

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

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

December 14, 2010

Date of Report (Date of earliest event reported)

OWENS-ILLINOIS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

1-9576

(Commission
File Number)

22-2781933

(I.R.S. Employer
Identification Number)

OWENS-ILLINOIS GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

33-13061

(Commission
File Number)

34-1559348

(I.R.S. Employer
Identification Number)

One Michael Owens Way

Perrysburg, Ohio

(Address of principal executive offices)

43551-2999

(Zip Code)

(567) 336-5000

(Registrant's telephone number, including area code)

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

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

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

ITEM 8.01. OTHER EVENTS.

As previously reported in its Form 8-K filed on October 28, 2010, the Venezuelan government has expropriated Owens-Illinois Inc.'s operations in that country. Since that time, the Company has cooperated with the Venezuelan government to provide for an orderly transition of the business while ensuring the safety and well-being of the employees and the integrity of the plants. While negotiations with the government will continue with respect to certain aspects of the expropriation, such as compensation, the Company intends to treat the disposal of these assets as complete as of December 31, 2010. As a result, the Venezuelan operations will be reflected in the Company's financial statements as discontinued operations, and will include a one-time charge of approximately \$349 million (\$335 million attributable to the Company) to write-off the Venezuelan net assets and the related cumulative currency translation adjustments recorded in prior years. The amount of the one-time charge does not reflect the fair market value of the Company's Venezuelan assets.

Forward Looking Statements

This Current Report on Form 8-K contains "forward looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Forward-looking statements reflect the Company's current expectations and projections about future events 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) changes 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 its operations,

including the announced expropriation of the Company's operations in Venezuela, disruptions in capital markets, disruptions in the supply chain, competitive pricing pressures, inflation or deflation, and changes in tax rates and laws, (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) the ability of the Company to raise selling prices commensurate with energy and other cost increases, (10) consolidation among competitors and customers, (11) the ability of the Company to integrate operations of acquired businesses and achieve expected synergies, (12) unanticipated expenditures with respect to environmental, safety and health laws, (13) the performance by customers of their obligations under purchase agreements, and (14) the timing and occurrence of events which are beyond the control of the Company, including the expropriation of the Company's Venezuelan operations and events related to asbestos-related claims. 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 assume any obligation to update or supplement any particular forward looking statements contained in this document.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(b) Pro forma financial information.

Pro forma financial information for Owens-Illinois, Inc. is being furnished in Exhibit 99.1. Pro forma financial information for Owens-Illinois Group, Inc is being furnished in Exhibit 99.2.

(d) Exhibits.

Exhibit No.	Description
99.1	Unaudited pro forma condensed consolidated financial statements of Owens-Illinois, Inc.
99.2	Unaudited pro forma condensed consolidated financial statements of Owens-Illinois Group, Inc.
99.3	Unaudited pro forma reconciliation of earnings from continuing operations attributable to the Company to adjusted net earnings of Owens-Illinois, Inc.
99.4	Unaudited pro forma segment net sales and operating profit of Owens-Illinois, Inc.

SIGNATURES

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

OWENS-ILLINOIS, INC.

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

OWENS-ILLINOIS GROUP, INC.

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

Date: December 14, 2010

EXHIBIT INDEX

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Owens-Illinois, Inc.
Unaudited Pro Forma Condensed Consolidated Financial Statements

The unaudited pro forma condensed consolidated financial statements set forth below for Owens-Illinois, Inc. give effect to the expropriation of the Venezuelan operations as if the disposition had been completed on September 30, 2010 for balance sheet purposes and January 1, 2009 for income statement purposes, subject to the adjustments in the accompanying notes to the pro forma financial statements. The pro forma adjustments included herein are based on available information and certain assumptions that management believes are reasonable and are described in the accompanying notes to the pro forma financial statements. The unaudited pro forma condensed consolidated financial statements do not necessarily represent what Owens-Illinois, Inc.'s financial position or results of operations would have been had the disposition of the Venezuelan operations occurred on such dates, nor do they project Owens-Illinois, Inc.'s financial position or results of operations at or for any future date or period. In the opinion of management, all adjustments necessary to present fairly the unaudited pro forma financial information have been made. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the historical financial statements of Owens-Illinois, Inc.

Owens-Illinois, Inc.
Unaudited Pro Forma Condensed Consolidated Balance Sheet

Dollars in millions, except per share amounts	September 30, 2010		
	As Reported	Pro Forma Adjustments (a)	Pro Forma Adjusted
Assets			
Current assets:			
Cash and cash equivalents	\$ 700.2	\$ 42.8	\$ 657.4
Receivables, less allowances for losses and discounts	1,186.0	21.3	1,164.7
Inventories	1,012.1	26.4	985.7
Other current assets	67.3	2.6	64.7
Total current assets	2,965.6	93.1	2,872.5
Other assets:			
Goodwill	2,744.3		2,744.3
Other long-term assets	1,101.1	4.9	1,096.2
Total other assets	3,845.4	4.9	3,840.5
Net property, plant, and equipment	3,072.2	30.4	3,041.8
Total assets	\$ 9,883.2	\$ 128.4	\$ 9,754.8
Liabilities and Share Owners' Equity			
Current liabilities:			
Short-term loans and long-term debt due within one year	\$ 339.3	\$ —	\$ 339.3
Accounts payable	862.5	24.7	837.8
Other current liabilities	954.1	0.2	953.9
Total current liabilities	2,155.9	24.9	2,131.0
Long-term debt	4,005.7		4,005.7
Other long-term liabilities	1,565.5	15.2	1,550.3
Share owners' equity:			
The Company's share owners' equity:			
Common stock, par value \$.01 per share	1.8		1.8
Capital in excess of par value	3,033.9		3,033.9
Treasury stock, at cost	(413.0)		(413.0)
Retained earnings	494.5	335.0(b)	159.5
Accumulated other comprehensive loss	(1,179.0)	(260.5)(c)	(918.5)
Total share owners' equity of the Company	1,938.2	74.5	1,863.7
Noncontrolling interests	217.9	13.8	204.1
Total share owners' equity	2,156.1	88.3	2,067.8
Total liabilities and share owners' equity	\$ 9,883.2	\$ 128.4	\$ 9,754.8

See Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements.

Owens-Illinois, Inc.
Unaudited Pro Forma Condensed Consolidated Results of Operations

Dollars in millions, except per share amounts	Nine months ended September 30, 2010		
	As Reported	Pro Forma Adjustments (a)	Pro Forma Adjusted

Net sales	\$ 5,034.6	\$ 129.4	\$ 4,905.2
Manufacturing, shipping, and delivery	(3,949.8)	(86.6)	(3,863.2)
Gross profit	1,084.8	42.8	1,042.0
Selling and administrative expense	(372.0)	(5.1)	(366.9)
Research, development, and engineering expense	(43.3)	(0.2)	(43.1)
Interest expense	(176.6)		(176.6)
Interest income	10.7	0.5	10.2
Equity earnings	45.5		45.5
Royalties and net technical assistance	12.1		12.1
Other income	10.1	0.2	9.9
Other expense	(25.1)	2.7	(27.8)
Earnings before income taxes	546.2	40.9	505.3
Provision for income taxes	(146.2)	(10.4)	(135.8)
Net earnings	400.0	30.5	369.5
Net earnings attributable to noncontrolling interests	(34.9)	(6.9)	(28.0)
Net earnings attributable to the Company	\$ 365.1	\$ 23.6	\$ 341.5
Basic net earnings per share	\$ 2.21	\$ 0.14	\$ 2.07
Weighted average shares outstanding (thousands)	164,638		164,638
Diluted net earnings per share	\$ 2.18	\$ 0.14	\$ 2.04
Weighted average diluted shares outstanding (thousands)	167,558		167,558

See Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements.

Owens-Illinois, Inc.
Unaudited Pro Forma Condensed Consolidated Results of Operations

Dollars in millions, except per share amounts	Year ended December 31, 2009		
	As Reported	Pro Forma Adjustments (a)	Pro Forma Adjusted
Net sales	\$ 7,066.5	\$ 414.9	\$ 6,651.6
Manufacturing, shipping, and delivery	(5,582.6)	(266.0)	(5,316.6)
Gross profit	1,483.9	148.9	1,335.0
Selling and administrative expense	(506.4)	(13.4)	(493.0)
Research, development, and engineering expense	(58.8)	(0.7)	(58.1)
Interest expense	(221.7)		(221.7)
Interest income	28.6	10.9	17.7
Equity earnings	52.6		52.6
Royalties and net technical assistance	12.9		12.9
Other income	11.2	0.1	11.1
Other expense	(477.0)	(35.4)	(441.6)
Earnings before income taxes	325.3	110.4	214.9
Provision for income taxes	(127.5)	(44.5)	(83.0)
Net earnings	197.8	65.9	131.9
Net earnings attributable to noncontrolling interests	(36.0)	(14.3)	(21.7)
Net earnings attributable to the Company	\$ 161.8	\$ 51.6	\$ 110.2
Basic net earnings per share	\$ 0.96	\$ 0.31	\$ 0.65
Weighted average shares outstanding (thousands)	167,687		167,687
Diluted net earnings per share	\$ 0.95	\$ 0.30	\$ 0.65
Weighted average diluted shares outstanding (thousands)	170,540		170,540

See Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements.

Owens-Illinois, Inc.
Unaudited Pro Forma Condensed Consolidated Financial Statements

- (a) The Pro Forma Adjustments represent the balances of the assets and liabilities and the revenues and expenses for the respective periods of the Venezuelan operations that were expropriated by the Venezuelan government.
 - (b) Represents the write-off of the net assets and cumulative currency translation losses of \$88.3 million and \$260.5 million, respectively, net of the noncontrolling interest of \$13.8 million.
 - (c) Represents cumulative currency translation losses related to the devaluation of the Venezuelan bolivar prior to 2010.
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Owens-Illinois Group, Inc.
Unaudited Pro Forma Condensed Consolidated Financial Statements

The unaudited pro forma condensed consolidated financial statements set forth below for Owens-Illinois Group, Inc. give effect to the expropriation of the Venezuelan operations as if the disposition had been completed on September 30, 2010 for balance sheet purposes and January 1, 2009 for income statement purposes, subject to the adjustments in the accompanying notes to the pro forma financial statements. The pro forma adjustments included herein are based on available information and certain assumptions that management believes are reasonable and are described in the accompanying notes to the pro forma financial statements. The unaudited pro forma condensed consolidated financial statements do not necessarily represent what Owens-Illinois Group, Inc.'s financial position or results of operations would have been had the disposition of the Venezuelan operations occurred on such dates, nor do they project Owens-Illinois Group, Inc.'s financial position or results of operations at or for any future date or period. In the opinion of management, all adjustments necessary to present fairly the unaudited pro forma financial information have been made. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the historical financial statements of Owens-Illinois Group, Inc.

Owens-Illinois Group, Inc.
Unaudited Pro Forma Condensed Consolidated Balance Sheet

Dollars in millions, except per share amounts	September 30, 2010		
	As Reported	Pro Forma Adjustments (a)	Pro Forma Adjusted
Assets			
Current assets:			
Cash and cash equivalents	\$ 700.2	\$ 42.8	\$ 657.4
Receivables, less allowances for losses and discounts	1,186.0	21.3	1,164.7
Inventories	1,012.1	26.4	985.7
Other current assets	67.3	2.6	64.7
Total current assets	2,965.6	93.1	2,872.5
Other assets:			
Goodwill	2,744.3		2,744.3
Other long-term assets	1,101.1	4.9	1,096.2
Total other assets	3,845.4	4.9	3,840.5
Net property, plant, and equipment	3,072.2	30.4	3,041.8
Total assets	\$ 9,883.2	\$ 128.4	\$ 9,754.8
Liabilities and Share Owners' Equity			
Current liabilities:			
Short-term loans and long-term debt due within one year	\$ 339.3	\$ —	\$ 339.3
Accounts payable	862.5	24.7	837.8
Other current liabilities	779.1	0.2	778.9
Total current liabilities	1,980.9	24.9	1,956.0
Long-term debt	4,005.7		4,005.7
Other long-term liabilities	1,369.0	15.2	1,353.8
Share owners' equity:			
The Company's share owner's equity:			
Common stock, par value \$.01 per share			
Other contributed capital	565.3		565.3
Retained earnings	2,896.2	335.0(b)	2,561.2
Accumulated other comprehensive loss	(1,151.8)	(260.5)(c)	(891.3)
Total share owner's equity of the Company	2,309.7	74.5	2,235.2
Noncontrolling interests	217.9	13.8	204.1
Total share owners' equity	2,527.6	88.3	2,439.3
Total liabilities and share owners' equity	\$ 9,883.2	\$ 128.4	\$ 9,754.8

See Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements.

Owens-Illinois Group, Inc.
Unaudited Pro Forma Condensed Consolidated Results of Operations

Dollars in millions	Nine months ended September 30, 2010		
	As Reported	Pro Forma Adjustments (a)	Pro Forma Adjusted
Net sales	\$ 5,034.6	\$ 129.4	\$ 4,905.2
Manufacturing, shipping, and delivery	(3,949.8)	(86.6)	(3,863.2)

Gross profit	1,084.8	42.8	1,042.0
Selling and administrative expense	(372.0)	(5.1)	(366.9)
Research, development, and engineering expense	(43.3)	(0.2)	(43.1)
Interest expense	(176.6)		(176.6)
Interest income	10.7	0.5	10.2
Equity earnings	45.5		45.5
Royalties and net technical assistance	12.1		12.1
Other income	10.1	0.2	9.9
Other expense	(25.1)	2.7	(27.8)
Earnings before income taxes	546.2	40.9	505.3
Provision for income taxes	(146.2)	(10.4)	(135.8)
Net earnings	400.0	30.5	369.5
Net earnings attributable to noncontrolling interests	(34.9)	(6.9)	(28.0)
Net earnings attributable to the Company	<u>\$ 365.1</u>	<u>\$ 23.6</u>	<u>\$ 341.5</u>

See Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements.

Owens-Illinois Group, Inc.
Unaudited Pro Forma Condensed Consolidated Results of Operations

Dollars in millions	Year ended December 31, 2009		
	As Reported	Pro Forma Adjustments (a)	Pro Forma Adjusted
Net sales	\$ 7,066.5	\$ 414.9	\$ 6,651.6
Manufacturing, shipping, and delivery	(5,582.6)	(266.0)	(5,316.6)
Gross profit	1,483.9	148.9	1,335.0
Selling and administrative expense	(506.4)	(13.4)	(493.0)
Research, development, and engineering expense	(58.8)	(0.7)	(58.1)
Interest expense	(221.7)		(221.7)
Interest income	28.6	10.9	17.7
Equity earnings	52.6		52.6
Royalties and net technical assistance	12.9		12.9
Other income	11.2	0.1	11.1
Other expense	(297.0)	(35.4)	(261.6)
Earnings before income taxes	505.3	110.4	394.9
Provision for income taxes	(154.7)	(44.5)	(110.2)
Net earnings	350.6	65.9	284.7
Net earnings attributable to noncontrolling interests	(36.0)	(14.3)	(21.7)
Net earnings attributable to the Company	<u>\$ 314.6</u>	<u>\$ 51.6</u>	<u>\$ 263.0</u>

See Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements.

Owens-Illinois Group, Inc.
Unaudited Pro Forma Condensed Consolidated Financial Statements

- (a) The Pro Forma Adjustments represent the balances of the assets and liabilities and the revenues and expenses for the respective periods of the Venezuelan operations that were expropriated by the Venezuelan government.
- (b) Represents the write-off of the net assets and cumulative currency translation losses of \$88.3 million and \$260.5 million, respectively, net of the noncontrolling interest of \$13.8 million.
- (c) Represents cumulative currency translation losses related to the devaluation of the Venezuelan bolivar prior to 2010.

Owens-Illinois, Inc.

Unaudited Pro Forma Reconciliation of Earnings from Continuing Operations Attributable to the Company to Adjusted Net Earnings

The information presented below regarding adjusted net earnings, giving effect to the expropriation of the Venezuelan operations as if the disposition had been completed as of January 1, 2009, relates to net earnings attributable to the Company exclusive of items management considers not representative of ongoing operations and does not conform to U.S. generally accepted accounting principles (GAAP). It should not be construed as an alternative to the reported results determined in accordance with GAAP. Management has included this non-GAAP information to assist in understanding the comparability of results of ongoing operations. Management uses this non-GAAP information principally for internal reporting, forecasting, budgeting and calculating bonus payments. Management believes that the non-GAAP presentation allows the board of directors, management, investors and analysts to better understand the Company's financial performance in relationship to continuing operating results.

Owens-Illinois, Inc.

Unaudited Pro Forma Reconciliation of Earnings from Continuing Operations Attributable to the Company to Adjusted Net Earnings for the Three and Nine Months Ended September 30, 2010

Dollars in millions, except per share amounts	Three months ended September 30, 2010					
	As Reported		Pro Forma Adjustments		Pro Forma Adjusted	
	Earnings	EPS	Earnings	EPS	Earnings	EPS
Earnings from continuing operations attributable to the Company	\$ 138.7	\$ 0.84	\$ 11.3	\$ 0.07	\$ 127.4	\$ 0.77
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>						
· Charges for acquisition transaction costs and fair value inventory adjustments	9.4	0.06			9.4	0.06
Adjusted net earnings	\$ 148.1	\$ 0.90	\$ 11.3	\$ 0.07	\$ 136.8	\$ 0.83

Dollars in millions, except per share amounts	Nine months ended September 30, 2010					
	As Reported		Pro Forma Adjustments		Pro Forma Adjusted	
	Earnings	EPS	Earnings	EPS	Earnings	EPS
Earnings from continuing operations attributable to the Company	\$ 365.1	\$ 2.18	\$ 23.6	\$ 0.14	\$ 341.5	\$ 2.04
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>						
· Charges for acquisition transaction costs and fair value inventory adjustments	9.4	0.06			9.4	0.06
· Charges for restructuring and asset impairment	7.9	0.05			7.9	0.05
Adjusted net earnings	\$ 382.4	\$ 2.29	\$ 23.6	\$ 0.14	\$ 358.8	\$ 2.15

Owens-Illinois, Inc.

Unaudited Pro Forma Reconciliation of Earnings from Continuing Operations Attributable to the Company to Adjusted Net Earnings for the Three and Six Months Ended June 30, 2010

Dollars in millions, except per share amounts	Three months ended June 30, 2010					
	As Reported		Pro Forma Adjustments		Pro Forma Adjusted	
	Earnings	EPS	Earnings	EPS	Earnings	EPS
Earnings from continuing operations attributable to the Company	\$ 141.1	\$ 0.85	\$ 9.1	\$ 0.06	\$ 132.0	\$ 0.79
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>						
· Charges for restructuring and asset impairment	7.9	0.05			7.9	0.05
Adjusted net earnings	\$ 149.0	\$ 0.90	\$ 9.1	\$ 0.06	\$ 139.9	\$ 0.84

Dollars in millions, except per share amounts	Six months ended June 30, 2010					
	As Reported		Pro Forma Adjustments		Pro Forma Adjusted	
	Earnings	EPS	Earnings	EPS	Earnings	EPS
Earnings from continuing operations attributable to the Company	\$ 226.4	\$ 1.34	\$ 12.3	\$ 0.07	\$ 214.1	\$ 1.27
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>						
· Charges for restructuring and asset impairment	7.9	0.05			7.9	0.05

impairment						
Adjusted net earnings	\$ 234.3	\$ 1.39	\$ 12.3	\$ 0.07	\$ 222.0	\$ 1.32

Owens-Illinois, Inc.

Unaudited Pro Forma Reconciliation of Earnings from Continuing Operations Attributable to the Company to Adjusted Net Earnings for the Three Months Ended March 31, 2010

Dollars in millions, except per share amounts	As Reported		Three months ended March 31, 2010		Pro Forma Adjusted	
	Earnings	EPS	Earnings	EPS	Earnings	EPS
Earnings from continuing operations attributable to the Company	\$ 85.3	\$ 0.50	\$ 3.2	\$ 0.02	\$ 82.1	\$ 0.48
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>						
· None						
Adjusted net earnings	\$ 85.3	\$ 0.50	\$ 3.2	\$ 0.02	\$ 82.1	\$ 0.48

Owens-Illinois, Inc.

Unaudited Pro Forma Reconciliation of Earnings from Continuing Operations Attributable to the Company to Adjusted Net Earnings for the Three Months and Year Ended December 31, 2009

Dollars in millions, except per share amounts	As Reported		Three months ended December 31, 2009		Pro Forma Adjusted	
	Earnings	EPS	Earnings	EPS	Earnings	EPS
Earnings (loss) from continuing operations attributable to the Company	\$ (159.3)	\$ (0.95)	\$ 9.9	\$ 0.06	\$ (169.2)	\$ (1.01)
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>						
· Charges for asbestos-related costs	180.0	1.06			180.0	1.06
· Charges for restructuring and asset impairment	93.8	0.55	0.1		93.7	0.55
· Charges for Venezuela currency remeasurement	17.6	0.10	0.3	—	17.3	0.10
· Non-cash tax benefit transferred from other comprehensive income (equity)	(47.9)	(0.28)			(47.9)	(0.28)
· Dilutive effect of options and other		0.01				0.01
Adjusted net earnings	\$ 84.2	\$ 0.49	\$ 10.3	\$ 0.06	\$ 73.9	\$ 0.43

Dollars in millions, except per share amounts	As Reported		Year ended December 31, 2009		Pro Forma Adjusted	
	Earnings	EPS	Earnings	EPS	Earnings	EPS
Earnings (loss) from continuing operations attributable to the Company	\$ 161.8	\$ 0.95	\$ 51.6	\$ 0.30	\$ 110.2	\$ 0.65
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>						
· Charges for asbestos-related costs	180.0	1.06			180.0	1.06
· Charges for restructuring and asset impairment	182.8	1.07	3.2	0.02	179.5	1.05
· Charges for Venezuela currency remeasurement	17.6	0.10	0.3	—	17.3	0.10
· Charges for note repurchase premiums and write-off of finance fees	5.2	0.03			5.2	0.03
· Non-cash tax benefit transferred from other comprehensive income (equity)	(47.9)	(0.28)			(47.9)	(0.28)
Adjusted net earnings	\$ 499.5	\$ 2.93	\$ 55.2	\$ 0.32	\$ 444.3	\$ 2.61

Owens-Illinois, Inc.

Unaudited Pro Forma Reconciliation of Earnings from Continuing Operations Attributable to the Company to Adjusted Net Earnings for the Three and Nine Months Ended September 30, 2009

	As Reported		Three months ended September 30, 2009		Pro Forma Adjusted	
	Earnings	EPS	Earnings	EPS	Earnings	EPS

<u>Dollars in millions, except per share amounts</u>	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>
Earnings from continuing operations attributable to the Company	\$ 126.7	\$ 0.74	\$ 7.2	\$ 0.04	\$ 119.5	\$ 0.70
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>						
· Charges for restructuring and asset impairment	36.0	0.21	3.2	0.02	32.8	0.19
Adjusted net earnings	<u>\$ 162.7</u>	<u>\$ 0.95</u>	<u>\$ 10.4</u>	<u>\$ 0.06</u>	<u>\$ 152.3</u>	<u>\$ 0.89</u>

<u>Dollars in millions, except per share amounts</u>	<u>Nine months ended September 30, 2009</u>					
	<u>As Reported</u>		<u>Pro Forma Adjustments</u>		<u>Pro Forma Adjusted</u>	
	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>
Earnings from continuing operations attributable to the Company	\$ 321.1	\$ 1.89	\$ 41.7	\$ 0.25	\$ 279.4	\$ 1.64
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>						
· Charges for restructuring and asset impairment	88.9	0.52	3.2	0.02	85.7	0.50
· Charges for note repurchase premiums and write-off of finance fees	5.2	0.03			5.2	0.03
Adjusted net earnings	<u>\$ 415.2</u>	<u>\$ 2.44</u>	<u>\$ 44.9</u>	<u>\$ 0.27</u>	<u>\$ 370.3</u>	<u>\$ 2.17</u>

Owens-Illinois, Inc.
Unaudited Pro Forma Reconciliation of Earnings from Continuing Operations Attributable to the Company to Adjusted Net Earnings for the Three and Six Months Ended June 30, 2009

<u>Dollars in millions, except per share amounts</u>	<u>Three months ended June 30, 2009</u>					
	<u>As Reported</u>		<u>Pro Forma Adjustments</u>		<u>Pro Forma Adjusted</u>	
	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>
Earnings from continuing operations attributable to the Company	\$ 149.3	\$ 0.88	\$ 17.2	\$ 0.10	\$ 132.1	\$ 0.78
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>						
· Charges for restructuring and asset impairment	5.2	0.03			5.2	0.03
· Charges for note repurchase premiums and write-off of finance fees	5.2	0.03			5.2	0.03
Adjusted net earnings	<u>\$ 159.7</u>	<u>\$ 0.94</u>	<u>\$ 17.2</u>	<u>\$ 0.10</u>	<u>\$ 142.5</u>	<u>\$ 0.84</u>

<u>Dollars in millions, except per share amounts</u>	<u>Six months ended June 30, 2009</u>					
	<u>As Reported</u>		<u>Pro Forma Adjustments</u>		<u>Pro Forma Adjusted</u>	
	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>
Earnings from continuing operations attributable to the Company	\$ 194.4	\$ 1.15	\$ 34.5	\$ 0.21	\$ 159.9	\$ 0.94
<i>Items that management considers not representative of ongoing operations consistent with Segment Operating Profit</i>						
· Charges for restructuring and asset impairment	52.9	0.31			52.9	0.31
· Charges for note repurchase premiums and write-off of finance fees	5.2	0.03			5.2	0.03
Adjusted net earnings	<u>\$ 252.5</u>	<u>\$ 1.49</u>	<u>\$ 34.5</u>	<u>\$ 0.21</u>	<u>\$ 218.0</u>	<u>\$ 1.28</u>

Owens-Illinois, Inc.
Unaudited Pro Forma Reconciliation of Earnings from Continuing Operations Attributable to the Company to Adjusted Net Earnings for the Three Months Ended March 31, 2009

<u>Dollars in millions, except per share amounts</u>	<u>Three months ended March 31, 2009</u>					
	<u>As Reported</u>		<u>Pro Forma Adjustments</u>		<u>Pro Forma Adjusted</u>	
	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>
Earnings from continuing operations attributable to the Company	\$ 45.1	\$ 0.27	\$ 17.3	\$ 0.10	\$ 27.8	\$ 0.17

Items that management considers not representative of ongoing operations

consistent with Segment Operating Profit

· Charges for restructuring and asset impairment

	47.7	0.28			47.7	0.28
Adjusted net earnings	<u>\$ 92.8</u>	<u>\$ 0.55</u>	<u>\$ 17.3</u>	<u>\$ 0.10</u>	<u>\$ 75.5</u>	<u>\$ 0.45</u>

Owens-Illinois, Inc.
Unaudited Pro Forma Segment Net Sales and Operating Profit

The information below presents the Company's net sales by segment and Segment Operating Profit, giving effect to the expropriation of the Venezuelan operations as if the disposition had been completed as of January 1, 2009. The Company's measure of profit for its reportable segments is Segment Operating Profit, which consists of consolidated earnings from continuing operations before interest income, interest expense and provision for income taxes and excluded amounts related to certain items that management considers not representative of ongoing operations as well as certain retained corporate costs. The segment data presented below is prepared in accordance with general accounting principles for segment reporting. The line titled 'reportable segment totals', however, is a non-GAAP measure when presented outside of the financial statement foot notes. Management has included this non-GAAP information to assist in understanding the comparability of results of ongoing operations. Management uses Segment Operating Profit, in combination with net sales and selected cash flow information, to evaluate performance and to allocate resources.

Owens-Illinois, Inc.
Unaudited Pro Forma Segment Net Sales and Operating Profit
for the Three Months Ended September 30, 2010

Dollars in millions	As Reported	Pro Forma Adjustments	Pro Forma Adjusted
Net Sales:			
Europe	\$ 702.4	\$ —	\$ 702.4
North America	483.5		483.5
South America	296.0	52.5	243.5
Asia Pacific	249.9		249.9
Reportable segment totals	1,731.8	52.5	1,679.3
Other	9.4		9.4
Net Sales	<u>\$ 1,741.2</u>	<u>\$ 52.5</u>	<u>\$ 1,688.7</u>
Segment Operating Profit:			
Europe	\$ 113.2	\$ —	\$ 113.2
North America	71.1		71.1
South America	76.6	19.7	56.9
Asia Pacific	37.7		37.7
Reportable segment totals	298.6	19.7	278.9
Items excluded from Segment Operating Profit:			
Retained corporate costs and other	(21.0)		(21.0)
Acquisition-related fair value inventory adjustment	(5.1)		(5.1)
Acquisition transaction costs	(6.0)		(6.0)
Interest income	2.5	0.1	2.4
Interest expense	(61.0)		(61.0)
Earnings before income taxes	<u>\$ 208.0</u>	<u>\$ 19.8</u>	<u>\$ 188.2</u>

Owens-Illinois, Inc.
Unaudited Pro Forma Segment Net Sales and Operating Profit
for the Three Months Ended June 30, 2010

Dollars in millions	As Reported	Pro Forma Adjustments	Pro Forma Adjusted
Net Sales:			
Europe	\$ 715.6	\$ —	\$ 715.6
North America	516.2		516.2
South America	247.5	40.6	206.9
Asia Pacific	223.1		223.1
Reportable segment totals	1,702.4	40.6	1,661.8
Other	8.5		8.5
Net Sales	<u>\$ 1,710.9</u>	<u>\$ 40.6</u>	<u>\$ 1,670.3</u>
Segment Operating Profit:			
Europe	\$ 104.5	\$ —	\$ 104.5
North America	87.5		87.5
South America	64.3	15.6	48.7
Asia Pacific	30.8		30.8
Reportable segment totals	287.1	15.6	271.5
Items excluded from Segment Operating Profit:			
Retained corporate costs and other	(13.3)		(13.3)
Restructuring and asset impairments	(8.0)		(8.0)
Interest income	3.8	0.1	3.7

Interest expense	(60.0)		(60.0)
Earnings before income taxes	\$ 209.6	\$ 15.7	\$ 193.9

Owens-Illinois, Inc.
Unaudited Pro Forma Segment Net Sales and Operating Profit
for the Three Months Ended March 30, 2010

Dollars in millions	As Reported	Pro Forma Adjustments	Pro Forma Adjusted
Net Sales:			
Europe	\$ 668.1	\$ —	\$ 668.1
North America	443.7		443.7
South America	210.9	36.3	174.6
Asia Pacific	250.5		250.5
Reportable segment totals	1,573.2	36.3	1,536.9
Other	9.3		9.3
Net Sales	\$ 1,582.5	\$ 36.3	\$ 1,546.2
Segment Operating Profit:			
Europe	\$ 56.4	\$ —	\$ 56.4
North America	63.3		63.3
South America	41.7	5.1	36.6
Asia Pacific	36.8		36.8
Reportable segment totals	198.2	5.1	193.1
Items excluded from Segment Operating Profit:			
Retained corporate costs and other	(18.4)		(18.4)
Interest income	4.4	0.3	4.1
Interest expense	(55.6)		(55.6)
Earnings before income taxes	\$ 128.6	\$ 5.4	\$ 123.2

Owens-Illinois, Inc.
Unaudited Pro Forma Segment Net Sales and Operating Profit
for the Three Months Ended December 31, 2009

Dollars in millions	As Reported	Pro Forma Adjustments	Pro Forma Adjusted
Net Sales:			
Europe	\$ 724.9	\$ —	\$ 724.9
North America	481.1		481.1
South America	349.7	121.3	228.4
Asia Pacific	298.1		298.1
Reportable segment totals	1,853.8	121.3	1,732.5
Other	12.1		12.1
Net Sales	\$ 1,865.9	\$ 121.3	\$ 1,744.6
Segment Operating Profit:			
Europe	\$ 39.6	\$ —	\$ 39.6
North America	32.8		32.8
South America	70.0	22.1	47.9
Asia Pacific	53.2		53.2
Reportable segment totals	195.6	22.1	173.5
Items excluded from Segment Operating Profit:			
Retained corporate costs and other	(17.7)		(17.7)
Restructuring and asset impairments	(100.5)	(0.2)	(100.3)
Charge for Venezuela currency remeasurement	(17.3)	0.3	(17.6)
Charge for asbestos	(180.0)		(180.0)
Interest income	7.5	2.5	5.0
Interest expense	(57.1)		(57.1)
Earnings before income taxes	\$ (169.5)	\$ 24.7	\$ (194.2)

Owens-Illinois, Inc.
Unaudited Pro Forma Segment Net Sales and Operating Profit
for the Three Months Ended September 30, 2009

Dollars in millions	As Reported	Pro Forma Adjustments	Pro Forma Adjusted
Net Sales:			
Europe	\$ 785.9	\$ —	\$ 785.9
North America	538.5		538.5
South America	290.5	110.8	179.7
Asia Pacific	252.1		252.1
Reportable segment totals	1,867.0	110.8	1,756.2
Other	7.6		7.6
Net Sales	\$ 1,874.6	\$ 110.8	\$ 1,763.8
Segment Operating Profit:			
Europe	\$ 128.4	\$ —	\$ 128.4
North America	82.9		82.9
South America	63.6	28.4	35.2
Asia Pacific	41.7		41.7
Reportable segment totals	316.6	28.4	288.2
Items excluded from Segment Operating Profit:			
Retained corporate costs and other	(13.8)		(13.8)
Restructuring and asset impairments	(57.5)	(6.5)	(51.0)
Interest income	6.1	2.0	4.1
Interest expense	(58.6)		(58.6)
Earnings before income taxes	\$ 192.8	\$ 23.9	\$ 168.9

Owens-Illinois, Inc.
Unaudited Pro Forma Segment Net Sales and Operating Profit
for the Three Months Ended June 30, 2009

Dollars in millions	As Reported	Pro Forma Adjustments	Pro Forma Adjusted
Net Sales:			
Europe	\$ 793.9	\$ —	\$ 793.9
North America	560.5		560.5
South America	249.9	95.8	154.1
Asia Pacific	192.7		192.7
Reportable segment totals	1,797.0	95.8	1,701.2
Other	10.0		10.0
Net Sales	\$ 1,807.0	\$ 95.8	\$ 1,711.2
Segment Operating Profit:			
Europe	\$ 120.4	\$ —	\$ 120.4
North America	103.1		103.1
South America	57.0	28.9	28.1
Asia Pacific	11.4		11.4
Reportable segment totals	291.9	28.9	263.0
Items excluded from Segment Operating Profit:			
Retained corporate costs and other	(23.3)		(23.3)
Restructuring and asset impairments	(5.2)		(5.2)
Interest income	6.5	2.7	3.8
Interest expense	(57.9)		(57.9)
Earnings before income taxes	\$ 212.0	\$ 31.6	\$ 180.4

Owens-Illinois, Inc.
Unaudited Pro Forma Segment Net Sales and Operating Profit
for the Three Months Ended March 31, 2009

Dollars in millions	As Reported	Pro Forma Adjustments	Pro Forma Adjusted
Net Sales:			
Europe	\$ 612.9	\$ —	\$ 612.9
North America	494.3		494.3
South America	214.0	87.0	127.0
Asia Pacific	182.0		182.0
Reportable segment totals	1,503.2	87.0	1,416.2
Other	15.8		15.8
Net Sales	\$ 1,519.0	\$ 87.0	\$ 1,432.0

Segment Operating Profit:

Europe	\$	44.2	\$	—	\$	44.2
North America		62.7				62.7
South America		60.0		26.5		33.5
Asia Pacific		25.0				25.0
Reportable segment totals		<u>191.9</u>		<u>26.5</u>		<u>165.4</u>
Items excluded from Segment Operating Profit:						
Retained corporate costs and other		(11.9)				(11.9)
Restructuring and asset impairments		(50.4)				(50.4)
Interest income		8.5		3.7		4.8
Interest expense		(48.1)				(48.1)
Earnings before income taxes	\$	<u>90.0</u>	\$	<u>30.2</u>	\$	<u>59.8</u>
