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FOR: CONSUMERS PACKAGING INC.

TSE SYMBOL: CGC

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Consumers Packaging Obtains Court Approval For Asset Sale To Owens Illinois

TORONTO, ONTARIO--Consumers Packaging Inc. (TSE: CGC) today announced that Mr. Justice Farley of the Ontario Superior Court of Justice has approved the previously announced sale of substantially all of its Canadian assets to Owens Illinois, Inc. (NY: OI). Closing of the transaction is scheduled for late September, 2001 and remains subject to the receipt of regulatory approvals.

The Court also extended its order under the Companies' Creditors Arrangement Act (CCAA), continuing the stay of legal proceedings against the Company in respect of its Canadian operations until October 1, 2001. The Company has been operating since May 23, 2001 under the Companies' Creditors Arrangement Act.

The Company announced on August 3 that it had signed a letter of intent with OI to sell substantially all of its Canadian glass producing assets for approximately \$235 million (Canadian). Under the proposed transaction, OI will assume all liabilities under the pension and employee benefit plans of the Canadian operations.

"We intend to restructure or sell all remaining assets of Consumers Packaging before the end of the year," said Brent Ballantyne, Chief Restructuring Officer and Chief Executive Officer. "The proceeds from the OI sale and the remaining assets will not provide sufficient cash to repay secured and unsecured creditors in full, and are not expected to leave the Company's shareholders with any residual value.

"Once all assets are sold and all known claims against the Company are verified, the final amount available to unsecured creditors will be known and recovery payments made." The fourth report to the Court by KPMG, which has acted as the monitor, provided a preliminary estimate of the recoveries to various creditors once all assets are sold and certain tax and administrative matters are concluded. In its report, KPMG estimates the cash recoveries of secured creditors will be 45-52%, while unsecured creditors will receive between 4-10% of outstanding liabilities after all residual assets are sold.

"The estimates are subject to quantification of unsecured claims and confirmation of the validation of security held by secured creditors," KPMG says in its report.

"Our process to deal with the financial situation was thorough," said Mr. Ballantyne. "We believe that the OI transaction and the sale of the residual assets will provide the maximum recovery that can be achieved at this time, and is in the best interests of all stakeholders of Consumers Packaging.

"For creditors, it will mean recoveries higher than could be obtained with other proposals received or through liquidation. For employees, OI has agreed to assume all employees at current wage rates and benefit levels and all liabilities under existing pension arrangements. For suppliers, OI is the largest glass manufacturer in the world with technological leadership in the industry, and will be a great customer for many years to come because of its financial and operating strengths. For customers, OI will be a reliable supplier."

Consumers Packaging employs approximately 2,400 people in Canada. It manufactures and sells glass containers for the food and beverage industry. It supplies packaging products for the Canadian juice, food, beer, wines and liquor industries from three plants in Ontario (Toronto, Brampton and Milton), and one each in Quebec (Montreal), New Brunswick (Scoudouc) and British Columbia (Lavington).

Visit our web site: www.consumersglass.com

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