Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2009

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-12084

Libbey Inc.

(Exact name of registrant as specified in its charter)

Delaware	34-1559357
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

300 Madison Avenue, Toledo, Ohio 43604
(Address of principal executive offices) (Zip Code)

419-325-2100
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐	Accelerated Filer ☑	Non-Accelerated Filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $.01 par value 15,152,473 shares at July 31, 2009.

TABLE OF CONTENTS

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying unaudited Condensed Consolidated Financial Statements of Libbey Inc. and all majority-owned subsidiaries (collectively, Libbey or the Company) have been prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) for interim financial information and with the instructions to Form 10-Q and Item 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month and six-month periods ended June 30, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009.

The balance sheet at December 31, 2008 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

LIBBEY INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands, except per-share amounts)
(unaudited)

	Three months ended June 30, 2009	Three months ended June 30, 2008
Net sales	$195,826	$224,828
Freight billed to customers	399	615
Total revenues	196,225	225,443
Cost of sales	161,942	183,275
Gross profit	34,283	42,168
Selling, general and administrative expenses	22,514	23,451
Special charges	278	—
Income from operations	11,491	18,717
Other income	2,758	586
Earnings before interest and income taxes	14,249	19,303
Interest expense	17,532	17,620
(Loss) income before income taxes	(3,283)	1,683
(Benefit from) provison for income taxes	(5,947)	3,802
Net income (loss)	$ 2,664	$ (2,119)
Net income (loss) per share:		
Basic	$ 0.18	$ (0.14)
Diluted	$ 0.18	$ (0.14)
Dividends per share	$ —	$ 0.025

See accompanying notes

LIBBEY INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands, except per-share amounts)
(unaudited)

	Six months ended June 30,	
	2009	2008
Net sales	$353,679	$412,104
Freight billed to customers	744	1,283
Total revenues	354,423	413,387
Cost of sales	309,424	340,882
Gross profit	44,999	72,505
Selling, general and administrative expenses	44,888	44,310
Special charges	674	—
(Loss) income from operations	(563)	28,195
Other income	2,721	1,339
Earnings before interest and income taxes	2,158	29,534
Interest expense	34,711	34,771
Loss before income taxes	(32,553)	(5,237)
(Benefit from) provision for income taxes	(7,324)	359
Net loss	$ (25,229)	$ (5,596)
Net loss per share:		
Basic	$ (1.70)	$ (0.38)
Diluted	$ (1.70)	$ (0.38)
Dividends per share	$ —	$ 0.05

See accompanying notes

LIBBEY INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share amounts)

	June 30, 2009 (unaudited)	December 31, 2008
Assets:		
Cash and equivalents	$ 24,082	$ 13,304
Accounts receivable — net	91,252	76,072
Inventories — net	145,798	185,242
Prepaid and other current assets	12,397	17,167
Total current assets	273,529	291,785
Pension asset	9,640	9,351
Purchased intangible assets — net	25,430	26,121
Goodwill	164,795	166,736
Other assets	11,896	12,714
Total other assets	211,761	214,922
Property, plant and equipment — net	302,116	314,847
Total assets	$ 787,406	$ 821,554
Liabilities and Shareholders' Equity:		
Notes payable	$ 1,336	$ 3,284
Accounts payable	54,485	54,428
Salaries and wages	24,952	22,597
Accrued liabilities	43,474	39,675
Accrued special charges	2,140	4,248
Pension liability (current portion)	1,778	1,778
Non-pension postretirement benefits (current portion)	4,684	4,684
Derivative liability	14,008	17,936
Deferred income taxes	1,010	1,279
Long-term debt due within one year	9,987	1,117
Total current liabilities	157,854	151,026
Long-term debt	531,709	545,856
Pension liability	100,830	109,505
Non-pension postretirement benefits	58,537	57,197
Deferred income taxes	3,775	3,648
Other long-term liabilities	9,176	12,211
Total liabilities	861,881	879,443
Shareholders' deficit:		
Common stock, par value $.01 per share, 50,000,000 shares authorized, 18,697,630 shares issued at June 30, 2009 and at December 31, 2008	187	187
Capital in excess of par value (includes warrants of $1,034, based on 485,309 shares at June 30, 2009 and at December 31, 2008)	310,249	309,275
Treasury stock, at cost, 3,552,997 shares (3,967,486 shares in 2008)	(95,472)	(106,411)
Retained deficit	(180,606)	(145,154)
Accumulated other comprehensive loss	(108,833)	(115,786)
Total shareholders' deficit	(74,475)	(57,889)
Total liabilities and shareholders' deficit	$ 787,406	$ 821,554

See accompanying notes

LIBBEY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

	Three months ended June 30, 2009	2008
Operating activities:		
Net income (loss)	$ 2,664	$ (2,119)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	10,518	11,238
Loss (gain) on asset sales	23	(117)
Change in accounts receivable	(16,007)	(17,230)
Change in inventories	26,962	5,976
Change in accounts payable	2,156	3,986
Accrued interest and amortization of discounts, warrants and finance fees	(13,129)	(13,785)
Pay-in-kind note interest	11,916	10,216
Pension & non-pension postretirement benefits	194	(1,008)
Restructuring charges	(2,301)	—
Accrued liabilities & prepaid expenses	10,104	2,509
Accrued income taxes	(6,674)	6,347
Other operating activities	(1,720)	(933)
Net cash provided by operating activities	24,706	5,080
Investing activities:		
Additions to property, plant and equipment	(4,610)	(8,260)
Proceeds from asset sales and other	21	5
Net cash used in investing activities	(4,589)	(8,255)
Financing activities:		
Net (repayments) borrowings on ABL credit facility activity	(10,803)	14,314
Other repayments	(2,006)	(400)
Dividends	—	(365)
Net cash (used in) provided by financing activities	(12,809)	13,549
Effect of exchange rate fluctuations on cash	311	(93)
Increase in cash	7,619	10,281
Cash at beginning of period	16,463	7,602
Cash at end of period	$ 24,082	$ 17,883
Supplemental disclosure of cash flows information:		
Cash paid during the period for interest	$ 18,867	$ 20,249
Cash paid (refunded) during the period for income taxes	$ 106	$ (376)

See accompanying notes

LIBBEY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

	Six months ended June 30, 2009	Six months ended June 30, 2008
Operating activities:		
Net loss	$(25,229)	$ (5,596)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	22,246	22,534
Loss (gain) on asset sales	32	(124)
Change in accounts receivable	(15,597)	(17,460)
Change in inventories	38,246	(5,044)
Change in accounts payable	113	(5,912)
Accrued interest and amortization of discounts, warrants and finance fees	1,551	1,960
Pay-in-kind note interest	11,916	10,216
Pension & non-pension postretirement benefits	3,165	(730)
Restructuring charges	(751)	—
Payable to Vitro	—	(19,575)
Accrued liabilities & prepaid expenses	12,784	(2,565)
Accrued income taxes	(8,637)	761
Other operating activities	(749)	(1,524)
Net cash provided by (used in) operating activities	39,090	(23,059)
Investing activities:		
Additions to property, plant and equipment	(9,550)	(17,612)
Proceeds from asset sales and other	88	46
Net cash used in investing activities	(9,462)	(17,566)
Financing activities:		
Net (repayments) borrowings on ABL credit facility activity	(16,689)	23,382
Other repayments	(2,123)	(873)
Dividends	—	(729)
Net cash (used in) provided by financing activities	(18,812)	21,780
Effect of exchange rate fluctuations on cash	(38)	189
Increase (decrease) in cash	10,778	(18,656)
Cash at beginning of period	13,304	36,539
Cash at end of period	$ 24,082	$ 17,883
Supplemental disclosure of cash flows information:		
Cash paid during the period for interest	$ 20,003	$ 21,290
Cash paid (refunded) during the period for income taxes	$ 1,307	$ (395)

See accompanying notes

LIBBEY INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Dollars in thousands, except per share data
(unaudited)

1. Description of the Business

Libbey is the leading producer of glass tableware products in the Western Hemisphere, in addition to supplying to key markets throughout the world. We produce glass tableware in five countries and sell to customers in over 100 countries. We have the largest manufacturing, distribution and service network among glass tableware manufacturers in the Western Hemisphere and are one of the largest glass tableware manufacturers in the world. We design and market an extensive line of high-quality glass tableware, ceramic dinnerware, metal flatware, hollowware and serveware, and plastic items to a broad group of customers in the foodservice, retail and business-to-business markets. We own and operate two glass tableware manufacturing plants in the United States as well as glass tableware manufacturing plants in the Netherlands, Portugal, China and Mexico. We also own and operate a plastics plant in Wisconsin. Until April 9, 2009, we operated a ceramic dinnerware manufacturing facility in Syracuse, New York. In addition, we import products from overseas in order to complement our line of manufactured items. The combination of manufacturing and procurement allows us to compete in the global tableware market by offering an extensive product line at competitive prices.

Our website can be found at www.libbey.com . We make available, free of charge, at this website all of our reports filed or furnished pursuant to Section 13(a) or 15(d) of Securities Exchange Act of 1934, including our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, as well as amendments to those reports. These reports are made available on our website as soon as reasonably practicable after their filing with, or furnishing to, the Securities and Exchange Commission and can also be found at www.sec.gov .

Our shares are traded on the Over the Counter Bulletin Board (OTC BB) under the ticker symbol LYBI.OB.

2. Significant Accounting Policies

See our Form 10-K for the year ended December 31, 2008 for a description of significant accounting policies not listed below.

Basis of Presentation

The Condensed Consolidated Financial Statements include Libbey Inc. and its majority-owned subsidiaries (collectively, Libbey or the Company). Our fiscal year end is December 31 st . All material intercompany accounts and transactions have been eliminated. The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Condensed Consolidated Financial Statements and accompanying notes. Actual results could differ materially from management's estimates.

Condensed Consolidated Statements of Operations

Net sales in our Condensed Consolidated Statements of Operations include revenue earned when products are shipped and title and risk of loss have passed to the customer. Revenue is recorded net of returns, discounts and incentives offered to customers. Cost of sales includes cost to manufacture and/or purchase products, warehouse, shipping and delivery costs and other costs.

Foreign Currency Translation

Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment, where that local currency is the functional currency, are translated to U.S. dollars at exchange rates in effect at the balance sheet date, with the resulting translation adjustments directly recorded to a separate component of accumulated other comprehensive loss. Income and expense accounts are translated at average exchange rates during the year. The effect of exchange rate changes on transactions denominated in currencies other than the functional currency is recorded in other (expense) income.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are recognized for estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax attribute carry-forwards. Deferred income tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. FAS No. 109, “Accounting for Income Taxes,” requires that a valuation allowance be recorded when it is more likely than not that some portion or all of the deferred income tax assets will not be realized. Deferred income tax assets and liabilities are determined separately for each tax jurisdiction in which we conduct our operations or otherwise incur taxable income or losses. In the United States and China, we have recorded a full valuation allowance against our deferred income tax assets. In addition, partial valuation allowances have been recorded in the Netherlands, Portugal and Mexico.

Stock-Based Compensation Expense

We account for stock-based compensation in accordance with SFAS No. 123-R, “Accounting for Stock-Based Compensation” (“SFAS No. 123-R”). Stock-based compensation cost is measured based on the fair value of the equity instruments issued. SFAS No. 123-R applies to all of our outstanding unvested stock-based payment awards as of January 1, 2006, and all prospective awards using the modified prospective transition method without restatement of prior periods. Stock-based compensation expense charged to the Condensed Consolidated Statement of Operations for the three months and six months ended June 30, 2009 was $0.3 million and $1.1 million, respectively. The stock-based compensation expense charged to the Condensed Consolidated Statement of Operations for the three months and six months ended June 30, 2008 was $1.1 million and $2.1 million, respectively.

New Accounting Standards

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements” (“SFAS 157”) . SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value measurements. This statement clarifies how to measure fair value as permitted under other accounting pronouncements but does not require any new fair value measurements. In February 2008, the FASB issued FASB Staff Position 157-2, “Effective Date of FASB Statement No. 157” (“FSP157-2”), which delayed until January 1, 2009 the effective date of SFAS 157 for nonfinancial assets and liabilities, except for those that are recognized or disclosed at fair value in the financial statements on a recurring basis. In October 2008, the FASB issued FASB Staff Position 157-3, “Determining the Fair Value of a Financial Asset when the Market for That Asset is Not Active” (“FSP 157-3”), which clarifies the application of SFAS 157 as it relates to the valuation of financial assets in a market that is not active for those financial assets. FSP 157-3 was effective upon issuance. In April 2009, the FASB issued FASB Staff Position 157-4 “Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions that are not Orderly” (“FSP 157-4”). This FSP provides additional guidance for estimating fair value in accordance with SFAS 157 when the volume and level of activity for the asset or liability have significantly decreased. This FSP also includes guidance on identifying circumstances that indicate a transaction is not orderly. FSP 157-4 was effective for financial periods ending after June 15, 2009. We adopted SFAS 157 as of January 1, 2008, but had not applied it to non-recurring, nonfinancial assets and liabilities. The adoption of SFAS 157 and its related FSPs (FSP 157-2, FSP 157-3 and FSP 157-4) had no impact on our consolidated results of operations and financial condition. We adopted SFAS 157 for nonfinancial assets and liabilities as of January 1, 2009. The adoption of SFAS 157 for nonfinancial assets and liabilities did not have a material impact on our consolidated financial statements. See notes 4, 9 and 13 of the Condensed Consolidated Financial Statements for additional information.

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements” (“SFAS 160”), which changes the accounting and reporting standards for the noncontrolling interests in a subsidiary in consolidated financial statements. SFAS 160 re-characterizes minority interests as noncontrolling interests and requires noncontrolling interests to be classified as a component of shareholders equity. We adopted SFAS 160 as of January 1, 2009. The adoption of SFAS 160 did not have any impact on our consolidated financial statements as we currently do not have any noncontrolling interests.

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133” (“SFAS 161”), which requires additional disclosures about the objectives of the derivative instruments and hedging activities, the method of accounting for such instruments under SFAS No. 133 and its related interpretations, and a tabular disclosure of the effects of such instruments and related hedged items on our financial position, financial performance, and cash flows. SFAS 161 encourages, but does not require, comparative disclosures for earlier periods at initial adoption. SFAS 161 was effective for Libbey on January 1, 2009. Since SFAS 161 only requires additional disclosures, adoption of this statement did not have a material impact on our consolidated financial statements. See note 9 of the Condensed Consolidated Financial Statements for additional information.

In April 2008, the FASB issued Staff Position No. FAS 142-3, “Determination of the Useful Life of Intangible Assets” (“FSP 142-3”), which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, “Goodwill and Other Intangible Assets.” FSP 142-3 was effective for Libbey on January 1, 2009. The adoption of FSP 142-3 did not have a material impact on our consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, “The Hierarchy of Generally Accepted Accounting Principles” (“SFAS 162”), which identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements. The hierarchical guidance provided by SFAS 162 did not have a significant impact on our consolidated financial statements.

In June 2008, the FASB ratified EITF Issue No. 07-5, “Determining Whether an Instrument (or an Embedded Feature) Is Indexed to an Entity’s Own Stock” (“EITF 07-5”). EITF 07-5 provides that an entity should use a two-step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument’s contingent exercise and settlement provisions. It also clarifies the impact of foreign currency denominated strike prices and market-based employee stock option valuation instruments on the evaluation. EITF 07-5 was effective for Libbey on January 1, 2009. The adoption of EITF 07-5 did not have any impact on our consolidated financial statements.

In June 2008, the FASB issued FASB Staff Position No. EITF 03-6-1, “Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities” (“FSP 03-6-1”). FSP 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and therefore need to be included in the earnings allocation in computing earnings per share (EPS) under the two-class method described in paragraphs 60 and 61 of SFAS No. 128, “Earnings per Share.” FSP 03-6-1 was effective for Libbey on January 1, 2009, and requires that all prior period EPS data is adjusted retrospectively. The adoption of FSP 03-6-1 did not have a material impact on our consolidated financial statements.

In December 2008, the FASB issued FASB Staff Position 132(R)-1, “Employers’ Disclosures about Postretirement Benefit Plan Assets” (“FSP 132(R)-1”). FSP 132(R)-1 amends FASB Statement No. 132 (revised 2003), “Employers’ Disclosures about Pensions and Other Postretirement Benefits,” to provide guidance on an employer’s disclosures about plan assets of a defined benefit pension or other postretirement plan. FSP 132(R)-1 is effective for financial statements issued for fiscal years ending after December 15, 2009. We are currently evaluating the potential impact of the adoption of FSP 132(R)-1.

In April 2009, the FASB issued FASB Staff Position FAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments” (“FSP 107-1”). FSP 107-1 amends FASB statement 107, “Disclosures about Fair Value of Financial Instruments”, to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This FSP also amends APB Opinion No. 28, “Interim Financial Reporting,” to require those disclosures in summarized financial information at interim reporting periods. FSP 107-1 is effective for interim reporting periods ending after June 15, 2009. Since FSP 107-1 only requires additional disclosures, adoption of this statement did not have a material impact on our consolidated financial statements. See note 4 of the Condensed Consolidated Financial Statements for additional information.

In May 2009, the FASB issued SFAS No. 165, “Subsequent Events” (“SFAS 165”). SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS 165 is effective for interim or annual financial periods ending after June 15, 2009. In accordance with SFAS 165, we have evaluated and, as necessary, made changes to these unaudited condensed financial statements for the events through August 7, 2009, the date that the financial statements were issued. There were no subsequent events that provided evidence about the conditions existing at the balance sheet date.

In June 2009 the FASB issued SFAS No. 168, “The *FASB Accounting Standards Codification* ™ and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162” (“SFAS 168”). The objective of SFAS 168 is to replace SFAS 162 and to establish the *FASB Accounting Standards Codification*™ (Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. All previous existing accounting standards are superseded by the Codification as described in SFAS 168. All other accounting literature not included in the Codification is non-authoritative.

SFAS 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. We do not expect the adoption of SFAS 168 to have a significant impact on our consolidated financial statements.

Reclassifications

Certain amounts in the prior year's financial statements may have been reclassified to conform to the presentation used in the current year financial statements.

Table of Contents

3. Balance Sheet Details

The following table provides detail of selected balance sheet items:

(Dollars in thousands)	June 30, 2009	December 31, 2008
Accounts receivable:		
Trade receivables	$ 90,349	$ 74,393
Other receivables	903	1,679
Total accounts receivable, less allowances of $8,397 and $10,479	$ 91,252	$ 76,072
Inventories:		
Finished goods	$128,336	$163,817
Work in process	1,249	2,805
Raw materials	4,106	5,748
Repair parts	10,493	10,271
Operating supplies	1,614	2,601
Total inventories, less allowances of $4,040 and $6,582	$145,798	$185,242
Prepaid and other current assets:		
Prepaid expenses	$ 10,102	$ 14,865
Refundable and prepaid income taxes	2,295	2,302
Total prepaid and other current assets	$ 12,397	$ 17,167
Other assets:		
Finance fees — net of amortization	$ 7,252	$ 8,183
Other	4,644	4,531
Total other assets	$ 11,896	$ 12,714
Accrued liabilities:		
Accrued incentives	$ 19,357	$ 12,760
Workers compensation	9,624	9,384
Medical liabilities	2,881	2,736
Interest	4,307	4,575
Commissions payable	981	1,135
Other	6,324	9,085
Total accrued liabilities	$ 43,474	$ 39,675
Other long-term liabilities:		
Derivative liability	$ 2,917	$ 3,693
Deferred liability	1,269	1,566
Other	4,990	6,952
Total other long-term liabilities	$ 9,176	$ 12,211

4. Borrowings

On June 16, 2006, Libbey Glass Inc. issued $306.0 million aggregate principal amount of floating rate senior secured notes (Senior Notes) due June 1, 2011, and $102.0 million aggregate principal amount of senior subordinated secured pay-in-kind notes (PIK Notes), due December 1, 2011. Concurrently, Libbey Glass Inc. entered into a $150.0 million Asset Based Loan facility (ABL Facility) expiring December 16, 2010.

Borrowings consist of the following:

(Dollars in thousands)	Interest Rate	Maturity Date	June 30, 2009	December 31, 2008
Borrowings under ABL facility	floating	December 16, 2010	$ 16,858	$ 34,538
Senior notes	floating (1)	June 1, 2011	306,000	306,000
PIK notes (2)	16.00%	December 1, 2011	160,862	148,946
Promissory note	6.00%	July, 2009 to September, 2016	1,580	1,666
Notes payable	floating	July, 2009	1,336	3,284
RMB loan contract	floating	July, 2012 to January, 2014	36,625	36,675
RMB working capital loan	floating	March, 2010	7,325	7,335
Obligations under capital leases	floating	May, 2009	—	302
BES Euro line	floating	January, 2010 to January, 2014	15,453	15,507
Other debt	floating	September, 2009	720	630
Total borrowings			546,759	554,883
Less — unamortized discounts and warrants			3,727	4,626
Total borrowings — net			543,032	550,257
Less — long term debt due within one year and notes payable			11,323	4,401
Total long-term portion of borrowings — net			$531,709	$545,856

(1) See Interest Rate Protection Agreements below.

(2) Additional PIK Notes were issued each June 1 and December 1, commencing on December 1, 2006, to pay semi-annual interest. During the first three years, interest was payable by the issuance of additional PIK Notes.

ABL Facility

The ABL Facility is with a group of six banks and provides for a revolving credit and swing line facility permitting borrowings for Libbey Glass and Libbey Europe up to an aggregate of $150.0 million, with Libbey Europe's borrowings being limited to $75.0 million. Borrowings under the ABL Facility mature December 16, 2010. Swing line borrowings are limited to $15.0 million, with swing line borrowings for Libbey Europe being limited to € 7.5 million. Loans comprising each CBFR (CB Floating Rate) Borrowing, including each Swingline Loan, bear interest at the CB Floating Rate plus the Applicable Rate, and euro-denominated swing line borrowings (Eurocurrency Loans) bear interest calculated at the Netherlands swing line rate, as defined in the ABL Facility. The Applicable Rates for CBFR Loans and Eurocurrency Loans vary depending on our aggregate remaining availability. The Applicable Rates for CBFR Loans and Eurocurrency Loans were 0.0 percent and 1.75 percent, respectively, at June 30, 2009. There were no Libbey Glass borrowings under the facility at June 30, 2009, while Libbey Europe had outstanding borrowings of $16.9 million at June 30, 2009, at an interest rate of 3.57 percent. Interest is payable on the last day of the interest period, which can range from one month to six months.

All borrowings under the ABL Facility are secured by a first priority security interest in (i) substantially all assets of (a) Libbey Glass and (b) substantially all of Libbey Glass's present and future direct and indirect domestic subsidiaries, (ii) (a) 100 percent of the stock of Libbey Glass, (b) 100 percent of the stock of substantially all of Libbey Glass's present and future direct and indirect domestic subsidiaries, (c) 100 percent of the non-voting stock of substantially all of Libbey Glass's first-tier present and future foreign subsidiaries and (d) 65 percent of the voting stock of substantially all of Libbey Glass's first-tier present and future foreign subsidiaries, and (iii) substantially all proceeds and products of the property and assets described in clauses (i) and (ii) of this sentence.

Additionally, borrowings by Libbey Europe under the ABL Facility are secured by a first priority security interest in (i) substantially all of the assets of Libbey Europe, the parent of Libbey Europe and certain of its subsidiaries, (ii) 100 percent of the stock of Libbey

Europe and certain subsidiaries of Libbey Europe, and (iii) substantially all proceeds and products of the property and assets described in clauses (i) and (ii) of this sentence.

Libbey pays a quarterly Commitment Fee, as defined by the ABL Facility, on the total credit provided under the Facility. The Commitment Fee varies depending on our aggregate availability. The Commitment Fee was 0.25 percent at June 30, 2009. No compensating balances are required by the Agreement. The Agreement does not require compliance with a fixed charge coverage ratio covenant, unless aggregate unused availability falls below $15.0 million. If our aggregate unused ABL availability were to fall below $15.0 million, the fixed charge coverage ratio requirement would be 1:10 to 1:00. The fixed charge coverage ratio is defined as the ratio of earnings before interest, taxes, depreciation, amortization and minority interest (EBITDA) minus capital expenditures to fixed charges (EBITDA minus capital expenditures / fixed charges). Among the items included in the calculation of fixed charges are cash interest expense, scheduled principal payments on outstanding debt and capital lease obligations, taxes paid in cash, dividends paid in cash and required cash contributions to our pension plans in excess of expense.

The borrowing base under the ABL Facility is determined by a monthly analysis of the eligible accounts receivable, inventory and fixed assets. The borrowing base is the sum of (a) 85 percent of eligible accounts receivable, (b) the lesser of (i) 85 percent of the net orderly liquidation value (NOLV) of eligible inventory, (ii) 65 percent of eligible inventory, or (iii) $75.0 million, and (c) the lesser of $25.0 million and the aggregate of (i) 75 percent of the NOLV of eligible equipment and (ii) 50 percent of the fair market value of eligible real property.

The available total borrowing base is offset by real estate and ERISA reserves totaling $8.2 million and mark-to-market reserves for natural gas and interest rate swaps of $11.9 million. The ABL Facility also provides for the issuance of $30.0 million of letters of credit, which are applied against the $150.0 million limit. At June 30, 2009, we had $8.4 million in letters of credit outstanding under the ABL Facility. Remaining unused availability on the ABL Facility was $44.6 million at December 31, 2008, and $56.6 million at June 30, 2009.

Senior Notes

Libbey Glass and Libbey Inc. entered into a purchase agreement pursuant to which Libbey Glass agreed to sell $306.0 million aggregate principal amount of floating rate senior secured notes due June 1, 2011 to the initial purchasers named in a private placement. The net proceeds of these notes, after deducting a discount and the estimated expenses and fees, were approximately $289.8 million. On February 15, 2007, we exchanged $306.0 million aggregate principal amount of our floating rate senior secured notes due June 1, 2011, which have been registered under the Securities Act of 1933, as amended (Senior Notes), for the notes sold in the private placement. The Senior Notes bear interest at a rate equal to six-month LIBOR plus 7.0 percent and were offered at a discount of 2 percent of face value. Interest with respect to the Senior Notes is payable semiannually on June 1 and December 1. The interest rate was 8.26 percent at June 30, 2009. Neither the Senior Notes nor the indenture governing them contain financial covenants.

We have Interest Rate Protection Agreements (Rate Agreements) with respect to $200.0 million of debt as a means to manage our exposure to fluctuating interest rates. The Rate Agreements effectively convert this portion of our long-term borrowings from variable rate debt to fixed-rate debt, thus reducing the impact of interest rate changes on future income. The fixed interest rate for our borrowings related to the Rate Agreements at June 30, 2009, excluding applicable fees, is 5.24 percent per year and the total interest rate, including applicable fees, is 12.24 percent per year. These Rate Agreements expire on December 1, 2009. Total remaining Senior Notes not covered by the Rate Agreements have fluctuating interest rates with a weighted average rate of 8.26 percent per year at June 30, 2009. If the counterparties to these Rate Agreements were to fail to perform, these Rate Agreements would no longer protect us from interest rate fluctuations. However, we do not anticipate nonperformance by the counterparties. All interest rate swap counterparties were rated A+ or better, as of June 30, 2009, by Standard and Poor’s.

The fair market value for the Rate Agreements at June 30, 2009 was a $4.0 million liability. The fair values of the Rate Agreements are based on the market standard methodology of netting the discounted expected future variable cash receipts and the discounted future fixed cash payments. The variable cash receipts are based on an expectation of future interest rates derived from observed market interest rate forward curves. We do not expect to cancel these agreements and expect them to expire as originally contracted.

The Senior Notes are guaranteed by Libbey Inc. and all of Libbey Glass’s existing and future domestic subsidiaries that guarantee any of Libbey Glass’s debt or debt of any subsidiary guarantor (see Note 11). The Senior Notes and related guarantees have the benefit of a second-priority lien, subject to permitted liens, on collateral consisting of substantially all the tangible and intangible assets of Libbey Glass and its domestic subsidiary guarantors that secure all of the indebtedness under Libbey Glass’s ABL Facility. The

Collateral does not include the assets of non-guarantor subsidiaries that secure the ABL Facility.

PIK Notes

Concurrently with the execution of the purchase agreement with respect to the Senior Notes, Libbey Glass and Libbey Inc. entered into a purchase agreement (Unit Purchase Agreement) pursuant to which Libbey Glass agreed to sell, to a purchaser named in the private placement, units consisting of $102.0 million aggregate principal amount 16 percent senior subordinated secured pay-in-kind notes due December 1, 2011 (PIK Notes) and detachable warrants to purchase 485,309 shares of Libbey Inc. common stock (Warrants) exercisable on or after June 16, 2006 and expiring on December 1, 2011. The warrant holders do not have voting rights. The net proceeds, after deducting a discount and estimated expenses and fees, were approximately $97.0 million. The proceeds were allocated between the Warrants and the underlying debt based on their respective fair values at the time of issuance. The amount allocated to the Warrants has been recorded in equity, with the offset recorded as a discount on the underlying debt. Each Warrant is exercisable at $11.25. The PIK Notes were offered at a discount of 2 percent of face value. Interest is payable semiannually on June 1 and December 1, but during the first three years interest was payable by issuance of additional PIK Notes. Interest on our PIK Notes will be payable in cash beginning December 1, 2009. At June 30, 2009, the total principal amount of PIK Notes was $160.9 million. Neither the PIK Notes nor the indenture governing them contain financial covenants.

The obligations of Libbey Glass under the PIK Notes are guaranteed by Libbey Inc. and all of Libbey Glass's existing and future domestic subsidiaries that guarantee any of Libbey Glass's debt or debt of any subsidiary guarantor (see Note 11). The PIK Notes and related guarantees are senior subordinated obligations of Libbey Glass and the guarantors of the PIK Notes and are entitled to the benefit of a third-priority lien, subject to permitted liens, on the collateral that secures the Senior Notes.

Promissory Note

In September 2001, we issued a $2.7 million promissory note in connection with the purchase of our Laredo, Texas warehouse facility. At June 30, 2009, we had $1.6 million outstanding on the promissory note. Interest with respect to the promissory note is paid monthly.

Notes Payable

We have overdraft lines of credit for a maximum of € 2.3 million. The $1.3 million outstanding at June 30, 2009 was the U.S. dollar equivalent under the euro-based overdraft line, and the interest rate was 4.36 percent. Interest with respect to the note payable is paid monthly.

RMB Loan Contract

On January 23, 2006, Libbey Glassware (China) Co., Ltd. (Libbey China), an indirect wholly owned subsidiary of Libbey Inc., entered into an RMB Loan Contract (RMB Loan Contract) with China Construction Bank Corporation Langfang Economic Development Area Sub-Branch (CCB). Pursuant to the RMB Loan Contract, CCB agreed to lend to Libbey China RMB 250.0 million, or the current equivalent of approximately $36.6 million, for the construction of our production facility in China and the purchase of related equipment, materials and services. The loan has a term of eight years and bears interest at a variable rate as announced by the People's Bank of China. As of the date of the initial advance under the Loan Contract, the annual interest rate was 5.51 percent, and as of June 30, 2009, the annual interest rate was 6.19 percent. As of June 30, 2009, the outstanding balance was RMB 250.0 million (approximately $36.6 million). Interest is payable quarterly. Payments of principal in the amount of RMB 30.0 million (approximately $4.4 million) and RMB 40.0 million (approximately $5.8 million) must be made on July 20, 2012, and December 20, 2012, respectively, and three payments of principal in the amount of RMB 60.0 million (approximately $8.8 million) each must be made on July 20, 2013, December 20, 2013, and January 20, 2014, respectively. The obligations of Libbey China are secured by a guarantee executed by Libbey Inc. for the benefit of CCB.

RMB Working Capital Loan

In March 2007, Libbey China entered into a RMB 50.0 million working capital loan with China Construction Bank. The 3-year term loan has a principal payment at maturity on March 14, 2010, has a current interest rate of 5.40 percent, and is secured by a Libbey Inc. guarantee. At June 30, 2009, the U.S. dollar equivalent on the line was $7.3 million. Interest is payable quarterly.

Obligations Under Capital Leases

In prior periods, we had leased certain machinery and equipment under agreements that were classified as capital leases. These leases were assumed in the Crisal acquisition. The cost of the equipment under capital leases was included in the Condensed Consolidated Balance Sheet as property, plant and equipment, and the related depreciation expense was included in the Condensed Consolidated Statements of Operations.

There are no future minimum lease payments required under the capital leases as of June 30, 2009.

BES Euro Line

In January 2007, Crisal entered into a seven year, € 11.0 million line of credit (approximately $15.5 million) with BANCO ESPÍRITO SANTO, S.A. (BES). The $15.5 million outstanding at June 30, 2009 was the U.S. dollar equivalent under the line at an interest rate of 3.77 percent. Payment of principal in the amount of € 1.1 million (approximately $1.6 million) is due in January 2010, payment of € 1.6 million (approximately $2.3 million) is due in January 2011, payment of € 2.2 million (approximately $3.1 million) is due in January 2012, payment of € 2.8 million (approximately $3.9 million) is due in January 2013 and payment of € 3.3 million (approximately $4.6 million) is due in January 2014. Interest with respect to the line is paid every six months.

Other Debt

The other debt of $0.7 million primarily consists of government-subsidized loans for equipment purchases at Crisal.

Fair Value of Borrowings

The fair value of the Company’s debt has been calculated based on quoted market prices for the same or similar issues. Our floating rate $306.0 million Senior Notes due June, 2011 had an estimated fair value of $192.8 million at June 30, 2009. The $160.9 million PIK Notes have been held by a single holder since inception, and there is no active market from which a fair value could be derived. The value of the remainder of our debt approximates carrying value at June 30, 2009.

Capital Resources and Liquidity

Historically, cash flows generated from operations and our borrowing capacity under our ABL facility have allowed us to meet our cash requirements, including capital expenditures and working capital needs. Remaining unused availability on the ABL Facility was $56.6 million at June 30, 2009 and $44.6 million at December 31, 2008. In addition, our cash and cash equivalents balance of $24.1 million at June 30, 2009 is available for our short term operating needs. We were impacted by recessionary pressures in 2008, especially during the fourth quarter of the year, and the first half of 2009, and we anticipate that the global economic recession will continue throughout 2009 and perhaps beyond. In addition, interest on our PIK Notes will be payable in cash beginning December 1, 2009. We began taking a number of steps to enhance our liquidity in 2008, have continued with further steps in 2009 (including those announced in February, 2009), and have begun to see the benefits of these measures in our positive cash flow from operations for the first half of 2009. However, if cash generated from operations is insufficient to satisfy our liquidity requirements, we may seek to sell additional equity or arrange additional debt financing. Global financial markets and economic conditions have been, and continue to be volatile. The credit and capital markets remain challenging. These issues, along with significant write-offs in the financial services sector, the re-pricing of credit risk and the current weak economic conditions, have made it difficult, and will likely continue to make it difficult, to obtain funding in future periods. If cash from operations and cash available from our ABL Facility are not sufficient to meet our needs, we cannot provide assurance that we will be able to obtain additional financing in sufficient amounts and/or on acceptable terms in the near future or when our debt obligations reach maturity. Our ABL Facility expires in December 2010, the Senior Notes expire in June 2011, and the PIK Notes expire in December 2011. Furthermore, because of the current price of our stock, we cannot anticipate that it would be desirable to sell additional equity, even if we were able to do so. However, based upon our operating plans and current forecast expectations (including expectations that the global economy will not deteriorate further) we anticipate that we will generate positive cash flow from operations and, if necessary, have sufficient cash availability from our ABL Facility to meet our ongoing liquidity needs.

5. Special Charges

In December 2008, we announced that our Syracuse China manufacturing facility and our Mira Loma, California distribution center would be shut down in early to mid-2009 in order to reduce costs. See Form 10-K for the year ended December 31, 2008 for further

Table of Contents

discussion. We incurred additional charges of approximately $0.2 million and $2.7 million in the three months and six months ended June 30, 2009, respectively, related to these planned closures. The Syracuse China facility was closed on April 9, 2009 and the Mira Loma distribution center was closed on May 31, 2009.

A charge of $1.1 million was incurred in the first quarter of 2009 to write down certain raw materials and work in process inventory that could not be converted to finished product. An immaterial amount of this inventory was subsequently sold in the second quarter of 2009, resulting in a reversal of this portion of the write-down. These amounts were included in cost of sales on the Condensed Consolidated Statement of Operations in the North American Other segment.

Additional depreciation expense of $0.7 million was recorded in the first quarter of 2009 to reflect the shorter remaining useful life of the assets. These amounts were included in cost of sales on the Condensed Consolidated Statement of Operations in the North American Other segment.

Special charges of $0.3 million and $0.7 million in the three months and six months ended June 30, 2009, respectively, included various legal, consulting and employee related costs. These amounts were included in special charges on the Condensed Consolidated Statement of Operations in the North American Other and North American Glass segments.

Other (expense) income on the Condensed Consolidated Statement of Operations included charges of $0.2 million in the six months ended June 30, 2009 for the change in fair value of ineffective natural gas hedges related to our Syracuse China operation. These amounts were included in the North American Other segment.

The following table summarizes the facility closure charges in the second quarter and first half of 2009:

	Three months ended June 30, 2009			**Six months ended June 30, 2009**		
(Dollars in thousands)	**North American Glass**	**North American Other**	**Total**	**North American Glass**	**North American Other**	**Total**
Inventory write-down	$ 1	$ (3)	$ (2)	$ 1	$ 1,115	$ 1,116
Fixed asset depreciation	—	—	—	—	705	705
Included in cost of sales	1	(3)	(2)	1	1,820	1,821
Employee termination cost & other	(29)	307	278	(27)	658	631
Fixed asset write-down	—	—	—	—	43	43
Included in special charges	(29)	307	278	(27)	701	674
Ineffectiveness of natural gas hedge	—	43	43	—	(186)	(186)
Included in other (expense) income	—	43	43	—	(186)	(186)
Total pretax charge	$ (28)	$ 261	$ 233	$ (26)	$ 2,707	$ 2,681

The following reflects the balance sheet activity related to the facility closure charge for the six months ended June 30, 2009:

(Dollars in thousands)	Reserve Balances at December 31, 2008	Total Charge to Earnings	Cash Receipts (Payments)	Inventory & Fixed asset Write Downs	Non-cash Utilization	Reserve Balances at June 30, 2009
Inventory write-down	$ —	$ 1,116	$ 3	$ (1,119)	$ —	$ —
Fixed asset depreciation	—	705	—	—	(705)	—
Fixed asset write-down	—	43	—	(43)	—	—
Employee termination cost & other	4,248	631	(2,739)	—	—	2,140
Ineffectiveness of natural gas hedges	—	186	—	—	(186)	—
Total	$ 4,248	$ 2,681	$ (2,736)	$ (1,162)	$ (891)	$ 2,140

The ending balance of $2.1 million at June 30, 2009 was included in accrued special charges on the Condensed Consolidated Balance

Sheets and we expect this to result in cash payments in 2009. The carrying value of this balance approximates its fair value.

The following reflects the total cumulative charges to date related to the facility closure activity:

(Dollars in thousands)	North American Glass	North American Other	Total Charges To Date
Inventory write-down	$ 193	$ 10,691	$ 10,884
Pension & postretirement welfare	—	4,170	4,170
Fixed asset depreciation	—	966	966
Included in cost of sales	193	15,827	16,020
Employee termination cost & other	591	4,860	5,451
Fixed asset write-down	65	9,703	9,768
Included in special charges	656	14,563	15,219
Ineffectiveness of natural gas hedge	—	(569)	(569)
Included in other (expense) income	—	(569)	(569)
Total pretax charge	$ 849	$ 30,959	$ 31,808

We expect the total charges for each of these activities to approximate the charges incurred to date.

6. Income Taxes

The Company's effective tax rate differs from the United States statutory tax rate primarily due to changes in the mix of earnings in countries with differing statutory tax rates, changes in accruals related to uncertain tax positions, tax planning structures and changes in tax laws. At June 30, 2009 and December 31, 2008 we had $1.2 million and $2.3 million, respectively, of gross unrecognized tax benefits, exclusive of interest and penalties. The decrease of $1.1 million was primarily attributable to an income tax settlement during the second quarter, offset by additions based on tax positions related to the current year.

In addition, SFAS No. 109, *Accounting for Income Taxes* requires that the provision for/(benefit from) income taxes be allocated between continuing operations and other categories of earnings (such as discontinued operations or other comprehensive income) for each tax jurisdiction. In periods in which there is a year-to-date pre-tax loss from continuing operations and pre-tax income in other categories of earnings, the tax provision is first allocated to the other categories of earnings. A related tax benefit is then recorded in continuing operations. Included in our income tax provision are tax benefits of $3.6 million for the second quarter of 2009 and $3.9 million for the first six months of 2009 related to these intra-period allocations. Depending upon the level of our future earnings and losses and their impact on other comprehensive income, it is possible that these tax adjustments may change or even reverse in future periods.

Further, our current and future provision for (benefit from) income taxes for 2009 is significantly impacted by valuation allowances. In the United States and China, we have recorded a full valuation allowance against our deferred income tax assets. In addition, partial valuation allowances have been recorded in the Netherlands, Portugal and Mexico. In assessing the need for recording a valuation allowance we weigh all available positive and negative evidence. Examples of the evidence we consider are cumulative losses in recent years, losses expected in early future years, a history of potential tax benefits expiring unused, whether there was an unusual, infrequent, or extraordinary item to be considered. We intend to maintain these allowances until it is more likely than not that the deferred income tax assets will be realized.

7. Pension and Non-pension Postretirement Benefits

We have pension plans covering the majority of our employees. Benefits generally are based on compensation for salaried employees and job grade and length of service for hourly employees. Our policy is to fund pension plans such that sufficient assets will be available to meet future benefit requirements. In addition, we have an unfunded supplemental employee retirement plan (SERP) that covers salaried U.S.-based employees of Libbey hired before January 1, 2006. The U.S. pension plans cover the salaried U.S.-based employees of Libbey hired before January 1, 2006 and most hourly U.S.-based employees. The non-U.S. pension plans cover the employees of our wholly owned subsidiaries Royal Leerdam and Crisa. The Crisa plan is not funded.

The components of our net pension expense, including the SERP, are as follows:

	U.S. Plans		Non-U.S. Plans		Total	
Three months ended June 30,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Service cost	$ 1,216	$ 1,223	$ 338	$ 434	$ 1,554	$ 1,657
Interest cost	3,799	3,885	1,037	1,139	4,836	5,024
Expected return on plan assets	(4,275)	(4,412)	(633)	(798)	(4,908)	(5,210)
Amortization of unrecognized:						
Prior service cost (gain)	561	610	(23)	(17)	538	593
Loss	118	305	94	56	212	361
Settlement charge	200	—	—	—	200	—
Pension expense	$ 1,619	$ 1,611	$ 813	$ 814	$ 2,432	$ 2,425

	U.S. Plans		Non-U.S. Plans		Total	
Six months ended June 30,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Service cost	$ 2,490	$ 2,696	$ 676	$ 876	$ 3,166	$ 3,572
Interest cost	7,896	7,815	2,074	2,365	9,970	10,180
Expected return on plan assets	(8,801)	(8,787)	(1,265)	(1,628)	(10,066)	(10,415)
Amortization of unrecognized:						
Prior service cost (gain)	1,121	1,195	(47)	(35)	1,074	1,160
Loss	435	659	188	147	623	806
Settlement	2,700	—	—	—	2,700	—
Pension expense	$ 5,841	$ 3,578	$ 1,626	$ 1,725	$ 7,467	$ 5,303

We incurred pension settlement charges of $0.2 million and $2.7 million during the three months and six months ended June 30, 2009, respectively. The pension settlement charges were triggered by excess lump sum distributions to retirees.

We provide certain retiree health care and life insurance benefits covering our U.S and Canadian salaried and non-union hourly employees hired before January 1, 2004 and a majority of our union hourly employees. Employees are generally eligible for benefits upon retirement and completion of a specified number of years of creditable service. Benefits for most hourly retirees are determined by collective bargaining. The U.S. non-pension postretirement plans cover the hourly and salaried U.S.-based employees of Libbey. During the second quarter of 2008, we amended our U.S. non-pension postretirement plans to cover employees and retirees of Syracuse China previously covered under a multi-employer plan. This plan amendment was effective September 1, 2008. The non-U.S. non-pension postretirement plans cover the retirees and active employees of Libbey who are located in Canada. The postretirement benefit plans are not funded.

The provision for our non-pension postretirement benefit expense consists of the following:

	U.S. Plans		Non-U.S. Plans		Total	
Three months ended June 30,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Service cost	$ 341	$254	$ 1	$ 1	$ 342	$255
Interest cost	955	714	26	36	981	750
Amortization of unrecognized:						
Prior service gain	(81)	(95)	—	—	(81)	(95)
Loss / (Gain)	177	71	(9)	(1)	168	70
Non-pension postretirement benefit expense	$1,392	$944	$18	$36	$1,410	$980

Six months ended June 30,	U.S. Plans 2009	U.S. Plans 2008	Non-U.S. Plans 2009	Non-U.S. Plans 2008	Total 2009	Total 2008
Service cost	$ 666	$ 550	$ 1	$ 1	$ 667	$ 551
Interest cost	1,892	1,427	55	64	1,947	1,491
Amortization of unrecognized:						
Prior service cost (gain)	(209)	(231)	—	—	(209)	(231)
Loss / (Gain)	382	119	(17)	(16)	365	103
Non-pension postretirement benefit expense	$2,731	$1,865	$ 39	$ 49	$2,770	$1,914

In 2009, we expect to utilize approximately $18.0 million to fund our pension plans and pay for non-pension postretirement benefits. Of that amount, $4.0 million and $8.1 million was utilized in the three months and six months ended June 30, 2009.

8. Net Income (Loss) per Share of Common Stock

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six months Ended June 30, 2009	Six months Ended June 30, 2008
Numerator for earnings per share — net income (loss) that is available to common shareholders	$ 2,664	$ (2,119)	$ (25,229)	$ (5,596)
Denominator for basic earnings per share — weighted average shares outstanding	14,881,521	14,645,105	14,811,592	14,612,306
Effect of dilutive securities (1)	269,147	—	—	—
Denominator for diluted earnings per share — adjusted weighted average shares and assumed conversions	15,150,668	14,645,105	14,811,592	14,612,306
Basic earnings (loss) per share	$ 0.18	$ (0.14)	$ (1.70)	$ (0.38)
Diluted earnings (loss) per share	$ 0.18	$ (0.14)	$ (1.70)	$ (0.38)

(1) *The effect of employee stock options, warrants, restricted stock units and the employee stock purchase plan (ESPP) (243,236 shares for the six months ended June 30, 2009, and 285,799 and 330,641 shares for the three months and six months ended June 30, 2008, respectively),* was *anti-dilutive and thus not included in the earnings per share calculation. These amounts would have been dilutive if not for the net loss.*

When applicable, diluted shares outstanding include the dilutive impact of in-the-money employee stock options, which are calculated based on the average share price for each fiscal period using the treasury stock method. Under the treasury stock method, the tax-effected proceeds that hypothetically would be received from the exercise of all in-the-money options are assumed to be used to repurchase shares.

9. Derivatives

We utilize derivative financial instruments to hedge certain interest rate risks associated with our long-term debt, commodity price risks associated with forecasted future natural gas requirements and foreign exchange rate risks associated with transactions denominated in a currency other than the U.S. dollar. Most of these derivatives, except for certain natural gas contracts originally designated to expected purchases at Syracuse China and the foreign currency contracts, qualify for hedge accounting since the hedges are highly effective, and we have designated and documented contemporaneously the hedging relationships involving these derivative instruments. Changes in fair value of these hedges are recorded in Other Comprehensive Income (OCI). While we intend to continue to meet the conditions for hedge accounting, if hedges do not qualify as highly effective or if we do not believe that the forecasted transactions will occur, the changes in the fair value of the derivatives used as hedges will be reflected in our earnings. All of these contracts were accounted for under FASB Statement No. 133, “Accounting for Derivative Instruments and Hedging Activities” (SFAS 133).

We use Interest Rate Protection Agreements (Rate Agreements) to manage our exposure to variable interest rates. These Rate Agreements effectively convert a portion of our borrowings from variable rate debt to fixed-rate debt, thus reducing the impact of interest rate changes on future results. These instruments are valued using the market standard methodology of netting the discounted expected future variable cash receipts and the discounted future fixed cash payments. The variable cash receipts are based on an expectation of future interest rates derived from observed market interest rate forward curves.

We also use commodity futures contracts related to forecasted future North American natural gas requirements. The objective of these futures contracts and other derivatives is to limit the fluctuations in prices paid due to adverse price movements in the underlying commodity. We consider our forecasted natural gas requirements in determining the quantity of natural gas to hedge. We combine the forecasts with historical observations to establish the percentage of forecast eligible to be hedged, typically ranging from 40 percent to 70 percent of our anticipated requirements, up to eighteen months in the future. The fair values of these instruments are determined from market quotes. Certain of our natural gas futures contracts are now classified as ineffective, as the forecasted transactions are not probable of occurring due to the closure of our Syracuse China facility in April 2009.

Our foreign currency exposure arises from transactions denominated in a currency other than the U.S. dollar, primarily associated with anticipated purchases of new equipment or net investment in a foreign operation. The fair values of these instruments are determined from market quotes. The values of these derivatives will change over time as cash receipts and payments are made and as market conditions change.

Notional Amounts

As of June 30, 2009, we had commodity contracts for 3,810,000 million British Thermal Units (BTUs) of natural gas. We also had Interest Rate Protection Agreements for $200.0 million of our variable rate debt, as discussed in Note 4. At December 31, 2008, we had Interest Rate Protection Agreements for $200.0 million of variable rate debt and commodity contracts for 5,280,000 million BTUs of natural gas. In January 2008, we entered into a series of foreign currency contracts to sell Canadian dollars. As of June 30, 2008, we had contracts for 4.5 million Canadian dollars. During April 2007, we entered into a foreign currency contract for 212.0 million pesos for a contractual payment due to Vitro in January 2008. As of December 31, 2008, all of these currency contracts had expired.

Fair Values

The following table provides the fair values of our derivative financial instruments for the periods presented:

	Liability Derivatives:			
	June 30, 2009		December 31, 2008	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments under SFAS 133:				
Interest rate contracts	Derivative liability	$ 4,030	Derivative liability	$ 6,761
Natural gas contracts	Derivative liability	9,607	Derivative liability	10,908
Natural gas contracts	Other long term liability	2,817	Other long term liability	3,500
Total designated		16,454		21,169
Derivatives undesignated as hedging instruments under SFAS 133:				
Interest rate contracts	Derivative liability	—	Derivative liability	—
Natural gas contracts	Derivative liability	371	Derivative liability	267
Natural gas contracts	Other long term liability	100	Other long term liability	193
Total undesignated		471		460
Total		$ 16,925		$ 21,629

Change in value of derivatives

Most of our derivatives qualify and are designated as cash flow hedges (except certain natural gas contracts originally designated to expected purchases at Syracuse China) at June 30, 2009. Hedge accounting is applied only when the derivative is deemed to be highly effective at offsetting changes in fair values or anticipated cash flows of the hedged item or transaction. For hedged forecasted transactions, hedge accounting is discontinued if the forecasted transaction is no longer probable to occur, and any previously deferred gains or losses would be recorded to earnings immediately. The ineffective portion of the change in the fair value of a derivative designated as a cash flow hedge is recognized in current earnings.

	Amount of derivative gain/(loss) recognized in OCI (effective portion)			
	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Derivatives in Cash Flow Hedging relationships:				
Interest rate contracts	$ 1,433	$ 3,745	$ 2,929	$ (174)
Natural gas contracts	(340)	3,724	(6,761)	7,986
Total	$ 1,093	$ 7,469	$ (3,832)	$ 7,812

		Gain / (loss) reclassified from Accumulated Other Comprehensive Income (loss) to income (effective portion)			
		Three months ended June 30,		Six months ended June 30,	
		2009	2008	2009	2008
Derivative:	Location:				
Natural gas contracts	Cost of sales	$ (4,970)	$ 1,585	$ (8,744)	$ 453
Interest rate contracts	Interest expense	1,583	720	2,903	951
	Total impact on net income (loss)	$ (3,387)	$ 2,305	$ (5,841)	$ 1,404

Certain of our natural gas futures contracts are now classified as ineffective, as the forecasted transactions are not probable of occurring due to the closure of our Syracuse China facility in April 2009 as well as decreased production at some of our plants. As a result, we recorded a credit of $0.3 million in the three months ended June 30, 2009 and expense of $0.1 million in the six months ended June 30, 2009. Expenses reclassified from Accumulated Other Comprehensive Income to earnings during the three and six months ended June 30, 2009 were immaterial.

The following table provides the impact on the Condensed Consolidated Statement of Operations from derivatives no longer designated as cash flow hedges:

		Gain (loss) recognized in income (ineffective portion)			
		Three months ended June 30,		Six months ended June 30,	
		2009	2008	2009	2008
Derivative:	Location:				
Natural gas contracts	Other (expense) income	$ 290	$ —	$ (109)	$ —
Total		$ 290	$ —	$ (109)	$ —

As the natural gas contracts mature, the accumulated gains (losses) for the respective contracts are reclassified from accumulated other comprehensive income to current expense in cost of sales in our Condensed Consolidated Statement of Operations. Similarly, as fixed interest payments are made pursuant to the interest rate protection agreements, they are recorded together with the related receipt of variable interest receipts, the payment of contractual interest expense to the banks and the reclassification of accumulated gains (losses) from accumulated other comprehensive income related to the interest rate agreements. Based on our current valuation, we estimate that accumulated losses currently carried in accumulated other comprehensive income that will be reclassified into earnings over the next twelve months will result in $14.0 million of expense in our Condensed Consolidated Statement of Operations.

Gains and losses for derivatives which were not designated as hedging instruments are recorded in current earnings as follows:

		Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Derivative:	Location:				
Currency contracts	Other (expense) income	$ —	$ (113)	$ —	$ (283)
		$ —	$ (113)	$ —	$ (283)

We do not believe we are exposed to more than a nominal amount of credit risk in our interest rate and natural gas hedges, as the counterparties are established financial institutions. The counterparties are rated A+ or better for the Interest Rate Protection Agreements and BBB or better for the other derivative agreements as of June 30, 2009, by Standard and Poor's.

10. Comprehensive Income (Loss)

Components of comprehensive income (loss) (net of tax) are as follows:

	Three months ended June 30, 2009	**Three months ended June 30, 2008**	**Six months ended June 30, 2009**	**Six months ended June 30, 2008**
Net income (loss)	$ 2,664	$ (2,119)	$(25,229)	$ (5,596)
Change in pension and nonpension postretirement liability (1)	5,436	(2,074)	4,481	(3,131)
Change in fair value of derivatives (2)	4,431	3,991	2,642	4,943
Exchange rate fluctuations	3,900	(95)	(170)	6,932
Total comprehensive income (loss)	$ 16,431	$ (297)	$(18,276)	$ 3,148

(1) Net of the following tax amounts for the respective periods	$ (3,741)	$ 1,155	$ (6,316)	$ 1,561
(2) Net of the following tax amounts for the respective periods	$ (1,633)	$ (1,893)	$ (2,271)	$ (2,416)

Accumulated other comprehensive loss (net of tax) is as follows:

	June 30, 2009	**December 31, 2008**
Minimum pension liability and intangible pension asset	$ (98,926)	$ (103,407)
Derivatives	(13,968)	(16,610)
Exchange rate fluctuations	4,061	4,231
Balance at end of period	$(108,833)	$ (115,786)

11. Condensed Consolidated Guarantor Financial Statements

Libbey Glass is a direct, 100 percent owned subsidiary of Libbey Inc. and the issuer of the Senior Notes and the PIK Notes. The obligations of Libbey Glass under the Senior Notes and the PIK Notes are fully and unconditionally and jointly and severally guaranteed by Libbey Inc. and by certain indirect, 100 percent owned domestic subsidiaries of Libbey Inc., as described below. All are related parties that are included in the Condensed Consolidated Financial Statements for the three month and six months periods ended June 30, 2009 and June 30, 2008.

At June 30, 2009, December 31, 2008 and June 30, 2008, Libbey Inc.'s indirect, 100 percent owned domestic subsidiaries were Syracuse China Company, World Tableware Inc., LGA4 Corp., LGA3 Corp., The Drummond Glass Company, LGC Corp., Traex Company, Libbey.com LLC, LGFS Inc., LGAC LLC and Crisa Industrial LLC (collectively, the "Subsidiary Guarantors"). The following tables contain Condensed Consolidating Financial Statements of (a) the parent, Libbey Inc., (b) the issuer, Libbey Glass, (c) the Subsidiary Guarantors, (d) the indirect subsidiaries of Libbey Inc. that are not Subsidiary Guarantors (collectively, "Non-Guarantor Subsidiaries"), (e) the consolidating elimination entries, and (f) the consolidated totals.

Libbey Inc.
Condensed Consolidating Statement of Operations
(dollars in thousands)
(unaudited)

	Three months ended June 30, 2009					
	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$102,180	$24,341	$77,707	$(8,402)	$195,826
Freight billed to customers	—	141	222	36	—	399
Total revenues	—	102,321	24,563	77,743	(8,402)	196,225
Cost of sales	—	77,641	18,823	73,880	(8,402)	161,942
Gross profit	—	24,680	5,740	3,863	—	34,283
Selling, general and administrative expenses	—	12,353	2,158	8,003	—	22,514
Special charges	—	(29)	307	—	—	278
Income (loss) from operations	—	12,356	3,275	(4,140)	—	11,491
Other income (expense)	—	2,248	129	381	—	2,758
Earnings (loss) before interest and income taxes	—	14,604	3,404	(3,759)	—	14,249
Interest expense	—	16,017	—	1,515	—	17,532
Earnings (loss) before income taxes	—	(1,413)	3,404	(5,274)	—	(3,283)
Provision (benefit) for income taxes	—	(4,623)	(82)	(1,242)	—	(5,947)
Net income (loss)	—	3,210	3,486	(4,032)	—	2,664
Equity in net income (loss) of subsidiaries	2,664	(546)	—	—	(2,118)	—
Net income (loss)	$2,664	$ 2,664	$ 3,486	$ (4,032)	$(2,118)	$ 2,664

The following represents the total special charges included in the above Condensed Consolidated Statement of Operations (see note 5):

	Three months ended June 30, 2009					
	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cost of sales	$—	$ 1	$ (3)	$—	$—	$ (2)
Special charges	—	(29)	307	—	—	278
Other income (expense)	—	—	43	—	—	43
Total pretax special charges	$—	$(28)	$261	$—	$—	$233
Special charges net of tax	$—	$(28)	$261	$—	$—	$233

Libbey Inc.
Condensed Consolidating Statement of Operations
(dollars in thousands)
(unaudited)

Three months ended June 30, 2008	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$107,328	$30,120	$100,728	$(13,348)	$224,828
Freight billed to customers	—	195	308	112	—	615
Total revenues	—	107,523	30,428	100,840	(13,348)	225,443
Cost of sales	—	85,313	23,769	87,541	(13,348)	183,275
Gross profit	—	22,210	6,659	13,299	—	42,168
Selling, general and administrative expenses	—	12,466	3,099	7,886	—	23,451
Income (loss) from operations	—	9,744	3,560	5,413	—	18,717
Other income (expense)	—	(91)	3	674	—	586
Earnings (loss) before interest and income taxes	—	9,653	3,563	6,087	—	19,303
Interest expense	—	15,834	1	1,785	—	17,620
Earnings (loss) before income taxes	—	(6,181)	3,562	4,302	—	1,683
Provision (benefit) for income taxes	—	(26)	—	3,828	—	3,802
Net income (loss)	—	(6,155)	3,562	474	—	(2,119)
Equity in net income (loss) of subsidiaries	(2,119)	4,036	—	—	(1,917)	—
Net income (loss)	$(2,119)	$ (2,119)	$ 3,562	$ 474	$ (1,917)	$ (2,119)

Libbey Inc.
Condensed Consolidating Statement of Operations
(dollars in thousands)
(unaudited)

Six months ended June 30, 2009	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$184,946	$45,718	$140,816	$(17,801)	$353,679
Freight billed to customers	—	252	427	65	—	744
Total revenues	—	185,198	46,145	140,881	(17,801)	354,423
Cost of sales	—	154,564	38,719	133,942	(17,801)	309,424
Gross profit	—	30,634	7,426	6,939	—	44,999
Selling, general and administrative expenses	—	24,853	4,334	15,701	—	44,888
Special charges	—	(27)	701	—	—	674
Income (loss) from operations	—	5,808	2,391	(8,762)	—	(563)
Other income (expense)	—	2,194	(133)	660	—	2,721
Earnings (loss) before interest and income taxes	—	8,002	2,258	(8,102)	—	2,158
Interest expense	—	31,905	—	2,806	—	34,711
Earnings (loss) before income taxes	—	(23,903)	2,258	(10,908)	—	(32,553)
Provision (benefit) for income taxes	—	(5,710)	254	(1,868)	—	(7,324)
Net income (loss)	—	(18,193)	2,004	(9,040)	—	(25,229)
Equity in net income (loss) of subsidiaries	(25,229)	(7,036)	—	—	32,265	—
Net income (loss)	$(25,229)	$ (25,229)	$ 2,004	$ (9,040)	$ 32,265	$ (25,229)

The following represents the total special charges included in the above Condensed Consolidated Statement of Operations (see note 5):

Six months ended June 30, 2009	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cost of sales	$—	$ 1	$1,820	$—	$—	$1,821
Special charges	—	(27)	701	—	—	674
Other income (expense)	—	—	(186)	—	—	(186)
Total pretax special charges	$—	$(26)	$2,707	$—	$—	$2,681
Special charges net of tax	$—	$(26)	$2,707	$—	$—	$2,681

Libbey Inc.
Condensed Consolidating Statement of Operations
(dollars in thousands)
(unaudited)

	Six months ended June 30, 2008					
	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$197,315	$56,703	$184,783	$(26,697)	$412,104
Freight billed to customers	—	367	611	305	—	1,283
Total revenues	—	197,682	57,314	185,088	(26,697)	413,387
Cost of sales	—	165,088	44,419	158,072	(26,697)	340,882
Gross profit	—	32,594	12,895	27,016	—	72,505
Selling, general and administrative expenses	—	23,309	5,708	15,293	—	44,310
Income (loss) from operations	—	9,285	7,187	11,723	—	28,195
Other income (expense)	—	242	41	1,056	—	1,339
Earnings (loss) before interest and income taxes	—	9,527	7,228	12,779	—	29,534
Interest expense	—	31,527	1	3,243	—	34,771
Earnings (loss) before income taxes	—	(22,000)	7,227	9,536	—	(5,237)
Provision (benefit) for income taxes	—	(346)	563	142	—	359
Net income (loss)	—	(21,654)	6,664	9,394	—	(5,596)
Equity in net income (loss) of subsidiaries	(5,596)	16,058	—	—	(10,462)	—
Net income (loss)	$(5,596)	$ (5,596)	$ 6,664	$ 9,394	$(10,462)	$ (5,596)

Libbey Inc.
Condensed Consolidating Balance Sheet
(dollars in thousands)

June 30, 2009 (unaudited)

	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and equivalents	$ —	$ 11,784	$ 261	$ 12,037	$ —	$ 24,082
Accounts receivable — net	—	37,735	6,697	46,820	—	91,252
Inventories — net	—	40,187	20,761	84,850	—	145,798
Other current assets	—	12,316	10,758	9,385	(20,062)	12,397
Total current assets	—	102,022	38,477	153,092	(20,062)	273,529
Other non-current assets	—	11,162	—	10,374	—	21,536
Investments in and advances to subsidiaries	(74,475)	422,233	269,516	128,545	(745,819)	—
Goodwill and purchased intangible assets — net	—	26,833	15,775	147,617	—	190,225
Total other assets	(74,475)	460,228	285,291	286,536	(745,819)	211,761
Property, plant and equipment — net	—	84,067	6,301	211,748	—	302,116
Total assets	$(74,475)	$646,317	$330,069	$651,376	$(765,881)	$787,406
Accounts payable	$ —	$ 11,012	$ 2,688	$ 40,785	$ —	$ 54,485
Accrued and other current liabilities	—	69,302	23,226	19,580	(20,062)	92,046
Notes payable and long-term debt due within one year	—	215	—	11,108	—	11,323
Total current liabilities	—	80,529	25,914	71,473	(20,062)	157,854
Long-term debt	—	464,501	—	67,208	—	531,709
Other long-term liabilities	—	130,726	11,651	29,941	—	172,318
Total liabilities	—	675,756	37,565	168,622	(20,062)	861,881
Total shareholders' equity	(74,475)	(29,439)	292,504	482,754	(745,819)	(74,475)
Total liabilities and shareholders' equity	$(74,475)	$646,317	$330,069	$651,376	$(765,881)	$787,406

December 31, 2008

	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and equivalents	$ —	$ 6,453	$ 413	$ 6,438	$ —	$ 13,304
Accounts receivable — net	—	32,789	6,076	37,207	—	76,072
Inventories — net	—	58,924	26,892	99,426	—	185,242
Other current assets	—	4,731	316	12,120	—	17,167
Total current assets	—	102,897	33,697	155,191	—	291,785
Other non-current assets	—	9,462	43	12,560	—	22,065
Investments in and advances to subsidiaries	(57,889)	406,812	272,761	143,459	(765,143)	—
Goodwill and purchased intangible assets — net	—	28,216	15,780	148,861	—	192,857
Total other assets	(57,889)	444,490	288,584	304,880	(765,143)	214,922
Property, plant and equipment — net	—	88,628	7,697	218,522	—	314,847
Total assets	$(57,889)	$636,015	$329,978	$678,593	$(765,143)	$821,554
Accounts payable	$ —	$ 9,370	$ 2,794	$ 42,264	$ —	$ 54,428
Accrued and other current liabilities	—	36,589	19,700	35,908	—	92,197
Notes payable and long-term debt due within one year	—	215	—	4,186	—	4,401
Total current liabilities	—	46,174	22,494	82,358	—	151,026
Long-term debt	—	451,772	—	94,084	—	545,856
Other long-term liabilities	—	140,936	14,185	27,440	—	182,561
Total liabilities	—	638,882	36,679	203,882	—	879,443
Total shareholders' equity	(57,889)	(2,867)	293,299	474,711	(765,143)	(57,889)
Total liabilities and shareholders' equity	$(57,889)	$636,015	$329,978	$678,593	$(765,143)	$821,554

Libbey Inc.
Condensed Consolidating Statement of Cash Flows
(dollars in thousands)
(unaudited)

Three months ended June 30, 2009	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$ 2,664	$ 2,664	$ 3,486	$ (4,032)	$(2,118)	$ 2,664
Depreciation and amortization	—	3,848	243	6,427	—	10,518
Other operating activities	(2,664)	(1,880)	(3,707)	17,657	2,118	11,524
Net cash provided by (used in) operating activities	—	4,632	22	20,052	—	24,706
Additions to property, plant & equipment	—	(1,997)	(54)	(2,559)	—	(4,610)
Other investing activities	—	21	—	—	—	21
Net cash (used in) investing activities	—	(1,976)	(54)	(2,559)	—	(4,589)
Net borrowings	—	(79)	—	(12,730)	—	(12,809)
Other financing activities	—	—	—	—	—	—
Net cash provided by (used in) financing activities	—	(79)	—	(12,730)	—	(12,809)
Exchange effect on cash	—	—	—	311	—	311
Increase (decrease) in cash	—	2,577	(32)	5,074	—	7,619
Cash at beginning of period	—	9,207	293	6,963	—	16,463
Cash at end of period	$ —	$11,784	$ 261	$ 12,037	$ —	$ 24,082

Three months ended June 30, 2008	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$(2,119)	$(2,119)	$ 3,562	$ 474	$(1,917)	$ (2,119)
Depreciation and amortization	—	3,638	754	6,846	—	11,238
Other operating activities	2,119	6,347	(3,801)	(10,621)	1,917	(4,039)
Net cash provided by (used in) operating activities	—	7,866	515	(3,301)	—	5,080
Additions to property, plant & equipment	—	(2,670)	(240)	(5,350)	—	(8,260)
Other investing activities	—	5	—	—	—	5
Net cash (used in) investing activities	—	(2,665)	(240)	(5,350)	—	(8,255)
Net borrowings	—	4,221	—	9,693	—	13,914
Other financing activities	—	(365)	—	—	—	(365)
Net cash provided by (used in) financing activities	—	3,856	—	9,693	—	13,549
Exchange effect on cash	—	—	—	(93)	—	(93)
Increase (decrease) in cash	—	9,057	275	949	—	10,281
Cash at beginning of period	—	363	1,041	6,198	—	7,602
Cash at end of period	$ —	$ 9,420	$ 1,316	$ 7,147	$ —	$17,883

Table of Contents

Libbey Inc.
Condensed Consolidating Statement of Cash Flows
(dollars in thousands)
(unaudited)

Six months ended June 30, 2009	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$(25,229)	$(25,229)	$ 2,004	$ (9,040)	$ 32,265	$(25,229)
Depreciation and amortization	—	7,776	1,586	12,884	—	22,246
Other operating activities	25,229	26,139	(3,528)	26,498	(32,265)	42,073
Net cash provided by (used in) operating activities	—	8,686	62	30,342	—	39,090
Additions to property, plant & equipment	—	(3,361)	(214)	(5,975)	—	(9,550)
Other investing activities	—	88	—	—	—	88
Net cash (used in) investing activities	—	(3,273)	(214)	(5,975)	—	(9,462)
Net borrowings	—	(82)	—	(18,730)	—	(18,812)
Other financing activities	—	—	—	—	—	—
Net cash provided by (used in) financing activities	—	(82)	—	(18,730)	—	(18,812)
Exchange effect on cash	—	—	—	(38)	—	(38)
Increase (decrease) in cash	—	5,331	(152)	5,599	—	10,778
Cash at beginning of period	—	6,453	413	6,438	—	13,304
Cash at end of period	$ —	$ 11,784	$ 261	$ 12,037	$ —	$ 24,082

Six months ended June 30, 2008	Libbey Inc. (Parent)	Libbey Glass (Issuer)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$(5,596)	$ (5,596)	$ 6,664	$ 9,394	$(10,462)	$ (5,596)
Depreciation and amortization	—	7,520	1,510	13,504	—	22,534
Other operating activities	5,596	(10,800)	(7,035)	(38,220)	10,462	(39,997)
Net cash provided by (used in) operating activities	—	(8,876)	1,139	(15,322)	—	(23,059)
Additions to property, plant & equipment	—	(5,990)	(355)	(11,267)	—	(17,612)
Other investing activities	—	46	—	—	—	46
Net cash (used in) investing activities	—	(5,944)	(355)	(11,267)	—	(17,566)
Net borrowings	—	4,135	—	18,374	—	22,509
Other financing activities	—	(729)	—	—	—	(729)
Net cash provided by (used in) financing activities	—	3,406	—	18,374	—	21,780
Exchange effect on cash	—	—	—	189	—	189
Increase (decrease) in cash	—	(11,414)	784	(8,026)	—	(18,656)
Cash at beginning of period	—	20,834	532	15,173	—	36,539
Cash at end of period	$ —	$ 9,420	$ 1,316	$ 7,147	$ —	$ 17,883

12. Segments

Our segments are described as follows:

- North American Glass—includes sales of glass tableware from subsidiaries throughout the United States, Canada and Mexico.
- North American Other—includes sales of ceramic dinnerware; metal tableware, hollowware and serveware; and plastic items from subsidiaries in the United States.
- International—includes worldwide sales of glass tableware from subsidiaries outside the United States, Canada and Mexico.

Some operating segments were aggregated to arrive at the disclosed reportable segments. The accounting policies of the segments are the same as those described in Note 2 of the Notes to Condensed Consolidated Financial Statements. We do not have any customers who represent 10 percent or more of total net sales. We evaluate the performance of our segments based upon net sales and Earnings Before Interest and Taxes (EBIT). Intersegment sales are consummated at arm's length and are reflected in eliminations in the table below.

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Net Sales:				
North American Glass	$137,744	$155,013	$246,487	$282,490
North American Other	24,341	30,120	45,718	56,703
International	34,533	41,765	63,384	78,152
Eliminations	(792)	(2,070)	(1,910)	(5,241)
Consolidated	$195,826	$224,828	$353,679	$412,104
EBIT:				
North American Glass	$ 11,758	$ 14,938	$ 3,133	$ 22,010
North American Other	3,430	3,641	2,310	7,459
International	(939)	724	(3,285)	65
Consolidated	$ 14,249	$ 19,303	$ 2,158	$ 29,534
Special Charges:				
North American Glass	$ (28)	$ —	$ (26)	$ —
North American Other	261	—	2,707	—
International	—	—	—	—
Consolidated	$ 233	$ —	$ 2,681	$ —
Depreciation & Amortization:				
North American Glass	$ 6,336	$ 6,425	$ 12,783	$ 12,978
North American Other	243	755	1,586	1,511
International	3,939	4,058	7,877	8,045
Consolidated	$ 10,518	$ 11,238	$ 22,246	$ 22,534
Capital Expenditures:				
North American Glass	$ 2,622	$ 4,983	$ 5,141	$ 10,692
North American Other	54	241	214	356
International	1,934	3,036	4,195	6,564
Consolidated	$ 4,610	$ 8,260	$ 9,550	$ 17,612
Reconciliation of EBIT to Net Income (Loss):				
Segment EBIT	$ 14,249	$ 19,303	$ 2,158	$ 29,534
Interest Expense	(17,532)	(17,620)	(34,711)	(34,771)
Benefit from (provision for) Income Taxes	5,947	(3,802)	7,324	(359)
Net Income (Loss)	$ 2,664	$ (2,119)	$ (25,229)	$ (5,596)

Table of Contents

13. Fair Value

We adopted SFAS 157 as of January 1, 2008, but we had not applied the statement to non-recurring, nonfinancial assets and liabilities. We adopted SFAS 157 for nonrecurring, nonfinancial assets and liabilities as of January 1, 2009. The adoption of SFAS 157 had no impact on our fair value measurements. SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. SFAS 157 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair value into three broad levels as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.
- Level 3 — Unobservable inputs based on our own assumptions.

	Fair Value at June 30, 2009				Fair Value at December 31, 2008			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Commodity futures natural gas contracts	$ —	$(12,895)	$ —	$(12,895)	$ —	$(14,868)	$ —	$(14,868)
Interest rate protection agreements	—	(4,030)	—	(4,030)	—	(6,761)	—	(6,761)
Total derivative liability	$ —	$(16,925)	$ —	$(16,925)	$ —	$(21,629)	$ —	$(21,629)

The fair values of our interest rate protection agreements are based on the market standard methodology of netting the discounted expected future variable cash receipts and the discounted future fixed cash payments. The variable cash receipts are based on an expectation of future interest rates derived from observed market interest rate forward curves. The fair values of our commodity futures natural gas contracts are determined using observable market inputs. Since these inputs are observable in active markets over the terms that the instruments are held, the derivatives are classified as Level 2 in the hierarchy. We also evaluate Company and counterparty risk in determining fair values. The total derivative liability is recorded on the Condensed Consolidated Balance Sheets with $14.0 million in derivative liability and $2.9 million in other long-term liabilities as of June 30, 2009. As of December 31, 2008 $17.9 million was recorded in derivative liability and $3.7 million in other long-term liabilities.

The commodity futures natural gas contracts and interest rate protection agreements are hedges of either recorded assets or liabilities or anticipated transactions. Changes in values of the underlying hedged assets and liabilities or anticipated transactions are not reflected in the above table.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes thereto appearing elsewhere in this report and in our Annual Report filed with the Securities and Exchange Commission. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ from those anticipated in these forward-looking statements as a result of many factors. These factors are discussed in "Risk Factors" under Item 1A of "Part II — Other Information".

Overview

Market conditions continue to be challenging. While comparisons to the record setting sales performance of the second quarter and first half of 2008 are dramatic, we have begun to see the results of our cash flow enhancements outlined on February 11, 2009. We have reduced capital spending, reduced production levels in response to the reduced demand in our markets, reduced our overall costs and reduced our investment in inventories during the first half of the year, a period which historically has seen a buildup of inventories in anticipation of normally higher sales in the second half of the year. The decreased production levels have caused pressure on our margins as certain fixed costs could not be reduced to the same extent as sales, but we have placed a higher priority on liquidity in the near term. We continue to see improvements in the trend of our retail business; however, at this time we expect that the eventual recovery of our other markets will occur slowly. We will continue to monitor our customer markets, and as the economy stabilizes we are prepared to adjust production levels accordingly, which should lead to improved profitability as the margin pressures described above begin to reverse.

Results of Operations — Second Quarter 2009 Compared with Second Quarter 2008

(Dollars in thousands, except percentages and per-share amounts)	Three months ended June 30, 2009(2)	Three months ended June 30, 2008	Variance In dollars	Variance In percent
Net sales	$195,826	$224,828	$(29,002)	(12.9)%
Gross profit	$ 34,283	$ 42,168	$ (7,885)	(18.7)%
Gross profit margin	*17.5 %*	*18.8 %*		
Income from operations (IFO)	$ 11,491	$ 18,717	$ (7,226)	(38.6)%
IFO margin	*5.9 %*	*8.3 %*		
Earnings before interest and income taxes (EBIT) *(1)*	$ 14,249	$ 19,303	$ (5,054)	(26.2)%
EBIT margin	*7.3 %*	*8.6 %*		
Earnings before interest, taxes, depreciation and amortization (EBITDA) *(1)*	$ 24,767	$ 30,541	$ (5,774)	(18.9)%
EBITDA margin	*12.6 %*	*13.6 %*		
Net income (loss)	$ 2,664	$ (2,119)	$ 4,783	225.7%
Net income (loss) margin	*1.4 %*	*(0.9)%*		
Diluted net income (loss) per share	$ 0.18	$ (0.14)	$ 0.32	228.6%

(1) We believe that EBIT and EBITDA, non-GAAP financial measures, are useful metrics for evaluating our financial performance, as they are measures that we use internally to assess our performance. See Table 1 for a reconciliation of net loss to EBIT and EBITDA and a further discussion as to the reasons we believe these non-GAAP financial measures are useful.

(2) Includes pre-tax special charges of $0.2 million related to the closing of our Syracuse China manufacturing facility and our Mira Loma distribution center. (See note 5 to the Condensed Consolidated Financial Statements).

Net Sales

For the quarter ended June 30, 2009, net sales decreased 12.9 percent to $195.8 million from record second quarter sales of $224.8 million in the year-ago quarter. North American Glass net shipments decreased 11.1 percent to $137.7 million from $155.0 million in the year-ago quarter. The decrease in sales was primarily attributable to a 27.9 percent decrease in shipments to Crisa customers (15.1 percent excluding the currency impact of the Mexican peso.) In addition, a 7.1 percent decline in shipments to U.S and Canadian foodservice customers was offset by a 6.9 percent increase in shipments to U.S. retail glassware customers. North American Other net sales decreased 19.2 percent due to a decline in shipments of World Tableware, Syracuse China and Traex products. International net sales decreased 17.3 percent compared to the year-ago quarter as a 4.6% increase in shipments to Libbey China customers was offset by unfavorable currency impact in Europe, which caused slightly more than half of the overall decline due to the weaker euro when compared to the U.S. dollar. Excluding the currency impact, International sales decreased 7.9 percent, as shipments to Royal Leerdam and Crisal glassware customers declined when compared to the prior year period.

Gross Profit

For the quarter ended June 30, 2009, gross profit decreased by $7.9 million, or 18.7 percent, to $34.3 million, compared to $42.2 million in the year-ago quarter. Gross profit as a percentage of net sales decreased to 17.5 percent, compared to 18.8 percent in the year-ago quarter. The unfavorable mix and lower level of net sales, particularly in Mexico, resulted in $3.7 million of the decline in gross profit, and lower production activity offset by reduced manufacturing costs contributed another $3.3 million to the decrease as a significant portion of these expenses are fixed, and could not be reduced to the same extent as net sales. Also, an unfavorable currency impact resulted in $6.8 million of the decline in gross profit. These unfavorable items were offset by a reduction of $5.0 million in our distribution costs.

Income From Operations

Income from operations for the quarter ended June 30, 2009 decreased $7.2 million, to $11.5 million, compared to $18.7 million in the year-ago quarter. Income from operations as a percentage of net sales decreased to 5.9 percent in the second quarter 2009, compared to 8.3 percent in the year-ago quarter. The decline in income from operations is a result of lower gross profit and gross profit margin (discussed above), and a $0.3 million special charge related to the Syracuse China shutdown, offset by a decrease of $1.4 million in selling, general and administrative expenses. The $1.4 million decrease in selling, general and administrative expenses was caused primarily by a favorable currency impact of $1.2 million.

Earnings Before Interest and Income Taxes (EBIT)

Earnings before Interest and Income Taxes (EBIT) decreased by $5.1 million, from $19.3 million in 2008, to $14.2 million in 2009. EBIT as a percentage of net sales decreased to 7.3 percent in the second quarter 2009, compared to 8.6 percent in the year-ago quarter. Key contributors to the decrease in EBIT compared to the year-ago quarter are the same as those discussed above under Income From Operations, offset by a favorable swing in foreign currency translation versus the prior year quarter of approximately $1.6 million.

Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)

EBITDA decreased by 18.9 percent to $24.8 million in the second quarter of 2009 from $30.5 million in the year-ago quarter. As a percentage of net sales, EBITDA was 12.6 percent for the second quarter 2009, compared to 13.6 percent in the year-ago quarter. The key contributors to the decrease in EBITDA were those factors discussed above under Earnings before Interest and Income Taxes (EBIT). In addition, EBITDA does not include the benefit of a $0.7 million decrease in depreciation and amortization expenses, approximately half of which is due to the shutdown of our Syracuse China operations, with the remainder being due to our lower rate of capital spending.

Net Income (Loss) and Diluted Net Income (Loss) Per Share

We recorded net income of $2.7 million, or $0.18 per diluted share, in the second quarter 2009, compared to a net loss of $(2.1) million, or $(0.14) per diluted share, in the year-ago quarter. Net income (loss) as a percentage of net sales was 1.4 percent in the second quarter 2009, compared to (0.9) percent in the year-ago quarter. The effective tax rate provided a 181.1 percent benefit for the quarter compared to a 225.9 percent expense in the year-ago quarter, due primarily to a $3.6 million tax benefit related to the required intra-period tax allocation between loss from operations and other comprehensive income in the U.S. in the current quarter and a $1.5 million benefit related to adjustments in tax reserves due to the completion of a U.S. federal income tax examination, both recorded in the current quarter. The Company's effective tax rate also changed from the year-ago quarter as a result of valuation allowances in the United States, the Netherlands, and Portugal. Further, changes in the mix of earnings in countries with differing statutory tax rates, changes in accruals related to uncertain tax positions, tax planning structures and changes in tax laws have also impacted the effective tax rate, and could cause more volatility in the future.

Results of Operations — First Six Months 2009 Compared with First Six Months 2008

(Dollars in thousands, except percentages and per-share amounts)	Six months ended June 30, 2009(2)	2008	Variance In dollars	In percent
Net sales	$353,679	$412,104	$(58,425)	(14.2)%
Gross profit	$ 44,999	$ 72,505	$(27,506)	(37.9)%
Gross profit margin	*12.7 %*	*17.6 %*		
(Loss) income from operations (IFO)	$ (563)	$ 28,195	$(28,758)	(102.0)%
IFO margin	*(0.2)%*	*6.8 %*		
Earnings before interest and income taxes (EBIT) *(1)*	$ 2,158	$ 29,534	$(27,376)	(92.7)%
EBIT margin	*0.6 %*	*7.2 %*		
Earnings before interest, taxes, depreciation and amortization (EBITDA) *(1)*	$ 24,404	$ 52,068	$(27,664)	(53.1)%
EBITDA margin	*6.9 %*	*12.6 %*		
Net loss	$(25,229)	$ (5,596)	$(19,633)	(350.8)%
Net income margin	*(7.1)%*	*(1.4)%*		
Diluted net loss per share	$ (1.70)	$ (0.38)	$ (1.32)	(347.4)%

(1) We believe that EBIT and EBITDA, non-GAAP financial measures, are useful metrics for evaluating our financial performance, as they are measures that we use internally to assess our performance. See Table 1 for a reconciliation of net loss to EBIT and EBITDA and a further discussion as to the reasons we believe these non-GAAP financial measures are useful.

(2) Includes pre-tax special charges of $2.7 million related to the closing of our Syracuse China manufacturing facility and our Mira Loma distribution center. (See note 5 to the Condensed Consolidated Financial Statements).

Net Sales

For the six months ended June 30, 2009, net sales decreased 14.2 percent to $353.7 million from sales of $412.1 million in the year-ago period. North American Glass net sales decreased 12.7 percent, due primarily to a decrease of 28.5 percent in shipments to Crisa customers and a decline of 5.9 percent in shipments to U.S. and Canadian foodservice glassware customers. Approximately 13.0 percent, or nearly half of the 28.5 percent reduction at Crisa, was related to the devaluation of the Mexican peso. Due in part to a strong second quarter, our U.S. Retail sales were nearly equal to the record sales levels of the first half of last year. North American Other net sales decreased 19.4 percent due to a decline in shipments of World Tableware, Syracuse China and Traex products. International net sales decreased 18.9 percent compared to the year-ago period, including 9.5 percent due to unfavorable currency impact which resulted primarily from the declining strength of the euro when compared to the U.S. dollar. Excluding the currency impact, International sales decreased 9.4 percent, as shipments to Royal Leerdam and Crisal glassware customers declined when compared to the prior year period.

Gross Profit

For the six months ended June 30, 2009, gross profit decreased by $27.5 million, or 37.9 percent, to $45.0 million, compared to $72.5 million in the year-ago period. Gross profit as a percentage of net sales decreased to 12.7 percent, compared to 17.6 percent in the year-ago period. The unfavorable mix and lower level of net sales, particularly in the U.S., resulted in $9.2 million of the decline in gross profit, and lower production activity offset by reduced manufacturing costs contributed another $14.0 million to the decrease, as a significant portion of these expenses are fixed and could not be reduced to the same extent as net sales. Also, an unfavorable currency impact resulted in $11.8 million of the decline in gross profit. Additional depreciation expense of $0.7 million was recorded to reflect the shorter remaining useful life of the assets and an additional $1.1 million of manufacturing cost was recorded for an inventory write-down related to the closure of our Syracuse China facility. See note 5 for more discussion about these charges. These unfavorable items were offset by a reduction of $7.9 million in our distribution costs.

(Loss) Income From Operations

(Loss) Income from operations for the six months ended June 30, 2009 decreased $28.8 million, to a loss of $(0.6) million, compared to income of $28.2 million in the year-ago period. (Loss) Income from operations as a percentage of net sales decreased to (0.2) percent in the first half of 2009, compared to 6.8 percent in the year-ago period. The decline in income from operations is a result of lower gross profit (discussed above), combined with slightly higher selling, general and administrative expenses and a $0.7 million special charge related to the Syracuse China shutdown. The $0.6 million increase in selling, general and administrative expenses was caused by a $2.7 million pension settlement charge arising from lump sum payments to retirees during the first six months of 2009 and the 2008 reversal of $1.3 million related to favorable rulings in connection with an outstanding dispute regarding a warehouse lease in Mexico. These increases in selling general and administrative expenses were offset by favorable currency impact of $2.1 million and a decrease in commission expense of $1.3 million.

Earnings Before Interest and Income Taxes (EBIT)

Earnings before Interest and Income Taxes (EBIT) decreased by $27.4 million, from $29.5 million in 2008 to $2.2 million in 2009. EBIT as a percentage of net sales decreased to 0.6 percent in the first half of 2009, compared to 7.2 percent in the year-ago period. Key contributors to the decrease in EBIT compared to the year-ago period are the same as those discussed above under (Loss) Income From Operations offset by a favorable swing in foreign currency translation versus the prior year period of approximately $0.9 million.

Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)

EBITDA decreased by 53.1 percent to $24.4 million in the first half of 2009 from income of $52.1 million in the year-ago period. As a percentage of net sales, EBITDA was 6.9 percent for the first half of 2009, compared to 12.6 percent in the year-ago period. The key contributors to the decrease in EBITDA were those factors discussed above under Earnings before Interest and Income Taxes (EBIT). In addition, EBITDA does not include the benefit of a $0.3 million decrease in depreciation and amortization expenses.

Net Loss and Diluted Net Loss Per Share

We recorded a net loss of $(25.2) million, or $(1.70) per diluted share, in the first six months of 2009, compared to a net loss of $(5.6) million, or $(0.38) per diluted share, in the year-ago period. Net loss as a percentage of net sales was (7.1) percent in the first half of 2009, compared to (1.4) percent in the year-ago period. In addition, the effective tax rate was 22.5 percent for the period compared to negative 6.9 percent in the year-ago period, due primarily to a $3.9 million tax benefit related to the required intra-period tax allocation between loss from operations and other comprehensive income in the U.S. in the first six months of 2009 and a $1.5 million benefit related to adjustments in tax reserves due to the completion of a U.S. federal income tax examination. The Company’s effective tax rate changed from the year-ago quarter also as a result of valuation allowances in the United States, the Netherlands, and Portugal. Further, changes in the mix of earnings in countries with differing statutory tax rates, changes in accruals related to uncertain tax positions, tax planning structures and changes in tax laws have also impacted the effective tax rate.

Segment Results of Operations

(Dollars in thousands)	Three months ended June 30, 2009	Three months ended June 30, 2008	Variance In dollars	Variance In percent	Six months ended June 30, 2009	Six months ended June 30, 2008	Variance In dollars	Variance In percent
Net Sales:								
North American Glass	$137,744	$155,013	$(17,269)	(11.1)%	$246,487	$282,490	$(36,003)	(12.7)%
North American Other	24,341	30,120	(5,779)	(19.2)%	45,718	56,703	(10,985)	(19.4)%
International	34,533	41,765	(7,232)	(17.3)%	63,384	78,152	(14,768)	(18.9)%
Eliminations	(792)	(2,070)			(1,910)	(5,241)		
Consolidated	$195,826	$224,828	$(29,002)	(12.9)%	$353,679	$412,104	$(58,425)	(14.2)%
EBIT:								
North American Glass	$ 11,758	$ 14,938	$ (3,180)	(21.3)%	$ 3,133	$ 22,010	$(18,877)	(85.8)%
North American Other	3,430	3,641	(211)	(5.8)%	2,310	7,459	(5,149)	(69.0)%
International	(939)	724	(1,663)	(229.7)%	(3,285)	65	(3,350)	NM
Consolidated	$ 14,249	$ 19,303	$ (5,054)	(26.2)%	$ 2,158	$ 29,534	$(27,376)	(92.7)%
EBIT Margin:								
North American Glass	8.5%	9.6%			1.3%	7.8%		
North American Other	14.1%	12.1%			5.1%	13.2%		
International	(2.7)%	1.7%			(5.2)%	0.1%		
Consolidated	7.3%	8.6%			0.6%	7.2%		
Special charges:								
North American Glass	$ (28)	$ —	$ (28)	100.0%	$ (26)	$ —	$ (26)	100.0%
North American Other	261	—	261	100.0%	2,707	—	2,707	100.0%
International	—	—	—	NM	—	—	—	NM
Consolidated	$ 233	$ —	$ 233	100.0%	$ 2,681	$ —	$ 2,681	100.0%

Segment Results of Operations — Second Quarter 2009 Compared to Second Quarter 2008

North American Glass

For the quarter ended June 30, 2009, net sales decreased 11.1 percent to $137.7 million from $155.0 million in the year-ago quarter. Of the decrease in net sales, approximately 10.8 percent was attributable to decreased shipments to Crisa's customers and 4.3 percent was attributable to decreased shipments to U.S. and Canadian foodservice glassware customers offset by a 1.3 percent increase in sales to U.S. and Canadian retail glassware customers. Of the 10.8 percent attributable to decreased shipments of Crisa product, 5.0 percent is related to an unfavorable currency impact.

EBIT decreased to $11.8 million for the second quarter 2009, compared to $14.9 million for the year-ago quarter. EBIT as a percentage of net sales decreased to 8.5 percent in the second quarter 2009, compared to 9.6 percent in the year-ago quarter. The key factors in the decline in EBIT compared to the year-ago quarter were $1.2 million due to the decreased production activity offset by lower manufacturing costs, $1.7 million due to an unfavorable sales mix and an unfavorable currency impact from the devaluation of the Mexican peso of $5.4 million. The factors contributing to the decrease in EBIT were partially offset by decreases of $3.9 million in distribution costs, an improvement of $1.4 million primarily due to favorable foreign currency translation gains.

North American Other

For the quarter ended June 30, 2009, net sales declined 19.2 percent to $24.3 million from $30.1 million in the year-ago quarter. Components of the total decrease in net sales were declines of approximately 11.3 percent in shipments of Syracuse China products, approximately 5.5 percent in shipments of Traex products and approximately 4.0 percent in shipments of World Tableware products.

EBIT declined by $0.2 million for the second quarter of 2009, compared to the year-ago quarter. EBIT as a percentage of net sales increased to 14.1 percent in the second quarter of 2009, compared to 12.1 percent in the year-ago quarter due to lower production and purchasing levels in the segment. The key contributors to the decreased EBIT were decreased sales, which caused an unfavorable $3.8

million impact. This was offset by decreases of $1.2 million in manufacturing costs, $1.1 million in distribution costs and $0.9 million in SG&A expenses. These reductions in costs were primarily the result of the April 2009 closure of our Syracuse China facility.

International

For the quarter ended June 30, 2009, net sales decreased 17.3 percent to $34.5 million from $41.8 million in the year-ago quarter. Of the total decrease in net sales, 10.6 percent was related to the currency impact of a weaker euro. The majority of the remaining decrease in net sales was related to decreased shipments to Royal Leerdam and Crisal customers, while sales to customers of Libbey China were essentially flat as a component of the total International comparison.

EBIT declined by $1.7 million for the second quarter of 2009, to $(0.9) million from $0.7 million in the year-ago quarter. EBIT as a percentage of net sales decreased to (2.7) percent in the second quarter 2009, compared to 1.7 percent in the year-ago quarter. Decreased net sales and production activity offset by lower manufacturing costs were responsible for $0.5 million and $1.2 million of the EBIT decline, respectively. In addition, EBIT was negatively affected by an unfavorable currency impact from the euro of $0.4 million. These factors were offset by a $0.4 million increase in other income related to a government grant.

Segment Results of Operations — First Six Months 2009 Compared to First Six Months 2008

North American Glass

For the six months ended June 30, 2009, net sales decreased 12.7 percent to $246.5 million from $282.5 million in the year-ago period. Of the total decrease in net sales, approximately 11.0 percent was attributable to decreased shipments to Crisa's customers and 3.8 percent was attributable to decreased shipments to U.S. and Canadian foodservice glassware customers. The U.S. retail channel delivered sales essentially equal to the all-time record retail sales performance during the first six months of 2008. Of the 11.0 percent attributable to decreased shipments of Crisa product, 5.0 percent is related to an unfavorable currency impact.

EBIT decreased to $3.1 million for the first half of 2009, compared to $22.0 million for the year-ago period. EBIT as a percentage of net sales decreased to 1.3 percent in the first half of 2009, compared to 7.8 percent in the year-ago period. The key factors in the decline in EBIT compared to the year-ago period were $9.0 million due to the decreased production activity offset by lower manufacturing costs, $5.7 million due to an unfavorable sales mix and an unfavorable currency impact on EBIT from the devaluation of the Mexican peso of $9.1 million. In addition, EBIT was negatively impacted by a $3.3 million increase in selling, general and administrative expense, which in turn was caused primarily by a $2.7 million pension settlement charge arising from lump sum payments to retirees during the first six months of 2009 and a one-time reversal of $1.3 million in the first quarter of 2008 related to favorable rulings in connection with an outstanding dispute regarding a warehouse lease in Mexico, offset by decreases of $0.9 million in commission expense. The factors contributing to the decrease in EBIT were partially offset by decreases of $6.5 million in distribution costs and favorable currency translation gains of $1.5 million in other income when compared to the prior year period.

North American Other

For the six months ended June 30, 2009, net sales declined 19.4 percent to $45.7 million from $56.7 million in the year-ago period. Components of the total decrease in net sales were declines of approximately 8.1 percent in shipments of Syracuse China products, approximately 6.9 percent in shipments of World Tableware products and approximately 4.8 percent in shipments of Traex products.

EBIT declined by $5.1 million for the first half of 2009, compared to the year-ago period. EBIT as a percentage of net sales decreased to 5.1 percent in the first half of 2009, compared to 13.2 percent in the year-ago period. The key contributor to the decreased EBIT was decreased sales, which had an unfavorable $8.1 million impact. Production costs included a $0.7 million special charge due to additional depreciation expenses recorded to reflect the shorter remaining useful life of the assets at our Syracuse China facility and a $1.1 million write-down of raw materials and work in process inventory also related to the shut down of our Syracuse China facility. This was offset by decreases of $1.2 million in other production costs and purchased product, $1.4 million in distribution costs, and a decrease of $1.2 million in SG&A expenses, driven by lower selling and marketing expenses.

International

For the six months ended June 30, 2009, net sales decreased 18.9 percent to $63.4 million from $78.2 million in the year-ago period. Of the total decrease in net sales, 10.6 percent was related to the currency impact of a weaker euro. The majority of the remaining decrease in net sales was related to decreased shipments to Royal Leerdam and Crisal customers, while sales to customers of Libbey

Table of Contents

China were essentially flat as a component of the total International comparison.

EBIT declined by $3.4 million for the first half of 2009 to $(3.3) million, compared to $0.1 million in the year-ago period. EBIT as a percentage of net sales decreased to (5.2) percent in the first half of 2009, compared to 0.1 percent in the year-ago period. Decreased net sales and production activity offset by lower manufacturing costs were responsible for $0.3 million and $2.3 million of the EBIT decline, respectively, as we lowered production levels in response to lower sales and to manage inventory levels. In addition, EBIT was negatively impacted by an unfavorable currency impact from the euro of $0.6 million.

Capital Resources and Liquidity

Balance Sheet and Cash Flows

Cash and Equivalents

At June 30, 2009, our cash balance was $24.1 million, an increase of $10.8 million from $13.3 million at December 31, 2008. The increase was primarily due to an increase in our free cash flow offset by payments on our ABL facility.

Working Capital

The following table presents our working capital components:

(Dollars in thousands, except percentages and DSO, DIO, DPO and DWC)	June 30, 2009	December 31, 2008	Variance In dollars	Variance In percent
Accounts receivable — net	$ 91,252	$ 76,072	$ 15,180	20.0%
DSO (1)	*44.3*	*34.3*		
Inventories — net	$145,798	$185,242	$(39,444)	(21.3)%
DIO (2)	*70.8*	*83.5*		
Accounts payable	$ 54,485	$ 54,428	$ 57	0.1%
DPO (3)	*26.5*	*24.5*		
Working capital (4)	$182,565	$206,886	$(24,321)	(11.8)%
DWC (5)	*88.6*	*93.3*		
Percentage of net sales	*24.3 %*	*25.5 %*		

DSO, DIO, DPO and DWC are calculated using net sales as the denominator and are based on a 365-day calendar year.

(1) *Days sales outstanding (DSO) measures the number of days it takes to turn receivables into cash.*

(2) *Days inventory outstanding (DIO) measures the number of days it takes to turn inventory into cash.*

(3) *Days payable outstanding (DPO) measures the number of days it takes to pay the balances of our accounts payable.*

(4) *Working capital is defined as net accounts receivable plus net inventories less accounts payable. See Table 3 for the calculation of this non-GAAP financial measure and for further discussion as to the reasons we believe this non-GAAP financial measure is useful.*

(5) *Days working capital (DWC) measures the number of days it takes to turn our working capital into cash.*

Working capital (as defined above) was $182.6 million at June 30, 2009, a decrease of $24.3 million from December 31, 2008. This decrease is due primarily to lower inventories, which resulted from our continued focus on our cash management efforts to increase cash flow through reductions in working capital, and lower production activity. Partially offsetting our lower inventories is an increase in accounts receivable, resulting from our second quarter sales increase. Working capital as a percentage of net sales decreased from 25.5 percent from December 31, 2008 to 24.3 percent at June 30, 2009.

Borrowings

The following table presents our total borrowings:

(Dollars in thousands)	Interest Rate	Maturity Date	June 30, 2009	December 31, 2008
Borrowings under ABL facility	floating	December 16, 2010	$ 16,858	$ 34,538
Senior notes	floating (1)	June 1, 2011	306,000	306,000
PIK notes (2)	16.00%	December 1, 2011	160,862	148,946
Promissory note	6.00%	July, 2009 to September, 2016	1,580	1,666
Notes payable	floating	July, 2009	1,336	3,284
RMB loan contract	floating	July, 2012 to January, 2014	36,625	36,675
RMB working capital loan	floating	March, 2010	7,325	7,335
Obligations under capital leases	floating	May, 2009	—	302
BES Euro line	floating	January, 2010 to January, 2014	15,453	15,507
Other debt	floating	September, 2009	720	630
Total borrowings			546,759	554,883
Less — unamortized discounts and warrants			3,727	4,626
Total borrowings — net (3)			$543,032	$550,257

(1) See “Derivatives” below and note 9 to the Condensed Consolidated Financial Statements.

(2) Additional PIK Notes were issued each June 1 and December 1, commencing on December 1, 2006, to pay semi-annual interest. During the first three years, interest was payable by the issuance of additional PIK Notes.

(3) The total borrowings — net include notes payable, long-term debt due within one year and long-term debt as stated in our Condensed Consolidated Balance Sheets.

We had total borrowings of $546.8 million at June 30, 2009, compared to total borrowings of $554.9 million at December 31, 2008. The $8.1 million decrease in borrowings was primarily the result of the repayment of borrowings under our ABL facility, offset by an increase in our PIK Notes.

Of our total indebtedness, $184.3 million, approximately 33.7 percent, is subject to fluctuating interest rates at June 30, 2009. A change of one percentage point in such rates would result in a change in interest expense of approximately $1.8 million on an annual basis.

Included in interest expense is the amortization of discounts, warrants and financing fees. These items amounted to $1.2 million and $2.5 million for the three months and six months ended June 30, 2009, respectively, and $1.3 million and $2.6 million for the three months and six months ended June 30, respectively.

Cash Flow

The following table presents key drivers to our free cash flow for the second quarter.

(Dollars in thousands, except percentages)	Three months ended June 30, 2009	2008	Variance In dollars	In percent
Net cash provided by operating activities	$24,706	$ 5,080	$19,626	386.3%
Capital expenditures	(4,610)	(8,260)	3,650	44.2%
Proceeds from asset sales and other	21	5	16	320.0%
Free cash flow *(1)*	$20,117	$(3,175)	$23,292	733.6%

(1) We believe that Free Cash Flow [net cash provided by (used in) operating activities, less capital expenditures, plus proceeds from assets sales and other] is a useful metric for evaluating our financial performance, as it is a measure we use internally to assess performance. See Table 2 for a reconciliation of net cash provided by (used in) operating activities to free cash flow and a further

discussion as to the reasons we believe this non-GAAP financial measure is useful.

Our net cash provided by operating activities was $24.7 million in the second quarter of 2009, compared to net cash provided by operating activities of $5.1 million in the year-ago quarter, or an improvement of $19.6 million. The major factors impacting cash flow from operations were a $20.4 million improvement in working capital performance compared to the prior year quarter, as cash flow improvements of $21.0 million from inventory and $1.2 million from accounts receivable were more than enough to offset the unfavorable swing of $1.8 million in cash flow from accounts payable, reflecting our efforts to improve liquidity during the current economic downturn. The cash generated from these cash flow improvements was utilized to pay down debt and increase our cash balance.

Our net cash used in investing activities decreased to $4.6 million in the second quarter of 2009, compared to $8.3 million in the year-ago period, primarily as a result of decreased capital expenditures in our North American Glass and International segments.

Net cash used in financing activities was $12.8 million in the second quarter of 2009, compared to net cash provided by financing activities of $13.5 million in the year-ago quarter, or a swing of $26.4 million. During the second quarter of 2008, we utilized $14.3 million more of our capacity on the ABL Facility to fund our operating needs, while we made $10.8 million of repayments on that facility in the second quarter of 2009.

Our free cash flow was $20.1 million during the second quarter 2009, compared to a use of cash of $3.2 million in the year-ago quarter, an improvement of $23.3 million. The primary contributor to this change was the improvement in cash flow from operations and reduced capital expenditures in the current period, as discussed above.

The following table presents key drivers to our free cash flow for the first six months.

	Six months ended June 30,		Variance	
(Dollars in thousands, except percentages)	**2009**	**2008**	**In dollars**	**In percent**
Net cash provided by (used in) operating activities	$39,090	$(23,059)	$62,149	269.5%
Capital expenditures	(9,550)	(17,612)	8,062	45.8%
Proceeds from asset sales and other	88	46	42	91.3%
Free cash flow *(1)*	$29,628	$(40,625)	$70,253	172.9%

(1) We believe that Free Cash Flow [net cash provided by (used in) operating activities, less capital expenditures, plus proceeds from assets sales and other] is a useful metric for evaluating our financial performance, as it is a measure we use internally to assess performance. See Table 2 for a reconciliation of net cash provided by (used in) operating activities to free cash flow and a further discussion as to the reasons we believe this non-GAAP financial measure is useful.

Our net cash provided by operating activities was $39.1 million in the first half of 2009, compared to net cash used by operating activities of $23.1 million in the year-ago period, or an improvement of $62.2 million. The major factors impacting cash flow from operations were a $51.2 million improvement in working capital performance compared to the prior year period as cash flow improvements of $43.3 million from inventory, $6.0 million from accounts payable and $1.9 million from accounts receivable reflected our efforts to improve liquidity during the current economic downturn. Further improvement in net cash provided by operating activities is the result of the final $19.6 million payment to Vitro made in 2008 related to the 2006 Crisa acquisition. These improvements were offset by cash required to fund our losses in the current period and pay down debt.

Our net cash used in investing activities decreased to $9.5 million in the first half of 2009, compared to $17.6 million in the year-ago period, primarily as a result of decreased capital expenditures in our North American Glass and International segments.

Net cash used in financing activities was $18.8 million in the first half of 2009, compared to net cash provided by financing activities of $21.8 million in the year-ago period, or a swing of $40.6 million. During the first half of 2008, we utilized $23.4 million more of our capacity on the ABL Facility to fund our operating needs, while we made $16.7 million of repayments on that facility in the first half of 2009.

Our free cash flow was $29.6 million during the first half 2009, compared to a use of cash of $40.6 million in the year-ago period, an improvement of $70.3 million. The primary contributor to this change was the improvement in cash flow from operations and reduced capital expenditures in the current period.

Derivatives

We have Interest Rate Protection Agreements (Rate Agreements) with respect to $200.0 million of debt as a means to manage our exposure to fluctuating interest rates. The Rate Agreements effectively convert this portion of our long-term borrowings from variable rate debt to fixed-rate debt, thus reducing the impact of interest rate changes on future income. The fixed interest rate for our borrowings related to the Rate Agreements at June 30, 2009, excluding applicable fees, is 5.24 percent per year and the total interest rate, including applicable fees, is 12.24 percent per year. These Rate Agreements expire on December 1, 2009. Total remaining Senior Notes not covered by the Rate Agreements have fluctuating interest rates with a weighted average rate of 8.26 percent per year at June 30, 2009. If the counterparties to these Rate Agreements were to fail to perform, these Rate Agreements would no longer protect us from interest rate fluctuations. However, we do not anticipate nonperformance by the counterparties. All counterparties were rated A+ or better as of June 30, 2009, by Standard and Poor's.

The fair market value for the Rate Agreements at June 30, 2009, was a $(4.0) million liability. At December 31, 2008, the fair market value of these Rate Agreements was a $(6.8) million liability. The fair value of the Rate Agreements is based on the market standard methodology of netting the discounted expected future variable cash receipts and the discounted future fixed cash payments. The variable cash receipts are based on an expectation of future interest rates derived from observed market interest rate forward curves. We do not expect to cancel these agreements and expect them to mature as originally contracted.

We also use commodity futures contracts related to forecasted future North American natural gas requirements. The objective of these futures contracts is to reduce the effects of fluctuations and adverse price movements in the underlying commodity. We consider our forecasted natural gas requirements in determining the quantity of natural gas to hedge. We combine the forecasts with historical observations to establish the percentage of forecast eligible to be hedged, typically ranging from 40 percent to 70 percent of our anticipated requirements up to eighteen months in the future. The fair values of these instruments is determined from market quotes. At June 30, 2009, we had commodity futures contracts for 3,810,000 million British Thermal Units (BTUs) of natural gas with a fair market value of a $(12.9) million liability. We have hedged approximately 40 percent of forecasted transactions through December 2010. At December 31, 2008, we had commodity futures contracts for 5,280,000 million BTUs of natural gas with a fair market value of a $(14.9) million liability. The counterparties for these derivatives were rated BBB or better as of June 30, 2009, by Standard & Poor's.

Capital Resources and Liquidity

Historically, cash flows generated from operations and our borrowing capacity under our ABL facility have allowed us to meet our cash requirements, including capital expenditures and working capital needs. Remaining unused availability on the ABL Facility was $56.6 million at June 30, 2009 and $44.6 million at December 31, 2008. In addition, our cash and cash equivalents balance of $24.1 million at June 30, 2009 is available for our short term financing needs. We were impacted by recessionary pressures in 2008, especially during the fourth quarter of the year, and the first half of 2009, and we anticipate that the global economic recession will continue throughout 2009 and perhaps beyond. In addition, interest on our PIK Notes will be payable in cash beginning December 1, 2009. We began taking a number of steps to enhance our liquidity in 2008 and have continued with further steps in 2009 (including those announced in February, 2009). These initiatives were expected to result in cash flow improvements in the range of $46 million to $50 million for 2009. These initiatives have been implemented, and we are beginning to see the results in our cash flow. These amounts included a reduction of $22 million to $24 million in capital expenditures. We are on course to achieve the higher end of that range, as our capital expenditures are currently expected to reach $20 million for the year, compared to the $45.7 million spent in 2008. However, if cash generated from operations is insufficient to satisfy our liquidity requirements, we may seek to sell additional equity or arrange additional debt financing. Global financial markets and economic conditions have been, and continue to be volatile. The credit and capital markets remain challenging. These issues, along with significant write-offs in the financial services sector, the re-pricing of credit risk and the current weak economic conditions, have made it difficult, and will likely continue to make it difficult, to obtain funding in future periods. If cash from operations and cash available from our ABL Facility are not sufficient to meet our needs, we cannot provide assurance that we will be able to obtain additional financing in sufficient amounts and/or on acceptable terms in the near future or when our debt obligations reach maturity. Our ABL Facility expires in December 2010, the Senior Notes expire in June 2011, and the PIK Notes expire in December 2011. Furthermore, because of the current price of our stock, we cannot anticipate that it would be desirable to sell additional equity, even if we were able to do so. However, based upon our operating plans and current forecast expectations (including expectations that the global economy will not deteriorate further) we anticipate that we will generate positive cash flow from operations and, if necessary, have sufficient cash availability from our ABL Facility to meet our ongoing liquidity needs.

Reconciliation of Non-GAAP Financial Measures

We sometimes refer to data derived from condensed consolidated financial information but not required by GAAP to be presented in financial statements. Certain of these data are considered “non-GAAP financial measures” under Securities and Exchange Commission (SEC) Regulation G. We believe that non-GAAP data provide investors with a more complete understanding of underlying results in our core business and trends. In addition, we use non-GAAP data internally to assess performance. Although we believe that the non-GAAP financial measures presented enhance investors’ understanding of our business and performance, these non-GAAP measures should not be considered an alternative to GAAP.

Table 1

Reconciliation of net income (loss) to EBIT and EBITDA	Three months ended June 30,		Six months ended June 30,	
(Dollars in thousands)	2009	2008	2009	2008
Net income (loss)	$ 2,664	$ (2,119)	$(25,229)	$ (5,596)
Add: Interest expense	17,532	17,620	34,711	34,771
Add: (Benefit from) provision for income taxes	(5,947)	3,802	(7,324)	359
Earnings before interest and income taxes (EBIT)	14,249	19,303	2,158	29,534
Add: Depreciation and amortization	10,518	11,238	22,246	22,534
Earnings before interest, taxes, deprecation and amortization (EBITDA)	$24,767	$30,541	$ 24,404	$52,068

We define EBIT as net income (loss) before interest expense and income taxes. The most directly comparable U.S. GAAP financial measure is net income.

We believe that EBIT is an important supplemental measure for investors in evaluating operating performance in that it provides insight into company profitability. Libbey’s senior management uses this measure internally to measure profitability. EBIT also allows for a measure of comparability to other companies with different capital and legal structures, which accordingly may be subject to different interest rates and effective tax rates.

The non-GAAP measure of EBIT does have certain limitations. It does not include interest expense, which is a necessary and ongoing part of our cost structure resulting from debt incurred to expand operations. Because this is a material and recurring item, any measure that excludes it has a material limitation. EBIT may not be comparable to similarly titled measures reported by other companies.

We define EBITDA as net income (loss) before interest expense, income taxes, depreciation and amortization. The most directly comparable U.S. GAAP financial measure is net income.

We believe that EBITDA is an important supplemental measure for investors in evaluating operating performance in that it provides insight into company profitability and cash flow. Libbey’s senior management uses this measure internally to measure profitability and to set performance targets for managers. It also has been used regularly as one of the means of publicly providing guidance on possible future results. EBITDA also allows for a measure of comparability to other companies with different capital and legal structures, which accordingly may be subject to different interest rates and effective tax rates, and to companies that may incur different depreciation and amortization expenses or impairment charges.

The non-GAAP measure of EBITDA does have certain limitations. It does not include interest expense, which is a necessary and ongoing part of our cost structure resulting from debt incurred to expand operations. EBITDA also excludes depreciation and amortization expenses. Because these are material and recurring items, any measure that excludes them has a material limitation. EBITDA may not be comparable to similarly titled measures reported by other companies.

Table 2

Reconciliation of net cash provided by (used in) operating activities to free cash flow (Dollars in thousands)	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Net cash provided by (used in) operating activities	$24,706	$ 5,080	$39,090	$(23,059)
Capital expenditures	(4,610)	(8,260)	(9,550)	(17,612)
Proceeds from asset sales and other	21	5	88	46
Free cash flow	$20,117	$(3,175)	$29,628	$(40,625)

We define free cash flow as net cash provided by (used in) operating activities less capital expenditures adjusted for proceeds from asset sales and other. The most directly comparable U.S. GAAP financial measure is net cash provided by (used in) operating activities.

We believe that free cash flow is important supplemental information for investors in evaluating cash flow performance in that it provides insight into the cash flow available to fund such things as discretionary debt service, acquisitions and other strategic investment opportunities. It is a measure of performance we use to internally evaluate the overall performance of the business.

Free cash flow is used in conjunction with and in addition to results presented in accordance with U.S. GAAP. Free cash flow is neither intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities recorded under U.S. GAAP. Free cash flow may not be comparable to similarly titled measures reported by other companies.

Table 3

Reconciliation of working capital (Dollars in thousands)	June 30, 2009	December 31, 2008
Accounts receivable (net)	$ 91,252	$ 76,072
Plus: Inventories (net)	145,798	185,242
Less: Accounts payable	54,485	54,428
Working capital	$182,565	$206,886

We define working capital as net accounts receivable plus net inventories less accounts payable.

We believe that working capital is important supplemental information for investors in evaluating liquidity in that it provides insight into the availability of net current resources to fund our ongoing operations. Working capital is a measure used by management in internal evaluations of cash availability and operational performance.

Working capital is used in conjunction with and in addition to results presented in accordance with U.S. GAAP. Working capital is neither intended to represent nor be an alternative to any measure of liquidity and operational performance recorded under U.S. GAAP. Working capital may not be comparable to similarly titled measures reported by other companies.

Item 3. Qualitative and Quantitative Disclosures about Market Risk

Currency

We are exposed to market risks due to changes in currency values, although the majority of our revenues and expenses are denominated in U.S. dollars. The currency market risks include devaluations and other major currency fluctuations relative to the U.S. dollar, euro, RMB or Mexican peso that could reduce the cost competitiveness of our products compared to foreign competition.

Interest Rates

We are exposed to market risks associated with changes in interest rates on our floating debt and have entered into Interest Rate Protection Agreements (Rate Agreements) with respect to $200.0 million of debt as a means to manage our exposure to fluctuating interest rates. The Rate Agreements effectively convert this portion of our long-term borrowings from variable rate debt to fixed-rate debt, thus reducing the impact of interest rate changes on future income. We had $184.3 million of debt subject to fluctuating interest rates at June 30, 2009. A change of one percentage point in such rates would result in a change in interest expense of approximately $1.8 million on an annual basis. If the counterparties to these Rate Agreements were to fail to perform, we would no longer be protected from interest rate fluctuations by these Rate Agreements. However, we do not anticipate nonperformance by the counterparties. All interest rate swap counterparties were rated A+ or better as of June 30, 2009, by Standard and Poor's.

Natural Gas

We are also exposed to market risks associated with changes in the price of natural gas. We use commodity futures contracts related to forecasted future North American natural gas requirements of our manufacturing operations. The objective of these futures contracts is to limit the fluctuations in prices paid and potential losses in earnings or cash flows from adverse price movements in the underlying natural gas commodity. We consider the forecasted natural gas requirements of our manufacturing operations in determining the quantity of natural gas to hedge. We combine the forecasts with historical observations to establish the percentage of forecast eligible to be hedged, typically ranging from 40 percent to 70 percent of our anticipated requirements up to eighteen months in the future. For our natural gas requirements that are not hedged, we are subject to changes in the price of natural gas, which affect our earnings. If the counterparties to these futures contracts were to fail to perform, we would no longer be protected from natural gas fluctuations by the futures contracts. However, we do not anticipate nonperformance by these counterparties. All counterparties were rated BBB or better by Standard and Poor's as of June 30, 2009.

Retirement Plans

We are exposed to market risks associated with changes in the various capital markets. Changes in long-term interest rates affect the discount rate that is used to measure our benefit obligations and related expense. Changes in the equity and debt securities markets affect the performance of our pension plans asset performance and related pension expense. Sensitivity to these key market risk factors is as follows:

- A change of 1 percent in the discount rate would change our total annual expense by approximately $1.9 million.
- A change of 1 percent in the expected long-term rate of return on plan assets would change annual pension expense by approximately $2.2 million.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act of 1934 (the "Exchange Act") reports are recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

There has been no change in our controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

This document and supporting schedules contain statements that are not historical facts and constitute projections, forecasts or forward-looking statements. These forward-looking statements reflect only our best assessment at this time, and may be identified by the use of words or phrases such as “anticipate,” “believe,” “expect,” “intend,” “may,” “planned,” “potential,” “should,” “will,” “would” or similar phrases. Such forward-looking statements involve risks and uncertainty; actual results may differ materially from such statements, and undue reliance should not be placed on such statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

Item 1A. Risk Factors

The following factors are the most significant factors that can impact period-to-period comparisons and may affect the future performance of our businesses. New risks may emerge, and management cannot predict those risks or estimate the extent to which they may affect our financial performance.

- Our cost-reduction projects may not result in anticipated savings in operating costs.
- Slowdowns in the retail, travel, restaurant and bar, or entertainment industries, such as those caused by general economic downturns, terrorism, health concerns or strikes or bankruptcies within those industries, could reduce our revenues and production activity levels.
- If we have a fair value impairment in a business segment, net earnings and net worth could be materially adversely affected by a write down of goodwill or intangible assets.
- We face intense competition and competitive pressures that could adversely affect our results of operations and financial condition.
- International economic and political factors could affect demand for imports and exports, and our financial condition and results of operations could be adversely impacted as a result.
- We may not be able to effectively integrate future businesses we acquire.
- We may not be able to achieve the international growth contemplated by our strategic plan.
- Natural gas, the principal fuel we use to manufacture our products, is subject to fluctuating prices; fluctuations in natural gas prices could adversely affect our results of operations and financial condition.
- If we are unable to obtain sourced products or materials at favorable prices, our operating performance may be adversely affected.
- Charges related to our employee pension and postretirement welfare plans resulting from market risk and headcount realignment may adversely affect our results of operations and financial condition.
- Our business requires significant capital investment and maintenance expenditures that we may be unable to fulfill.
- Our business requires us to maintain a large fixed cost base that can affect our profitability.
- Unexpected equipment failures may lead to production curtailments or shutdowns.
- If our investments in new technology and other capital expenditures do not yield expected returns, our results of operations could be reduced.
- We rely on increasingly complex information systems for management of our manufacturing, distribution, sales and other functions. If our information systems fail to perform these functions adequately or if we experience an interruption in their operation, our business and results of operations could suffer.
- We may not be able to renegotiate collective bargaining agreements successfully when they expire; organized strikes or work

stoppages by unionized employees may have an adverse effect on our operating performance.

- We are subject to risks associated with operating in foreign countries. These risks could adversely affect our results of operations and financial condition.
- High levels of inflation and high interest rates in Mexico could adversely affect the operating results and cash flows of Crisa.
- Fluctuation of the currencies in which we conduct operations could adversely affect our financial condition and results of operations.
- Fluctuations in the value of the foreign currencies in which we operate relative to the U.S. dollar could reduce the cost competitiveness of our products or those of our subsidiaries.
- Devaluation or depreciation of, or governmental conversion controls over, the foreign currencies in which we operate could affect our ability to convert the earnings of our foreign subsidiaries into U.S. dollars.
- If our hedges do not qualify as highly effective or if we do not believe that forecasted transactions would occur, the changes in the fair value of the derivatives used as hedges would be reflected in our earnings.
- We are subject to various environmental legal requirements and may be subject to new legal requirements in the future; these requirements could have a material adverse effect on our operations.
- We received notice from the New York Stock Exchange (NYSE) that our stock was delisted before the start of trading on April 20, 2009. Our shares are now traded on the Over the Counter Bulletin Board (OTC BB). There can be no assurance that we may be able to regain our listing on the NYSE or any other exchange.
- Our failure to protect our intellectual property or prevail in any intellectual property litigation could materially and adversely affect our competitive position, reduce revenue or otherwise harm our business.
- Our business may suffer if we do not retain our senior management.
- Payment of severance or retirement benefits earlier than anticipated could strain our cash flow.
- We may face a risk when we return to the market to refinance our debt as a result of the February, 2009 downgrade of the Company's debt by Moody's Investor Service.

The following risk factor has been modified in response to an SEC comment:

- Our high level of debt, as well as incurrence of additional debt, may limit our operating flexibility, which could adversely affect our results of operations and financial condition and prevent us from fulfilling our obligations.

  We have a high degree of financial leverage. As of June 30, 2009, we had $543.0 million of debt outstanding, net of discounts and warrants. Of that amount:

  - approximately $16.9 million consisted of debt under our ABL Facility, which is secured by a first-priority lien on our assets;
  - approximately $306.0 million consisted of the Senior Secured Notes, which are secured by a second-priority lien on our collateral;
  - approximately $160.9 million consisted of the PIK Notes, which are secured by a third-priority lien on our collateral;
  - RMB 250 million (approximately $36.6 million) consisted of a loan made by China Construction Bank Corporation Langfang Economic Development Area Sub-Branch ("CCBC"), the entire proceeds of which we used to finance the construction of our Greenfield manufacturing facility in China that began operations in early 2007;
  - RMB 50 million (approximately $7.3 million) consisted of a loan, which is fully drawn, made by

CCBC to finance the working capital needs of our China facility; and

- 11 million euro (approximately $15.5 million) consisted of a loan, which is fully drawn, made by Banco Espirito Santo, S.A. ("BES Euro Line") to finance operational improvements associated with our Portuguese operations.

Our ABL Facility provides for borrowings up to $150.0 million by Libbey Glass and Libbey Europe B.V. (a non-guarantor subsidiary). As a result of borrowing base limitations, the remaining unused availability under the ABL Facility at June 30, 2009 was $56.6 million.

Since we issued the PIK Notes in 2006, interest has been payable semi-annually through the issuance of additional PIK Notes. Commencing December 1, 2009, interest on the PIK Notes will be payable semi-annually in cash. The semi-annual cash interest payment that we are obligated to make on the PIK Notes on December 1, 2009 is approximately $12.9 million.

Our loan agreements, including our agreements governing the ABL Facility, the indenture governing the Senior Secured Notes and the indenture governing the PIK Notes, require us to comply with certain covenants. For example, our ABL Facility requires us to maintain a minimum fixed charge coverage ratio if the remaining unused availability under our ABL Facility is less than $15.0 million.

Although the respective indentures governing the Senior Secured Notes and the PIK Notes do not contain financial covenants, they do contain other covenants that limit our operational and financial flexibility, such as by limiting the additional indebtedness that we may incur, limiting certain business activities, investments and payments, and limiting our ability to dispose of certain assets.

Our agreements governing the ABL Facility, the Senior Secured Notes and the PIK Notes limit the additional indebtedness that we may incur, but we are permitted, subject to certain limitations, to incur additional debt in the future.

Our high degree of leverage, as well as the incurrence of additional debt, could have important consequences for our business, such as:

- making it more difficult for us to satisfy our financial obligations, including with respect to the Senior Secured Notes and the PIK Notes;
- limiting our ability to make capital investments in order to expand our business;
- limiting our ability to obtain additional debt or equity financing for working capital, capital expenditures, product development, debt service requirements, acquisitions or other purposes;
- limiting our ability to invest operating cash flow in our business and future business opportunities, because we use a substantial portion of these funds to service debt and because our covenants restrict the amount of our investments; and
- limiting our ability to withstand business and economic downturns and/or place us at a competitive disadvantage compared to our competitors that have less debt, because of the high percentage of our operating cash flow that is dedicated to servicing our debt.

Although we have taken a number of steps to enhance our liquidity to date in 2009 (including those announced in February 2009), if cash generated from operations is insufficient to satisfy our liquidity requirements, if we cannot service our debt or if we fail to meet our covenants, we could have substantial liquidity problems. In those circumstances, we might have to sell assets, delay planned investments, obtain additional equity capital or restructure our debt. Global financial markets and economic conditions have been, and continue to be volatile. The credit and capital markets remain challenging. These issues may make it difficult to obtain funding in future periods. If cash from operations and cash available from our ABL Facility are not sufficient to meet our needs, including our obligation to pay the cash interest on the PIK Notes that is payable on December 1, 2009, we cannot assure you that we will be able to obtain additional financing in sufficient amounts and/or on acceptable terms in the future or when our ABL Facility matures in December 2010. Furthermore, because of the current price of our stock, we cannot anticipate that it would be desirable to sell additional equity, even if we were able to do so.

In addition, our failure to comply with the covenants contained in our loan agreements could result in an event of default that, if not cured or waived, could result in the acceleration of all of our indebtedness.

For further information concerning our borrowings, see “Management’s Discussion and Analysis; Capital Resources and Liquidity — Borrowings” and Note 4 to our Consolidated Financial Statements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuers Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
April 1 to April 30, 2009	—	—	—	1,000,000
May 1 to May 31, 2009	—	—	—	1,000,000
June 1 to June 30, 2009	—	—	—	1,000,000
Total	—	—	—	1,000,000

(1) We announced on December 10, 2002, that our Board of Directors authorized the purchase of up to 2,500,000 shares of our common stock in the open market and negotiated purchases. There is no expiration date for this plan. In 2003, 1,500,000 shares of our common stock were purchased for $38.9 million. No additional shares were purchased in 2008, 2007, 2006, 2005 or 2004. Our ABL Facility and the indentures governing the Senior Secured Notes and the PIK Notes significantly restrict our ability to repurchase additional shares.

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of the Shareholders of the Company was held on May 7, 2009. At the meeting, action was taken with respect to the following matters:

(a) Jean-René Gougelet, John F. Meier and Carol B. Moerdyk were reelected as directors of the Company. Each will serve for a term of 3 years or until his successor is elected. The terms of office of William A. Foley, Deborah G. Miller, Terence P. Stewart, Carlos V. Duno, Peter C. McC. Howell, Richard I. Reynolds and John C. Orr continued after the meeting.

(b) The appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2009 was ratified.

The following table sets forth the tabulation of votes with respect to each of the matters described above:

	Shares Voted For	Shares Voted Against	Shares Withheld	Abstentions / Broker Non-Votes
a. Election of Directors				
Jean-René Gougelet	10,612,791	—	577,120	—
John F. Meier	10,238,979	—	950,932	—
Carol B. Moerdyk	10,587,160	—	602,751	—
b. Ratification of auditors	10,882,675	251,503		55,733

Item 5. Other Information

(b) There has been no material change to the procedures by which security holders may recommend nominees to the Company’s board of directors.

Item 6. Exhibits

Exhibits: The exhibits listed in the accompanying "Exhibit Index" are filed as part of this report.

EXHIBIT INDEX

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of Libbey Inc. (filed as Exhibit 3.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993 and incorporated herein by reference).
3.2	Amended and Restated By-Laws of Libbey Inc. (filed as Exhibit 3.01 to Registrant's Form 8-K filed February 7, 2005 and incorporated herein by reference).
4.1	Credit Agreement, dated June 16, 2006, among Libbey Glass Inc. and Libbey Europe B.V., Libbey Inc., the other loan parties party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., J.P. Morgan Europe Limited, LaSalle Bank Midwest National Association, Wells Fargo Foothill, LLC, Fifth Third Bank, and J.P. Morgan Securities Inc., as Sole Bookrunner and Sole Lead Arranger. (filed as Exhibit 4.1 to Registrant's Form 8-K filed June 21, 2006 and incorporated herein by reference. The schedules to such Credit Agreement are filed herein).
4.2	Indenture, dated June 16, 2006, among Libbey Glass Inc., Libbey Inc., the Subsidiary Guarantors party thereto and The Bank of New York Trust Company, N.A., as trustee. (filed as Exhibit 4.5 to Registrant's Form 8-K filed June 21, 2006 and incorporated herein by reference).
4.3	Form of Floating Rate Senior Secured Note due 2011. (filed as Exhibit 4.4 to Libbey Glass Inc.'s Registration Statement on Form S-4; File No. 333-139358).
4.4	Registration Rights Agreement, dated June 16, 2006, among Libbey Glass Inc., Libbey Inc., the Subsidiary Guarantors party thereto and the Initial Purchasers named therein. (filed as Exhibit 4.4 to Registrant's Form 8-K filed June 21, 2006 and incorporated herein by reference).
4.5	Indenture, dated June 16, 2006, among Libbey Glass Inc., Libbey Inc., the Subsidiary Guarantors party thereto and Merrill Lynch PCG, Inc. (filed as Exhibit 4.5 to Registrant's Form 8-K filed June 21, 2006 and incorporated herein by reference).
4.6	Form of 16% Senior Subordinated Secured Pay-in-Kind Note due 2011. (filed as Exhibit 4.6 to Registrant's Form 8-K filed June 21, 2006 and incorporated herein by reference).
4.7	Warrant, issued June 16, 2006. (filed as Exhibit 4.7 to Registrant's Form 8-K filed June 21, 2006 and incorporated herein by reference).
4.8	Registration Rights Agreement, dated June 16, 2006, among Libbey Inc. and Merrill Lynch PCG, Inc. (filed as Exhibit 4.8 to Registrant's Form 8-K filed June 21, 2006 and incorporated herein by reference).
4.9	Intercreditor Agreement, dated June 16, 2006, among Libbey Glass Inc., JPMorgan Chase Bank, N.A., The Bank of New York Trust Company, N.A., Merrill Lynch PCG, Inc. and the Loan Parties party thereto. (filed as Exhibit 4.9 to Registrant's Form 8-K filed June 21, 2006 and incorporated herein by reference).
4.10	Amendment and Waiver, dated November 7, 2008, among Libbey Glass Inc. and Libbey Europe B.V., Libbey Inc., the other loan parties thereto, JPMorgan Chase Bank, N.A., J.P. Morgan Europe Limited, Bank of America, N.A. (f/k/a LaSalle Bank Midwest National Association), Wells Fargo Foothill, LLC, Fifth Third Bank, and J.P. Morgan Securities Inc., as Sole Bookrunner and Sole Lead Arranger (filed as Exhibit 4.10 to Libbey Inc's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference).
10.1	Pension and Savings Plan Agreement dated as of June 17, 1993 between Owens-Illinois, Inc. and Libbey Inc. (filed as Exhibit 10.4 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 1993 and incorporated herein by reference).
10.2	Cross-Indemnity Agreement dated as of June 24, 1993 between Owens-Illinois, Inc. and Libbey Inc. (filed as Exhibit 10.5 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 1993 and incorporated herein by reference).
10.3	The Amended and Restated Libbey Inc. Stock Option Plan for Key Employees (filed as Exhibit 10.14 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 1995 and incorporated herein by reference).
10.4	Libbey Inc. Guarantee dated as of October 10, 1995 in favor of The Pfaltzgraff Co., The Pfaltzgraff Outlet Co. and Syracuse China Company of Canada Ltd. guaranteeing certain obligations of LG Acquisition Corp. and Libbey Canada Inc. under the Asset Purchase Agreement for the Acquisition of Syracuse China (Exhibit 2.0) in the event certain contingencies occur (filed as Exhibit 10.17 to Libbey Inc.'s Current Report on Form 8-K dated October 10, 1995 and incorporated herein by reference).
10.5	Susquehanna Pfaltzgraff Co. Guarantee dated as of October 10, 1995 in favor of LG Acquisition Corp. and Libbey Canada Inc. guaranteeing certain obligations of The Pfaltzgraff Co., The Pfaltzgraff Outlet Co. and Syracuse China Company of Canada, Ltd. under the Asset Purchase Agreement for the Acquisition of Syracuse China (Exhibit 2.0) in the event certain contingencies occur (filed as Exhibit 10.18 to Libbey Inc.'s Current Report on Form 8-K dated October 10, 1995 and

Exhibit Number	Description
	incorporated herein by reference).
10.6	First Amended and Restated Libbey Inc. Executive Savings Plan (filed as Exhibit 10.23 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 1996 and incorporated herein by reference).
10.7	Form of Non-Qualified Stock Option Agreement between Libbey Inc. and certain key employees participating in The 1999 Equity Participation Plan of Libbey Inc. (filed as Exhibit 10.69 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 1999 and incorporated herein by reference).
10.8	The 1999 Equity Participation Plan of Libbey Inc. (filed as Exhibit 10.67 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference).
10.9	Stock Promissory Sale and Purchase Agreement between VAA — Vista Alegre Atlantis SGPS, SA and Libbey Europe B.V. dated January 10, 2005 (filed as Exhibit 10.76 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2004 and incorporated herein by reference).
10.10	RMB Loan Contract between Libbey Glassware (China) Company Limited and China Construction Bank Corporation Langfang Economic Development Area Sub-branch entered into January 23, 2006 (filed as exhibit 10.75 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2005 and incorporated herein by reference).
10.11	Guarantee Contract executed by Libbey Inc. for the benefit of China Construction Bank Corporation Langfang Economic Development Area Sub-branch (filed as exhibit 10.76 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2005 and incorporated herein by reference).
10.12	Guaranty, dated May 31, 2006, executed by Libbey Inc. in favor of Fondo Stiva S.A. de C.V. (filed as exhibit 10.2 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 and incorporated herein by reference).
10.13	Guaranty Agreement, dated June 16, 2006, executed by Libbey Inc. in favor of Vitro, S.A. de C.V. (filed as exhibit 10.3 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 and incorporated herein by reference).
10.14	Transition Services Agreement, dated June 16, 2006, among Crisa Libbey S.A. de C.V., Vitrocrisa Holding, S. de R.L. de C.V., Vitrocrisa S. de R.L. de C.V., Vitrocrisa Comercial, S. de R.L. de C.V., Crisa Industrial, L.L.C. and Vitro S.A. de C.V. (filed as exhibit 10.1 to Libbey Inc.'s Current Report on Form 8-K filed June 21, 2006 and incorporated herein by reference).
10.15	2006 Omnibus Incentive Plan of Libbey Inc. (filed as Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 and incorporated herein by reference).
10.16	Libbey Inc. Amended and Restated Deferred Compensation Plan for Outside Directors (incorporated by reference to Exhibit 10.61 to Libbey Glass Inc.'s Registration Statement on Form S-4; File No. 333-139358).
10.17	Form of Registered Global Floating Rate Senior Secured Note, Series B, due 2011 (filed as exhibit 10.55 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2006 and incorporated herein by reference).
10.18	2009 Director Deferred Compensation Plan (filed as Exhibit 10.51 to Libbey Inc's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference).
10.19	Executive Deferred Compensation Plan (filed as Exhibit 10.52 to Libbey Inc's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference).
10.20	Amended and Restated Employment Agreement dated as of December 31, 2008 between Libbey Inc. and John F. Meier (filed as exhibit 10.29 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.21	Amended and Restated Employment Agreement dated as of December 31, 2008 between Libbey Inc. and Richard I. Reynolds (filed as exhibit 10.30 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.22	Amended and Restated Employment Agreement dated as of December 31, 2008 between Libbey Inc. and Gregory T. Geswein (filed as exhibit 10.31 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.23	Form of Amended and Restated Employment Agreement dated as of December 31, 2008 between Libbey Inc. and the respective executive officers identified on Appendix 1 thereto (filed as exhibit 10.32 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.24	Amended and restated change in control agreement dated as of December 31, 2008 between Libbey Inc. and John F. Meier (filed as exhibit 10.33 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.25	Form of amended and restated change in control agreement dated as of December 31, 2008 between Libbey Inc. and the respective executive officers identified on Appendix 1 thereto (filed as exhibit 10.34 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.26	Form of amended and restated change in control agreement dated as of December 31, 2008 between Libbey Inc. and the respective individuals identified on Appendix 1 thereto (filed as exhibit 10.35 to Libbey Inc.'s Annual Report on Form 10-

Exhibit Number	Description
	K for the year ended December 31, 2008 and incorporated herein by reference).
10.27	Form of Amended and Restated Indemnity Agreement dated as of December 31, 2008 between Libbey Inc. and the respective officers identified on Appendix 1 thereto (filed as exhibit 10.36 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.28	Form of Amended and Restated Indemnity Agreement dated as of December 31, 2008 between Libbey Inc. and the respective outside directors identified on Appendix 1 thereto (filed as exhibit 10.37 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.29	Amended and Restated Libbey Inc. Supplemental Retirement Benefit Plan effective December 31, 2008 (filed as exhibit 10.38 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.30	Amendment to the First Amended and Restated Libbey Inc. Executive Savings Plan effective December 31, 2008 (filed as exhibit 10.39 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) (filed herein).
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) (filed herein).
32.1	Chief Executive Officer Certification Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act of 2002 (filed herein).
32.2	Chief Financial Officer Certification Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act of 2002 (filed herein).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIBBEY INC.

Date: August 7, 2009

By /s/ Gregory T. Geswein
Gregory T. Geswein,
Vice President, Chief Financial Officer

EXHIBIT 4.1

Schedules to Credit Agreement dated June 16, 2006.

Commitment Schedule

Lender	Total Commitment	Euro Commitment
JPMorgan Chase Bank, N.A.	US$ 30,000,000	US$15,000,000
Fifth Third Bank	US$ 24,500,000	US$12,250,000
Wells Fargo Foothill LLC	US$ 24,500,000	US$12,250,000
LaSalle Bank Midwest National Association	US$ 24,500,000	US$12,250,000
Merrill Lynch Capital	US$ 24,500,000	US$12,250,000
UBS Loan Finance LLC	US$ 22,000,000	US$11,000,000
Total	US$150,000,000	US$75,000,000

Schedule 3.05
Properties

I. Owned and Leased Real Property

Loan Party	Addresses of Owned Properties	Non-Mortgaged Property
Libbey Glass Inc.	940 Ash Street Toledo, OH 43611	No
Libbey Glass Inc.	1600 Justo Penn Road Laredo, TX 78041	Yes
Libbey Glass Inc.	4302 Jewella Road Shreveport, LA 71109	No
Syracuse China Company	2900 Court Street Syracuse, NY 13208	No
Traex Company	101 Traex Plaza Dane, WI 53529	Yes
B.V. Koninklijke Nederlandsche Glasfabriek Leerdam	Lingedijk 8, 4142 LD Leerdam, the Netherlands	Yes

Loan Party	Addresses of Leased Properties
Libbey Glass Inc.	300 Madison Avenue Toledo, OH 43604
Libbey Glass Inc.	930 Dearborn Avenue Oregon, OH 43616
Libbey Glass Inc.	1401 Champlain Street Toledo, OH 43604
Libbey Glass Inc.	706 Kennie Road Shreveport, LA 71103
Libbey Glass Inc.	3401 Etiwanda Avenue Bldgs. 711 and 721 Mira Loma, CA 91752
Libbey Glass Inc.	1038 Matzinger Road Toledo, OH 43612
Libbey Glass Inc.	8900 San Mateo Drive Laredo, TX 78042
Libbey Glass Inc.	2709 S.E. “I” Street Bentonville, AR
Libbey Glass Inc.	2295-A Renaissance Drive Las Vegas, NV 89119
The Drummond Glass Company	205 S. Erie Street Toledo, OH 43602
World Tableware Inc.	1850 Blackhawk Dr. W. Chicago, IL 60185
B.V. Koninklijke Nederlandsche Glasfabriek Leerdam	Lingedijk 8, 4142 LD Leerdam The Netherlands

II. Intellectual Property

A. Trademarks and Trademark Applications

Trademarks, Trade Names and Service Marks	Registration Number	Status	Date of Registration	Expiration Date	Country
Loan Party: Libbey Glass Inc.					
FUNDAMENTALS	2,034,784	REGISTERED	2/4/97	2/4/07	USA
JEWEL	2,004,783	REGISTERED	10/1/96	10/1/06	USA
PERCEPTION	2,663,143	REGISTERED	12/17/02	12/17/12	USA
NOB HILL	2,663,144	REGISTERED	12/17/02	12/17/12	USA
GOVERNOR CLINTON	2,704,223	REGISTERED	4/8/03	4/8/13	USA
DAKOTA	2,025,945	REGISTERED	12/24/96	12/24/06	USA
STATUS	2,044,121	REGISTERED	3/11/97	3/11/07	USA
PRISM (GLASSWARE)	2,330,497	REGISTERED	3/21/00	3/21/10	USA
SYMMETRY	1,372,622	REGISTERED	11/26/85	11/26/05	USA
QUANTUM (FLATWARE)	2,669,104	REGISTERED	12/31/02	12/31/12	USA
GIBRALTAR (FLATWARE)	2,709,190	REGISTERED	4/22/03	4/22/13	USA
CATALINA	2,669,061	REGISTERED	12/31/02	12/31/12	USA
E-SERIES	78/741,473	APPLN FILED			USA
RESTAURANT BASICS (DINNERWARE)	2,502,645	REGISTERED	10/30/01	10/30/11	USA
RESTAURANT BASICS (FLATWARE)	2,502,646	REGISTERED	10/30/01	10/30/11	USA
RESTAURANT BASICS (GLASSWARE)	2,764,560	REGISTERED	9/16/03	9/16/13	USA
EVERY DAY. EVERY WAY.	2,414,453	REGISTERED	12/19/00	12/19/10	USA
LIFESTYLES	1,998,419	REGISTERED	9/3/96	9/3/06	USA
LIBBEY.COM	2,286,310	REGISTERED	10/12/99	10/12/09	USA
GIBRALTAR	1,224,292	REGISTERED	1/18/83	1/18/13	USA
CLUBHOUSE COLLECTION	2,859,370	REGISTERED	7/6/04	7/6/14	USA
MAIN STREET	2,416,702	REGISTERED	1/2/01	1/2/11	USA
VILLAGE PINES COLLECTION	2,114,155	REGISTERED	11/18/97	11/18/07	USA
FACETS	2,443,873	REGISTERED	4/17/01	4/17/11	USA
CREATIVE ACCENTS	2,194,064	REGISTERED	10/6/98	10/6/08	USA
GENUINE LIBBEY	2,522,992	REGISTERED	12/25/01	12/25/11	USA
CHIVALRY	1,173,311	REGISTERED	10/13/81	10/13/11	USA
WHAT’S COOKIN’? (BAKEWARE)	2,602,220	REGISTERED	7/30/02	7/30/12	USA
QUANTUM (GLASSWARE)	2,525,778	REGISTERED	1/1/02	1/1/12	USA
MALIBU	1,445,212	REGISTERED	6/30/87	6/30/07	USA
GIBRALTAR (DINNERWARE)	2,355,388	REGISTERED	6/6/00	6/6/10	USA
SHEER RIM AND DESIGN	849,814	REGISTERED	5/28/68	5/28/08	USA
BRAVURA	2,884,004	REGISTERED	9/14/04	9/14/14	USA
SAFEDGE	522,529	REGISTERED	3/21/50	3/21/10	USA
L IN CIRCLE	651,483	REGISTERED	9/10/97	9/10/07	USA
LIBBEY	834,728	REGISTERED	9/5/67	9/5/07	USA
2000 (GLASSWARE)	2,366,307	REGISTERED	7/11/00	7/11/10	USA
DURATUFF	1,131,831	REGISTERED	3/11/80	3/11/10	USA
EMBASSY	1,178,202	REGISTERED	11/17/81	11/17/11	USA
BOLLA GRANDE	1,248,379	REGISTERED	8/16/83	8/16/13	USA
VIVA GRANDE	1,564,590	REGISTERED	11/7/89	11/7/09	USA

Trademarks, Trade Names and Service Marks	Registration Number	Status	Date of Registration	Expiration Date	Country
TIKIWARE	2,889,973	REGISTERED	9/28/04	9/28/14	USA
OMEGA	2,809,251	REGISTERED	1/27/04	1/27/14	USA
KEGGER (GLASSWARE)	78/532158	APPLN FILED			USA
MARGARINI	2,875 403	REGISTERED	8/17/04	8/17/14	USA
E-COLLECTION	78/741449	APPLN FILED			USA
VENUS	2,815,596	REGISTERED	2/17/04	2/17/14	USA
FINEDGE	1,193,209	REGISTERED	4/6/82	4/6/12	USA
FIESTA GRANDE	1,093,807	REGISTERED	6/20/78	6/20/08	USA
QUANTUM (DINNERWARE)	2,677,813	REGISTERED	1/21/03	1/21/13	USA
PRISM (DINNERWARE)	2,738,740	REGISTERED	7/15/03	7/15/13	USA
POLYTUFF	3,077,591	REGISTERED	4/4/06	4/4/16	USA
RESTAURANT SUPPLIES TO GO	78/586,296	APPLN FILED			USA
SATIN GIBRALTAR	3,069,269	REGISTERED	3/14/06	3/14/16	USA
WINE MASTER	78/805,067	APPLN FILED			USA
ENDEAVOR	78/572,284	APPLN FILED			USA
SPIRIT MASTER	78/861,587	APPLN FILED			USA
America’s Glassmaker	Service Mark				USA
Vina the Right Glass for the Restaurateur	Service Mark				USA
LIBBEY	UNKNOWN	APPLN FILED	3/20/06		INDA
LIBBEY	2000/17374	REGISTERED	7/30/00	5/18/12	TURK
LIBBEY	21048	REGISTERED	1/12/01	1/11/11	ARUB
LIBBEY	UNKNOWN	APPLN FILED	12/7/00		BERM
LIBBEY	UNKNOWN	APPLN FILED	12/7/00		INDN
LIBBEY	00017334	REGISTERED	10/21/03	11/30/10	MASA
LIBBEY	UNKNOWN	APPLN FILED	12/7/00		PAKI
LIBBEY	UNKNOWN	APPLN FILED	12/7/00		EGYP
LIBBEY	TM148315	REGISTERED	12/7/00	2/5/11	THAI
LIBBEY	00926016	REGISTERED	4/19/01	4/15/10	TAIW
LIBBEY	00930398	REGISTERED	4/19/01	9/30/08	TAIW
LIBBEY	00819919	REGISTERED	4/19/01	9/30/08	TAIW
LIBBEY	00889777	REGISTERED	4/19/01	4/15/10	TAIW
LIBBEY	669/74	REGISTERED	9/26/03	9/26/11	SAUD
LIBBEY	1.631.920	REGISTERED	1/2/86	5/7/07	ARGT
LIBBEY	41243	REGISTERED	10/31/72	7/5/15	BENL
LIBBEY	593616	REGISTERED	5/12/89	5/12/19	CAND
LIBBEY	59110	REGISTERED	10/3/85	12/13/05	CHIL
LIBBEY	223024	REGISTERED	2/10/03	2/24/13	CHIL
LIBBEY	223025	REGISTERED	2/24/03	2/24/13	CHIL
LIBBEY	265556	REGISTERED	3/23/90	3/22/15	COLO
LIBBEY	91,278	REGISTERED	5/15/95	5/15/05	CORI
LIBBEY	864/1972	REGISTERED	3/17/72	3/17/12	DENM
LIBBEY	14226	REGISTERED	7/22/65	7/22/05	DORE
LIBBEY	00012-99	REGISTERED	5/16/99	7/9/14	ECUD
LIBBEY	12972	REGISTERED	12/13/05	12/13/05	ELSA
LIBBEY	1718720	REGISTERED	12/19/89	12/19/09	FRAN
LIBBEY	2470	REGISTERED	4/15/99	5/31/09	GUAT
LIBBEY	14041	REGISTERED	4/12/67	4/12/07	HOND
LIBBEY	721511-1995	REGISTERED	7/6/95	7/6/05	JAPN
LIBBEY	4355	REGISTERED	4/10/95	10/21/14	MEXO
LIBBEY	42/1119	REGISTERED	11/28/00	11/28/00	SOAF

Trademarks, Trade Names and Service Marks	Registration Number	Status	Date of Registration	Expiration Date	Country
LIBBEY	B64/2502	REGISTERED	5/14/65	7/20/04	SOAF
LIBBEY	452.599	REGISTERED	5/13/95	7/27/14	SPAN
LIBBEY	8800324	REGISTERED	3/4/02	1/31/12	SWED
LIBBEY	209.444	REGISTERED	3/4/85	4/9/05	SWIT
LIBBEY	210231	REGISTERED	7/9/87	7/9/97	URUG
LIBBEY	64.468-F	REGISTERED	4/13/71	4/13/06	VENZ
LIBBEY	51.646	REGISTERED	7/20/66	7/20/06	VENZ
LIBBEY	51.649	REGISTERED	7/21/66	7/21/06	VENZ
LIBBEY	0B76337	REGISTERED	2/23/66	7/21/13	ZEAL
HT IN A STAR	240955	REGISTERED	8/6/85	12/6/17	CAND
HI IN A STAR	754652	REGISTERED	8/6/85	8/6/05	FRAN
E-COLLECTION	UNKNOWN	APPLN FILED	3/1/06		CHIN
E-COLLECTION	UNKNOWN	APPLN FILED	3/1/06		TURK
E-SERIES	UNKNOWN	APPLN FILED	3/1/06		CHIN
E-SERIES	UNKNOWN	APPLN FILED	3/1/06		TURK
SAFEDGE	5724	REGISTERED	9/22/67	9/22/09	BERM
SAFEDGE	163307	REGISTERED	11/18/33	11/18/08	CAND
SAFEDGE	593615	REGISTERED	6/9/89	5/12/19	CAND
SAFEDGE	754651	REGISTERED	8/6/85	8/6/05	FRAN
SAFEDGE	852,076	REGISTERED	11/21/68	9/6/07	GERM
SAFEDGE	726902-1995	REGISTERED	10/25/95	10/25/05	JAPN
SAFEDGE	37210	REGISTERED	11/12/85	11/12/05	PANA
SAFEDGE	67/3844	REGISTERED	5/5/97	9/5/07	SOAF
SAFEDGE	162126	REGISTERED	7/21/96	7/21/06	SWIT
SAFEDGE	B4443	REGISTERED	3/7/69	10/5/09	TRIN
L IN CIRCLE	110378	REGISTERED	5/30/88	5/30/18	CAND
L IN CIRCLE	1234565	REGISTERED	12/28/98	12/27/08	CHIN
L IN CIRCLE	30287	REGISTERED	9/9/91	11/22/09	CYPR
L IN CIRCLE	1450534	REGISTERED	5/29/69	2/18/08	FRAN
L IN CIRCLE	60663	REGISTERED	11/23/89	11/23/09	PHIL
L IN CIRCLE	1077	REGISTERED	11/9/70	11/9/05	VENZ
LIBBEY	548984	REGISTERED	11/10/92	1/16/08	AUST
LIBBEY	816624984	REGISTERED	11/3/93	11/3/03	BRAZ
LIBBEY	2000352	REGISTERED	10/24/04	11/1/14	BRIT
LIBBEY	960817	REGISTERED	3/14/97	3/13/07	CHIN
LIBBEY	30286	REGISTERED	11/22/88	11/22/09	CYPR
LIBBEY	139852	REGISTERED	11/8/95	9/5/05	FINL
LIBBEY	123463	REGISTERED	5/16/92	3/17/05	GREC
LIBBEY	UNKNOWN	APPLN FILED	6/20/04		GUYA
LIBBEY	533/91	REGISTERED	9/10/92	1/25/12	HOKO
LIBBEY	78996	REGISTERED	12/20/93	2/13/12	ISRA
LIBBEY	21/267	REGISTERED	3/21/91	3/21/12	JAMA
LIBBEY	54663	REGISTERED	11/27/91	11/27/11	PANA
LIBBEY	182.345	REGISTERED	1/25/96	11/21/05	PARA
LIBBEY	12657	REGISTERED	3/20/95	1/20/15	PERU
LIBBEY	S/871/91	REGISTERED	2/14/98	2/14/08	SING
LIBBEY	15467/1992	REGISTERED	12/12/03	9/13/13	SOKO
LIBBEY	UNKNOWN	APPLN FILED	6/10/04		SURI
LIBBEY IN CHINESE	970100060	APPLN FILED	10/12/04		CHIN
LIBBEY	6768	REGISTERED	6/11/59	2/11/12	VIR

Trademarks, Trade Names and Service Marks	Registration Number	Status	Date of Registration	Expiration Date	Country
LIBBEY	33134	REGISTERED	9/2/02	4/14/11	UAE
SAFEDGE	8710	REGISTERED	5/8/02	5/8/12	NETH
LIBBEY	158196	REGISTERED	10/31/72	5/8/12	NETH
LIBBEY GLASS INC.	970100060	REGISTERED	4/21/03	4/20/13	CHIN

Loan Party: Syracuse China Company

ARDEN	1,395,741	REGISTERED	6/3/86	6/3/06	USA
CRESTVIEW	828,539	REGISTERED	5/9/67	5/9/07	USA
KING'S INN	1,026,786	REGISTERED	12/9/75	12/9/05	USA
CORDOVA	827,539	REGISTERED	4/18/67	4/18/07	USA
CINNAMON	1,336,722	REGISTERED	5/21/85	5/21/05	USA
CHANSON	1,452,199	REGISTERED	8/11/87	8/11/07	USA
CHABLIS (CHINA DINNERWARE)	2,775,359	REGISTERED	10/21/03	10/21/13	USA
BROOKLINE	1,472,331	REGISTERED	1/12/88	1/12/08	USA
AMY	833,680	REGISTERED	8/15/67	8/15/07	USA
COOL 'N ARTS	2678670	REGISTERED	1/21/03	1/21/13	USA
CRIMSON BLOSSOM	1,354,101	REGISTERED	8/13/85	8/13/05	USA
CASABLANCA	1,292,327	REGISTERED	8/28/84	8/28/14	USA
WEXFORD	834,330	REGISTERED	8/29/67	8/29/07	USA
PALOMINO	1,175,252	REGISTERED	10/27/81	10/27/11	USA
PATRICIAN	1,394,111	REGISTERED	5/20/86	5/20/06	USA
PONTCHARTRAIN	833,330	REGISTERED	8/8/67	8/8/07	USA
RICHLAND	1,394,907	REGISTERED	5/27/86	5/27/06	USA
ROUEN	833,682	REGISTERED	8/15/67	8/15/07	USA
SHENANGO	555,636	REGISTERED	3/4/52	3/4/12	USA
SUTTON	834,715	REGISTERED	9/5/67	9/5/07	USA
SYRACUSE	104,744	REGISTERED	6/15/15	6/15/15	USA
SYRALITE	798,393	REGISTERED	11/2/65	11/2/05	USA
OYSTER BAY	1,394,908	REGISTERED	5/27/86	5/27/06	USA
DEEPMEADOW	1,394,110	REGISTERED	5/20/86	5/20/06	USA
TUXEDO GOLD	761,336	REGISTERED	12/10/63	12/10/13	USA
ESQUIRE	793,642	REGISTERED	8/3/65	8/3/05	USA
CANTINA	2,137,547	REGISTERED	2/17/98	2/17/08	USA
CAFÉ ROYAL	2,669,056	REGISTERED	12/31/02	12/31/12	USA
QUADRA	2,669,057	REGISTERED	12/31/02	12/31/12	USA
REPETITION	2,826,208	REGISTERED	3/23/04	3/23/14	USA
OCTET	3,062,978	REGISTERED	2/28/06	2/28/16	USA
TUO	827,857	REGISTERED	4/25/67	4/25/07	USA
MOON STONE	1,070,265	REGISTERED	7/26/77	7/26/07	USA
WOODSPRITE	833,681	REGISTERED	8/15/67	8/15/07	USA
LEMONT	828,537	REGISTERED	5/9/67	5/9/07	USA
MAYER	1,444,195	REGISTERED	6/23/87	6/23/07	USA
ME TOO	833,329	REGISTERED	8/8/67	8/8/07	USA
MESA GRANDE	1,055,595	REGISTERED	1/4/77	1/4/07	USA
GILD	833,328	REGISTERED	8/8/67	8/8/07	USA
MONTLYNN	1,395,740	REGISTERED	6/3/86	6/3/06	USA
OAKTON	1,395,739	REGISTERED	6/3/86	6/3/06	USA
EMINENCE	2,698,247	REGISTERED	3/18/03	3/18/13	USA
THE MINI GREAT PLATE	1,448,544	REGISTERED	7/21/87	7/21/07	USA

Trademarks, Trade Names and Service Marks	Registration Number	Status	Date of Registration	Expiration Date	Country
CANTINA (FLATWARE)	2,881,207	REGISTERED	9/7/04	9/7/14	USA
DURAFOOT	78/725,423	APPLN FILED			USA
ESQUIRE	78/299,758	APPLN FILED			USA
SERRANO	2,982,235	REGISTERED	8/2/05	8/2/15	USA

Loan Party: World Tableware Inc.

GLENBROOK	2,776,703	REGISTERED	10/21/03	10/21/13	USA
BRANDWARE	1,173,950	REGISTERED	10/20/81	10/20/11	USA
AMERICAN SILVER CO.	1,534,875	REGISTERED	4/11/89	4/11/09	USA
WORLD (STAINLESS STEEL FLATWARE)	994,264	REGISTERED	4/25/96	10/1/14	USA
AMSILCO	1,559,578	REGISTERED	10/10/87	10/10/09	USA
WORLD (SILVER & PLATED TABLEWARE)	0,040,724	REGISTERED	7/7/03	7/7/13	USA
BB LOGO AND DESIGN	1,262,229	REGISTERED	12/27/83	12/27/13	USA
ULTIMA	1,180,217	REGISTERED	12/1/81	12/1/11	USA
VARESE	2,704,466	REGISTERED	4/8/03	4/8/13	USA
SKOAL	2,721,149	REGISTERED	6/3/03	6/3/13	USA
PESCE	2,889,974	REGISTERED	5/14/03	9/28/14	USA
THE MILLENNIUM COLLECTION	75/590,343	APLN FILED	11/16/98		USA
CONTEMPRA	2,430,409	REGISTERED	2/20/01	2/20/11	USA
EVEREST	2,784,832	REGISTERED	11/18/03	11/18/13	USA
AMULET	2,663,154	REGISTERED	12/17/02	12/17/12	USA
WORLD (PORCELAIN DINNERWARE)	2,074,231	REGISTERED	6/24/97	6/24/07	USA
SLATE	2,704,467	REGISTERED	4/8/03	4/8/13	USA
VERONA (FLATWARE)	2,704,465	REGISTERED	4/8/03	4/8/13	USA
WTI GLOBE AND DESIGN	1,073,075	REGISTERED	9/13/77	9/13/07	USA
CONTEMPRA	2,760,370	REGISTERED	9/2/03	9/2/13	USA
SAN MARINO	78/858,430	APPLN FILED			USA
PORTO	78/858,427	APPLN FILED			USA
PRAGUE	78/858,411	APPLN FILED			USA
BB LOGO & DESIGN	281,790	REGISTERED	7/29/03	7/29/13	CAND
BRANDWARE	255,597	REGISTERED	2/6/81	2/6/11	CAND

Loan Party: Traex Company

LIDPRO	2,559,646	REGISTERED	4/9/02	4/9/12	USA
BATTER BOSS	1,657,443	REGISTERED	5/7/98	9/17/11	USA
CUPRO	2,327,318	REGISTERED	3/7/00	3/7/10	USA
DRIPCUT	373,123	REGISTERED	11/28/39	11/28/09	USA
CHOICE CUT	2,286,711	REGISTERED	10/12/99	10/12/09	USA
TUFFEX	1,706,831	REGISTERED	8/11/92	8/11/12	USA
CLEAN CUT	2,785,074	REGISTERED	11/18/03	11/18/13	USA
KONDI-KEEPER	1,673,006	REGISTERED	1/21/92	1/21/12	USA
STRAW BOSS	1,651,525	REGISTERED	8/24/90	7/23/11	USA
RACK MAX	2,664,502	REGISTERED	12/17/92	12/17/12	USA
SAUCE BOSS	1,642,449	REGISTERED	4/23/91	4/23/11	USA
SPICE BOSS	2,849,301	REGISTERED	6/1/04	6/1/14	USA
SANALITE	1,053,797	REGISTERED	11/30/76	11/30/06	USA
RACK-MASTER	1,605,589	REGISTERED	7/10/00	7/10/10	USA

Trademarks, Trade Names and Service Marks	Registration Number	Status	Date of Registration	Expiration Date	Country
MAKING THE ORDINARY EXTRAORDINARY	2,789,726	REGISTERED	12/2/03	12/2/13	USA
PLATE CRATE	2,007,086	REGISTERED	2/3/95	10/8/06	USA
QUIK-PIK	2,158,897	REGISTERED	5/8/97	5/19/08	USA
TRAEX	1,700,599	REGISTERED	7/14/92	7/14/12	USA
TWISTER	78/568,690	APPLN FILED	2/16/05		USA
CUPPRO	78/556,108	APPLN FILED	1/28/05		USA
SAFETY MATE ICE PORTER	78/604,828	APPLN FILED			USA
SAFETY MATE	78/604,865	APPLN FILED			USA
QUIK-KOOL	78/747,143	APPLN FILED			USA
DRIPCUT	UCA12026	REGISTERED	2/22/99	2/13/14	CAND

Loan Party: B.V. Koninklijke Nederlandsche Glasfabriek Leerdam

ROYAL LEERDAM	2,604,930	REGISTERED	8/6/02	8/6/12	USA
ROYAL LEERDAM (AND DESIGN)	2,937,638	REGISTERED	4/5/05	4/5/15	USA
MAGNUM	1,238,413	REGISTERED	5/17/83	5/17/13	USA
ROYAL LEERDAM	1978 462 VR	REGISTERED	2/3/78	2/3/08	EUROPE
ROYAL LEERDAM	TMA263032	REGISTERED	10/16/81	10/16/06	CANADA
ROYAL LEERDAM (AND DESIGN)	TMA467227	REGISTERED	12/5/96	12/5/06	CANADA
MAGNUM	TMA342483	REGISTERED	7/8/88	7/8/13	CANADA

B. Patents and Patent Applications

Patent	Status	Issue Date	Patent Number	Expiration Date	Country
Loan Party: Libbey Glass Inc.					
JAVA (FLATWARE)	ISSUED	12/14/00	D434,274	11/28/14	USA
VENUS STEM	ISSUED	3/4/03	D471,061	3/4/17	USA
2000 STEM, ITEM 3699	ISSUED	5/2/00	D423,874	5/2/14	USA
OLYMPIA ITEM 2436	ISSUED	7/9/96	D371,490	7/9/10	USA
MODERNE GLASS MUG	ISSUED	9/2/97	D383,039	9/2/11	USA
DOMAINE ITEM 8957, 8995	ISSUED	6/11/96	D370,597	6/11/10	USA
OLYMPIA ITEM 2437	ISSUED	1/24/95	D371,935	7/23/10	USA
DAKOTA ITEMS 15603-15604	ISSUED	5/7/96	D369,519	5/7/10	USA
SYSCO ITEMS 15613-15614	ISSUED	6/4/96	D370,389	6/4/10	USA
DAKOTA TUMBLER, ITEM 15605	ISSUED	5/7/96	D369,518	5/7/10	USA
JACKPOT MUG, ITEM 97336	ISSUED	11/19/96	D375,656	11/19/10	USA
SYSCO ROCKS — ITEMS 15611, 15612	ISSUED	6/18/96	D370,830	6/18/10	USA
MARTELLO STEMWARE	ISSUED	3/30/04	D487,861	3/30/18	USA
TRION (COOLER)	ISSUED	12/4/01	D451,346	12/4/15	USA
VENUS MARGARITA	ISSUED	3/4/03	D471,065	3/4/17	USA
STEM (SHAZAM DESIGN)	ISSUED	5/6/03	D474,069	5/6/17	USA
BAKEWARE (BOWL WITH HANDLES) #70974	ISSUED	5/7/02	D456,673	5/7/16	USA
NAUTILUS (COOLER)	ISSUED	11/8/00	D444,675	7/10/15	USA

Patent	Status	Issue Date	Patent Number	Expiration Date	Country
BANGLES (GOBLET)	ISSUED	7/16/02	D460,323	7/16/16	USA
SMOOTHIE GLASS	ISSUED	10/28/03	D481,259	10/28/17	USA
DOLLAR SIGN, ITEM 3635	ISSUED	12/16/01	D387,611	12/16/11	USA
GIBRALTAR (FLATWARE)	ISSUED	8/29/00	D429,951	8/29/14	USA
WATER GLASS, ITEM 15639	ISSUED	8/29/00	D429,958	8/29/14	USA
PARKSIDE STEMWARE	ISSUED	9/23/98	D418,370	1/4/14	USA
CLARION	ISSUED	10/26/99	D415,655	10/26/13	USA
CANTINA ITEM 5687	ISSUED	3/30/99	D407,270	3/30/13	USA
TENNIS BALL STEM	ISSUED	11/3/98	D400,395	12/16/11	USA
CACTUS GLASS ITEM 3619JS, 3620JS	ISSUED	7/8/98	D380,646	7/8/11	USA
SQUIRE ITEM 5630	ISSUED	9/15/98	D398,189	9/15/12	USA
QUANTUM (GLASS)	ISSUED	5/9/00	D424,377	5/9/14	USA
GUITAR STEM, ITEM 3637	ISSUED	1/13/98	D389,013	1/13/12	USA
DICE STEM, ITEM 3634	ISSUED	12/16/97	D387,612	12/16/11	USA
GOLF BALL STEM, ITEM 3633	ISSUED	12/16/97	D387,616	12/16/11	USA
BASEBALL STEM, ITEM 3632	ISSUED	12/16/97	D387,613	12/16/11	USA
FOOTBALL STEM, ITEM 3631	ISSUED	12/16/97	D387,614	12/16/11	USA
SOCCER BALL STEM, ITEM 3630	ISSUED	12/16/97	D387,615	12/16/11	USA
BASKETBALL STEM, ITEM 3636	ISSUED	3/24/98	D392,507	3/24/12	USA
SQUIRE COOLER, ITEM 5631	ISSUED	1/20/98	D398,189	1/20/12	USA
HOCKEY STEM	ISSUED	10/20/98	D399,700	10/20/12	USA
VIBE	ISSUED	4/18/02	D483,610	12/16/17	USA
COLONNA	ISSUED	7/1/03	D476,526	7/1/17	USA
NAUTILUS MARTINI	ISSUED	7/2/02	D459,633	7/2/16	USA
INFUSION (FLATWARE)	ISSUED	2/27/01	D438,057	2/27/15	USA
ELLIPTIC (FLATWARE)	ISSUED	2/27/01	D438,058S	2/27/15	USA
FLAME COOLER	ISSUED	11/15/05	D511,436S	11/15/19	USA
CANDLE POT W/LID	ISSUED	2/22/05	D502,101S	2/22/19	USA
OMEGA STEMWARE	ISSUED	4/22/03	D473,424	4/22/17	USA
HOLIDAY TREE GOBLET	ISSUED	4/22/03	D473,425	4/22/17	USA
TAPERED SQUARE VOTIVE	ISSUED	12/30/03	D484,365S	12/30/17	USA
VERVE STEMWARE	ISSUED	7/22/03	D477,499	7/22/17	USA
QUANTUM (FLATWARE)	ISSUED	12/14/00	D434,281	11/28/14	USA
STRATUS (GLASS)	ISSUED	8/29/00	D429,960	8/29/14	USA
2001 STEMWARE	ISSUED	2/5/02	D453,282S	2/5/16	USA
PERCEPTION (GLASSES)	ISSUED	3/12/02	D454,278	3/12/16	USA
USA GOBLET (STARS)	ISSUED	7/9/02	D459,944	7/9/16	USA
STARS GOBLET	ISSUED	7/2/02	D459,631	7/2/16	USA
USA GOBLET (NO STARS)	ISSUED	7/2/02	D459,632	7/2/16	USA
BAKEWARE (MEASURING CUP)	ISSUED	8/13/02	D461,420	8/13/16	USA
GIBRALTAR (FOOTED PILSNER)	ISSUED	8/20/02	D461,684	8/20/16	USA
BANGLES (TUMBLER)	ISSUED	4/30/02	D456,214	4/30/16	USA
BANGLES (DOF)	ISSUED	9/3/02	D462,238	9/3/16	USA
BAKEWARE (LONG PAN)	ISSUED	5/8/01	D441,597	5/8/15	USA
BAKEWARE (SQUARE PAN)	ISSUED	5/8/01	D441,598	5/8/15	USA
BAKEWARE (PAN)	ISSUED	5/22/01	D442,425	8/1/14	USA
BAKEWARE (BOWL)	ISSUED	5/15/01	D442,019	5/15/15	USA

Patent	Status	Issue Date	Patent Number	Expiration Date	Country
GIBRALTAR PITCHER	ISSUED	2/14/06	D514,868S	2/14/20	USA
GLASS	ISSUED	5/9/06	D520,301S	5/9/20	USA
GIBRALTAR (BOWL)	ISSUED	11/20/01	D450,538	11/20/15	USA
GIBRALTAR (PLATE)	ISSUED	11/20/01	D450,539	11/20/15	USA
GIBRALTAR (PLATTER)	ISSUED	12/18/01	D452,118	12/18/15	USA
GIBRALTAR (MUG)	ISSUED	11/6/01	D449,964	11/6/15	USA
GIBRALTAR (CUP)	ISSUED	12/5/00	D434,603	12/5/14	USA
GIBRALTAR (DISH)	ISSUED	12/4/01	D451,348	12/4/15	USA
STEM FOR AN ARTICLE OF STEMWARE	ISSUED	8/20/05	D507,935	8/20/19	USA
GLASS	ISSUED	1/20/98	D389,375		USA
VENUS MARTINI	ISSUED	6/4/02	D458,083	6/4/16	USA
TRANSFER MECHANISM FOR GLASS ARTICLES	ISSUED	8/11/98	5,791,452	10/15/16	USA
HIGH CAVITY RATE PRESS MACHINE	ISSUED	12/22/98	5,851,257	6/26/16	USA
VALVE HAMPER ASSEMBLY	ISSUED	7/3/01	6,253,579	3/24/19	USA
COMMON CAGE ASSEMBLY	ISSUED	5/22/01	6,233,975	3/24/19	USA
COOLING SYSTEM FOR A GLASSWARE MACHINE	ISSUED	3/21/00	6,038,889	4/14/19	USA
GLASSWARE MACHINE (ROTARY TABLE)	ISSUED	3/9/04	6,701,748B1	8/13/21	USA
VACUUM PICK-UP OF SQUARE HOT GLASS ARTICLES	ISSUED	10/12/93	5,251,919	10/12/10	USA
VALVE HAMPER ASSEMBLY	ISSUED	8/8/02	2001/6588	2/23/20	SOAF
COMMON CAGE ASSEMBLY	ISSUED	8/8/02	2001/6587	2/23/20	SOAF
VENUS MARTINI	ISSUED	5/29/02	322409	4/7/18	SOKO
IMPROVED LOW MELTING GLASSES	ISSUED	9/23/87	2158062B	4/24/05	BRIT
VACUUM PICK-UP OF SQUARE HOT GLASS ARTICLES	ISSUED	6/28/93	2,099,292	6/28/07	CAND
VACUUM PICK-UP OF SQUARE HOT GLASS ARTICLES	ISSUED	3/16/99	577032	6/26/13	EPC
VACUUM PICK-UP OF SQUARE HOT GLASS ARTICLES	ISSUED	9/27/95	1972814	7/2/13	JAPN
VACUUM PICK-UP OF SQUARE HOT GLASS ARTICLES	ISSUED	7/26/96	182231	6/30/13	MEXO
VENUS MARTINI	ISSUED	11/6/02	149781	5/14/08	AUST
VENUS MARTINI	ISSUED	3/1/04	36502	5/14/17	ISRA
COMMON CAGE ASSEMBLY	ISSUED	2/23/03	ZL 00805385.5	2/23/20	CHIN
TRANSFER MECHANISM FOR GLASS ARTICLES	ISSUED	7/17/03	E226873	8/27/17	ARIA
VENUS MARTINI	ISSUED	5/29/03	2002 01273	5/29/07	TURK
VENUS MARTINI	ISSUED	3/4/04	16,090	5/29/17	MEXO
COMMON CAGE ASSEMBLY	ISSUED	7/29/02	TR200102431B	2/23/20	TURK
COOLING SYSTEM FOR A GLASSWARE MACHINE	ISSUED	3/16/02	2001/7717	3/16/20	SOAF
VENUS MARTINI STEMWARE	ISSUED	3/4/04	40204604.8	5/29/22	GERM
OLYMPIA ITEM 2437	ISSUED	11/16/95	77573	11/16/00	CAND
OLYMPIA ITEM 2437	ISSUED	2/9/96	418676-683	7/21/21	FRAN
OLYMPIA ITEM 2437	ISSUED	1/13/97	8587	6/22/10	MEXO
DOMAINE ITEM 8957,8995	ISSUED	2/7/97	79906	2/7/07	CAND
DOMAINE ITEM 8957, 8995	ISSUED	4/5/96	955929	10/30/20	FRAN
VENUS MARTINI STEMWARE	ISSUED	5/27/02	300 3949	5/25/27	UNK

Patent	Status	Issue Date	Patent Number	Expiration Date	Country
DOMAINE ITEM 8957, 8995	ISSUED	6/5/00	11457	11/17/10	MEXO
OLYMPIA ITEM 2436	ISSUED	6/22/95	8597	6/22/10	MEXO
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/25/97	AR 007484 B1	6/25/17	ARGT
HIGH CAVITY RATE PRESS MACHINE	ISSUED	12/1/04	ZL97195899.8	6/10/17	CHIN
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/97	207133	6/10/17	MEXO
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/97	US97/09830	6/10/17	PCT
HIGH CAVITY RATE PRESS MACHINE	ISSUED	2/24/99	97/4686	5/28/17	SOAF
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/97	14109	6/10/17	THAI
HIGH CAVITY RATE PRESS MACHINE	ISSUED	5/3/97	1998 01874	5/3/17	TURK
TRANSFER MECHANISM FOR GLASS ARTICLES	ISSUED	8/20/02	PI 9712313-7	8/27/17	BRAZ
TRANSFER MECHANISM FOR GLASS ARTICLES	ISSUED	11/21/01	97/15076	8/27/17	CHIN
TRANSFER MECHANISM FOR GLASS ARTICLES	ISSUED	5/26/99	97/7968	9/4/17	SOAF
TRANSFER MECHANISM FOR GLASS ARTICLES	ISSUED	5/21/01	TR 1999 00744B	8/27/17	TURK
GLASS	ISSUED	10/2/85	854593	10/2/10	FRAN
SYMMETRY TUMBLER	ISSUED	2/13/89	761514	2/13/04	JAPN
SYMMETRY TUMBLER	ISSUED	2/13/89	1/761514	2/13/04	JAPN
SPOUT FORMING ASSEMBLY AND METHOD THEREFOR	ISSUED	1/13/97	0 007 351	1/13/17	INDN
VENUS MARTINI STEMWARE	ISSUED	12/4/02	02 3266	5/27/07	FRAN
TRANSFER MECHANISM FOR GLASS ARTICLES	ISSUED	10/30/02	EP 0939689	8/27/17	EPC
TRANSFER MECHANISM FOR GLASS ARTICLES	ISSUED	2/10/03	27340	10/3/17	COLO
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	ARIA
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	BELG
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	97928003.9	6/10/17	IREL
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	ITLY
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	LUXM
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	MONA
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	NETH
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	PORT
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	SWED
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	SWIT
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	P69721767.1	6/10/17	GERM
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	DENM
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	SPAN
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	FINL
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	FRAN

Patent	Status	Issue Date	Patent Number	Expiration Date	Country
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	UNK
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/10/03	0907616	6/10/17	GREC
GLASSWARE MACHINE (ROTARY TABLE)	ISSUED	11/26/03	2003/1678	9/8/21	SOAF
APPARATUS & METHOD FOR FORMING A DECORATIVE PATTERN ON GLASSWARE	ISSUED	3/5/97	207122	3/5/17	MEXO
HIGH CAVITY RATE PRESS MACHINE	ISSUED	6/26/97	0 008 338	6/26/17	INDN
BAKEWARE (BOWL W/HANDLES)	ISSUED	8/25/03	14714	4/2/16	MEXO
VENUS MARTINI	ISSUED	7/27/03	99403	7/27/08	CAND
VENUS MARTINI	ISSUED	3/5/03	DI6201458-7	5/31/12	BRAZ
HIGH CAVITY RATE MACHINE	ISSUED	6/23/04	27702	6/23/17	COLO
TRANSFER MECHANISM FOR GLASS ARTICLES	ISSUED	3/31/98	MY-115110-A	3/31/18	MASA
COMMON CAGE ASSEMBLY	ISSUED	2/23/00	DE 660 10 065.0-08	2/23/20	GERM
TRANSFER MECHANISM FOR GLASS ARTICLES	ISSUED	4/15/04	ID 0 010 439	10/15/17	INDN
HIGH CAVITY RATE MACHINE	ISSUED	6/10/04	TR 1998 02674 B	6/10/17	TURK
APPARATUS AND METHOD FOR PUTTING DECORATION ON GLASSWARE	ISSUED	3/19/97	27790	3/19/17	COLO
HIGH CAVITY RATE MACHINE	ISSUED	7/16/04	3576173	7/10/17	JAPN
VALVE HAMPER ASSEMBLY	ISSUED	1/14/05	225,587	2/23/20	MEXO
COMMON CAGE ASSEMBLY	ISSUED	11/22/02	1171278	2/23/20	CYPR
COOLING SYSTEM FOR GLASSWARE MACHINE	ISSUED	11/22/02	230542	3/16/20	MEXO

Loan Party: Syracuse China Company

CHABLIS PLATE	ISSUED	4/8/2003	D472,770	4/8/2017	USA
ANTHEM PLATE	ISSUED	6/3/2003	D475,247	6/3/2017	USA
PLATE (COLUMBIA DESIGN)	ISSUED	8/12/2003	D478,252	8/12/2017	USA
JUSTINE PLATE	ISSUED	12/10/1996	D376,292	12/10/2010	USA
CASTLETON CUP	ISSUED	6/10/1997	D379,737	6/10/2011	USA
CASTLETON PLATE	ISSUED	12/10/1996	D376,293	12/10/2010	USA
PLATE	ISSUED	11/25/1986	D286,843	11/25/2000	USA
MUG	ISSUED	12/18/1994	D276,782	12/18/2008	USA
BELMONT CONDIMENT BOWL W/LID	ISSUED	8/25/1992	D328,836	8/25/2006	USA
BELMONT COFFEE POT W/LID	ISSUED	8/11/1992	D328,546	8/11/2006	USA
BELMONT TEAPOT W/LID	ISSUED	8/4/1992	D328,403	8/4/2006	USA
BELMONT CUP	ISSUED	7/21/1992	D328,006	7/21/2006	USA
BERKSHIRE DECAL	ISSUED	7/7/1992	D327,611	7/7/2006	USA
LAFAYETTE DECAL	ISSUED	7/14/1992	D327,811	7/14/2006	USA
PARK AVENUE DECAL	ISSUED	7/7/1992	D327,612	7/7/2006	USA
TAPESTRY DECAL	ISSUED	7/7/1992	D327,613	7/7/2006	USA
SCOTTSDALE DECAL	ISSUED	7/14/1992	D327,810	7/14/2006	USA
JUDSON DECAL	ISSUED	11/10/1992	D330,828	11/10/2006	USA
COLLETTE DECAL	ISSUED	12/31/1992	D337,482	7/20/2007	USA
STAFFORDSHIRE DINNER PLATE	ISSUED	7/20/1993	D337,485	7/20/2007	USA
FANFARE DINNER PLATE	ISSUED	7/6/1993	D337,025	7/6/2007	USA
QUANTUM (PLATE)	ISSUED	7/31/2001	D445,648	7/31/2015	USA
DUMONT DECAL	ISSUED	9/30/1992	D333,406	2/23/2007	USA

Patent	Status	Issue Date	Patent Number	Expiration Date	Country
STYLUS BOWL	ISSUED	11/8/1994	D352,207	11/8/2008	USA
STYLUS DECAL — RAVENNA	ISSUED	4/19/1994	D346,089	4/19/2008	USA
STYLUS PLATE	ISSUED	4/12/1994	D345,893	4/12/2008	USA
STYLUS CUP	ISSUED	10/4/1994	D351,086	1/4/2008	USA
PLATE	ISSUED	3/21/1995	D356,472	3/21/2009	USA
STYLUS BOUILLON CUP	ISSUED	4/12/1994	D345,895	4/12/2008	USA
TREVAL DECAL	ISSUED	8/1/1994	D349,210	8/2/2008	USA
QUADRA PLATE, ITEM 903333 033	ISSUED	12/22/1998	D402,854	12/22/2012	USA
QUADRA BOWL, ITEM 903333 002	ISSUED	12/22/1998	D402,852	12/22/2012	USA
QUADRA CUP, ITEM 903333 001	ISSUED	8/4/1998	D396,605	8/4/2012	USA
TRIUMPH PLATE	ISSUED	8/1/2000	D428,770	8/1/2014	USA
STUDIO BOWL	ISSUED	12/19/2000	D435,197	12/19/2014	USA
QUARTET PLATE	ISSUED	12/12/2000	D434,947	12/12/2014	USA
TOON PLATE	ISSUED	1/25/2000	D419,383	1/25/2014	USA
ANTHEM BOWL	ISSUED	6/24/2003	D476,195	6/24/2017	USA
CHABLIS BOWL	ISSUED	6/17/2003	D475,894	6/17/2017	USA
FANTASY BOWL	ISSUED	3/11/2003	D471,406	3/11/2017	USA
PLATTER (QUADRA)	ISSUED	3/11/2003	D471,405	3/11/2017	USA
PLATE (ANTHEM)	ISSUED	5/27/2003	D474,941	5/27/2017	USA
SKILLET (CANTINA)	ISSUED	2/18/2003	D470,358	2/18/2017	USA
CUP (ANTHEM)	ISSUED	3/5/2002	D482,237	11/18/2017	USA
CUP (ANTHEM W/BAND DESIGN)	ISSUED	10/8/2002	D463,954	10/8/2016	USA
PLATE (QUADRA TRIANGLE DESIGN)	ISSUED	8/19/2003	D478,476	8/19/2017	USA
PLATE (EDGE DESIGN)	ISSUED	4/8/2003	D472,768	4/8/2017	USA
PLATE (ORBIT)	ISSUED	5/27/2003	D474,940	5/27/2017	USA
TRAY (CHI-FU YING YANG)	ISSUED	3/18/2003	D471,765	3/18/2017	USA
TRAY (CHI-FU SUSHI)	ISSUED	6/24/2003	D476,194	6/24/2017	USA
MAJESTY HARMONY BOWL	ISSUED	8/17/2004	D494,420S	8/17/2018	USA
CHABLIS PASTA BOWL	ISSUED	12/7/2004	D499,307S	12/7/2018	USA
ANTHEM (PLATTER)	ISSUED	11/16/2004	D498,391	11/16/2018	USA
TAPAS PLATE	ISSUED	2/22/2005	D502,058S	2/22/2019	USA
ANTHEM SQUARE PLATE	ISSUED	5/4/2004	D489,227S	5/4/2018	USA
PLATE	ISSUED	1/31/2006	D513,935		USA
PLATE	ISSUED	1/31/2006	D513,934		USA
BOWL	ISSUED	11/29/2005	D511,939		USA
PROCESS FOR GLAZING CHINAWARE ARTICLE	ISSUED	11/11/2003	6,645,561	2/25/2022	USA
CHABLIS UTOPIA PLATE	ISSUED	12/20/05	D512,876	12/20/19	USA
SASSY PLATE	ISSUED	6/7/05	D505,834S	6/7/19	USA
VESUVIUS PLATE	ISSUED	10/13/04	D514,889S	2/14/20	USA
GIBRALTAR (PLATE)	ISSUED	9/29/00	2,094,798		BRIT
GIBRALTAR (BOWL)	ISSUED	9/29/00	2,094,799		BRIT
GIBRALTAR (MUG)	ISSUED	9/29/00	2,094,801		BRIT
GIBRALTAR (PLATTER)	ISSUED	9/29/00	2,094,800		BRIT
GIBRALTAR (CUP)	ISSUED	9/29/00	2,094,802		BRIT
GIBRALTAR (DISH)	ISSUED	9/29/00	2,094,803		BRIT

Loan Party: World Tableware Inc.

FISH FLATWARE SPOON	ISSUED	5/20/03	D474,945	5/20/17	USA

Patent	Status	Issue Date	Patent Number	Expiration Date	Country
FISH FLATWARE FORK	ISSUED	5/20/03	D474,657	5/20/17	USA
FISH FLATWARE KNIFE	ISSUED	5/20/03	D474,656	5/20/17	USA
SEAFOOD SHAKER HOLDER	ISSUED	1/13/04	D485,130S	1/13/18	USA
AMULET FLATWARE KNIFE	ISSUED	2/18/03	D470,367	2/18/17	USA
AMULET FLATWARE SPOON	ISSUED	11/19/02	D465,702	11/19/16	USA
KNIFE	ISSUED	9/28/04	D496,562		USA
Loan Party: Traex Company					
BAR CONDIMENT TRAY	ISSUED	2/2/93	D332,895	2/2/07	USA
OVENABLE FOOD TRAY	ISSUED	7/15/97	D380,937	7/15/11	USA
DISHWASHER RACK CONSTRUCTION	ISSUED	4/27/04	6,726,031B2	2/23/22	USA
DISHWASHER RACK EXTENDER HAVING CONNECTOR PINS	ISSUED	3/25/02	6,634,510	3/25/22	USA
BOTTLE HAVING MULTIPLE OUTLETS	ISSUED	5/11/04	6,732,888B1		USA
ADJUSTABLE CUP DISPENSER	ISSUED	9/14/04	6,789,697	9/14/24	USA
FOOD TRAY	ISSUED	12/4/98	85,265		CAND

Patent Application	Status	Application Filing Date	Application Serial Number	Country
Loan Party: Libbey Glass Inc.				
GIBRALTAR PLASTIC TUMBLER	APPLN FILED	4/28/04	29/204,323	USA
BIG MOUTH JAR	APPLN FILED	11/4/04	29/219,121	USA
VALVE HAMPER ASSEMBLY	APPLN FILED	2/23/00	PCT/US00/04539	PCT
TEMPERATURE CONTROL SYSTEM	APPLN FILED	3/14/00	PCT/US 00/04531	PCT
APPARATUS & METHOD FOR FORMING A DECORATIVE PATTERN	APPLN FILED	3/15/97	PCT/US97/03432	TURK
COOLING SYSTEM FOR A GLASSWARE MACHIN	APPLN FILED	7/3/02	00806201.3	CHIN
VALVE HAMPER ASSEMBLY	APPLN FILED	2/28/00	UNKNOWN	CHIN
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	8/5/02	97940642.8	NETH
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	7/17/02	97940642.8	SWIT
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	7/17/02	97940642.8	SWED
COMMON CAGE ASSEMBLY	APPLN FILED	3/14/00	PCT/US 00/04544	PCT
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	7/17/02	97940642.8	SPAN
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	7/17/02	97940642.8	PORT
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	7/17/02	97940642.8	BELG
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	7/17/02	97940642.8	LUXM
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	7/17/02	97940642.8	FINL
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	7/17/02	97940642.8	GREC
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	7/17/02	97940642.8	IREL

Patent Application	Status	Application Filing Date	Application Serial Number	Country
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	7/17/02	97940642.8	ITLY
HIGH CAVITY RATE PRESS MACHINE	APPLN FILED	6/25/97	PI9710039-0	BRAZ
HIGH CAVITY RATE PRESS MACHINE	APPLN FILED	6/10/97	08/670,973	COLO
HIGH CAVITY RATE PRESS MACHINE	APPLN FILED	6/10/97	08/670,973	INDA
HIGH CAVITY RATE PRESS MACHINE	APPLN FILED	6/10/97	08/670,973	INDN
HIGH CAVITY RATE PRESS MACHINE	APPLN FILED	6/10/97	08/670,973	JAPN
HIGH CAVITY RATE PRESS MACHINE	APPLN FILED	6/10/97	08/670,973	MALA
HIGH CAVITY RATE PRESS MACHINE	APPLN FILED	6/10/97	08/670,973	VENZ
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	5/26/99	08/730,071	JAPN
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	5/26/99	08/730,071	MEXO
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	5/26/99	97940642.8	PCT
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	5/7/04	191998	INDA
GLASSWARE MACHINE (ROTARY TABLE)	APPLN FILED	11/14/02	PCT/US01/42045	PCT
TRANSFER MECHANISM FOR GLASS ARTICLES	APPLN FILED	7/17/02	97940642.8	MONA
Loan Party: Syracuse China Company				
PLATE (HEART DESIGN)	APPLN FILED	5/17/2002	29/159,718	USA
PLATE (CASCADE DESIGN)	APPLN FILED	4/18/2002	29/159,073	USA
BOWTIE & OVAL COUPE PLATES	APPLN FILED	12/6/2004	29/222,467	USA
CRESCENT COUPE PLATE	APPLN FILED	1/26/2005	29/222,129	USA
PROCESS FOR GLAZING CHINAWARE ARTICLE	APPLN FILED	11/22/02	UNKNOWN	PCT
PROCESS FOR GLAZING CHINAWARE ARTICLE	APPLN FILED	1/23/03	UNKNOWN	THAI
PROCESS FOR GLAZING CHINA DINNERWARE	APPLN FILED	1/10/03	02828300.7	CHIN
Loan Party: World Tableware Inc.				
CASCADE SPOON	APPLN FILED	11/14/05	29/242,663	USA
CASCADE KNIFE	APPLN FILED	11/14/05	29/242,699	USA
EUROPEAN STEAK KNIFE	APPLN FILED	9/29/2003	29/190,911	USA

C. Copyrights

Copyright	Date Issued	Serial Number	Country
Loan Party: Syracuse China Company			
FRIENDLYS I	04/02/93	VA 996-589	USA
FRIENDLYS II	04/02/93	VA 996-590	USA
TREVAL	12/16/91	VA482052	USA

Copyright	Date Issued	Serial Number	Country
RAVENNA	12/16/91	VA482051	USA
THE STYLUS COLLECTION	12/16/91	TX3200044	USA
SCOTTSDALE	09/17/90	VA425366	USA
BERKSHIRE PATTERN/TREMONT SHAPE	09/17/90	VA424701	USA
COMPTON, TURINA SHAPE	01/09/91	VA435465	USA
COLLETTE	03/27/90	VA393501	USA
JUDSON	03/09/90	VA391832	USA
SYRALITE BODY FROM SYRACUSE CHINA MATCHES BRILLIANT BEAUTY WITH LASTING STRENGTH	05/03/90	TX2789984	USA
CHANTELLE	10/13/89	VA370690	USA
TAPESTRY	10/13/89	VA370683	USA
LENORE	09/26/89	VA364209	USA
MAYMONT	09/26/89	VA364208	USA
MARISA	05/01/89	VA346512	USA
HYATT ORLANDO	05/01/89	VA346511	USA
PONTE VERDE	05/01/89	VA346510	USA
KEY BISCAYNE GREAT PLATE	09/21/82	VA211078	USA
BEAUVAL FLORAL DESIGN	09/21/82	VA139016	USA
BEAUVAL FLORAL DESIGN	09/21/82	VA139015	USA
BEAUVAL FLORAL DESIGN	09/21/82	VA139014	USA
BEAUVAL FLORAL DESIGN	09/21/82	VA139013	USA
THE PERCEIVED VALUE OF TABLETOP ARCHITECTURE	UNKNOWN	TX1127211	USA
CUSTOM BY SYRACUSE CHINA	09/21/82	TX1127210	USA
GIBRALTAR COOK N'SERVE CHINA: A HOSPITALITY GROUP BY SYRACUSE CHINA: LET OVEN LOV	09/21/82	TX1127209	USA
303 MENU IDEAS	09/21/82	TX1127208	USA
THE PERCEIVED VALUE OF TABLETOP ARCHITECTURE	09/21/82	TX1127207	USA
THE FEATURE PLATE	09/21/82	TX1116893	USA
HOSPITALITY PORTFOLIO/BY SYRACUSE CHINA	12/18/81	TX842460	USA
MESA GRANDE	12/18/81	TX842454	USA
KING'S INN	12/18/81	TX842453	USA
OPERATION COST CONTAINMENT: ARE MANAGER ACTION PROGRAM MANUAL	08/25/78	TX94376	USA
CARLTON NARROW RIM DINNERWARE	UNKNOWN	VA245549	USA
HOTEL DUPONT	UNKNOWN	VA346513	USA
ARTIFACTS	08/12/92	VA 991-653	USA
COMBO	08/12/92	VA 991-654	USA
ISLAND	08/12/92	VA 991-652	USA

Schedule 3.06

Disclosed Matters

1. Owens-Illinois has been named as a potentially responsible party or other participant in connection with certain waste disposal sites to which we also may have shipped wastes prior to June 24, 1993, the date of Libbey's initial public offering and separation from Owens-Illinois, Inc. (Owens-Illinois). We may bear some responsibility in connection with those shipments. Pursuant to an indemnification agreement between Owens-Illinois and Libbey, Owens-Illinois has agreed to defend and hold us harmless against any costs or liabilities we may incur in connection with any such matters identified and pending as of June 24, 1993, and to indemnify us for any liability that results from these matters in excess of $3 million. We believe that if it is necessary to draw upon this indemnification, collection is probable.

2. Pursuant to the indemnification agreement referred to above, Owens-Illinois is defending us with respect to the King Road landfill. In January 1999, the Board of Commissioners of Lucas County, Ohio instituted a lawsuit against Owens-Illinois, Libbey and numerous other defendants. (Fifty-nine companies were named in the complaint as potentially responsible parties.) In the lawsuit, which was filed in the United States District Court for the Northern District of Ohio, the Board of commissioners sought to recover contribution for past and future costs incurred by the County in response to the release or threatened release of hazardous substances at the King Road landfill formerly operated and closed by the County. The Board of Commissioners dismissed the lawsuit without prejudice in October 2000. At the time of the dismissal, the parties to the lawsuit anticipated that the Board of Commissioners would refile the lawsuit after obtaining more information as to the appropriate environmental remedy. As of this date, it does not appear that refiling of the lawsuit is imminent. In view of the uncertainty as to refiling of the suit, the numerous defenses that may be available against the County on the merits of its claim for contribution, the uncertainty as to the environmental remedy, and the uncertainty as to the number of potentially responsible parties, it currently is not possible to quantify any exposure that Libbey may have with respect to the King Road landfill.

Schedule 3.14
Insurance

POLICY	INSURER/POLICY #	COVERAGE	LIMITS/DEDUCTIBLES
Property and Business Interruption	FM Global NC059 25050 Country Club Blvd North Olmstead, OH 44070	All Risk including Fire, Extended Coverage, Boiler & Machinery and Difference-In-Conditions (DIC) Perils	Policy Limit : $965,617,000 Except: (A) $500,000,000 for Time Element (B) Flood — Sublimit $100,000,000 Except — $1,000,000 Miscellaneous Unnamed Locations and Errors and Omissions (C) Earth Movement — Sublimit $100,000,000 Except California $5,000,000; and other sub-limits apply (D) Various Coverage Extensions are subject to Sublimits ranging from $250,000 to $25,000,000 (E) $5,000,000 Certified Terrorism * (F) $250,000,000 Non-Certified Terrorism w/various sub-limits * Deductibles : (A) Glass Furnaces - $250,000/PD; 5 Days' Equiv. Time Element/Min. $500,000 (B) Boiler & Machinery - $250,000 PD/BI (C) Property in Transit - $100,000 (D) CA Earth Movement - 5% of Values/Min $500,000 (E) Flood — Location 2 - $500,000 combined PD/BI (F) Wind — High Hazard Zones - 3% of Values/Min $500,000 (G) Railroad Rolling Stock - $50,000 (H) All Other Losses - $250,000 combined PD/BI

*Certified Terrorism: internationally instigated terrorism acts on U.S. soil that are certified by the secretary of treasury of the United States as covered events (under the federal Terrorism Risk Insurance Act of 2002.

*Non-Certified Terrorism: an act that is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002-see Supplemental United States Non Certified Act of Terrorism Endorsement made part of the policy.

POLICY	INSURER/POLICY #	COVERAGE	LIMITS/DEDUCTIBLES
3 rd Party Liability under Construction All-Risk Coverage 8/1/05-12/31/06	Ping An Property & Casualty Insurance Company of China, Ltd. #105380011305000012 International Marine & Finance Center Pudong Dadao Shanghai 200120 P.R. China	Indemnify the insured against all sums which the Insured shall become liable to pay including: Accidental death, bodily injury, or industrial illness. Accidental loss or damage to property in connection with the Insured Contracts.	Bodily injury, per person — $200,000 RMB Bodily injury, per accident — $1,500,000 RMB Property damage, per accident — $1,500,000 RMB Aggregate — $5,000,000 RMB
Insured Workers' Compensation	Travelers Property Casualty Company YJ-UB-930K5177-05 300 Windsor St. Hartford, CT 06120	Covers fully insured statutory benefits such as compensation, medical benefits and rehabilitation costs incurred as a result of work- related injuries or diseases as defined by state compensation laws. (All states except CA, LA, OH, NY, ND and the monopolistic fund states of WA, WV & WY)	<u>Policy Limits</u> : Workers' Compensation — Statutory Employers' Liability — $1,000,00
Self-Insured Excess Workers' Compensation	Safety National Casualty Corp. SP-9852-OH 2043 Woodland Pkwy. St. Louis, MO 63146	Covers self-insured benefits such as compensation, medical benefits and rehabilitation costs incurred as a result of work- related injuries or diseases as defined by state compensation laws. (Ohio, California, New York and Louisiana)	<u>Policy Limit</u> : Statutory — Workers' Compensation Employers' Liability — $1,000,000 <u>Self-Insured Retention</u> : $500,000 (State of NY) $1,000,000 (CA, LA, OH)
Comprehensive General Liability Including Products	Landmark American Ins. Co. LHA103355 945 E. Paces Ferry Rd. Atlanta, GA 30326	Covers liability for damage because of personal injury or property damage caused by an occurrence.	<u>Policy Limit</u> : $800,000 Per Occurrence $2,000,000 General Aggregate Per Location $800,000 Products Aggregate

POLICY	INSURER/POLICY #	COVERAGE	LIMITS/DEDUCTIBLES
			Self-Insured Retention : $200,000 Occurrence/ $700,000 Aggregate Indemnity and Allocated Claims Expenses Policy Limit :
Business Auto - U.S.	Travelers Property Casualty Company Y-810-930K5177-TIL-05 One Tower Square Hartford, CT 06183 TX Auto Policy Charter Oak Fire Ins. YO-CAP-9.0K5177-TIL-05 One Tower Square Hartford, CT 06183	Covers liability arising out of the ownership, maintenance or use of Libbey Inc. vehicles in the U.S. (does not include physical damage for owned or leased vehicles)	$1,000,000 BI/PD per Occurrence $ 500,000 UM/UIM Each Accident - All States Except Ohio $ 25,000 UM/UIM Each Accident - Ohio Autos
Business Auto - Canadian	ING Insurance Company of Canada 730500294 and 564929547 75 Eglinton Ave. E Toronto, Ontario Canada M4P 3A4	Libbey Canada Inc.	$2,000,000 (Canadian) Per Occurrence $2,000,000 (Canadian) 3 rd Party Liability
Exporter's Package: Foreign Property	Great Northern Ins. Co. 73207715 15 Mountain View Rd. Warren, NJ 07059	All Risk of Physical Loss to Property situated at: Frankfurt, Germany Monterrey, Mexico	Policy Limit : $200,000 $ 40,000 Deductible : $ 1,000

POLICY	INSURER/POLICY #	COVERAGE	LIMITS/DEDUCTIBLES
Foreign Coml. General Liability Including Products, Automobile Liability & Voluntary Compensation	Great Northern Ins. Co. 73207715 15 Mountain View Rd. Warren, NJ 07059	Covers liability for damage because of personal injury or property damage caused by an occurrence outside of the United States, including Excess & D.I.C. coverage for Royal Leerdam	Policy Limit : Statutory Per State of Hire — Voluntary Compensation Liability — $1,000,000 per Occurrence and Aggregate
Umbrella	Continental Casualty #CUP2057315977 CAN Plaza Chicago, IL 60685 Federal Ins. Co. #79090414 15 Mountain View Rd. Warren, NJ 07059 Fireman's Fund #XTM00087062139 P.O. Box 777 Novato, CA 94998	Covers liability for damages because of personal injury, property damage or advertising offense in excess of coverage provided by scheduled underlying policies.	Policy Limit : $100,000,000
Worldwide Transportation	Hartford Fire #45CTPCN7688 Hartford Plaza Hartford, CT 06115	Covers goods in transit between Continental U.S. and points outside the Continental U.S. for which the insured has an interest Subject to Annual Audit	Policy Limit : $3,000,000 - Mail/Parcel Post Sublimit $500,000 - Land Shipments to/from Mexico Sublimit $100,000 Deductible : $1,000, except $2,500 Mexico

POLICY	INSURER/POLICY #	COVERAGE	LIMITS/DEDUCTIBLES
Directors & Officers' Liability	AIG 492-62-49 175 Water St. New York, NY 10038	(A) Pays the loss of Directors and Officers (D & O) arising from a claim made against the D & O for any wrongful act. (B)(i) Pays the loss of Libbey arising from a securities claim made against Libbey for a wrongful act (Entity Coverage). (B)(ii) Pays the loss of Libbey arising from a claim made against a D & O for any wrongful act, but only to the extent that Libbey has indemnified the D & O. (C) Pays the loss of any D & O serving at the direction of Libbey on any not-for-profit organization board or any endorsed for profit organization board, but only excess of any coverage offered or indemnification provided.	Policy Limit : $15,000,000, Inclusive of Defense costs Deductibles : $750,000 Securities Claims $500,000 Employment Practices Claims $500,000 all other claims
Directors & Officers' Liability Excess	Twin City Fire Insurance Co. 00 DA 0225278 05 15 Mountain View Warren, NJ 0059	Covers liability of primary D & O policy.	Policy Limit: $10,000,000 excess $15,000,000
Pension Trust Liability	AIG 492-62-59 175 Water Street New York, NY 10038	Pays loss of an insured arising from a claim against the insured for any actual or alleged breach of fiduciary duty arising solely out of the insured's capacity as a a fiduciary as defined by ERISA.	Policy Limit : $10,000,000 Inclusive of Defense costs Deductible : $100,000 Each Loss except $500,000 each loss in Connection with Libbey securities

POLICY	INSURER/POLICY #	COVERAGE	LIMITS/DEDUCTIBLES
Pension Trust Excess Policy	Twin City Fire Insurance Co. 6801-1054 15 Mountain View Warren, NJ 07059	Covers liability for loss or damage excess of underlying Fiduciary Policy.	Policy Limit : $10,000,000 excess of $10,000,000
Crime	National Union 004926184 70 Pine Street New York, NY 10270	Indemnifies Libbey for loss of Assets	Policy Limit : $10,000,000 Deductible : $100,000
Special Crime 7/1/05 — 7/1/08	AIG 647-5922 2704 Commerce Drive Harrisburg, PA 17110	Ransom Monies — Annual Aggregate In-Transit/Delivery Expenses Judgments, Settlements & Defense Cost Death or Dismemberment — Per Person Death or Dismemberment — Per Incident Recall Expenses Business Interruption — Each Loss & Aggregate Deductible Kidnap and Ransom/Extortion Business Interruption	$10,000,000 $10,000,000 $10,000,000 $10,000,000 $ 250,000 $ 1,000,000 $ 5,000,000 $ 5,000,000 None 6 Hours
Employment Practices Liability	National Union Fire Ins. Co. 492-62-78	Protects company from claims resulting from wrongful acts arising from employment practices such as	Deductible: $150,000 Policy Limit : $5,000,000

POLICY	INSURER/POLICY #	COVERAGE	LIMITS/DEDUCTIBLES
Insurance	175 Water Street New York, NY 10038	termination, discrimination, sexual Harassment, failure to employ or promote.	
1 st Flex Excess Liability	Executive Risk Indemnity Inc. 8166-5050 82 Hopmeadow Street Simsbury, CT 06070	Covers Liability for loss or damage excess of underlying Director's and Officer's Liability, Fiduciary Liability, Crime, EPLI and Kidnap and Ransom policies	Policy Limit : $15,000,000
2 nd Flex Excess Liability	St. Paul Mercury Insurance Co. 534CM0350 One Tower Square Hartford, CT 06183	Covers Liability for loss or damage excess of underlying Director's and Officer's Liability, Fiduciary Liability, Crime, EPLI and Kidnap and Ransom and 1 st Flex Excess policies	Policy Limit : $15,000,000
Group Travel Accident 4-30-05 to 4-30-06	Hartford One Tower Square Hartford, CT 06183	Provides scheduled benefits to Officers, Salaried and Non-Union Hourly employees for accidents while traveling on company business: excluding every day travel to and from work.	Policy Limit : $10,000,000 Benefit Schedules : (a) $500,000 for all active, full time Officers and Salaried employees with a job level over 10. (b) $350,000 for all active, full time Salaried employees with a job level between 7 and 10. (c) $200,000 for all active, full time Salaried and Non-Union Hourly employees and U.S. employees of foreign subsidiaries or affiliates with job level of 6 or less. Deductible : None Basis : Accidental Death or Dismemberment Schedule

Note: The above policies cover all Domestic Loan Parties.

Local coverages for B.V. Koninklijke Nederlandsche Glasfabriek Leerdam shown below:

Coverage:	INSURER/POLICY#	COVERAGE	LIMITS/DEDUCTIBLES
Primary Liability — Claims Made Renewal Date: 1/1/07	ACE 621578804	Territory — World 3 Months Cancellation Requirement Terrorism Asbestos Retroactive Clause	Limits: Third Party Liability: € 1,000,000 Bodily Injury — per Claim € 2,000,000 Bodily Injury — Annual Aggregate € 1,000,000 Material Damage — per Claim € 2,000,000 Material Damage — Annual Aggregate 25,000 Deductible Products Liability: € 1,000,000 Bodily Injury — per Claim € 2,000,000 Bodily Injury — Annual Aggregate € 1,000,000 Material Damage — per Claim € 2,000,000 Material Damage — Annual Aggregate 25,000 Deductible Employer's Liability € 1,000,000 per Claim, per Person € 2,000,000 Annual Limit 25,000 Deductible Environmental Impairment Liability € 1,000,000 per Claim € 2,000,000 Annual Limit

Coverage:	INSURER/POLICY#	COVERAGE	LIMITS/DEDUCTIBLES
WAO — Gap Insurance Renewal Date: 1/1/07	Amersfoortse 22-0115957	Coverage: In case of sickness the employee receives payment according to the disablement act. This means for the first year they will receive 70% of their latest salary, even if the average minimum wage is less then 70%. This insurance will fill the gap.	Conditions: 36 month policy term 2 month cancellation requirement In some cases agreements have been made between employers and employees that the sick employee receives 100% of the salary last earned. The second year of sickness the maximum amount paid is 70% of the last earned salary.
WAO — Excess Insurance Renewal Date: 1/1/09	Amersfoortse 22-0024307	Income in case of disablement	Conditions: 60 month policy term 3 month cancellation requirement Age of cancellation is 65 years First two years are deductible
Transit Marine Insurance Renewal Date: 1/1/07	Fortis 36104922	Glass — Including Machinery & Equipment; Raw Materials	3 month cancellation requirement Territory — Worldwide Advance Premium based on total estimated turnover
Group Accident Insurance Renewal Date: 2/28/07	W.A. Hienfeld 525,403	All employees on the payroll of the insured not older than 70 years, provided that they are living in the Netherlands Sum Insured: € 125,000 Death due to Accident € 250,000 Permanent Disablement	3 month cancellation Territory — Netherlands
Travel Insurance Renewal Date: 1/1/07	W.A. Hienfeld 525815	Coverage: € 15,000 Death, except for: € 3,000 Death, persons younger than 14 or older than 69 € 60,000 Disability, except for: € 75,000 Disability, persons younger than 14 years € 7,500 Disability, person older than 69 years € Actual Cost Medical costs, except US & Canada	3 month cancellation requirement Territory — World

Coverage:	INSURER/POLICY#	COVERAGE	LIMITS/DEDUCTIBLES
		€ 250,000 Medical costs; US & Canada € Actual Cost Extra costs, including Replacement Transportation — nil SOS Assistance € Actual Cost Repatriation € 3,000 Theft — loss or damage to luggage € 750 Money	
Group Survivor's Pension Scheme Renewal Date: 1/1/07	Goudes 7064	**Group Survivor's Pension Scheme**	3 month cancellation requirement Every Employee has their own policy

Schedule 3.15
Capitalization and Subsidiaries

Part A:

Entity	Jurisdiction of Incorporation	Type of Entity	Direct Parent(s)	Ownership by Holdings (Direct/Indirect)
Libbey Glass Inc. (“Libbey Glass”)	Delaware	Corporation	Libbey Inc.	Direct 100%
The Drummond Glass Company	Delaware	Corporation	Libbey Glass	Indirect 100%
World Tableware Inc.	Delaware	Corporation	Libbey Glass	Indirect 100%
LGA3 Corp.	Delaware	Corporation	Libbey Glass	Indirect 100%
LGA4 Corp.	Delaware	Corporation	Libbey Glass	Indirect 100%
Libbey Canada Inc.	Ontario, Canada	Corporation	Libbey Glass	Indirect 100%
Syracuse China Company	Delaware	Corporation	Libbey Glass	Indirect 100%
Libbey.com LLC	Delaware	Limited Liability Company	Libbey Glass	Indirect 100%
LGFS Inc.	Delaware	Corporation	Libbey Glass	Indirect 100%
LGAC LLC	Delaware	Limited Liability Company	Libbey Glass	Indirect 100%
Traex Company	Delaware	Corporation	Libbey Glass	Indirect 100%
LGC Corp	Delaware	Corporation	Libbey Glass	Indirect 100%
Libbey International C.V.	The Netherlands	Limited Partnership	Libbey Glass LGA3 Corp.	Indirect 100%
Libbey Europe B.V.	The Netherlands	Private Company	Libbey International C.V.	Indirect 100%
B.V. Koninklijke Nederlandsche Glasfabriek Leerdam (“Royal Leerdam”)	The Netherlands	Private Company	Libbey Europe B.V.	Indirect 100%
B.V. Leerdam Crystal	The Netherlands	Private Company	Royal Leerdam	Indirect 100%
Libbey Europe Finance Company B.V.	The Netherlands	Private Company	Libbey International C.V.	Indirect 100%
Libbey Mexico Holdings B.V.	The Netherlands	Private Company	Libbey Europe B.V.	Indirect 100%
Libbey Mexico S de R.L. de C.V.	Mexico	Limited Liability Company	Libbey Mexico Holdings B.V.	Indirect 100%
Vitocrisa Holding S. de R.L. de C.V.	Mexico	Limited Liability Company	Libbey Mexico S de R.L. de C.V. Royal Leerdam	Indirect 100%

Entity	Jurisdiction of Incorporation	Type of Entity	Direct Parent(s)	Ownership by Holdings (Direct/Indirect)
Vitocrisa S. de R.L. de C.V.	Mexico	Limited Liability Company	Vitocrisa Holding S. de R.L. de C.V. Libbey Europe B.V.	Indirect 100%
Vitrocrisa Comercial S. de R.L. de C.V.	Mexico	Limited Liability Company	Vitocrisa Holding S. de R.L. de C.V. Libbey Europe B.V.	Indirect 100%
Crisa Libbey S.A. de C.V.	Mexico	Corporation	LGA4 Corp. LGA3 Corp.	Indirect 100%
Crisa Industrial LLC	Delaware	Limited Liability Company	LGA4 Corp. LGA3 Corp.	Indirect 100%
Crisal-Cristalaria Automática, S.A.	Portugal	Corporation	Libbey Europe B.V.	Indirect 95%
Libbey Asia Limited	Hong Kong	Private Company	Libbey Glass Inc.	Indirect 100%
Libbey Glassware (China) Co., Ltd.	China	Wholly Owned Foreign Entity	Libbey Asia Limited	Indirect 100%

Part B:

1.

Borrower	Outstanding Equity Interests
Libbey Glass Inc.	100 shares of common stock
The Drummond Glass Company	1,000 shares of comon stock
World Tableware Inc.	100 shares of common stock
LGC Corp.	100 shares of common stock
LGA4 Corp.	100 shares of common stock
Syracuse China Company	100 shares of common stock
Traex Company	100 shares of common stock
LGFS Inc.	100 shares of common stock
LGA3 Corp.	100 shares of common stock
Liberty Canada Inc.	100 shares of common stock
Libbey Europe B.V.	5,711 shares of common stock
B.V. Koninklijke Nederlandsche Glasfabriek Leerdam (“Royal Leerdam”)	4,100 shares of common stock
B.V. Leerdam Crystal	35,000 shares of common stock
Libbey Europe Finance Company B.V.	900 shares of common stock
Libbey Mexico Holdings B.V.	900 shares of common stock

2. The warrants issued in connection the Senior Subordinated Secured Pay-in-Kind Notes due 2011 issued on the Effective Date pursuant to the Third Lien Senior Notes Indenture.

Schedule 5.17
Post-Closing Matters

None.

Schedule 6.01
Existing Indebtedness

1. Loan from Libbey International C.V. to Libbey Europe Finance Company B.V. in an original principal amount of $38,801,963.

2. Loan from Libbey International C.V. to Libbey Europe Finance Company B.V. in an original principal amount of $112,747,132.

3. Loan from Libbey Europe Finance Company B.V. to Libbey Europe B.V. in an original principal amount of $35,282,257.

4. Loan from Libbey Europe Finance Company B.V. to Libbey Europe B.V. in an original principal amount of $112,747,132.

5. Loan from Libbey Mexico Holdings B.V. to Libbey Mexico S de R.L. de C.V. in an original principal amount of $112,747,132.

6. Indebtedness of Crisal-Cristalaria Automática, S.A. including: (a) Capital Lease Obligations; (b) a line of credit with Fortis Bank; (c) a non-interest bearing API loan and (d) an intercompany loan from Libbey Europe B.V. in an aggregate principal amount of approximately (as of December 31, 2005):

DESCRIPTION		**BALANCE 12/31/2005**
Fortis bank line of credit	€	(1,427,646.75)
Capital Leases	€	(1,860,707.19)
API loan non-interest bearing	€	(1,785,324.24)
Libbey Europe intercompany note	€	(10,762,678.35)
Balance before considering any repayment	€	(15,836,356.53)

7. Indebtedness in respect of the obligation to purchase the remaining 5% of the outstanding equity interests of Crisal-Cristalaria Automática, S.A. and obligations relating to the earn-out relating thereto in 2008 for approximately $6,050,000.

8. Indebtedness in respect of the promissory note issued in connection with the purchase of the warehouse facility located in Laredo, Texas (outstanding principal amount as of December 31, 2005 approximately $2,131,000).

9. Guarantees of Libbey Inc. in respect of certain obligations under: (a) the Amended and Restated Agreement for Provision of Electrical Power Generation Capacity and Associated Electrical Energy, dated December 15, 1999, between Vitro Corporativo, S.A. de C.V., Enron Energía Industrial de Mexico, S. de R.L. de C.V., and the capacity users named therein; (b) the Electric Energy Supply Agreement, dated March 28, 2003, between Iberdrola Energía Monterrey, S.A. de C.V., Vitrocrisa and Vidriera Monterrey, S.A. de C.V. and (c) the Lease Agreement, dated February 17, 2004, between Constructora de Naves Industriales, S.A. de C.V., as lessor, and Fomento Inmobiliario y de la Construcción, S.A. de C.V., as lessee, in respect of the plant, warehouse (47,288 sq. meters), distribution center and offices located the land located at Av. San Nicolas No. 2121, Colonia Primero de Mayo, Monterrey, State of Nuevo Leon, Mexico.

10. The following letters of credit of Libbey Glass Inc. (amounts current as of May 22, 2006):

Balance	Beneficiary	Reference Number
$1,000,000.00	Louisiana Department of Labor Office of Workers' Compensation	**3048310** Bank of America
$7,381,298.00	State of New York Workers' Compensation Board	**3048312** Bank of America
$ 30,000.00	State of New York Workers' Compensation Board Self-Insurance Office	**3048313** Bank of America
$ 32,198.00	41 Madison LP c/o Rudin Management Company	**3055241** Bank of America
$8,443,496.00	Total Existing LC's	

Schedule 6.02
Existing Liens

1. Liens in respect of the Indebtedness described in #’s 4, 6 and 8 on Schedule 6.01.

2. The liens with respect to warrants issued in connection the Senior Subordinated Secured Pay-in-Kind Notes due 2011 issued on the Effective Date pursuant to the Third Lien Senior Notes Indenture.

I. LIBBEY, INC.

DEBTOR	SECURED PARTY	JURISDICTION	FILING NO. & DATE	COLLATERAL
Libbey Inc.	Computer Sales International, Inc.	Delaware	11390793 10/15/2001	Items Listed on Exhibit A of Equipment Schedule One to Master Lease No. 186392 (Exhibit A — Not Attached)
Libbey Inc.	Deutsche Financial Services	Delaware	20222632 12/28/2001	Items Listed on Exhibit A of Equipment Schedule Two to Master Lease No. 186392 (IBM 9406-830)
Libbey Inc.	General Electric Capital Corporation	Delaware	22427197 9/24/2002	Cessna Citation S550
Libbey Inc.	Computer Sales International, Inc.	Delaware	40455529 1/30/2004	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Three to Master Lease No. 186392
Libbey Inc.	Bank Financial F.S.B.	Delaware	41153172 4/8/2004	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Four to Master Lease No. 186392; Amended to include items listed in Exhibit A of 42426585
Libbey Inc.	Bank Financial F.S.B.	Delaware	41818543 9/23/2004	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Five to Master Lease No. 186392; Amended to include items listed in Exhibit A of 43441534
Libbey Inc.	CSI Leasing, Inc.	Delaware	42777326 10/4/2004	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Six to Master Lease No. 186392; Amended to include items listed in Exhibit A of 51585463
Libbey Inc.	Bank Financial F.S.B.	Delaware	50971045 3/30/2005	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Seven to Master Lease No. 186392; Amended to include items listed in Exhibit A of 53375525

DEBTOR	SECURED PARTY	JURISDICTION	FILING NO. & DATE	COLLATERAL
Libbey Inc.	Air Liquide Industrial US LP	Delaware	51963389 6/27/2005	Vertical Vessel 11000 Gallon Serial #A129
Libbey Inc.	General Electric Capital Corporation	Delaware	52980028 9/27/2005	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Eight to Master Lease No. 186392; Amended to include items listed in Exhibit A of 61586767
Libbey Inc.	CSI Leasing, Inc.	Delaware	61103134 4/3/2006	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Nine to Master Lease 186392

II. LIBBEY GLASS, INC.

DEBTOR	SECURED PARTY	JURISDICTION	FILING NO. & DATE	COLLATERAL
Libbey Glass, Inc.	O/E Systems, Inc.	Delaware	33020602 11/12/2003	All present and future Goods. . .leased by O/E Systems dba M/C Leasing pursuant to the Master Lease Agreement dated October 30, 2003.
Libbey Glass, Inc.	Computer Sales International, Inc.	Delaware	40454878 1/30/2004	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Three to Master Lease No. 186392.
Libbey Glass, Inc.	Bank Financial F.S.B.	Delaware	41153180 4/8/2004	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Four of Master Lease No. 186392; Amended to include items listed in Exhibit A of 42427617
Libbey Glass, Inc.	Bank Financial F.S.B.	Delaware	41818584 6/22/2004	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Five to Master Lease No. 186392; Amended to include items listed in Exhibit A of 43441476
Libbey Glass, Inc.	IBM Credit LLC	Delaware	41767856 6/25/2004	The following equipment (together with all related software) fully described on IBM Credit LLC Supplement(s) # B61081: IBM Equipment Type Q48438 9SSR.

DEBTOR	SECURED PARTY	JURISDICTION	FILING NO. & DATE	COLLATERAL
Libbey Glass, Inc.	CSI Leasing, Inc.	Delaware	42777649 10/4/2004	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Six to Master Lease No. 186392; Amended to include items listed in Exhibit A of 51585422
Libbey Glass, Inc.	IBM Credit LLC	Delaware	43629187 12/23/2004	The following equipment (together with all related software) fully described on IBM Credit LLC Supplement(s) # B99323: IBM Equipment Type 9406 9SSR.
Libbey Glass, Inc.	IBM Credit LLC	Delaware	50002346 1/3/2005	The following equipment (together with all related software) fully described on IBM Credit LLC Supplement(s) # B99779: IBM Equipment Type BBK792 9SSR
Libbey Glass, Inc.	General Electric Capital Corporation	Delaware	52980028 9/27/2005	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Eight to Master Lease No. 186392; Amended to include items listed in Exhibit A of 61586767
Libbey Glass, Inc.	Bank Financial F.S.B.	Delaware	53375475 10/25/2005	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Seven to Master Lease No. 186392 as amended to include items listed in Exhibit A of this Filing
Libbey Glass, Inc.	IBM Credit LLC	Delaware	54038437 12/28/2005	The following equipment (together with all related software) fully described on IBM Credit LLC Supplement(s) # C71819: IBM Equipment Type 9992 BBK792 GYF000 Q48438 9SSR U66848
Libbey Glass, Inc.	CSI Leasing, Inc.	Delaware	61103134 4/3/2006	Various computer equipment (together with all repairs, accessions, accessories, and replacements) pursuant to Equipment Schedule Nine to Master Lease 186392

III. THE DRUMMOND GLASS COMPANY

None.

IV. SYRACUSE CHINA COMPANY

None.

V. WORLD TABLEWARE, INC.

None.

VI. TRAEX COMPANY

DEBTOR	SECURED PARTY	JURISDICTION	FILING NO. & DATE	COLLATERAL
Traex Company	General Electric Capital Corporation	Wisconsin	20009691025 5/15/2002	Milacron model: MM725-179 plastic injection molding machine S/N: H44A0100004 and Milacron model: MM725-116 plastic injection molding machine S/N: H44A0100002

VII. LGC CORP.

None.

VIII. LGFS INC.

None.

IX. LGA3 CORP.

None.

X. LGA4 CORP.

None.

XI. LGAC LLC

None.

XII. LIBBEY.COM LLC

None.

XIII. CRISA INDUSTRIAL LLC

None.

Schedule 6.04
Existing Investments

1. The Intercompany Indebtedness described in #’s 1, 2, 3, 7, and 8 on Schedule 6.01 and investments in respect of the Guarantees of the Indebtedness relating to Crisal-Cristataria Automática, S.A. described in #4 on Schedule 6.01.

2. Investments in respect of the Guarantees of Indebtedness by Holdings and/or the US Borrower permitted by Section 6.01(q).

3. Investments in Printgalss-Transformação de Vidro LDA by Crisal-Cristataria Automática, S.A. representing approximately 19% of the outstanding sociedade por quotas of Printgalss-Transformação de Vidro LDA.

4. The warrants issued in connection the Senior Subordinated Secured Pay-in-Kind Notes due 2011 issued on the Effective Date pursuant to the Third Lien Senior Notes Indenture.

Schedule 6.10
Existing Restrictions

1. Restrictions with respect to the Indebtedness described in #’s 4, 5, 6, 8 and 9 on Schedule 6.01.

EXHIBIT 31.1

Certification of Chief Executive Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John F. Meier, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Libbey Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2009

By /s/ John F. Meier
John F. Meier,
Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Gregory T. Geswein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Libbey Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2009

By /s/ Gregory T. Geswein
Gregory T. Geswein,
Chief Financial Officer

EXHIBIT 32.1

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Libbey Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2009 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 7, 2009

/s/ John F. Meier
John F. Meier
Chief Executive Officer

EXHIBIT 32.2

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Libbey Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2009 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 7, 2009

/s/ Gregory T. Geswein
Gregory T. Geswein
Chief Financial Officer