

MCWEENY PHILIP
Form 4
May 10, 2006

FORM 4

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

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).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MCWEENY PHILIP

(Last) (First) (Middle)

OWENS-ILLINOIS, INC., ONE SEAGATE

(Street)

TOLEDO, OH 43666

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

OWENS ILLINOIS INC /DE/ [OI]

3. Date of Earliest Transaction (Month/Day/Year)

05/08/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP/Gen Counsel-Corp & Asst Sec

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

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	05/08/2006		M	4,000 A \$ 16.5	75,933	D	
Common Stock	05/08/2006		S	600 D \$ 18.27	75,333	D	
Common Stock	05/08/2006		S	3,100 D \$ 18.25	72,233	D	
Common Stock	05/08/2006		S	300 D \$ 18.251	71,933	D	
Common Stock					5,049.5941	I	401K Plan

Common Stock	1,300	I	By Family LLC
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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 (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 16.5	05/08/2006		M	4,000	<u>(1)</u> 06/26/2006	Common Stock	4,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCWEENY PHILIP OWENS-ILLINOIS, INC. ONE SEAGATE TOLEDO, OH 43666			VP/Gen Counsel-Corp & Asst Sec	

Signatures

By: James W. Baehren For: Philip McWeeny
Date: 05/10/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * 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).
- (1) Grant of option to purchase shares of common stock under the Amended and Restated Stock Option Plan for Key Employees of Owens-Illinois, Inc. in a transaction exempt under old Rule 16b-3. The option becomes exercisable in 50% increments on the fifth and

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sixth anniversaries of the date of the grant, respectively, subject to earlier exercise after the first anniversary of the grant based on stock price targets being met.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.