

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

FORM S-8

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

OWENS-ILLINOIS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State of Incorporation)

22-278133
(I.R.S. Employer Identification No.)

**One SeaGate
Toledo, Ohio 43666**
(Address of Principal Executive Offices including Zip Code)

OWENS-ILLINOIS, INC. 2005 INCENTIVE AWARD PLAN
(Full Title of the Plan)

James W. Baehren
Chief Administrative Officer, Senior
Vice President and General Counsel,
and Secretary
Owens-Illinois, Inc.
One SeaGate
Toledo, Ohio 43666

Copy to:
Tracy K. Edmonson, Esq.
Latham & Watkins LLP
505 Montgomery Street
Suite 2000
San Francisco, California 94111
(415) 391-0600

(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code for Agent for Service)

CALCULATION OF REGISTRATION FEE

<u>Title of Securities to be Registered</u>	<u>Amount of shares to be Registered (1)</u>	<u>Proposed Maximum Offering Price Per Share (2)</u>	<u>Maximum Amount of Aggregate Offering Price (2)</u>	<u>Amount of Registration Fee (2)</u>
Common Stock, \$0.01 par value per share, reserved for issuance under the Owens-Illinois, Inc. 2005 Incentive Award Plan	7,000,000	\$ 17.70	\$ 123,929,940	\$ 13,260.50

- (1) This registration statement shall also cover any additional shares of Common Stock which become issuable under the Owens-Illinois, Inc. 2005 Incentive Award Plan, by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the receipt of consideration which results in an increase in the number of the outstanding shares of Common Stock of Owens-Illinois, Inc.
- (2) Estimated in accordance with Rule 457(c) and (h) under the Securities Act of 1933 solely for the purpose of calculating the registration fee. The Proposed Maximum Offering Price Per Share is based upon: (1) for awards granted on July 1, 2005 covering 5,000 shares, the exercise price per share or the fair market value per share and/or per unit (as applicable) of \$25.05; (2) for awards covering 30,500 shares granted on July 6, 2005, the exercise price per share or the fair market value per share and/or per unit (as applicable) of \$25.18; (3) for awards covering 6,000 shares granted on July 18, 2005, the exercise price per share or the fair market value per share and/or per unit (as applicable) of \$26.55; (4) for awards covering 4,500 shares granted on November 28, 2005, the exercise price per share or the fair market value per share and/or per unit (as applicable) of \$21.52; (5) for awards covering 1,377,954 shares granted on February 8, 2006, the exercise price per share or the fair market value per share and/or per unit (as applicable) of \$18.25; (6) for awards covering 14,100 shares granted on March 20, 2006, the exercise price per share or the fair market value per share and/or per unit (as applicable) of \$17.25; and (7) for the remaining 5,561,946 shares, the average of the high and low sale prices of the Company's Common Stock as reported on the New York Stock Exchange on March 31, 2006, which was \$17.51.

PART I
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The information called for in Part I of Form S-8 is not being filed with or included in this Form S-8 (by incorporation by reference or otherwise) in accordance with the rules and regulations of the Securities and Exchange Commission.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference

We have filed the following documents with the Securities and Exchange Commission which are hereby incorporated by reference in this Registration Statement:

1. Our Annual Report on Form 10-K for the year ended December 31, 2005 filed pursuant to Section 13(a) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") (including items incorporated by reference from our Proxy Statement pursuant to Section 14(a) of the Exchange Act for our 2006 Annual Meeting of Share Owners);
2. The description of our common stock contained in our Registration Statement on Form 8-A filed on December 3, 1991, as amended; and
3. All documents filed by us with the Securities and Exchange Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and to be part of this Registration Statement from the date of the filing of such documents.

Item 5. Interests of Named Experts and Counsel

Not applicable.

Item 6. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law provides that a corporation shall have the power, and in some cases is required, to indemnify an agent, including an officer or director, who was or is a party or is threatened to be made a party to any proceedings, against certain expenses, judgments, fines, settlements and other amounts under certain circumstances. Article III, Section 13 of our Bylaws provides for indemnification of our officers and directors to the extent permitted by the Delaware General Corporation Law, and we maintain insurance covering certain liabilities of our directors and officers and the directors and officers of our subsidiaries.

Item 8. Exhibits.

See Index to Exhibits.

Item 9. Undertakings.

- (a) The undersigned registrant hereby undertakes:
- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

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- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) shall not apply to information contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

/s/ Dennis K. Williams Director
Dennis K. Williams

/s/ Thomas L. Young Director
Thomas L. Young

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EXHIBIT INDEX

Exhibit Number	Description
4.1	Owens-Illinois, Inc. 2005 Incentive Award Plan (filed as Exhibit 10.28 to Owens-Illinois, Inc.'s Form 10-K for the year ended December 31, 2005, File No. 1-9576, and incorporated herein by reference).
5.1	Opinion of Latham & Watkins.
23.1	Consent of Latham & Watkins (included in Exhibit 5.1).
23.2	Consent of Independent Registered Public Accounting Firm.
24.1	Power of Attorney (included on the signature page of this Registration Statement).

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505 Montgomery Street, Suite 2000
 San Francisco, California 94111-2562
 Tel: (415) 391-0600 Fax: (415) 395-8095
 www.lw.com

LATHAM & WATKINS LLP

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April 7, 2006

Owens-Illinois, Inc.
 One SeaGate
 Toledo, Ohio 43666

File No. 014412-0272

Re: Registration Statement on Form S-8;
7,000,000 shares of Common Stock, par value \$0.01 per share

Ladies and Gentlemen:

We have acted as special counsel to Owens-Illinois, Inc., a Delaware corporation (the "Company"), in connection with the proposed issuance of up to 7,000,000 shares of common stock, \$0.01 par value per share (the "Shares"), issuable under the Company's 2005 Incentive Award Plan (the "Plan"), pursuant to a registration statement on Form S-8 under the Securities Act of 1933, as amended (the "Act"), filed with the Securities and Exchange Commission (the "Commission") on April 7, 2006 (the "Registration Statement"). This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement, other than as to the validity of the Shares.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon the foregoing and upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters.

We are opining herein only as to the General Corporation Law of the State of Delaware, and we express no opinion with respect to any other laws.

Subject to the foregoing, it is our opinion that, as of the date hereof, the Shares to be issued under the Plan have been duly authorized by all necessary corporate action of the Company, and, upon the issuance and delivery of, and payment for, the Shares in the manner contemplated by the Plan and the Registration Statement, and assuming the Company completes all actions and proceedings required on its part to be taken prior to the issuance and delivery of the Shares pursuant to the terms of the Plan, including, without limitation, collection of required payment for the Shares, the Shares will be validly issued, fully paid and nonassessable.

This opinion is for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of federal securities laws. We consent to your filing this opinion as an exhibit to the Registration

Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Latham & Watkins LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the Owens-Illinois, Inc. 2005 Incentive Award Plan of our reports dated March 15, 2006, with respect to the consolidated financial statements and schedule of Owens-Illinois, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 2005, Owens-Illinois, Inc. management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Owens-Illinois, Inc., filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP
Ernst & Young LLP

Toledo, Ohio
April 7, 2006
