

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | |
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| 1. Name and Address of Reporting Person* <u>MICHELSON MICHAEL W</u> (Last) (First) (Middle) <u>C/O KOHLBERG KRAVIS ROBERTS & CO.</u> <u>2800 SAND HILL ROAD</u> (Street) <u>MENLO PARK CA 94025</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>OWENS ILLINOIS INC /DE/ [OI]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>01/12/2005</u> | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|---------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 01/12/2005 | | M | | 1,250 | A | \$16.98 | 4,696 | D | |
| Common Stock | 01/12/2005 | | M | | 5,000 | A | \$11.03 | 9,696 | D | |
| Common Stock | | | | | | | | 20,000 | I | By Trust ⁽¹⁾ |
| Common Stock | | | | | | | | 3,000 | I | By Trust ⁽²⁾ |
| Common Stock | | | | | | | | 2,466,559 | I | See Footnote ⁽³⁾ |
| Common Stock | | | | | | | | 59,941 | I | See Footnote ⁽⁴⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-------|--|-----------------|---|--|--|---|--|-------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Director Stock Option (right to buy) | \$16.98 | 01/12/2005 | | M | | | 1,250 | (5) | 05/10/2012 | Common Stock | 1,250 | \$0.00 ⁽⁶⁾ | 3,750 | D | |
| Director Stock Option (right to buy) | \$11.03 | 01/12/2005 | | M | | | 5,000 | 05/15/2004 ⁽⁷⁾ | 05/15/2013 | Common Stock | 5,000 | \$0.00 ⁽⁶⁾ | 0 | D | |

Explanation of Responses:

- Shares held in a living trust of which the Reporting Person is a trustee and beneficiary.
- The Reporting Person is the grantor and trustee of an irrevocable trust created for the benefit of his children. The Reporting Person disclaims beneficial ownership of the reported securities.
- These shares are directly owned by OII Associates, L.P. ("OII"). KKR Associates, L.P. ("KKR Associates") is the general partner of OII. As a general partner of KKR Associates, the Reporting Person may be deemed, for purposes of Section 16 of the Securities Exchange Act of 1934, to share beneficial ownership of any shares of Common Stock beneficially owned, or deemed to be beneficially owned, by KKR Associates. The Reporting Person expressly disclaims any such beneficial ownership for purposes of Section 16, or for any other purpose, of any such shares, other than to the extent of his economic interest in such shares.
- These shares are directly owned by KKR Partners II, L.P. ("KKR Partners"). KKR Associates, L.P. ("KKR Associates") is a general partner of KKR Partners. As a general partner of KKR Associates, the Reporting Person may be deemed, for purposes of Section 16 of the Securities Exchange Act of 1934, to share beneficial ownership of any shares of Common Stock beneficially owned, or deemed to be beneficially owned, by KKR Associates. The Reporting Person expressly disclaims any such beneficial ownership for purposes of Section 16, or for any other purpose, of any such shares, other than to the extent of his economic interest in such shares.
- The option shares exercised represent 25% of options granted on May 10, 2002 and became vested and exercisable on December 3, 2004.
- The Option to purchase common stock was granted pursuant to the Owens-Illinois, Inc. Stock Option Plan for Directors.
- The option became fully vested and exercisable on May 15, 2004.

Remarks:

/s/ Richard J. Kreider,

01/13/2005

[Attorney-in-Fact for Reporting
Person](#)

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.