

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

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

1. Name and Address of Reporting Person* <u>GREENE JAMES H JR</u>  (Last) (First) (Middle) <u>C/O KOHLBERG KRAVIS ROBERTS &amp; CO.</u> <u>2800 SAND HILL ROAD</u>  (Street) <u>MENLO PARK CA 94025</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>OWENS ILLINOIS INC /DE/ [ OI ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  <input checked="" type="checkbox"/> Director 10% Owner  Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>08/19/2005</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/19/2005		M		2,500	A	\$16.98	7,953	D	
Common Stock	08/19/2005		M		5,000	A	\$11.03	12,953	D	
Common Stock	08/19/2005		S		300	D	\$27.03	12,653	D	
Common Stock	08/19/2005		S		5,800	D	\$26.99	6,853	D	
Common Stock	08/19/2005		S		900	D	\$27.05	5,953	D	
Common Stock	08/19/2005		S		300	D	\$27.04	5,653	D	
Common Stock	08/19/2005		S		200	D	\$27.0315	5,453	D	
Common Stock	08/19/2005		D		5,453	D	\$0.00 <sup>(1)</sup>	0	D	
Common Stock	08/19/2005		M		30,417.9855	A	\$0.00 <sup>(2)</sup>	30,417.9855	D	
Common Stock	08/19/2005		D		30,417.9855	D	\$27	0	D	
Common Stock								12,500	I	By Trust <sup>(3)</sup>

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Director Stock Option (right to buy)	\$16.98	08/19/2005		M			2,500	(4)	05/10/2012	Common Stock	2,500	\$0.00 <sup>(5)</sup>	0	D	
Director Stock Option (right to buy)	\$11.03	08/19/2005		M			5,000		05/15/2003 05/15/2013	Common Stock	5,000	\$0.00 <sup>(5)</sup>	0	D	
Phantom Stock Units	(2)	08/19/2005 <sup>(6)</sup>		M			30,417.9855		08/19/2005 08/19/2005	Common Stock	30,417.9855	\$27	0	D	

**Explanation of Responses:**

- Forefeiture of restricted stock resulting from the resignation of the Reporting Person from his directorship with Owens Illinois, Inc. effective August 19, 2005.
- The Phantom Stock Units convert on a 1-to-1 basis into Common Stock of Owens Illinois, Inc.
- Shares held in a living trust of which the Reporting Person is a trustee and beneficiary.
- The option for 5,000 shares was granted on May 10, 2002, 2,500 shares of which became vested and fully exercisable according to specific performance criteria of the per-share fair market value of the common stock of the Issuer.
- Not applicable.
- Phantom stock units were settled in cash upon the resignation of the Reporting Person from his directorship with Owens Illinois, Inc. effective August 19, 2005.

**Remarks:**

Richard J. Kreider, Attorney-In-Fact for the Reporting Person. 08/23/2005

\*\* Signature of Reporting Person Date

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

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

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

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

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