

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

September 16, 2008

Date of Report (Date of earliest event reported)

OWENS-ILLINOIS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

1-9576

(Commission
File Number)

22-2781933

(I.R.S. Employer
Identification Number)

One Michael Owens Way

Perrysburg, Ohio

(Address of principal executive offices)

43551-2999

(Zip Code)

(567) 336-5000

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On September 16, 2008, Owens-Illinois, Inc. (the "Company") updated its outlook for free cash flow for the fiscal year ending December 31, 2008. A copy of the press release is attached as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth in such a filing.

Item 8.01. Other Events.

On September 16, 2008, the Company announced that the Board of Directors approved a stock repurchase plan for up to \$350 million of the Company's outstanding common stock. A copy of the press release is attached as Exhibit 99.2 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Owens-Illinois, Inc. Press Release dated September 16, 2008
99.2	Owens-Illinois, Inc. Press Release dated September 16, 2008

SIGNATURES

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

OWENS-ILLINOIS, INC.

By: /s/ Edward C. White
Name: Edward C. White
Title: Senior Vice President and
Chief Financial Officer

Date: September 16, 2008

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EXHIBIT INDEX

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O-I Revises Outlook for 2008 Free Cash Flow

PERRYSBURG, Ohio, September 16, 2008 — Owens-Illinois, Inc., (NYSE OI) announced today that it expects Free Cash Flow for 2008 to range between \$400 million and last year's \$332 million, down from the \$500 million anticipated earlier this year.

The company's outlook for Free Cash Flow has been reduced due to the following:

- Weakening demand for the company's products associated with continuing declines in the economies in Europe and the U.S.;
- Further actions by the company in response to weaker demand projections, including the extension of short-term capacity shutdowns previously planned for the fourth quarter to control inventory levels;
- Acceleration of cash payments attributable to the recent announcements for the permanent closures of the plants in Lavington, Canada, and Castel Maggiore, Italy;
- Strengthening of the U.S. dollar against foreign currencies over the last two months, especially the Euro and the Australian dollar.

"The fundamentals of O-I have not changed and we remain focused on the strategies we have been pursuing throughout the year," said Ed White, Senior Vice President and CFO.

Free Cash Flow is defined by the Company as cash provided by continuing operating activities less capital expenditures. The company views Free Cash Flow as an important measure of the performance of its operations and for allocation of resources.

About O-I

Millions of times a day, O-I glass containers deliver many of the world's best-known consumer products to people all around the world. With the leading position in Europe, North America, Asia Pacific and Latin America, O-I manufactures consumer-preferred, 100 percent recyclable glass containers that enable superior taste, purity, visual appeal and value benefits for our customers' products. Established in 1903, the company employs more than 23,000 people with 79 manufacturing facilities in 22 countries. In 2007, net sales were \$7.6 billion. For more information, visit <http://www.o-i.com>.

Forward Looking Statements

This press release contains forward-looking statements based on management's current expectations. These statements involve risks and uncertainties which could cause actual results to differ from those in the forward-looking statements. For a discussion of such risks and uncertainties, please refer to the Company's June 30, 2008, Form 10Q filed with the Securities and Exchange Commission. The Company does not intend to update any forward looking statements in this release.

Media Contact: Lauren Dubilzig, +1 567-336-1312

Investor Relations Contact: O-I, Sasha Sekpeh, +1 567-336-2355

Copies of O-I news releases are available at the O-I Web site at www.o-i.com; or at www.prnewswire.com.

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O-I Announces Share Repurchase Authorization

PERRYSBURG, Ohio, September 16, 2008 — Owens-Illinois, Inc., (NYSE OI) announced today that its Board of Directors approved a plan authorizing management to repurchase up to \$350 million of the Company's outstanding common shares until December 31, 2010.

"We believe that the Company has substantial prospects for continued earnings growth and the current share price does not reflect the long term value of the firm," said Al Stroucken, Chairman and CEO. "As we evaluate investment alternatives, the repurchase of our stock represents another attractive opportunity to deliver value for our shareholders."

Repurchases may take place on the open market or through private transactions from time to time based on market conditions, subject to certain conditions and timing restrictions to comply with applicable rules and regulations and may be suspended for periods or discontinued as deemed necessary by the Company. Decisions about these matters will be based on market conditions, general business conditions and other relevant factors. If conditions are not favorable, then no purchases will be made.

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