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

(Mark one) FORM 10-Q

(x) Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For Quarter Ended June 30, 2000

or

( ) Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Owens-Illinois, Inc.

(Exact name of registrant as specified in its charter)

Delaware	1-9576	22-2781933
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(IRS Employer Identification No.)

One SeaGate, Toledo, Ohio	43666
(Address of principal executive offices)	(Zip Code)

419-247-5000

(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 X No

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

Owens-Illinois, Inc. $.01 par value common stock - 146,031,943

shares at July 31, 2000.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The Condensed Consolidated Financial Statements presented herein are unaudited but, in the opinion of management, reflect all adjustments necessary to present fairly such information for the periods and at the dates indicated. Since the following unaudited condensed consolidated financial statements have been prepared in accordance with Article 10 of Regulation S-X, they do not contain all information and footnotes normally contained in annual consolidated financial statements; accordingly, they should be read in conjunction with the Consolidated Financial Statements and notes thereto appearing in the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999.

OWENS-ILLINOIS, INC.
CONDENSED CONSOLIDATED RESULTS OF OPERATIONS
Three months ended June 30, 2000 and 1999
(Millions of dollars, except share and per share amounts)

	2000	1999
Revenues:		
Net sales	$1,449.2	$1,423.1
Royalties and net technical assistance	6.3	7.2
Equity earnings	5.0	4.5
Interest	8.2	7.7
Other	50.4	73.1
	1,519.1	1,515.6
Costs and expenses:		
Manufacturing, shipping, and delivery	1,107.6	1,068.4
Research and development	13.1	10.1
Engineering	7.7	8.2
Selling and administrative	65.6	72.6
Interest	121.4	103.8
Other	50.6	64.0
	1,366.0	1,327.1
Earnings before items below	153.1	188.5
Provision for income taxes	60.3	72.2
Minority share owners' interests in earnings of subsidiaries	4.3	5.4
Net earnings	$ 88.5	$ 110.9
Basic net earnings per share of common stock	$ 0.57	$ 0.68
Weighted average shares outstanding (thousands)	146,441	155,873
Diluted net earnings per share of common stock	$ 0.57	$ 0.67
Weighted diluted average shares (thousands)	146,917	165,976

See accompanying notes.

OWENS-ILLINOIS, INC.
CONDENSED CONSOLIDATED RESULTS OF OPERATIONS
Six months ended June 30, 2000 and 1999
(Millions of dollars, except share and per share amounts)

	2000	1999
Revenues:		
Net sales	$2,794.8	$2,730.1
Royalties and net technical assistance	13.5	14.2
Equity earnings	8.3	9.0
Interest	15.0	13.5
Other	97.6	102.1
	2,929.2	2,868.9
Costs and expenses:		
Manufacturing, shipping, and delivery	2,153.5	2,068.2
Research and development	23.6	19.7
Engineering	19.5	17.6
Selling and administrative	140.9	139.2
Interest	236.6	209.0
Other	100.7	107.5
	2,674.8	2,561.2
Earnings before items below	254.4	307.7
Provision for income taxes	100.8	118.4
Minority share owners' interests in earnings of subsidiaries	6.4	9.1
Net earnings	$ 147.2	$ 180.2
Basic net earnings per share of common stock	$ 0.93	$ 1.09
Weighted average shares outstanding (thousands)	146,513	155,742
Diluted net earnings per share of common stock	$ 0.93	$ 1.08
Weighted diluted average shares (thousands)	147,050	157,249

See accompanying notes.

OWENS-ILLINOIS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
June 30, 2000, December 31, 1999, and June 30, 1999
(Millions of dollars)

	June 30, 2000	Dec. 31, 1999	June 30, 1999
Assets			
Current assets:			
Cash, including time deposits	$ 167.8	$ 257.1	$ 270.8
Short-term investments, at cost which approximates market	42.5	32.1	30.5
Receivables, less allowances for losses and discounts ($59.6 at June 30, 2000, $56.9 at December 31, 1999, and $51.1 at June 30, 1999)	928.4	856.4	894.6
Inventories	849.7	826.6	861.5
Prepaid expenses	138.0	137.6	179.6
Total current assets	2,126.4	2,109.8	2,237.0
Investments and other assets:			
Equity investments	188.3	195.2	183.1
Repair parts inventories	249.4	234.1	245.5
Prepaid pension	789.1	745.6	732.0
Insurance receivable for asbestos-related costs	205.0	205.3	212.2
Deposits, receivables, and other assets	508.3	527.8	533.4
Excess of purchase cost over net assets acquired, net of accumulated amortization ($550.7 at June 30, 2000, $502.8 at December 31, 1999, and $453.8 at June 30, 2000)	3,154.0	3,294.4	3,329.8
Total other assets	5,094.1	5,202.4	5,236.0
Property, plant, and equipment, at cost	5,676.5	5,590.8	5,419.8
Less accumulated depreciation	2,261.5	2,146.7	2,055.2
Net property, plant, and equipment	3,415.0	3,444.1	3,364.6
Total assets	$10,635.5	$10,756.3	$10,837.6

CONDENSED CONSOLIDATED BALANCE SHEETS -- continued

	June 30, 2000	Dec. 31, 1999	June 30, 1999
Liabilities and Share Owners' Equity			
Current liabilities:			
Short-term loans and long-term debt due within one year	$ 168.8	$ 205.7	$ 226.0
Current portion of asbestos-related liabilities	100.0	85.0	85.0
Accounts payable and other liabilities	902.5	982.4	945.8
Total current liabilities	1,171.3	1,273.1	1,256.8
Long-term debt	5,785.1	5,733.1	5,517.4
Deferred taxes	449.4	407.4	358.2
Nonpension postretirement benefits	301.0	314.9	325.7
Other liabilities	386.8	483.0	635.5
Commitments and contingencies			
Minority share owners' interests	182.4	194.9	223.4
Share owners' equity:			
Convertible preferred stock, par value $.01 per share, liquidation preference $50 per share, 9,050,000 shares authorized, issued and outstanding	452.5	452.5	452.5
Exchangeable preferred stock	3.4	4.0	12.9
Common stock, par value $.01 per share 250,000,000 shares authorized, 156,969,643 shares issued and outstanding, less 10,702,000 treasury shares at June 30, 2000 (156,851,337 issued and outstanding, less 10,000,000 treasury shares at December 31, 1999; and 156,297,439 issued and outstanding at June 30, 1999)	1.6	1.6	1.6
Capital in excess of par value	2,204.2	2,201.9	2,192.1
Treasury stock, at cost	(234.9)	(225.6)	
Retained earnings	420.6	284.1	176.8
Accumulated other comprehensive income	(487.9)	(368.6)	(315.3)
Total share owners' equity	2,359.5	2,349.9	2,520.6
Total liabilities and share owners' equity	$10,635.5	$10,756.3	$10,837.6

See accompanying notes.

OWENS-ILLINOIS, INC.
CONDENSED CONSOLIDATED CASH FLOWS
Six months ended June 30, 2000 and 1999
(Millions of dollars)

	2000	1999
Cash flows from operating activities:		
Net earnings	$ 147.2	$ 180.2
Non-cash charges (credits):		
Depreciation	209.0	198.8
Amortization of deferred costs	71.8	69.6
Restructuring costs, write-offs of certain assets and settlement of environmental litigation		20.8
Gains on asset sales		(40.8)
Other	(39.7)	(35.4)
Change in non-current operating assets	(18.9)	(23.3)
Asbestos-related payments	(73.2)	(68.0)
Asbestos-related insurance proceeds	.3	.6
Reduction of non-current liabilities	(1.4)	(13.7)
Change in components of working capital	(195.3)	(154.7)
Cash provided by operating activities	99.8	134.1
Cash flows from investing activities:		
Additions to property, plant, and equipment	(249.6)	(261.4)
Acquisitions, net of cash acquired	(49.4)	(14.6)
Net cash proceeds from divestitures	25.5	311.7
Cash provided by (utilized in) investing activities	(273.5)	35.7
Cash flows from financing activities:		
Additions to long-term debt	457.7	259.1
Repayments of long-term debt	(340.7)	(415.0)
Payment of convertible preferred stock dividends	(10.7)	(10.7)
Treasury shares repurchased	(9.3)	
Increase (decrease) in short-term loans	(3.8)	1.0
Issuance of common stock and other	.9	2.3
Cash provided by (utilized in) financing activities	94.1	(163.3)
Effect of exchange rate fluctuations on cash	(9.7)	(7.1)
Decrease in cash	(89.3)	(.6)
Cash at beginning of period	257.1	271.4
Cash at end of period	$ 167.8	$ 270.8

See accompanying notes.

OWENS-ILLINOIS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Tabular data in millions of dollars, except share and per share amounts

1. Earnings Per Share

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

	Three months ended June 30, 2000	Three months ended June 30, 1999
Numerator:		
Net earnings	$ 88.5	$110.9
Preferred stock dividends:		
Convertible	(5.4)	(5.4)
Exchangeable	(.1)	(.2)
Numerator for basic earnings per share - income available to common share owners	83.0	105.3
Effect of dilutive securities -		
exchangeable preferred stock dividends	.1	.2
convertible preferred stock dividends		5.4
Numerator for diluted earnings per share - income available to common share owners after assumed exchanges of preferred stock for common stock	$ 83.1	$110.9
Denominator:		
Denominator for basic earnings per share - weighted average shares outstanding	146,441,285	155,872,886
Effect of dilutive securities:		
Stock options	87,833	866,715
Exchangeable preferred stock	387,849	646,778
Convertible preferred stock		8,589,355
Dilutive potential common shares	475,682	10,102,848
Denominator for diluted earnings per share - adjusted weighted average shares and assumed exchanges of preferred stock for common stock	146,916,967	165,975,734
Basic earnings per share	$0.57	$0.68
Diluted earnings per share	$0.57	$0.67

The convertible preferred stock was not included in the computation of June 30, 2000 diluted earnings per share since the result would have been antidilutive. Options to purchase 6,155,332 and 2,924,956 weighted average shares of common stock which were outstanding during the three months ended June 30, 2000 and 1999, respectively, were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares.

	Six months ended June 30,	
	2000	1999
Numerator:		
Net earnings	$147.2	$180.2
Preferred stock dividends:		
Convertible	(10.7)	(10.7)
Exchangeable	(.1)	(.5)
Numerator for basic earnings per share - income available to common share owners	136.4	169.0
Effect of dilutive securities - exchangeable preferred stock dividends	.1	.5
Numerator for diluted earnings per share - income available to common share owners after assumed exchanges of preferred stock for common stock	$136.5	$169.5
Denominator:		
Denominator for basic earnings per share - weighted average shares outstanding	146,513,128	155,742,442
Effect of dilutive securities:		
Stock options	197,365	754,385
Exchangeable preferred stock	339,827	751,961
Dilutive potential common shares	537,192	1,506,346
Denominator for diluted earnings per share - adjusted weighted average shares and assumed exchanges of preferred stock for common stock	147,050,320	157,248,788
Basic earnings per share	$0.93	$1.09
Diluted earnings per share	$0.93	$1.08

The Convertible preferred stock was not included in the computation of six months ended June 30, 2000 and 1999 diluted earnings per share since the result would have been antidilutive. Options to purchase 5,388,340 and 2,929,152 weighted average shares of common stock which were outstanding during the six months ended June 30, 2000 and 1999, respectively, were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares.

2. Inventories

Major classes of inventory are as follows:

	June 30, 2000	Dec. 31, 1999	June 30, 1999
Finished goods	$616.4	$580.0	$634.7
Work in process	30.0	36.3	29.7
Raw materials	127.2	131.3	122.9
Operating supplies	76.1	79.0	74.2
	$849.7	$826.6	$861.5

3. Long-Term Debt

The following table summarizes the long-term debt of the Company:

	June 30, 2000	Dec. 31, 1999	June 30, 1999
Bank Credit Agreement:			
Revolving Credit Facility:			
Revolving Loans	$2,859.0	$2,559.4	$2,257.1
Offshore Loans:			
1.39 billion (1.42 billion at December 31, 1999; 1.39 billion at June 30, 1999) Australian dollars	794.9	904.4	905.9
134.0 million (230.0 million at December 31, 1999; 235.0 million at June 30, 1999) British pounds	200.8	369.5	380.3
82.0 billion (100.0 billion at December 31, 1999; 111.0 billion at June 30, 1999) Italian lira	39.6	52.0	59.9
Bid Rate Loans			15.0
Senior Notes:			
7.85%, due 2004	300.0	300.0	300.0
7.15%, due 2005	350.0	350.0	350.0
8.10%, due 2007	300.0	300.0	300.0
7.35%, due 2008	250.0	250.0	250.0
Senior Debentures:			
7.50%, due 2010	250.0	250.0	250.0
7.80%, due 2018	250.0	250.0	250.0
Other	226.6	224.6	270.3
	5,820.9	5,809.9	5,588.5
Less amounts due within one year	35.8	76.8	71.1
Long-term debt	$5,785.1	$5,733.1	$5,517.4

In April 1998, the Company entered into the Second Amended and Restated Credit Agreement (the "Bank Credit Agreement" or "Agreement") with a group of banks which expires on December 31, 2001. The Agreement provides for a $4.5 billion revolving credit facility (the "Revolving Credit Facility"), which includes a $1.75 billion fronted offshore loan revolving facility (the "Offshore Facility") denominated in certain foreign currencies, subject to certain sublimits, available to certain of the Company's foreign subsidiaries. The Agreement includes an Overdraft Account facility providing for aggregate borrowings up to $100 million which reduce the amount available for borrowing under the Revolving Credit Facility. In addition, the terms of the Bank Credit Agreement permit the Company to request Bid Rate Loans from banks participating in the Agreement. Borrowings outstanding under Bid Rate Loans are limited to $750 million and reduce the amount available for borrowing under the Revolving Credit Facility. The Agreement also provides for the issuance of letters of credit totaling up to $500 million, which also reduce

the amount available for borrowing under the Revolving Credit Facility. At June 30, 2000, the Company had unused credit of $552.2 million available under the Bank Credit Agreement.

Borrowings under the Revolving Loans commitment bear interest, at the Company's option, at the prime rate or a reserve adjusted Eurodollar rate. Loans under the Offshore Facility bear interest, at the applicable borrower's option, at the applicable Offshore Base Rate or the Adjusted Offshore Periodic Rate (as those terms are defined in the Bank Credit Agreement). Borrowings under the Revolving Credit Facility also bear a margin linked to the Company's Consolidated Leverage Ratio, as defined in the Agreement. The margin is currently .750% and is limited to a range of .275% to 1.000%. Overdraft Account loans bear interest at the prime rate minus the facility fee percentage, defined below. The weighted average interest rate on borrowings outstanding under the Revolving Loans commitment at June 30, 2000, was 7.42%. The weighted average interest rate on borrowings outstanding under the Offshore Facility at June 30, 2000, was 6.90%. While no compensating balances are required by the Agreement, the Company must pay a facility fee on the Revolving Credit Facility commitments. The facility fee, currently .375%, is limited to a range of .125% and .500%, based on the Company's Consolidated Leverage Ratio.

Borrowings outstanding under the Bank Credit Agreement are unsecured. All of the obligations of the Company's foreign subsidiaries under the Offshore Facility are guaranteed by the Company. The Company's Senior Notes and Senior Debentures rank pari passu with the obligations of the Company under the Bank Credit Agreement. The Bank Credit Agreement, Senior Notes, and Senior Debentures are senior in right of payment to all existing and future subordinated debt of the Company.

Under the terms of the Bank Credit Agreement, dividend payments with respect to the Company's Preferred or Common Stock and payments for redemption of shares of its Common Stock are subject to certain limitations. The Agreement also requires, among other things, the maintenance of certain financial ratios, and restricts the creation of liens and certain types of business activities and investments.

4. Cash Flow Information

Interest paid in cash aggregated $237.2 million and $180.7 million for the six months ended June 30, 2000 and June 30, 1999, respectively. Income taxes paid in cash totaled $34.1 million and $22.9 million for the six months ended June 30, 2000 and June 30, 1999, respectively.

5. Comprehensive Income

The Company's components of comprehensive income are net earnings and foreign currency translation adjustments. Total comprehensive income for the three month periods ended June 30, 2000 and 1999 amounted to $8.8 million and $113.4 million, respectively. Total comprehensive income for the six month periods ended June 30, 2000 and 1999 amounted to $27.9 million and $55.6 million, respectively.

6. Contingencies

The Company is one of a number of defendants (typically 10 to 20) in a substantial number of lawsuits filed in numerous state and federal courts by persons alleging bodily injury (including death) as a result of exposure to dust from asbestos fibers. From 1948 to 1958, one of the Company's former business units commercially produced and sold approximately $40 million of a high-temperature, clay-based insulating material containing asbestos. The Company exited the insulation business in April 1958. The traditional asbestos personal injury lawsuits and claims relating to such production and sale of asbestos material typically allege various theories of liability, including negligence, gross negligence and strict liability and seek compensatory and punitive damages in various amounts (herein referred to as "asbestos claims"). As of June 30, 2000, the Company estimates that it is a named defendant in asbestos claims involving approximately 18,000 plaintiffs and claimants.

The Company is also a defendant in other asbestos-related lawsuits or claims involving maritime workers, medical monitoring claimants, co-defendants and property damage claimants. Based on its past experience, the Company believes that the foregoing categories of claims will not involve any material liability and they are not included in the above description of pending claims.

In 1984, the Company initiated litigation in New Jersey against the Company's insurers, including its wholly-owned captive insurer Owens Insurance Limited ("OIL"), and certain other parties for the years 1977 through 1985 in which the Company sought damages and a declaration of coverage for both asbestos bodily injury and property damage claims under insurance policies in effect during those years (Owens-Illinois, Inc. v. United Insurance Co., et al, Superior Court of New Jersey, Middlesex County, November 30, 1984). Beginning in December 1994 and continuing intermittently for approximately one year thereafter, the Company entered into settlements for approximately $240 million of its coverage claim against OIL to the extent of reinsurance provided to OIL by the settling reinsurance companies. Following such settlements, a settlement agreement (the "OIL Settlement") was reached with OIL. The OIL Settlement called for the payment of remaining non-settled reinsurance at 78.5% of applicable reinsurance limits, increasing to 81% on approximately March 1, 1996 and accruing interest thereafter at 10% per annum. In December 1995, the presiding judge in the United Insurance case entered a Consent Judgment approving the OIL Settlement, and specifically finding that it was a good faith settlement which was fair and reasonable as to OIL and all of OIL's non-settling reinsurers.

In November 1995, a reinsurer of OIL during the years affected by the United Insurance case brought a separate suit against OIL seeking a declaratory judgment that it had no reinsurance obligation to OIL (Employer's Mutual v. Owens-Insurance Limited, Superior Court of New Jersey, Morris County, December 1995). The Company was not a named party to this cause of action but was subsequently joined in it as a necessary party defendant.

Subsequent to the entry of the Consent Judgment Order in the United Insurance case described above, OIL gave notice of the OIL Settlement to all non-settling reinsurers affected by the United Insurance case, informing all such reinsurers of the terms of the OIL Settlement and demanding timely payment from such reinsurers pursuant to such terms. Since the date of the OIL Settlement, 28 previously non-settling reinsurers have made the payments called for under the OIL Settlement or otherwise settled their obligations thereunder. Other non-settling solvent reinsurers, all of which are parties to the Employers Mutual case described above, have not, however, made the payments called for under the OIL Settlement.

As a result of payments and commitments that have been made by reinsurers pursuant to the OIL Settlement and the earlier settlement agreements described above in the United Insurance case and certain other available insurance, the Company has to date confirmed coverage for its asbestos-related costs of approximately $317.5 million. Of the total amount confirmed to date, $305.0 million had been received through June 30, 2000; and the balance of approximately $12.5 million will be received throughout 2000 and the next several years. The remainder of the insurance asset of approximately $192.5 million relates principally to the reinsurers who have not yet paid, and continue to contest, their reinsurance obligations under the OIL Settlement.

The Company believes, based on the rulings of the trial court, the Appellate Division and the New Jersey Supreme Court in the United Insurance case, as well as its understanding of the facts and legal precedents and based on advice of counsel, McCarter & English L.L.P., that it is probable substantial additional payments will be received to cover the Company's asbestos-related claim losses.

The Company believes that its ultimate asbestos-related contingent liability (i.e., its indemnity or other claim disposition costs plus related litigation expenses) is difficult to estimate with certainty. However, in 1993, the Company established a liability of $975 million to cover what it then estimated would be the total indemnity payments and legal fees associated with the resolution of then outstanding and all expected future asbestos lawsuits and claims. In 1998, an additional liability of $250 million was established to cover what the Company estimated to be the total indemnity payments and legal fees associated with the resolution of outstanding asbestos personal injury lawsuits and claims and asbestos personal injury lawsuits and claims filed during the succeeding five years, after which any remaining liability was not expected to be material in relation to the Company's Consolidated Financial Statements.

Since establishing the additional liability in 1998, the Company has continued to monitor the trends of matters which may affect its ultimate liability and has continued to analyze the trends, developments and variables affecting or likely to affect the resolution of pending and future asbestos claims against the Company. The number of asbestos lawsuits and claims pending and filed against the Company since 1998 has exceeded the number estimated at that time. The trend of costs to resolve lawsuits and claims since 1998 has also been unfavorable compared to expectations. As a result, the asbestos liability may not be sufficient for the five year period originally anticipated in 1998.

As part of its continual monitoring of asbestos-related matters, during the third quarter of 2000 the Company expects to complete its comprehensive review to determine if further adjustments of asbestos-related assets or liabilities are appropriate. The Company cannot presently predict the outcome of the review, however, the Company expects a net charge to result.

Subject to completion of the comprehensive review in 2000 noted above, based on all the factors and matters relating to the Company's asbestos-related litigation and claims, the Company presently believes that its asbestos-related costs and liabilities will not exceed by a material amount the sum of the available insurance reimbursement the Company believes it has and will have principally as a result of the United Insurance case, and the OIL Settlement, as described above, and the amount of the charges for asbestos-related costs previously recorded.

Other litigation is pending against the Company, in many cases involving ordinary and routine claims incidental to the business of the Company and in others presenting allegations that are nonroutine and involve compensatory, punitive or treble damage claims as well as other types of relief. The ultimate legal and financial liability of the Company in respect to the lawsuits and proceedings referred to above, in addition to other pending litigation, cannot be estimated with certainty. However, the Company believes, based on its examination and review of such matters and experience to date, that such ultimate liability will not be material in relation to the Company's Consolidated Financial Statements.

7. Segment Information

The Company operates in the rigid packaging industry. The Company has two reportable product segments within the rigid packaging industry: (1) Glass Containers and (2) Plastics Packaging. The Plastics Packaging segment consists of three business units -- plastic containers, closure and specialty products, and prescription products. The Other segment consists primarily of the Company's labels and carriers products business unit.

The Company evaluates performance and allocates resources based on earnings before interest income, interest expense, provision for income taxes, minority share owners' interests in earnings of subsidiaries, and extraordinary charges, (collectively "EBIT") excluding unusual items. EBIT for product segments includes an allocation of corporate expenses based on both a percentage of sales and direct billings based on the costs of specific services provided.

Financial information for the three month periods ended June 30, 2000 and 1999 regarding the Company's product segments is as follows:

	Glass Containers	Plastics Packaging	Other	Total Product Segments	Eliminations and Other Retained	Consolidated Totals
Net sales:						
June 30, 2000	$952.1	$478.4	$ 18.7	$1,449.2		$1,449.2
June 30, 1999	962.2	441.3	19.6	1,423.1		1,423.1
EBIT, excluding unusual items:						
June 30, 2000	$180.6	$ 76.5	$ 0.2	$ 257.3	$9.0	$ 266.3
June 30, 1999	171.5	86.4	2.0	259.9	4.7	264.6
Unusual items:						
June 30, 1999:						
Gains related to the sales of two manufacturing facilities	$ 40.8			$ 40.8		$ 40.8
Charges related principally to restructuring costs and write-offs of certain assets in Europe and South America	(20.8)			(20.8)		(20.8)

The reconciliation of EBIT to consolidated totals for the three month periods ended June 30, 2000 and 1999 is as follows:

	June 30, 2000	June 30, 1999
Earnings before income taxes and minority share owners' interests in earnings of subsidiaries:		
EBIT, excluding unusual items for reportable segments	$257.3	$259.9
Unusual items excluded from reportable segment information		20.0
Eliminations and other retained	9.0	4.7
Net interest expense	(113.2)	(96.1)
Total	$153.1	$188.5

Financial information for the six month periods ended June 30, 2000 and 1999 regarding the Company's product segments is as follows:

	Glass Containers	Plastics Packaging	Other	Total Product Segments	Eliminations and Other Retained	Consolidated Totals
Net sales:						
June 30, 2000	$1,836.0	$921.6	$37.2	$2,794.8		$2,794.8
June 30, 1999	1,835.3	856.6	38.2	2,730.1		2,730.1
EBIT, excluding unusual items:						
June 30, 2000	$ 315.6	$148.0	$ 0.1	$ 463.7	$12.3	$ 476.0
June 30, 1999	311.8	166.1	3.7	481.6	1.6	483.2
Unusual items:						
June 30, 1999:						
Gains related to the sales of two manufacturing facilities	$ 40.8			$ 40.8		$ 40.8
Charges related principally to restructuring costs and write-offs of certain assets in Europe and South America	(20.8)			(20.8)		(20.8)

The reconciliation of EBIT to consolidated totals for the six month periods ended June 30, 2000 and 1999 is as follows:

	June 30, 2000	June 30, 1999
Earnings before income taxes and minority share owners' interests in earnings of subsidiaries:		
EBIT, excluding unusual items for reportable segments	$463.7	$481.6
Unusual items excluded from reportable segment information		20.0
Eliminations and other retained	12.3	1.6
Net interest expense	(221.6)	(195.5)
Total	$254.4	$307.7

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

Results of Operations - Second Quarter 2000 compared with Second Quarter 1999

The Company recorded net earnings of $88.5 million for the second quarter of 2000 compared to $110.9 million for the second quarter of 1999. Excluding the effects of the 1999 unusual items discussed below, the Company's second quarter 2000 earnings of $88.5 million decreased $12.8 million, or 12.6% from 1999 second quarter earnings of $101.3 million. Consolidated EBIT for the second quarter of 2000 was $266.3 million, an increase of $1.7 million, or 0.6%, compared to the second quarter of 1999 EBIT, excluding unusual items, of $264.6 million. The increase is attributable to higher EBIT for the Glass Containers segment which was mostly offset by lower EBIT for the Plastics Packaging segment. Interest expense, net of interest income, increased $17.1 million from the 1999 period due principally to higher interest rates.

Capsule segment results (in millions of dollars) for the second quarter of 2000 and 1999 were as follows:

	Net sales (Unaffiliated customers)		EBIT (a)	
	2000	1999	2000	1999
Glass Containers	$ 952.1	$ 962.2	$ 180.6	$ 191.5(b)
Plastics Packaging	478.4	441.3	76.5	86.4
Other	18.7	19.6	.2	2.0
Segment totals	1,449.2	1,423.1	257.3	279.9
Eliminations and other retained costs			9.0	4.7
Consolidated totals	$1,449.2	$1,423.1	$ 266.3	$ 284.6

(a) EBIT consists of consolidated earnings before interest income, interest expense, provision for income taxes, and minority share owners' interests in earnings of subsidiaries.

(b) EBIT for 1999 includes: (1) gains totaling $40.8 million related to the sales of a U.S. glass container plant and a mold manufacturing business in Colombia, and (2) charges totaling $20.8 million related principally to restructuring costs and write-offs of certain assets in Europe and South America.

Consolidated net sales for the second quarter of 2000 increased $26.1 million, or 1.8%, over the prior year. Net sales of the Glass Containers segment decreased $10.1 million, or 1.0%, from 1999. In the United States, increased shipments of containers for beer producers were partially offset by lower shipments of certain food containers. The combined U.S. dollar sales of the

segment's foreign affiliates decreased from the prior year. Increased shipments from the Company's operations throughout most of Europe, South America, and the Asia Pacific region were more than offset by the effects of a strong U.S. dollar and lower shipments from the Company's operations in the United Kingdom. The effect of changing foreign currency exchange rates reduced U.S. dollar sales of the segment's foreign affiliates by approximately $60 million. Net sales of the Plastics Packaging segment increased $37.1 million, or 8.4%, over 1999, reflecting increased shipments of plastic containers for juices, closures for food and beverages, and the effects of higher resin costs on pass-through arrangements with customers, partially offset by lower shipments of health care and personal care containers. The effects of higher resin cost pass-throughs increased sales approximately $25 million compared to the second quarter of 1999.

Excluding the effects of the 1999 unusual items, segment EBIT for the second quarter of 2000 decreased $2.6 million, or 1.0%, to $257.3 million from the 1999 segment EBIT of $259.9 million. EBIT of the Glass Containers segment increased $9.1 million to $180.6 million, compared to $171.5 million in 1999. The combined U.S. dollar EBIT of the segment's foreign affiliates increased slightly from prior year. Increased shipments from the Company's operations throughout most of Europe, South America, and the Asia Pacific region were partially offset by the effects of a strong U.S. dollar, higher energy costs worldwide, expenses associated with the scheduled rebuild of a glass melting furnace in Australia, and lower shipments from the Company's operations in the United Kingdom. In the United States, Glass Container EBIT increased from 1999 principally as a result of further improvements in cost structure. EBIT of the Plastics Packaging segment decreased $9.9 million, or 11.5%, to $76.5 million compared to $86.4 million in 1999. Increased shipments of plastic containers for juices and closures for food and beverages were more than offset by lower shipments of health care and personal care containers and costs incurred in connection with the start-up of new custom PET capacity including a new plastic bottle plant. Eliminations and other retained costs improved $4.3 million from 1999 reflecting principally higher net financial services income.

The second quarter of 1999 results include the following unusual items: (1) gains totaling $40.8 million ($23.6 million after tax and minority share owners' interests) related to the sales of a U.S. glass container plant and a mold manufacturing business in Colombia, and (2) charges totaling $20.8 million ($14.0 million after tax and minority share owners' interests) related principally to restructuring costs and write-offs of certain assets in Europe and South America.

First Six Months 2000 compared with First Six Months 1999

For the first six months of 2000, the Company recorded net earnings of $147.2 million compared to $180.2 million for the first six months of 1999. Excluding the effects of the 1999 unusual items, the Company's first six months of 2000 earnings of $147.2 million decreased $23.4 million, or 13.7% from 1999 first six months earnings of $170.6 million. Consolidated EBIT for the first six months of 2000 was $476.0 million, a decrease of $7.2 million, or 1.5%, compared to the first six months of 1999 EBIT, excluding unusual items, of $483.2 million. Higher EBIT for the Glass Containers segment was

more than offset by lower EBIT for the Plastics Packaging segment. Interest expense, net of interest income, increased $26.1 million from the 1999 period due principally to higher interest rates. The Company's estimated effective tax rate for the first six months of 2000 was 39.6%. This compares with an estimated rate of 38.5% for the first six months of 1999 and the actual rate of 36.9% for the full year of 1999, excluding unusual items. The increase in the 2000 estimated rate is primarily the result of the non-recurrence of certain foreign tax credits which benefited 1999 results.

Capsule segment results (in millions of dollars) for the first six months of 2000 and 1999 were as follows:

	Net sales (Unaffiliated customers)		EBIT (a)	
	2000	1999	2000	1999
Glass Containers	$1,836.0	$1,835.3	$ 315.6	$ 331.8(b)
Plastics Packaging	921.6	856.6	148.0	166.1
Other	37.2	38.2	.1	3.7
Segment totals	2,794.8	2,730.1	463.7	501.6
Eliminations and other retained costs			12.3	1.6
Consolidated totals	$2,794.8	$2,730.1	$ 476.0	$ 503.2

(a) EBIT consists of consolidated earnings before interest income, interest expense, provision for income taxes, and minority share owners' interests in earnings of subsidiaries.

(b) EBIT for 1999 includes: (1) gains totaling $40.8 million related to the sales of a U.S. glass container plant and a mold manufacturing business in Colombia, and (2) charges totaling $20.8 million related principally to restructuring costs and write-offs of certain assets in Europe and South America. These items were recorded in the second quarter of 1999.

Consolidated net sales for the first six months of 2000 increased $64.7 million, or 2.4%, over the prior year. Net sales of the Glass Container segment increased $0.7 million from 1999. In the United States, the effect of increased shipments of containers for beer producers was partially offset by lower shipments of certain food containers. The combined U.S. dollar sales of the segment's foreign affiliates decreased slightly from the prior year. Increased shipments from the Company's operations throughout most of Europe, South America, and the Asia Pacific region were more than offset by the effects of a strong U.S. dollar and lower shipments from the Company's operations in the United Kingdom. The effect of changing foreign currency exchange rates reduced U.S. dollar sales of the segment's foreign affiliates by approximately $90 million. Net sales of the Plastics Packaging segment increased $65.0 million, or 7.6%, over 1999, reflecting increased shipments of plastic containers for juices, closures for food and beverages, and the effects of higher resin costs

on pass-through arrangements with customers, partially offset by lower shipments of household, health care, and personal care containers. The effects of higher resin costs increased sales by approximately $50 million compared to the first six months of 1999.

Excluding the effects of the 1999 unusual items, segment EBIT for the first half of 2000 decreased $17.9 million, or 3.7%, to $463.7 million from the 1999 segment EBIT of $481.6 million. EBIT of the Glass Containers segment increased $3.8 million, or 1.2%, to $315.6 million, compared to $311.8 million in 1999. The combined U.S. dollar EBIT of the segment's foreign affiliates decreased from prior year. Increased shipments from the Company's operations throughout most of Europe, South America, and the Asia Pacific region, and a gain from the restructuring of the ownership in two small joint ventures in South America were more than offset by the effects of a strong U.S. dollar, higher energy costs worldwide, and expenses associated with the scheduled rebuild of a glass melting furnace in Australia. In the United States, Glass Container EBIT increased from 1999 principally as a result of further improvements in cost structure. EBIT of the Plastics Packaging segment decreased $18.1 million, or 10.9%, to $148.0 million, compared to $166.1 million in 1999. Increased shipments of plastic containers for juices and closures for food and beverages were more than offset by lower shipments of household, health care, and personal care containers and costs incurred in connection with the start-up of new custom PET capacity including a new plastic bottle plant. Eliminations and other retained costs improved $10.7 million from 1999 principally due to higher net financial services income.

Restructuring Program and Asbestos Review

During the third quarter of 2000, the Company began to develop a restructuring program to further reduce operating expenses and other costs. Cost reduction opportunities exist in part as a result of plans to return to more moderate levels of capital investment following the completion of a number of major capital investment projects designed to improve productivity and expand capacity to serve key customers. The further integration of recently acquired businesses and plans to divest certain non-strategic operations offer additional opportunities for cost reduction. In addition, as part of its continual monitoring of asbestos-related matters, during the third quarter of 2000 the Company expects to complete its comprehensive review to determine if adjustments of its asbestos-related assets or liabilities are appropriate. While the results of this review and the restructuring program cannot be estimated at this time, the Company expects to record charges related to these activities in the third quarter of 2000.

Capital Resources and Liquidity

The Company's total debt at June 30, 2000 was $5.95 billion, compared to $5.94 billion at December 31, 1999 and $5.74 billion at June 30, 1999.

At June 30, 2000, the Company had available credit totaling $4.5 billion under its agreement with a group of banks ("Bank Credit Agreement") expiring in December 2001, of which $552.2 million had not been utilized. At December 31, 1999, the Company had $565.3 million of credit which had not been utilized

under the Bank Credit Agreement. Cash provided by operating activities was $99.8 million for the first six months of 2000 compared to $134.1 million for the first six months of 1999.

The Company anticipates that cash flow from its operations and from utilization of credit available through December 2001 under the Bank Credit Agreement will be sufficient to fund its operating and seasonal working capital needs, debt service and other obligations. The Company faces additional demands upon its liquidity for asbestos-related payments. Based on the Company's expectations regarding future payments for lawsuits and claims and its expectation of the collection of its insurance coverage and reimbursement for such lawsuits and claims, and also based on the Company's expected operating cash flow, the Company believes that the payment of any deferred amounts of previously settled or otherwise determined lawsuits and claims, and the resolution of presently pending and anticipated future lawsuits and claims associated with asbestos, will not have a material adverse effect upon the Company's liquidity on a short-term or long-term basis.

The Company's Board of Directors has authorized the management of the Company to repurchase up to 20 million shares of the Company's common stock. During the second quarter of 2000, the Company repurchased 702,000 shares for $9.3 million. Since July 1999, the Company has repurchased 10,702,000 shares for $234.9 million. The Company intends to purchase its common stock from time to time on the open market depending on market conditions and other factors. The Company believes that cash flows from its operations and from utilization of credit available under the Bank Credit Agreement will be sufficient to fund such repurchases in addition to the obligations mentioned in the previous paragraph.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

The Bank Credit Agreement provides, among other things, a $1.75 billion offshore revolving loan facility which is available to certain of the Company's foreign subsidiaries and denominated in certain foreign currencies. For further information about the facility and related foreign currency loan amounts outstanding, see Note 3 to the financial statements.

Forward Looking Statements

This document may contain "forward looking" statements as defined in the Private Securities Litigation Reform Act of 1995. Forward looking statements reflect the Company's best assessment at the time, and thus involve uncertainty and risk. It is possible the Company's future financial performance may differ from expectations due to a variety of factors including, but not limited to the following: (1) foreign currency fluctuations relative to the U.S. dollar, (2) change in capital availability or cost, including interest rate fluctuations, (3) the general political, economic and competitive conditions in markets and countries where the Company has operations, including competitive pricing pressures, inflation or deflation, and changes in tax rates, (4) consumer preferences for alternative forms of packaging, (5) fluctuations in raw material and labor costs, (6) availability of raw materials, (7) costs and availability of energy,

(8) transportation costs, (9) consolidation among competitors and customers, (10) the ability of the Company to integrate operations of acquired businesses, (11) the performance by customers of their obligations under purchase agreements, and (12) the timing and occurrence of events which are beyond the control of the Company. It is not possible to foresee or identify all such factors. Any forward looking statements in this document are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments, and other factors it believes are appropriate in the circumstances. Forward looking statements are not a guarantee of future performance and actual results or developments may differ materially from expectations. While the Company continually reviews trends and uncertainties affecting the Company's results of operations and financial condition, the Company does not intend to update any particular forward looking statements contained in this document.

PART II -- OTHER INFORMATION

Item 1. Legal Proceedings.

On or about November 2, 1999 and December 21, 1999, Michigan Department of Environmental Quality ("MDEQ") issued Letters of Violation to the Company's subsidiary Owens-Brockway Glass Container Inc. relating to its facility in Charlotte, Michigan alleging violations of Permit to Install No. 11-99, and Stipulation for Entry of Final Order by Consent AQD No. 12-1999. MDEQ is seeking a total penalty of $143,000. Discussions with MDEQ are on-going regarding settlement of this matter.

For further information on legal proceedings, see Note 6 to the Condensed Consolidated Financial Statements, "Contingencies," that is included in Part I of this Report, which is incorporated herein by reference.

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

The Annual Meeting of Owens-Illinois' share owners was held on May 10, 2000. Each of the nominees for a three-year term on the Company's Board of Directors was elected by vote of the share owners as follows:

Name	For	Withheld	Abstention	Broker Non-Votes
Joseph H. Lemieux	121,459,802	1,733,695	1,724,323	-
Michael W. Michelson	121,398,613	1,794,884	1,724,323	-

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits:

Exhibit 12 Computation of Ratio of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends.

Exhibit 23 Consent of McCarter & English, LLP.

Exhibit 27 Financial Data Schedule.

(b) Reports on Form 8-K:

No reports on Form 8-K were filed by the Registrant during the second quarter of 2000.

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.

OWENS-ILLINOIS, INC.

Date August 14, 2000

By /s/ David G. Van Hooser

David G. Van Hooser, Senior Vice President and Chief Financial Officer (Principal Financial Officer)

INDEX TO EXHIBITS

Exhibits	
12	Computation of Ratio of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends
23	Consent of McCarter & English, LLP
27	Financial Data Schedule

Exhibit 12

OWENS-ILLINOIS, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS
(Millions of dollars, except ratios)

	Six Months ended June 30, 2000	1999
Earnings before income taxes and minority share owners' interests .	$254.4	$307.7
Less: Equity earnings	(8.3)	(9.0)
Add: Total fixed charges deducted from earnings	250.8	223.0
Proportional share of pre-tax earnings (loss) of 50% owned associates.	4.9	4.4
Dividends received from less than 50% owned associates .	2.5	6.7
Earnings available for payment of fixed charges.	$504.3	$532.8
Fixed charges (including the Company's proportional share of 50% owned associates):		
Interest expense.	$231.6	$204.6
Portion of operating lease rental deemed to be interest . . .	14.2	14.0
Amortization of deferred financing costs and debt discount expense.	5.0	4.4
Total fixed charges deducted from earnings and fixed charges.	$250.8	$223.0
Preferred stock dividends (increased to assumed pre-tax amount).	17.3	18.2
Combined fixed charges and preferred stock dividends.	$268.1	$241.2
Ratio of earnings to fixed charges .	2.0	2.4
Ratio of earnings to combined fixed charges and preferred stock dividends.	1.9	2.2

EXHIBIT 23

CONSENT OF MCCARTER & ENGLISH, LLP

August 14, 2000

Ladies and Gentlemen:

We consent to the incorporation by reference in this Quarterly Report on Form 10-Q of Owens-Illinois, Inc. for the quarter ended June 30, 2000, of the reference to our firm under the caption "Legal Proceedings."

Very truly yours,

/s/ McCarter & English, LLP

McCarter & English, LLP

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This schedule contains summary financial information extracted from the June 30, 2000 condensed consolidated balance sheet, and the condensed consolidated results of operations for the six-month period then ended and is qualified in its entirety by reference to such financial statements.

6-MOS
DEC-31-2000
JUN-30-2000
210,300,000
0
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100,800,000
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0
0
0
147,200,000
0.93
0.93