

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

(Mark one)

FORM 10-Q

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

For Quarter Ended March 31, 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 - 146,556,413 shares at April 30, 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 March 31, 2000 and 1999
(Millions of dollars, except share and per share amounts)

	2000 -----	1999 -----
Revenues:		
Net sales	\$1,345.6	\$1,307.0
Royalties and net technical assistance	7.2	7.0
Equity earnings	3.3	4.5
Interest	6.8	5.8
Other	47.2	29.0
	-----	-----
	1,410.1	1,353.3
Costs and expenses:		
Manufacturing, shipping, and delivery	1,045.9	999.8
Research and development	10.5	9.6
Engineering	11.8	9.4
Selling and administrative	75.3	66.6
Interest	115.2	105.2
Other	50.1	43.5
	-----	-----
	1,308.8	1,234.1
Earnings before items below	-----	-----
	101.3	119.2
Provision for income taxes	40.5	46.2
Minority share owners' interests in earnings of subsidiaries	2.1	3.7
	-----	-----
Net earnings	\$ 58.7	\$ 69.3
	=====	=====
Basic net earnings per share of common stock	\$ 0.36	\$ 0.41
	=====	=====
Weighted average shares outstanding (thousands)	146,585	155,611
	=====	=====
Diluted net earnings per share of common stock	\$ 0.36	\$ 0.41
	=====	=====
Weighted diluted average shares (thousands)	147,184	157,110
	=====	=====

See accompanying notes.

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

	March 31, 2000	Dec. 31, 1999	March 31, 1999
	-----	-----	-----
Assets			
Current assets:			
Cash, including time deposits	\$ 182.3	\$ 257.1	\$ 240.1
Short-term investments, at cost which approximates market	39.7	32.1	30.2
Receivables, less allowances for losses and discounts (\$61.9 at March 31, 2000, \$56.9 at December 31, 1999, and \$50.5 at March 31, 1999)	880.3	856.4	854.7
Inventories	873.2	826.6	858.4
Prepaid expenses	140.2	137.6	168.5
	-----	-----	-----
Total current assets	2,115.7	2,109.8	2,151.9
Other assets:			
Equity investments	190.5	195.2	186.8
Repair parts inventories	249.5	234.1	250.3
Prepaid pension	770.1	745.6	704.7
Insurance receivable for asbestos-related costs	205.3	205.3	212.8
Deposits, receivables, and other assets	521.5	527.8	401.5
Net assets held for sale			397.5
Excess of purchase cost over net assets acquired, net of accumulated amortization (\$527.5 at March 31, 2000, \$502.8 at December 31, 1999, and \$429.3 at March 31, 1999)	3,236.0	3,294.4	3,294.0
	-----	-----	-----
Total other assets	5,172.9	5,202.4	5,447.6
Property, plant, and equipment, at cost	5,732.2	5,590.8	5,273.7
Less accumulated depreciation	2,229.8	2,146.7	1,969.9
	-----	-----	-----
Net property, plant, and equipment	3,502.4	3,444.1	3,303.8
	-----	-----	-----
Total assets	<u>\$10,791.0</u>	<u>\$10,756.3</u>	<u>\$10,903.3</u>
	=====	=====	=====

CONDENSED CONSOLIDATED BALANCE SHEETS -- continued

	March 31, 2000	Dec. 31, 1999	March 31, 1999
	-----	-----	-----
Liabilities and Share Owners' Equity			
Current liabilities:			
Short-term loans and long-term debt due within one year	\$ 220.8	\$ 205.7	\$ 284.2
Current portion of asbestos-related liabilities	85.0	85.0	85.0
Accounts payable and other liabilities	941.2	982.4	957.3
	-----	-----	-----
Total current liabilities	1,247.0	1,273.1	1,326.5
Long-term debt	5,782.3	5,733.1	5,667.2
Deferred taxes	426.2	407.4	336.0
Nonpension postretirement benefits	308.7	314.9	332.8
Other liabilities	477.5	483.0	618.7
Commitments and contingencies			
Minority share owners' interests	184.4	194.9	211.8
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, 156,957,243 shares issued and outstanding, less 10,000,000 treasury shares at March 31, 2000 (156,851,337 issued and outstanding, less 10,000,000 treasury shares at December 31, 1999; and 155,813,289 issued and outstanding at March 31, 1999)	1.6	1.6	1.5
Capital in excess of par value	2,203.8	2,201.9	2,190.0
Treasury stock, at cost	(225.6)	(225.6)	
Retained earnings	337.4	284.1	71.2
Accumulated other comprehensive income	(408.2)	(368.6)	(317.8)
	-----	-----	-----
Total share owners' equity	2,364.9	2,349.9	2,410.3
	-----	-----	-----
Total liabilities and share owners' equity	\$10,791.0	\$10,756.3	\$10,903.3
	=====	=====	=====

See accompanying notes.

OWENS-ILLINOIS, INC.
CONDENSED CONSOLIDATED CASH FLOWS
Three months ended March 31, 2000 and 1999
(Millions of dollars)

	2000	1999
	-----	-----
Cash flows from operating activities:		
Net earnings	\$ 58.7	\$ 69.3
Non-cash charges (credits):		
Depreciation	104.3	102.4
Amortization of deferred costs	36.3	34.3
Other	(33.7)	(13.3)
Change in non-current operating assets	(.7)	(14.6)
Asbestos-related payments	(26.9)	(35.0)
Reduction of non-current liabilities	(10.8)	(2.3)
Change in components of working capital	(115.4)	(129.1)
	-----	-----
Cash provided by operating activities	11.8	11.7
Cash flows from investing activities:		
Additions to property, plant, and equipment	(134.8)	(101.8)
Acquisitions, net of cash acquired	(47.4)	(18.1)
Net cash proceeds from divestitures	16.6	1.2
	-----	-----
Cash utilized in investing activities	(165.6)	(118.7)
Cash flows from financing activities:		
Additions to long-term debt	304.4	138.5
Repayments of long-term debt	(241.1)	(87.1)
Increase in short-term loans	24.3	41.1
Payment of convertible preferred stock dividends	(5.4)	(5.4)
Issuance of common stock and other	.5	.2
	-----	-----
Cash provided by financing activities	82.7	87.3
Effect of exchange rate fluctuations on cash	(3.7)	(11.6)
	-----	-----
Decrease in cash	(74.8)	(31.3)
Cash at beginning of period	257.1	271.4
	-----	-----
Cash at end of period	\$ 182.3	\$ 240.1
	=====	=====

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 March 31,	
	2000	1999

Numerator:		
Net earnings	\$58.7	\$69.3
Preferred stock dividends:		
Convertible	(5.4)	(5.4)
Exchangeable	(.1)	(.2)

Numerator for basic earnings per share - income available to common share owners	53.2	63.7
Effect of dilutive securities - exchangeable preferred stock dividends	.1	.2

Numerator for diluted earnings per share - income available to common share owners after assumed exchanges of preferred stock for common stock	\$53.3	\$63.9
=====		
Denominator:		
Denominator for basic earnings per share - weighted average shares outstanding	146,584,972	155,610,547
Effect of dilutive securities:		
Stock options	306,897	642,055
Exchangeable preferred stock	291,804	857,145

Dilutive potential common shares	598,701	1,499,200

Denominator for diluted earnings per share - adjusted weighted average shares and assumed exchanges of preferred stock for common stock	147,183,673	157,109,747
=====		
Basic earnings per share	\$0.36	\$0.41
=====		
Diluted earnings per share	\$0.36	\$0.41
=====		

The Convertible preferred stock was not included in the computation of March 31, 2000 and March 31, 1999 diluted earnings per share since the result would have been antidilutive. Options to purchase 4,621,348 and 2,933,347 weighted average shares of common stock which were outstanding during the three months ended March 31, 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:

	March 31, 2000	Dec. 31, 1999	March 31, 1999
	-----	-----	-----
Finished goods	\$619.7	\$580.0	\$643.7
Work in process	36.0	36.3	35.3
Raw materials	131.0	131.3	115.6
Operating supplies	86.5	79.0	63.8
	-----	-----	-----
	\$873.2	\$826.6	\$858.4
	=====	=====	=====

3. Long-Term Debt

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

	March 31, 2000	Dec. 31, 1999	March 31, 1999
Bank Credit Agreement:			
Revolving Credit Facility:			
Revolving Loans	\$2,795.0	\$2,559.4	\$2,235.0
Offshore Loans:			
1.39 billion (1.42 billion at December 31, 1999; 1.30 billion at March 31, 1999) Australian dollars	855.4	904.4	804.4
135.0 million (230.0 million at December 31, 1999; 333.0 million at March 31, 1999) British pounds	213.3	369.5	534.1
95.0 billion (100.0 billion at December 31, 1999; 118.0 billion at March 31, 1999) Italian lira	47.4	52.0	67.1
Bid Rate Loans			75.0
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	222.7	224.6	341.7
	5,833.8	5,809.9	5,757.3
Less amounts due within one year	51.5	76.8	90.1
Long-term debt	\$5,782.3	\$5,733.1	\$5,667.2

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

March 31, 2000, the Company had unused credit of \$534.2 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 March 31, 2000, was 6.79%. The weighted average interest rate on borrowings outstanding under the Offshore Facility at March 31, 2000, was 6.27%. 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 \$68.2 million for the first quarter of 2000 and \$54.4 million for the first quarter of 1999. Income taxes paid in cash totaled \$8.7 million for the first quarter of 2000 and \$11.6 million for the first quarter of 1999.

5. Comprehensive Income

The Company's components of comprehensive income are net earnings and foreign currency translation adjustments. Total comprehensive income (loss) for the three month periods ended March 31, 2000 and 1999 amounted to \$19.1 million and \$(57.8) million, respectively.

6. Net Assets Held for Sale

In connection with the April 1998 acquisition of the worldwide glass and plastics packaging businesses of BTR plc, the Company committed to sell BTR's United Kingdom glass container manufacturer ("Rockware") obtained in the transaction. Early in the second quarter of 1999, the Company completed the sale of Rockware to a subsidiary of Ardagh plc, an Irish glass container manufacturer based in Dublin, Ireland, for total consideration of 249 million pounds sterling (approximately \$405 million). The accompanying Condensed Consolidated Results of Operations for the three months ended March 31, 1999, exclude Rockware and related financing costs. The carrying value of Rockware at March 31, 1999 was based upon estimated future cash flows associated with the assets. In connection with the sale of Rockware, the Company received notes of approximately \$135 million. Cash proceeds from the Rockware sale were used for the reduction of debt and for general corporate purposes.

7. 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 March 31, 2000, the Company estimates that it is a named defendant in asbestos claims involving approximately 17,000 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, \$304.7 million had been received through March 31, 2000; and the balance of approximately \$12.8 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 2000 the Company intends to conduct a 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.

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.

8. 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 March 31, 2000 and 1999 regarding the Company's product segments is as follows:

	Glass Containers	Plastics Packaging	Other	Total Product Segments	Elimina- tions and Other Retained	Consoli- dated Totals

Net sales:						
March 31, 2000	\$883.9	\$443.2	\$18.5	\$1,345.6		\$1,345.6
March 31, 1999	873.1	415.3	18.6	1,307.0		1,307.0
=====						
EBIT:						
March 31, 2000	\$135.0	\$ 71.5	\$ (.1)	\$ 206.4	\$ 3.3	\$ 209.7
March 31, 1999	140.3	79.7	1.7	221.7	(3.1)	218.6
=====						

The reconciliation of EBIT to consolidated totals for the three month periods ended March 31, 2000 and 1999 is as follows:

	March 31, 2000	March 31, 1999

Earnings before income taxes and minority share owners' interests in earnings of subsidiaries:		
EBIT for reportable segments	\$206.4	\$221.7
Eliminations and other retained	3.3	(3.1)
Net interest expense	(108.4)	(99.4)

Total	\$101.3	\$119.2
=====		

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

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

The Company recorded net earnings of \$58.7 million for the first quarter of 2000 compared to \$69.3 million for the first quarter of 1999. Consolidated EBIT for the first quarter of 2000 was \$209.7 million, a decrease of \$8.9 million, or 4.1%, compared to the first quarter of 1999 EBIT of \$218.6 million. The decrease is attributable to lower EBIT for both the Glass Containers and the Plastics Packaging segments as discussed below. Interest expense, net of interest income, increased \$9.0 million from the 1999 period due principally to higher interest rates. The Company's estimated effective tax rate for the first quarter of 2000 was 40.0%. This compares with an estimated rate of 38.8% for the first quarter 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 quarter of 2000 and 1999 were as follows:

	Net sales (Unaffiliated customers)		EBIT (a)	
	2000	1999	2000	1999
Glass Containers	\$ 883.9	\$ 873.1	\$ 135.0	\$ 140.3
Plastics Packaging	443.2	415.3	71.5	79.7
Other	18.5	18.6	(.1)	1.7
Segment totals	1,345.6	1,307.0	206.4	221.7
Eliminations and other retained costs			3.3	(3.1)
Consolidated totals	\$1,345.6	\$1,307.0	\$ 209.7	\$ 218.6

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

Consolidated net sales for the first quarter of 2000 increased \$38.6 million, or 3.0%, over the prior year. Net sales of the Glass Containers segment increased \$10.8 million, or 1.2%, from 1999. In the United States, shipments were approximately equal to the prior year. The combined U.S. dollar sales of the segment's foreign affiliates increased over the prior year. Increased shipments from the Company's operations in Italy, Poland, Colombia, Brazil, and China were partially offset by continued weak economic and market conditions in markets served by the Company's operations in Venezuela, Ecuador, and Europe. The effect of changing foreign currency exchange rates reduced 2000 U.S. dollar sales of the segment's foreign affiliates by

approximately \$35 million. Net sales of the Plastics Packaging segment increased \$27.9 million, or 6.7%, over 1999, reflecting increased shipments of plastic containers for juices and closures for food and beverages, partially offset by lower shipments of prescription packaging.

Segment EBIT for the first three months of 2000 decreased \$15.3 million, or 6.9%, to \$206.4 million from 1999 segment EBIT of \$221.7 million. EBIT of the Glass Containers segment decreased \$5.3 million to \$135.0 million, compared to \$140.3 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 in Italy, Poland, Colombia, Brazil, and China, and a gain from the restructuring of the ownership in two small joint ventures in South America were more than offset by soft market conditions for most of the affiliates located in Europe and South America, expenses associated with the scheduled rebuild of a glass melting furnace in Australia, and higher energy costs worldwide. In the United States, Glass Container EBIT increased from 1999 as a result of further improvements in cost structure. The EBIT of the Plastics Packaging segment decreased \$8.2 million to \$71.5 million, compared to \$79.7 million in 1999. Increased shipments of plastic containers for juices and closures for food and beverages were more than offset by costs incurred in connection with the start-up of a new plastic bottle plant and a decrease in shipments of prescription packaging. Eliminations and other retained costs improved \$6.4 million from 1999 reflecting principally higher net financial services income.

Capital Resources and Liquidity

The Company's total debt at March 31, 2000 was \$6.00 billion, compared to \$5.94 billion at December 31, 1999 and \$5.95 billion at March 31, 1999.

At March 31, 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 \$534.2 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 \$11.8 million for the first three months of 2000 compared to \$11.7 million for the first three 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. Since July 1999, the Company has repurchased 10,000,000 shares for \$225.6 million. No shares were repurchased during the first quarter of 2000. 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.

(a) Contingencies. Note 7 to the Condensed Consolidated Financial Statements, "Contingencies," that is included in Part I of this Report, is incorporated herein by reference.

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

(a) Exhibits:

Exhibit 10.1 Owens-Illinois, Inc. Executive Life Insurance Plan.

Exhibit 10.2 Owens-Illinois, Inc. Death Benefit Only Agreement.

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 first 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 May 15, 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

10.1	Owens-Illinois, Inc. Executive Life Insurance Plan
10.2	Owens-Illinois, Inc. Death Benefit Only Agreement
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

Owens-Illinois
Executive Life Insurance Plan

Effective April 1, 2000

Owens-Illinois
Executive Life Insurance Plan

Owens-Illinois, Inc., a corporation duly organized and existing under the laws of the state of Delaware and having its corporate headquarters in the state of Ohio (hereinafter, together with its successors and assigns, called the "Company"), hereby establishes and will be the sponsor of this Owens-Illinois Executive Life Insurance Plan (the "Plan"), effective as of April 1, 2000. The Plan is established and will be maintained by the Company on behalf of each corporation (or other business entity) 50 percent or more of the voting stock (or other ownership interest) of which is owned, directly or indirectly, by the Company and which employs any person or persons who are eligible to participate in this Plan. Each such corporation (or other business entity), together with its successors and assigns, is hereinafter referred to as an "Employer".

W I T N E S S E T H:

The primary purpose of this Plan is to support the Employers in attracting and retaining qualified executive personnel, by providing for pre-retirement and post-retirement death benefits in an amount equal to three times annual base salary, determined as hereinafter provided and subject to certain limits hereinafter stated. The Company has determined that the foregoing can best be provided under split dollar life insurance arrangements, and an insurance policy has been or will be applied for on the life of each of the Participants. By execution of this Plan and the Agreement (as defined below), the Company and the Participants agree to make said insurance policies subject to the Plan.

Article I - Definitions

- 1.1 Administrator. The Plan administrator serving pursuant to Article XIII of this Plan. The Company shall be the Administrator unless and until the Company appoints one or more officers or employees of the Company to serve as the Administrator.
- 1.2 Agreement. A Participation Agreement, in the form attached hereto as Exhibit A, entered into between a Participant and the Company pursuant to which the individual agrees to participate in the Plan.
- 1.3 Anniversary Date. The first day of each Plan Year.
- 1.4 Beneficiary. The beneficiary or beneficiaries of the Owner's portion of the death benefit payable under each Policy, as designated in accordance with paragraph 8.1 and such Policy.
- 1.5 Collateral Assignment. A contractual assignment, in the form attached hereto as Exhibit B, entered into between the Owner of a Policy and the Company pursuant to which the Owner assigns to the Company certain rights in such Policy.

- 1.6 Disability. An Employee's inability, solely because of disease or injury for which the Employee is under the care of a qualified physician, to work within his or her own occupation, as determined for purposes of the Owens-Illinois Long-Term Disability Plan (a component of the Owens-Illinois, Inc. Salary Employees Welfare Benefit Plan).
- 1.7 Effective Date. April 1, 2000.
- 1.8 Employee. An individual performing services for an Employer for which Form W-2 compensation is paid.
- 1.9 Insurance Company. Nationwide Life Insurance Company, or any other insurance company or companies authorized to do business in the state of Ohio selected by the Company for the issuance of a Policy pursuant to the Plan.
- 1.10 Insurance Limit. The maximum amount of Owner's death benefit for which a Policy may be issued at standard rates and on a guaranteed-issue basis, as established by the Insurance Company, unless the Insurance Company and the Company mutually consent to a different amount as the Insurance Limit on coverage for an individual Participant. On the Effective Date, the Insurance Limit on the original issuance of a Policy is \$1,500,000, subject to adjustment based on subsequent increases in the Participant's annual base salary in accordance with the Insurance Company's schedule therefor to a maximum of \$3,000,000 on the Participant's Termination Date. The Insurance Limit is subject to modification by the Insurance Company from time to time after the Effective Date.
- 1.11 Owner. The Participant, or a life insurance trust created by the Participant, or another person or entity designated by the Participant with the written consent of the Company, who is or will be defined in a Policy as Owner and, as such, possesses or will possess all incidents of ownership in such Policy. It is the intention of the Plan that, with respect to a Policy the Owner of which is not the Participant insured by such Policy, such Participant will not possess any incidents of ownership in such Policy.
- 1.12 Participant. Any Employee who is eligible to participate in the Plan and has enrolled in the Plan in accordance with Article II, including a former Employee who became a Participant before his or her Termination Date and whose Agreement remains in effect.
- 1.13 Plan. This Owens-Illinois Executive Life Insurance Plan.

- 1.14 Plan Documents. This document and all documents incorporated into the Plan under this document, including the Agreements, the Collateral Assignments, the Policies, and any other documents specifically referenced herein or therein.
- 1.15 Plan Year. Each 12 consecutive month period beginning on April 1 and ending on the following March 31. The first Plan Year begins April 1, 2000 and ends March 31, 2001.
- 1.16 Policy. The life insurance policy on the life of a Participant, together with any supplemental contracts issued by the Insurance Company in conjunction therewith, purchased pursuant to the terms of the Agreement to which such Participant is a party and the Plan.
- 1.17 Premium Payment Period. The period of time beginning on the issuance of a Policy and ending on the Policy anniversary coinciding with or next following the insured Participant's 65th birthday or, if later, on the eighth Policy anniversary, throughout which period it is anticipated that the insured Participant's Employer will pay all premiums into the Policy. If the Agreement applicable to a Policy terminates during the Premium Payment Period for such Policy, such Premium Payment Period shall end concurrently.
- 1.18 Retirement. Retirement from employment with an Employer at a time and under circumstances whereby the Participant would be eligible for an immediately payable early or normal retirement benefit under the Owens-Illinois Salary Retirement Plan, as from time to time in effect.
- 1.19 Term Cost. The annual cost, during each calendar year, of one-year term life insurance in an amount equal to the Owner's portion of the death benefit under the applicable Policy, determined by reference to the then current published premium rates charged by the Insurance Company for individual one-year term life insurance available to all standard risks and otherwise in accordance with Revenue Ruling 64-328, 1964-2 C. B. 11, and Revenue Ruling 66-110, 1966-1 C. B. 12, and/or any other applicable rulings or interpretations by the Internal Revenue Service.
- 1.20 Termination Date. The date of termination of the Participant's employment with the Employer(s) for any reason, including voluntary and involuntary termination, as well as termination of employment due to Disability or Retirement.

Article II - Eligibility

- 2.1 An Employee shall be eligible to participate in the Plan if his or her job with an Employer is at or above the level of divisional vice president (or equivalent, as determined by the Company) and the Employee is designated as eligible by the Chief Executive Officer of the Company.

- 2.2 An Employee who is eligible to participate in the Plan on the Effective Date, and who enrolls in the Plan by executing an Agreement, shall become a Participant on or as of the Effective Date. An Employee who becomes eligible to participate in the Plan after the Effective Date, and who thereafter enrolls in the Plan by executing an Agreement, shall become a Participant on the first Anniversary Date thereafter.
- 2.3 An Agreement shall go into effect on or as of the effective date specified in the Agreement and shall remain in effect until the Participant's death, unless terminated earlier as provided in Article IX. Each Agreement shall, however, remain in effect notwithstanding the termination of the Plan, the Company's discontinuance of the payment of premiums under the Plan, or the cancellation, lapse, or surrender of the Policy for any reason, so long as the Participant remains an Employee of any Employer or has, prior to any such event, terminated such employment by reason of Retirement or Disability.

Article III - Application for Insurance

- 3.1 On or before the Effective Date or Anniversary Date on which an eligible Employee becomes a Participant, the Owner of the Policy to be issued on the life of such Participant shall apply to the Insurance Company for the issuance of a Policy insuring the Participant's life in such amount as is determined by the Company, which amount shall include the amount of the Owner's interest in the death benefit of the Policy, in accordance with subparagraph 6.2(b), plus such additional amount as the Company determines, in its sole and absolute discretion, to be sufficient to allow the Company to recover, from its share of the Policy's death benefit, the cumulative premiums paid into the Policy by the Employer(s) plus interest thereon at a rate acceptable to the Company. The Owner of the Policy shall be subject to the provisions of the Plan, including the Agreement and the Collateral Assignment. However, and notwithstanding anything herein to the contrary, neither an Employee's eligibility to participate in the Plan, nor any of the Company's and Employers' obligations to provide a death benefit in the amount specified in subparagraph 6.2(b) with respect to any Participant, are conditioned on the issuance of a Policy on the life of such Participant, but the rights and interests of the Company, the Employers, the Participant, and the Owner in and to any other feature of a Policy are expressly conditioned upon the issuance of such Policy on such underwriting classification and premium amounts as are acceptable to the Company in the exercise of its sole and absolute discretion.
- 3.2 It is the intention of the Plan, as a matter of reasonable expectation based on each Policy's death benefit amount, investment options, schedule of premiums, and other relevant Policy features, and on the age and other relevant characteristics of the insured Participant, but not as a matter guaranteed by the Company, any Employer, the Insurance Company, or otherwise, that:

- (a) At any time after the end of each Policy's Premium Payment Period, such Policy can be maintained in force for the remaining life of the insured Participant without the payment of additional premiums into the Policy, by utilizing the Policy's cash surrender value; provided, however, that if additional premiums are nevertheless required to be paid into the Policy after the end of the Policy's Premium Payment Period but while the Agreement remains in effect with respect to such Policy, the Employer(s) shall pay such premiums; and
- (b) At any time after the end of each Policy's Premium Payment Period, the Company's portion of the cash surrender value of such Policy will equal no less than the cumulative amount of premiums paid into the Policy by the insured Participant's Employer(s), plus interest thereon from each premium payment date to the date of reimbursement compounded annually at a rate acceptable to the Company; provided, however, that any shortfall in the value of the Company's portion of the cash surrender value of a Policy may only be recovered from the Company's portion of the Policy's death benefit as specified in subparagraph 6.1(b) and shall not impair the amount of the Owner's portion of such death benefit as specified in subparagraph 6.2(b).

Article IV - Payment of Premiums

- 4.1 On or before the due date of each periodic Policy premium payable during the Premium Payment Period, or within any grace period after such due date permitted by the Policy, the Employer of the Participant insured by such Policy shall pay the full amount of such premium to the Insurance Company. The amount of the premium which the Employer shall pay each year, and the period of years over which such premium is expected to be paid, shall be detailed with respect to each Participant in a schedule of premiums furnished by the Insurance Company to the Company at the time of issuance of the Policy on the life of such Participant.
- 4.2 To the extent that an Employer pays the premium amounts for life insurance benefits under a Policy, the Participant insured by such Policy shall incur a taxable economic benefit each year equal in amount to the Policy's Term Cost for such year, and the Employer will gross up the amount thereof to cover the applicable federal, state, and local income taxes thereon. The amount to be reported as income each year shall include the amount of such economic benefit plus the additional amount attributable to the Employer's grossing up such amount to cover such taxes. The Employer will furnish the Participant with statements of the amount of such income reportable by the Participant for federal, state, and local income tax purposes.

- 4.3 Notwithstanding the schedule of premiums referred to in paragraph 4.1, if any additional premiums should be required to be paid into a Policy while the Plan and the Agreement applicable to such Policy remain in effect, the insured Participant's Employer (or former Employer) shall pay such premiums, but no additional premium payments shall be required to be paid by an Employer on any Policy issued under the Plan after the death of the insured Participant.

Article V - Collateral Assignment

- 5.1 To secure the repayment of the amount of the premiums paid by an Employer hereunder, the Owner of each Policy shall, simultaneous with the issuance of the Policy, execute a Collateral Assignment and deliver it to the Company. Such Collateral Assignment shall grant to the Company the interests in the Policy ascribed to the Company in Article VI. All rights in and to the Policy not granted to the Company by the Collateral Assignment or the Agreement shall be retained by the Owner of the Policy, subject to applicable provisions of this Plan. Such Collateral Assignment shall not be canceled, altered, or amended except as expressly provided by the provisions of the Collateral Assignment and permitted by the Plan.

Article VI - Policy Interests

- 6.1 At any time while the Agreement applicable to a Policy remains in effect, the Company's ownership of such Policy is as follows:
- (a) Cash Surrender Value. The Company shall own a portion of the cash surrender value of each Policy equal to the cumulative premiums paid into the Policy by the Employer(s), plus interest thereon from each premium payment date compounded annually at the rate available under the Policy, as determined by the Administrator, taking into account the length of time the Policy has been in effect, the investment return of the Policy, and any other relevant factors as determined by the Administrator.
 - (b) Death Benefit. The Company shall own a portion of the death benefit of each Policy equal to the amount, if any, by which the entire death benefit of the Policy exceeds that portion owned by the Owner of the Policy, as set forth in subparagraph 6.2(b).
- 6.2 Subject to paragraph 7.1, at any time while the Agreement applicable to a Policy remains in effect, the Owner's ownership of such Policy is as follows:
- (a) Cash Surrender Value. The Owner shall own a portion of the cash surrender value of such Policy equal to the amount, if any, by which the entire cash surrender value of the Policy exceeds that portion owned by the Company, as set forth in subparagraph 6.1(a).
 - (b) Death Benefit. Prior to the insured Participant's Termination Date, the Owner shall own a portion of the death

benefit of such Policy equal in amount to three times the Participant's annual base salary as of the most recent Anniversary Date or, if less, the Insurance Limit. On or after the insured Participant's Termination Date, the Owner shall own a portion of the death benefit of such Policy equal in amount to three times the Participant's annual base salary as of the last Anniversary Date preceding his or her Termination Date or, if less, the Insurance Limit. Notwithstanding the foregoing, the Owner's portion of the death benefit of the Policy on any Anniversary Date shall not be reduced by reason of any subsequent decrease in the insured Participant's annual base salary.

- 6.3 The Company shall have the exclusive right to direct the allocation of all amounts paid into each Policy, and the entire value of the Policy, among any investment options available under the Policy, in accordance with applicable provisions of the Policy, so long as the Agreement applicable to such Policy remains in effect.
- 6.4 Neither the Company nor the Owner of the Policy shall have or exercise any right in and to the portion of the cash surrender value or death benefit of the Policy which is owned by or is payable to the other party, including any right to borrow against or from the other party's portion of the cash surrender value of the Policy, to collect the proceeds of the other party's portion of the death benefits of the Policy, or to take any action which would reduce the other party's interest in the Policy, except as expressly provided in the Plan.
- 6.5 If the Participant is the Owner upon issuance of the Policy insuring his or her life, he or she shall have the right to transfer his or her interest in the Policy to another person or entity meeting the definition of Owner in paragraph 1.11, but (i) only to the extent permitted by the terms of the Policy and in accordance with procedures established by the Insurance Company and (ii) only upon the transferee's execution and delivery of a written agreement with the Company to be fully bound by the provisions of this Plan and of the Agreement and Collateral Assignment. Subject to the foregoing, and except for the Collateral Assignment, the Owner shall not have or exercise any otherwise available right to sell, assign, pledge as collateral, or otherwise transfer or encumber the Owner's interest in the Policy at any time while the Agreement remains in effect, and any attempt to do so shall be void.
- 6.6 The Company shall have the right (i) to assign its portion of each Policy as security for the repayment of any loans from the Insurance Company or any other creditors, and (ii) to assign its portion of each Policy which represents any accrued but unpaid interest with respect to such loans to the Insurance Company or other creditors.

- 6.7 The Company shall maintain possession of the Policy. The Company shall make the Policy available to the Insurance Company to the extent necessary for the purpose of endorsements or filing any change of Beneficiary in accordance with the provision of this Plan. The Policy shall be returned promptly to the Employer after any such action shall have been accomplished.

Article VII - Policy Rights

- 7.1 The cash surrender value of each Policy shall be used to support the life insurance benefits payable to the Beneficiary of such Policy and to the Company under the terms of the Plan. Prior to the payment of such benefits, the Owner and the Company shall be entitled to exercise their rights of ownership of their individual portions of the Policy in accordance with the provisions of this Article VII. The rights of ownership which shall be exercisable by the Owner of the Policy shall include all of the rights of the "owner" which are specified in the Policy, subject to the following limitations:
- (a) The Owner shall not be permitted to exercise any otherwise available right to surrender or take withdrawals from the Policy, in whole or in part, so long as the Agreement remains in effect, without the written consent of the Administrator.
 - (b) The Owner shall not be permitted to exercise any otherwise available right to take policy loans from his portion of the cash surrender value of the Policy during the Premium Payment Period.
 - (c) The Owner shall not be permitted to exercise any otherwise available right to direct the allocation of amounts paid into the Policy, or any of the value of the Policy among any investment options available under the Policy so long as the Agreement remains in effect.
- 7.2 So long as the Agreement remains in effect, the Owner of each Policy shall cooperate with the Company to effectuate any withdrawals and/or policy loans by the Company from the Company's portion of the cash surrender value of the Policy. The Owner shall complete all necessary forms prescribed by the Insurance Company in order to allow the Company to receive or begin receiving such withdrawals and/or policy loans.
- 7.3 Policy loans shall be subject to the following guidelines:
- (a) The interest rate charged on amounts which are borrowed from the Policy shall be that rate which is specified in the Policy or declared by the Insurance Company. In the event that the borrowed amount is not repaid as of the Anniversary Date immediately following the date on which the

amount is borrowed, the borrower's benefits under the Policy shall be offset to reflect the annual interest which has been charged on the borrowed amounts by the Insurance Company. All interest charges shall be incurred by the borrowing party.

- (b) Amounts which have been borrowed against the cash surrender value of the Policy shall be remitted to the Insurance Company according to the terms for repayment established by the Insurance Company. Such remittance shall be accompanied by such forms and shall be in accordance with such other procedures as the Insurance Company and the Administrator shall prescribe from time to time.
- (c) If indebtedness exists with respect to a Policy as of the date of death of the Participant, such indebtedness, together with accumulated interest which has been charged by the Insurance Company, shall be deducted from the borrower's portion of the death benefit of the Policy.

Article VIII - Death Benefits

- 8.1 The Owner of each Policy shall have the right to designate a Beneficiary for the payment of the Owner's portion of the death benefit of the Policy. The Beneficiary shall be designated, and may be changed from time to time, in accordance with procedures specified in the Policy or otherwise prescribed by the Insurance Company.
- 8.2 Upon the death of the Participant, the Company, the Owner (if other than the Participant), and the Beneficiary shall take appropriate action promptly to obtain the death benefits under the Policy to be paid in accordance with the Policy and the Plan. When the Policy matures as a death claim, the Company shall be entitled to claim from the proceeds payable thereunder its portion of the death benefit payable under the Policy. The balance of such proceeds shall be paid to the Beneficiary in accordance with paragraph 8.3 below and the Beneficiary provisions of the Policy.
- 8.3 Upon the death of the Participant, the Beneficiary shall receive the Owner's portion of the death benefit of the Policy in a single sum, minus any outstanding indebtedness, if any. Such amount shall be paid to the Beneficiary in accordance with the terms of the Policy.

Article IX - Retirement or Other Termination of Employment

- 9.1 If a Participant's Termination Date occurs by reason of the Participant's Retirement or Disability, the occurrence of such Termination Date shall have no effect.

9.2 If a Participant's Termination Date occurs for any reason other than the Participant's Retirement, Disability, or death, the Owner may elect, by written notice to the Administrator given no later than 30 days after such Termination Date:

- (a) to acquire the Company's interest in the Policy, without reducing the Policy's cash surrender value or death benefits, by reimbursing the Company in full for the Company's portion of the Policy's cash surrender value as then determined under subparagraph 6.1(a) and assuming full responsibility for the payment of all future premiums; or
- (b) to acquire the Company's interest in the Policy, after the Company has withdrawn the Company's portion of the Policy's cash surrender value as then determined under subparagraph 6.1(a) and the amount of the Policy's death benefit has been reduced by a corresponding amount, by assuming full responsibility for the payment of all future premiums,

whereupon, under either (a) or (b), the Agreement applicable to such Policy shall terminate, effective as of the Participant's Termination Date, and the Company shall release the Collateral Assignment of such Policy.

9.3 In the circumstances described in paragraph 9.2, above, but in the absence of a timely election by the Owner under either (a) or (b) thereunder, the entire ownership of the Policy shall revert to the Company, whereupon the Agreement applicable to such Policy shall terminate, effective as of the Participant's Termination Date, and thereafter no Employer shall be under any further obligation to make premium payments or to take any other action to maintain the Policy in force or to preserve the Policy's value in any manner. Upon request by the Company, the Owner shall execute any and all documents and take any and all other actions reasonably necessary or appropriate to perfect the Company's ownership of the entire interest in the Policy.

Article X - Plan Termination

10.1 The Company reserves the right to unilaterally discontinue or suspend the Employers' payment of premiums under the Plan at any time or to terminate the Plan at any time. The Plan shall terminate upon the total cessation of the business of the Company or upon the bankruptcy, receivership or dissolution of the Company.

10.2 Upon termination of the Plan or the complete discontinuance of the payment of premiums under the Plan, the provisions of paragraph 9.3 shall be applied to govern the disposition of each Policy as if the effective date of such Plan termination or discontinuance of premiums were the Termination Date of each Participant. However, the Agreement with each Participant who then remains in employment with an Employer or whose Termination Date has theretofore occurred by reason of Retirement or Disability, and the obligation of the Company and/or the Employer(s) to provide a death benefit on behalf of each such Participant in the

amount specified as the amount of the Owner's death benefit in subparagraph 6.2(b), shall survive such Plan termination or discontinuance of premiums.

Article XI - Plan Amendments

- 11.1 The Company reserves the right to amend the Plan in any respect and at any time and from time to time. However, the Company shall not amend the Plan in any manner, or take or omit any other action, that has the effect of (i) reducing the amount of an Owner's portion of the death benefit of a Policy as specified in subparagraph 6.2(b) without the Owner's consent; (ii) of retroactively changing, or depriving any Owner of, rights retained by or conferred on the Owner with respect to a Policy attributable to premiums theretofore paid into the Policy, without the Owner's consent; or (iii) amending in any respect or revoking a Participant's Agreement without the consent of the Participant.

Article XII - Insurance Company

- 12.1 The Insurance Company will be fully discharged from its obligations under the Policy by its payment of the Policy death benefit to the beneficiary(ies) designated in the Policy, subject to the terms of the Policy. The Insurance Company will not, in any event, be considered a party to this Plan or to any Agreement, or to any modification or amendment of the Plan or any Agreement.

Article XIII - Administration and Claims

- 13.1 The Plan is an employee welfare benefit plan under Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The following provisions of this paragraph 13.1 are intended to meet applicable ERISA requirements:
- (a) The Plan shall be administered by the Administrator, and the Administrator shall have full discretionary authority and responsibility for the operation and management of the Plan.
 - (b) The named fiduciary or fiduciaries are the Company and/or one or more officers or employees of the Company duly appointed to exercise fiduciary authority and responsibility with respect to the Plan.
 - (c) The funding policy under this Plan anticipates that all premiums on each Policy shall be remitted by the Employer(s) to the Insurance Company when due, and all benefits under the Plan shall be provided pursuant to a contract or contracts with any insurance company or companies authorized to do business in the state of Ohio, as selected by the Company.
 - (d) Direct payment by the Insurance Company is the basis of payment of benefits under this Plan, with those benefits in turn being based on the payment of premiums as provided in the Plan.

- (e) The claims procedure of the Plan shall be as follows:
- (i) The Owner of a Policy, a Beneficiary, or a duly authorized representative thereof may make a claim for benefits by filing a claim with the Administrator on a form made available for that purpose. The Administrator shall make the initial determination as to the treatment of the claim and give the claimant notice thereof within 90 days after receipt of the claim. If for any reason a claim for benefits under this Plan is denied by the Administrator, it shall deliver to the claimant a written explanation setting forth the specific reason for the denial, pertinent references to the Plan provision on which the denial is based, such other data as may be pertinent and information on the procedures to be followed by the claimant in obtaining a review of the claim, all written in a manner calculated to be understood by the claimant. For this purpose:
 - (A) The claimant's claim shall be deemed filed when presented in writing to the Administrator.
 - (B) The Administrator's determination and explanation shall be in writing delivered to the claimant within 90 days of the date the claim is filed.
 - (ii) The claimant shall have 60 days following his receipt of the denial of the claim to file with the Company a written request for review of the denial. For such review, the claimant or a representative thereof may submit pertinent documents and written issues and comments.
 - (iii) The Company shall decide the issue on review and furnish the claimant with a copy of its determination within 60 days of receipt of the claimant's request for review of the claim. The decision shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant, as well as specific reference to the pertinent Plan provisions on which the decision is based. If a copy of the decision is not furnished to the claimant within such 60-day period, the claim shall be deemed denied on review.

Article XIV - Miscellaneous

- 14.1 The Plan Documents shall constitute the entire documentation of the Plan. No representations, warranties, covenants, understandings or agreements, oral or otherwise, in relation to the subject matter hereof, other than those set forth in the Plan Documents, shall be valid.
- 14.2 The Plan and the Policy shall not constitute an inducement or consideration for the employment of any Employee or Participant and shall not give any Employee or Participant any right to be retained in the employ of any Employer, and each Employer hereby retains the right to discharge any Employee or Participant at any time, in accordance with the personnel policies of the Employer, or as provided in any employment agreement between the Employer and the Employee or Participant.
- 14.3 This Plan shall be binding upon and inure to the benefit of each Participant and each Owner of a Policy, and their respective heirs, successors, assigns, and personal representatives, and the Company and each Employer, and their respective successors and assigns.
- 14.4 In the event that any part of this Plan shall be deemed invalid for any reason, such invalidity shall not affect the remainder of this Plan, which shall remain valid and binding upon all interested parties and enforceable in accordance with its terms.
- 14.5 Except where otherwise indicated by the context, any use of the masculine gender herein shall also refer to the feminine and vice versa, and the use of any term herein in the singular shall also, where appropriate, include the plural and vice versa.
- 14.6 Except as otherwise required by the laws of the United States of America, the Plan Documents shall be construed in accordance with and governed by the laws of the state of Ohio.

IN WITNESS WHEREOF, the Company has caused this Plan to be duly executed by its duly authorized officer(s) on this 10th day of March, 2000.

OWENS-ILLINOIS, INC.

By: /s/ Thomas L. Young

Thomas L. Young
Executive Vice President

Attest:

/s/ James W. Baehren

James W. Baehren
Secretary

Owens-Illinois Executive Life Insurance Plan

Participation Agreement

(Exhibit A to the Owens-Illinois Executive Life Insurance Plan)

This Participation Agreement (the "Agreement") is made by and between Owens-Illinois, Inc. (the "Company") and _____ (the "Participant"), pursuant to the Owens-Illinois Executive Life Insurance Plan (the "Plan").

IT IS AGREED:

- A. Capitalized terms defined in the Plan and not otherwise defined in this Agreement shall have the meaning assigned in the Plan.
- B. All of the terms, provisions, and conditions of the Plan are hereby incorporated into this Agreement.
- C. Commencing on April 1, 20__ (the effective date of this Agreement), the Participant agrees to participate in the Plan and become subject to its terms, and the Company agrees that the Participant's Employer(s) will contribute premiums in accordance with the Plan for the period of time and in the amounts determined thereunder. Both parties to this Agreement understand that benefits under the Plan shall be provided by Policy Number _____ issued or to be issued by the Insurance Company.
- D. Notwithstanding the foregoing provisions of this Agreement or any contrary provisions of the Plan, the Company agrees that:
 - 1. At any time while this Agreement remains in effect before the Participant's Termination Date, the death benefit payable to the Beneficiary shall equal three times the Participant's annual base salary as of the most recent Anniversary Date or, if less, the Insurance Limit;
 - 2. At any time while this Agreement remains in effect on or after the Participant's Termination Date, if such Termination Date occurred by reason of the Participant's Retirement or Disability, the death benefit payable to the Beneficiary shall equal three times the Participant's annual base salary as of the last Anniversary Date preceding his or her Termination Date or, if less, the Insurance Limit; and
 - 3. Notwithstanding 1 and 2, above, the amount of the death benefit in effect as payable to the Beneficiary on any Anniversary Date so long as the Participant remains an Employee of any Employer or has, prior to such Anniversary Date, terminated such employment by reason of Retirement or Disability, shall not be reduced by reason of any subsequent decrease in the Participant's annual base salary.

E. This Agreement may be amended only by the mutual written consent of the Company and the Participant.

F. This Agreement shall remain in effect from its effective date until the death of the Participant, unless terminated earlier, in connection with the Participant's termination of employment for any reason other than Retirement or Disability, as provided in the Plan. This Agreement shall, however, remain in effect notwithstanding the termination of the Plan, the Company's discontinuance of the payment of premiums under the Plan, or the cancellation, lapse, or surrender of the Policy for any reason, so long as the Participant remains an Employee of any Employer or has, prior to any such event, terminated such employment by reason of Retirement or Disability.

Dated as of the _____ day of _____, 20__.

Participant: Owens-Illinois, Inc.

By: _____

Owens-Illinois Executive Life Insurance Plan

Collateral Assignment

(Exhibit B to the Owens-Illinois Executive Life Insurance Plan)

1. The subject of this Collateral Assignment ("Assignment") is life insurance Policy No. _____ (the "Policy") issued or to be issued by Nationwide Life Insurance Company on the life of _____ (the "Participant") and any supplemental policy or contract issued in connection therewith or with the Plan described below.
2. This Assignment is made pursuant to the Owens-Illinois Executive Life Insurance Plan (the "Plan"), effective April 1, 20___. Capitalized terms defined in the Plan and not otherwise defined in this Assignment shall have the meaning assigned in the Plan.
3. The Owner of the Policy is (check one, as applicable):
 - ___ the Participant
 - ___ the trustee of an irrevocable life insurance trust previously created by the Participant.
 - ___ other third party (subject to the Company's consent, which is hereby given upon the Company's execution hereof).

Furnish name, address, and Social Security number (or taxpayer identification number) of Owner, if other than the Participant:

4. All of the terms, provisions, and conditions of the Plan are hereby incorporated herein by reference.
5. This Assignment is made by the Owner to the Company, its successors and assigns, in consideration of amounts paid by the Employer(s) under the Plan and in recognition of the Company's rights and interests in the Policy created pursuant to the Plan.
6. The Owner of the Policy hereby assigns, transfers, and sets over to the Company, as collateral security for the repayment of the amounts paid or to be paid by the Participant's Employer(s) to or for the benefit of the Owner under the terms of the Plan, all of the rights and interests in the Policy, in its cash surrender value, and in its death benefit, as are described in the Plan as belonging to the Company or the Employer(s), including without limitation the following:

- (a) A portion of the cash surrender value of the Policy equal to the cumulative premiums paid into the Policy by the Employer(s), plus interest thereon from each premium payment date compounded annually at the rate available under the Policy, as determined by the Administrator of the Plan, taking into account the length of time the Policy has been in effect, the investment return of the Policy, and any other relevant factors as determined by the Administrator.
 - (b) Any right to withdraw from or borrow all or any part of the portion of the Policy's cash surrender value hereby assigned to the Company.
 - (c) A portion of the death benefit of the Policy equal to the amount, if any, by which the entire death benefit of the Policy exceeds that portion owned by the Owner of the Policy, as set forth in paragraph 8, below.
 - (d) Any right to direct the allocation of all amounts paid into the Policy, and the entire value of the Policy, among any investment options available under the Policy.
 - (e) The exclusive right to possession of the Policy, pursuant to which the Insurance Company shall deliver the Policy directly to the Company upon issuance.
7. The rights and interests hereby assigned to the Company shall remain exclusively the Company's unless and until this Assignment is released by the Company. The Company shall only be obligated to release this Assignment pursuant to the terms of the Plan and the Agreement.
8. The Owner of the Policy, pursuant to the terms of the Plan and the Agreement, shall only retain and possess a right to designate and change the Beneficiary for the portion of the Policy death benefit equal in amount to three times the Participant's annual base salary as of the most recent Anniversary Date preceding his or her Termination Date or, if less, the Insurance Limit as defined in the Plan. Notwithstanding the foregoing, the Owner's portion of the Policy death benefit on any Anniversary Date shall not be reduced by reason of any subsequent decrease in the insured Participant's annual base salary.
9. The Insurance Company shall have no duty or obligation to inquire into or investigate the reason or validity of a request from either the Company or the Owner to exercise any of their rights hereunder, or whether the other party has notice of it. The Insurance Company may treat any such request as an affirmation that the request conforms to this Assignment and the Plan, and is thereby authorized to act upon such requests without further investigation.
10. The Insurance Company is not a party to this Collateral Assignment or to the Plan, but has executed this Assignment below solely for the purpose of acknowledging the existence of this Collateral Assignment.

IN WITNESS WHEREOF, this Assignment is hereby executed as of the _____ day
of _____, 20____.

Owner of Policy: Owens-Illinois, Inc.

By: -----

Acknowledgment by Insurance Company:

Nationwide Life Insurance Company

By: -----

Title: -----

Date: -----

DEATH BENEFIT ONLY AGREEMENT

Effective April 1, 2000

DEATH BENEFIT ONLY AGREEMENT

THIS DEATH BENEFIT ONLY AGREEMENT (the "Agreement"), made and entered into effective on or as of the 1st day of April, 2000, by and between Owens-Illinois, Inc., a corporation duly organized and existing under the laws of the State of Delaware, U.S.A., and having its corporate headquarters in the State of Ohio, U.S.A. (hereinafter, together with its successors and assigns, referred to as "Owens-Illinois"), acting on behalf of itself and any other corporation (or other business entity) 50 percent or more of the voting stock (or other ownership interest) of which is owned, directly or indirectly, by Owens-Illinois and which now or hereafter employs the person identified below as the Executive (hereinafter, together with its successors and assigns, referred to as the "Employer"), and

Name:

(hereinafter referred to as the "Executive").

WHEREAS, the Employer desires to provide a death benefit on behalf of certain of its non-U.S. employees whose jobs are at or above the level of divisional vice president (or equivalent, as determined by Owens-Illinois) and who are designated as eligible by the Chief Executive Officer of Owens-Illinois;

WHEREAS, the Executive has been in the employ of the Employer and has now and in the past faithfully served the Employer and has been designated as eligible for a death benefit to be provided by the Employer; and

WHEREAS, it is the desire of the Employer to make this death benefit payable, in the event of the Executive's death while this Agreement is in effect, to the person or persons or entity or entities (the "Beneficiary") designated by the Executive on the Beneficiary Designation Form (in substantially the form attached as Schedule A hereto) in effect at the date of the Executive's death.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I - BENEFITS

The benefits provided by the Employer to the Executive under this Agreement are in the nature of a fringe benefit and shall in no event be construed to affect or limit the Executive's current or prospective salary increases, cash bonuses, or other benefits, as applicable. The taxable nature of the benefits shall be the responsibility of the Executive's Beneficiary.

Should the Executive die while this Agreement is in effect, the Executive's Employer shall pay the Executive's Beneficiary the sum of US\$200,000. Such benefit shall be paid in a single lump sum as soon as practicable after Owens-Illinois receives written notice, in a form and manner acceptable to Owens-Illinois, of the Executive's death. In the event the Executive has not designated a Beneficiary, or if the Executive's designated Beneficiary shall have predeceased the Executive, the benefit under this Agreement shall be paid to the Executive's estate. The Beneficiary shall be designated on a Beneficiary Designation Form in substantially the form of Schedule A to this Agreement. The Executive may at any time and from time to time while this Agreement is in effect change his or her Beneficiary by executing and delivering to Owens-Illinois a new Beneficiary Designation Form.

If the Executive's Employer on the date of the Executive's death fails to pay the full amount of such benefit to the Executive's Beneficiary when due, Owens-Illinois shall pay the unpaid amount thereof to such Beneficiary as soon as practicable after receiving written notice, in a form and manner acceptable to Owens-Illinois, of such failure. Except to the extent otherwise provided in the immediately preceding sentence, neither Owens-Illinois nor any corporation (or other business entity) controlling, controlled by, or under common control with Owens-Illinois (other than the Executive's Employer on the date of the Executive's death) promises or guarantees the performance of the Executive's Employer under this Agreement.

ARTICLE II - FUNDING RESTRICTIONS

The Executive, his Beneficiary, and any successor in interest to them, shall be and remain, with respect to the obligations under this Agreement, a general creditor of the Employer in the same manner as any other general creditor of the Employer. Owens-Illinois, on behalf of itself and each Employer, reserves the absolute right, in its sole discretion, through the purchase of life insurance on the life of the Executive or otherwise, to secure to the Employer a source for the payment of the Employer's obligations hereunder and to determine the extent, nature, and method thereof from time to time, including the right to discontinue the same at any time. Should Owens-Illinois elect to do so, in whole or in part, through the purchase of life insurance or any other funding medium, only Owens-Illinois and/or the Employer shall have any right or interest in any such life insurance or other funding medium, and neither the Executive nor his or her Beneficiary shall have any right or interest therein or recourse thereto.

ARTICLE III - TERM OF AGREEMENT

This Agreement shall, upon its execution by the parties, become effective as of April 1, 2000, and shall remain in effect for so long as the Executive remains in the employ of the Employer. This Agreement shall continue in effect after the Executive's termination of employment with the Employer only if such termination occurs by reason of the Executive's total and permanent disability or retirement, as determined by Owens-Illinois with reference to any disability benefit plan, retirement plan, and/or law applicable to the Executive in his or her country of residence and/or employment.

ARTICLE IV - ERISA PROVISIONS

To the extent this Agreement is deemed to constitute or comprise a part of an "employee welfare benefit plan" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the provisions of this Article IV shall apply.

A. Named Fiduciary and Administrator. The named fiduciary and administrator of such plan shall be Owens-Illinois. As named fiduciary and administrator, Owens-Illinois shall be responsible for the management, control and administration of the plan in accordance with the provisions of this Agreement. Owens-Illinois may delegate to others certain responsibilities hereunder, including the employment of advisors and the delegation of ministerial duties to qualified individuals.

B. Claims Procedure.

If benefits under this Agreement are not paid to the Executive's Beneficiary and such claimants feel they are entitled to receive such benefits, then a written claim must be made to the administrator named above within 60 days from the date payment is refused. The administrator shall review the written claim and if the claim is denied, in whole or in part, shall provide in writing within 90 days of receipt of such claim the specific reasons for such denial, reference to the provisions of this Agreement upon which the denial is based, and any additional material or information necessary to perfect the claim. Such written notice shall further indicate the additional steps to be taken by claimants if a further review of the claim denial is desired. A claim shall be deemed denied if the administrator fails to take any action within the aforesaid 90 day period.

If the claimants desire a second review, they shall notify the named fiduciary in writing within 60 days of the first claim denial. Claimants may review the Agreement or any documents relating thereto and submit any written issues and comments they may feel appropriate. In its sole discretion, the named fiduciary shall then review the second claim and provide a written decision within 60 days of receipt of such claim. This decision shall likewise state the specific reasons for the decision and shall include reference to specific provisions of the Agreement upon which the decision is based.

The parties hereto agree that they and their heirs, personal representatives, successors, and assigns shall be bound by the decision of the named fiduciary with respect to any claim properly submitted to it for determination.

ARTICLE V - MISCELLANEOUS

A. Alienability and Assignment Prohibition. Neither the Executive, his spouse, nor any other Beneficiary hereunder shall have any power or right to transfer assign, anticipate, hypothecate, mortgage, commute, modify, or otherwise encumber in advance any of the benefits payable hereunder, nor shall any of said benefits be subject to seizure for the payment of any debts, judgments, alimony, or separate maintenance owed by the Executive or his or her

Beneficiary, nor be transferable by operation of law in the event of bankruptcy or insolvency or otherwise. In the event the Executive or any Beneficiary attempts assignment, commutation, hypothecation, transfer, or disposal of the benefits hereunder, the Employer's liabilities hereunder shall forthwith cease and terminate.

B. Gender and Headings. Whenever in this Agreement words are used in the masculine or neuter gender, they shall be read and construed as in the masculine, feminine, or neuter gender, whenever they should so apply. Headings and subheadings in this Agreement are inserted for reference and convenience only and shall not be deemed a part of the Agreement.

C. Effect on Other Employer Benefit Agreements. Nothing contained in this Agreement shall affect the right of the Executive to participate in or be covered under any qualified or non-qualified pension, profit sharing, group life insurance, bonus, or other supplemental compensation or fringe benefit plan or arrangement constituting a part of the Employer's existing or future compensation and benefits structure.

D. Amendment and Termination. This Agreement may be amended or terminated at any time or times, in whole or in part, by the mutual written consent of the Executive and the Employer. Owens-Illinois may amend this Agreement unilaterally at any time or times, so long as no such unilateral amendment has the effect of revoking or decreasing the amount of the death benefit payable hereunder.

E. Applicable Law. The validity and interpretation of this Agreement shall be governed by the laws of the State of Ohio, U.S.A..

IN WITNESS WHEREOF, the Executive and the Employer, by their signatures below, hereby acknowledge their agreement to the terms and provisions contained herein, and that, upon execution, each has received a signed copy.

EXECUTIVE

OWENS-ILLINOIS, INC.

By: /s/ Thomas L. Young

Thomas L. Young
Executive Vice President

Date:

Date: March 16, 2000

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)

	Three Months ended March 31, 2000	1999
	-----	-----
Earnings before income taxes, and minority share owners' interests	\$ 101.3	\$ 119.2
Less: Equity earnings	(3.3)	(4.5)
Add: Total fixed charges deducted from earnings	122.1	112.1
Proportional share of pre-tax earnings of 50% owned associates.	2.4	1.2
	-----	-----
Earnings available for payment of fixed charges.	\$ 222.5	\$ 228.0
	=====	=====
Fixed charges (including the Company's proportional share of 50% owned associates):		
Interest expense.	\$ 112.7	\$ 103.1
Portion of operating lease rental deemed to be interest . . .	6.9	6.9
Amortization of deferred financing costs and debt discount expense.	2.5	2.1
	-----	-----
Total fixed charges deducted from earnings and fixed charges.	\$ 122.1	\$ 112.1
Preferred stock dividends (increased to assumed pre-tax amount).	8.9	9.1
	-----	-----
Combined fixed charges and preferred stock dividends.	\$ 130.7	\$ 121.2
	=====	=====
Ratio of earnings to fixed charges .	1.8	2.0
Ratio of earnings to combined fixed charges and preferred stock dividends.	1.7	1.9

EXHIBIT 23
CONSENT OF MCCARTER & ENGLISH, LLP

May 12, 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 March 31, 2000, of the reference to our firm under the caption "Legal Proceedings."

Very truly yours,

/s/McCarter & English, LLP

McCarter & English, LLP

