

**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**

**August 22, 2008**

Date of Report (Date of earliest event reported)

**OWENS-ILLINOIS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation or organization)

**1-9576**

(Commission  
File Number)

**22-2781933**

(I.R.S. Employer  
Identification Number)

**One Michael Owens Way**

**Perrysburg, Ohio**

(Address of principal executive offices)

**43551-2999**

(Zip Code)

**(567) 336-5000**

(Registrant's telephone number, including area code)

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

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

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

**ITEM 2.05. COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES**

On August 22, 2008, the Company announced its decision to close its Lavington, British Columbia, glass container plant. The news release announcing this closing is filed as Exhibit 99.1 hereto and incorporated by reference herein.

Subject to finalization of certain estimates, the Company expects to record a charge associated with the Lavington closure of approximately \$36 million in the third quarter of 2008. Major components of the charge include approximately \$11 million for impairment of assets and \$25 million for one-time employee separation benefits and other costs related to the closing. Future cash expenditures related to the closing will be approximately \$28 million.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Owens-Illinois, Inc. press release dated August 22, 2008

**SIGNATURE**

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

Date: August 26, 2008

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

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**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Owens-Illinois, Inc. press release dated August 22, 2008

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**O-I to Close Lavington, British Columbia, Glass Container Plant**

PERRYSBURG, Ohio, August 22, 2008 — Owens-Illinois, Inc., (NYSE: OI) announced today that as a result of the ongoing review of its global manufacturing footprint, the company will close its glass container plant in Lavington, British Columbia, on October 31, 2008. Existing production from the Lavington plant will be transferred to other O-I facilities.

“This closing was driven by our ongoing global asset utilization process which identified the opportunity to shift our production to other O-I North American facilities, resulting in lower energy consumption and production costs while still meeting current and anticipated market needs,” said Scott Murchison, president, North America Glass Containers.

Approximately 300 employees will be affected. The company will provide assistance to help employees seeking new jobs.

**About O-I**

Millions of times a day, O-I glass containers deliver many of the world’s best-known consumer products to people all around the world. With the leading position in Europe, North America, Asia Pacific and Latin America, O-I manufactures consumer-preferred, 100 percent recyclable glass containers that enable superior taste, purity, visual appeal and value benefits for our customers’ products. Established in 1903, the company employs more than 24,000 people with 82 manufacturing facilities in 22 countries. In 2007, net sales were \$7.6 billion. For more information, visit <http://www.o-i.com>.

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

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

Copies of O-I news releases are available at the O-I Web site at [www.o-i.com](http://www.o-i.com); or at [www.prnewswire.com](http://www.prnewswire.com).

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