431	47
O-I Business Service Center Sp Z o o	299	351
O-I Sales and Distribution Germany GmbH	76 238	198 796
O-I Sales and Distribution Estonia	102	331
O-I Hungary Kft	441 547	528 846
O-I Manufacturing France SAS	1 802 634	1 852 249
O-I Sales and Distribution Czech s r o	76 755	59 557
O-I Sales and Distribution Italy Srl	519 735	1 096 637
O-I Sales and Distribution UK Ltd	46 783	141 914
Karhulan Lasi Oy	115 374	116 035
	<u>5 809 733</u>	<u>7 188 719</u>

Interest expense on loans due to direct investments can be specified as follows

	2018	2017
O-I Europe Sarl	2 749 446	2 703 342
O-I Manufacturing Netherlands B V	1 222 117	1 186 781
O-I Finnish Holdings OY	337 644	330 915
O-I Glasspack Beteiligungs & Verwaltungs GmbH	17 908	18 480
O-I Manufacturing Italy S p A	1 391 991	1 405 611
O-I Sales and Distribution Spain	564 463	728 595
O-I Sales and Distribution Netherlands B V	120 353	217 710
O-I Singapore Pte Ltd	175 463	42 200
ACI Operations Pty Ltd	295 101	946 689
	<u>6 874 486</u>	<u>7 580 323</u>



OI EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

24 INTEREST EXPENSE ON LOANS (Continued)

Interest expense on loans due to former shareholder can be specified as follows

	2018	2017
OI Global C V (former shareholder)	7 915 859	20 516 362
	7 915 859	20 516 362

Interest expense on loans due to related parties can be specified as follows

	2018	2017
O-I International Holdings Inc	6 791	4 051
	6 791	4 051

25 RESULT GUARANTEE AGREEMENT

As per January 1, 2006 the Company's shareholder, OI Global C V, is guarantor of various loans made by the Company to several group companies. The guarantor guarantees each and every principal and interest amount. In 2016 the agreement has been renewed. The Company bears a risk and pays the maximum amount of EUR 4,000,000. The actual risk is calculated pro-rata in relation to all outstanding loans together with any shortfall upon an event of default, like indebtedness, in terms of principal amount and/or interest payments due. The remainder of any shortfall will then be borne by the guarantor. As part of significant changes in tax legislation in the US (as well as anticipated changes in Dutch tax legislation), it is concluded that it is no longer beneficial to have OI Global C V as parent company. It is decided to liquidate OI Global C V. As a consequence thereof OI Global Holdings C V became the new parent of the Company. As a result the Profit Guarantee Agreement (note 26), the Guarantee Agreement (equity at risk agreement) as well as the financing APA (12 bps) have been cancelled per 31 August, OI Global C V transferred its assets to OI New Holding B V and administratively automatically ceased to exist in the beginning of September following the transfer of the shares of its former partners to OI Global Holdings C V. Subsequently, O-I New Holding B V merged into OI European Group B V, which became effective at December 4, 2018 after fulfilling all (legal) requirements, including a waiting period of 1 month.

26 RESULT PROFIT GUARANTEE AGREEMENT (with OI GLOBAL C.V.)

As per January 1, 2006 the Company's shareholder, OI Global C V, has also entered into a Profit Guarantee agreement with the Company which has no due date. The Profit Guarantee agreement ensures that the Company at all times will earn the agreed minimum margin on its financing activities (excludes all holding interests) and ensures any remaining FX risks borne by the Company are for the benefit or the account of the profit guarantor. For 2018 the PGA income is EUR 52 629 787 including a PGA expense of EUR 26k (see note 27) from OI Manufacturing Netherlands B V. As part of significant changes in tax legislation in the US (as well as anticipated changes in Dutch tax legislation), it is concluded that it is no longer beneficial to have OI Global C V as parent company. It is decided to liquidate OI Global C V. As a consequence thereof OI Global Holdings C V became the new parent of the Company. As a result the Profit Guarantee Agreement, the Guarantee Agreement (equity at risk agreement note 25) as well as the financing APA (12 bps) have been cancelled per August 31, 2018. OI Global C V transferred its assets to OI New Holding B V and administratively automatically ceased to exist in the beginning of September following the transfer of the shares of its former partners to OI Global Holdings C V. Subsequently, O-I New Holding B V merged into OI European Group B V, which became effective at December 4, 2018 after fulfilling all (legal) requirements, including a waiting period of 1 month.

27 RESULT PROFIT GUARANTEE AGREEMENT (with OI Manufacturing Netherlands B.V.)

Based on the Profit guarantee agreement between OI Manufacturing Netherlands B V and the Company, the deficit or surplus shall be for the Company and should thus, be taken into account as an expense or income respectively under the Profit guarantee Agreement. For 2018 the PGA expense is EUR 26,551.

28 EXCHANGE DIFFERENCES

Exchange differences arise on certain intercompany loans that are not hedged due to loans being labeled "FASB 52" loans which are not considered as FX exposure under U S Gaap accounting due to long term nature of certain loans that have no planned payback date. These loans are denominated in USD, CAD, AUD, BRL, ARS and NZD and exchange rates can fluctuate causing significant changes from year to year.

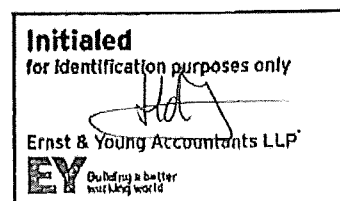
29 AUDIT FEES

The breakdown of the audit fees is as follows and concerns the provided services throughout the year 2018

	2018	2017
Audit fees	181 148	78 394
	181 148	78 394

30 RELATED PARTIES TRANSACTIONS

All group companies mentioned in note 6 above and the associates are considered to be related parties. The transaction between the Company and its related parties are specified in notes 21 through 28. Related party transactions are conducted in the ordinary course of business. Interest on positions with affiliated companies is at a market conform interest rate.



O-I EUROPEAN GROUP B.V.

Notes to the Balance Sheet and Income Statement as at 31st December, 2018
(in EUR)

31 NUMBER OF EMPLOYEES AND EMPLOYEES COSTS

During the year under review the Company had three employees (2017, 3 employees) The breakdown of employee costs are as follows.

	2018	2017
Wages & Salaries	101 460	96 729
Social Charges & Securities	33 198	(18 960)
Pension Charges	21 185	15 609
	<u>155 843</u>	<u>93 378</u>

32 DIRECTORS

The Company has five Managing Directors, remuneration was paid to three members of the Board of Managing Directors for the year ended December 31st, 2018 Remuneration including (pension) remittance amounted in 2018 € 585,134 (2017 € 604,481) From this amount approximately EUR 115k (2017 EUR 112k) was allocated on managing the Company

33 POST BALANCE SHEET EVENTS

Project Sky

Due to the competitive and rapidly changing environment and industry in Europe and given various internal and external business challenges, it is decided to refine the European Busil Model. This refinement of the organizational model includes the merger of the local manufacturing and sales and distribution entities into one local entity. As a result, various intercom agreements within Europe are amended whereby O-I Europe Sarl still directs and manages the activities and takes the main commercial and financial decisions within Europe. In the 2017 financial statements it was stated that the principal/agent structure was to be terminated, however this did not actually happen. In the refined European Business Model similar arms-length intercompany remunerations will apply. Currently, budgets are prepared considering the refined European Business Model for the remaining entities. These budgets are considered with respect to the expected future fiscal profitability of the fiscal unity and in relation to the identification of impairment triggers. No specific financial other impact for the Company from project Sky is foreseen.

Because of the merger of the local manufacturing and sales and distribution entities into one local entity most entity names have changed names per 1 January 2019. This has not been reflected in this annual report as it presents the position over 2018.

Capital contributions in United Kingdom

As part of Project Sky the Company contributed an amount of EUR 61mln in its investment in the U.K.

Joint venture

In 2019 O-I transferred its joint venture in Mexico with Constellation Brands to O-I European Group B.V. by way of capital contribution. Both the Company's Equity as well as the investments increased with USD 260mln.

Partial redemption 6.75% Senior notes due 2020

In July 2019 the Company repaid EUR 250mln of the principal outstanding amount to the holders of the Companies outstanding 6.75% senior notes due 2020. Following the redemption, EUR 250mln principle amount of the Notes will remain outstanding.

New USD 225mln sustainable improvement loan

O-I is furthering its commitment to sustainability by securing a USD 225mln bank loan with a sustainability-linked pricing mechanism. In October 2019 the loan is issued by O-I European Group B.V.

Senior notes due 2025

In November 2019 the Company offered EUR 500mln aggregate principle amount of Senior notes due 2025. The proceeds will be used to redeem the remaining EUR 250mln outstanding 6.75% Senior notes due 2020. Additionally, the proceeds will be used to partly redeem 4.875% Senior notes due 2021.

The Board of Managing Directors

Ms M. Wilkinson

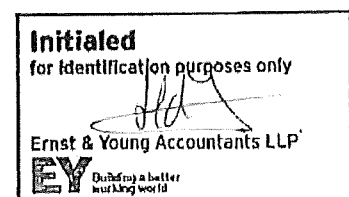
Mr J. Ruijter

Mr R. de Haan

Mr S. Gedris

Mr G. Copper

Schiedam, 22 November 2019



OI EUROPEAN GROUP B.V.

Other Information

Other Information

Other reserves

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been cleared, the other reserves are at the disposal of the shareholder in accordance with Article 23 of the Company's Articles of Association

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholder's equity exceeds the amount of the issued capital and the legal reserves.

Independent auditor's report

Reference is made to the independent auditor's report hereinafter

