

OWENS ILLINOIS INC /DE/

Form 4

May 31, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
MCDANIEL MICHAEL D

(Last) (First) (Middle)

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)

05/30/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
X Officer (give title ____ Other (specify
below) below)

VP, Pres Closure & Specialty

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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)
Common Stock	05/30/2006		M	9,000 A	\$ 16.5 53,514	D	
Common Stock	05/30/2006		S	800 D	\$ 17.05 52,714	D	
Common Stock	05/30/2006		S	200 D	\$ 17.06 52,514	D	
Common Stock	05/30/2006		S	500 D	\$ 17.066 52,014	D	
Common Stock	05/30/2006		S	1,500 D	\$ 17.1 50,514	D	

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Common Stock	05/30/2006	S	300	D	\$ 17.1012	50,214	D	
Common Stock	05/30/2006	S	1,600	D	\$ 17.11	48,614	D	
Common Stock	05/30/2006	S	500	D	\$ 17.1124	48,114	D	
Common Stock	05/30/2006	S	2,800	D	\$ 17.13	45,314	D	
Common Stock	05/30/2006	S	800	D	\$ 17.136	44,514	D	
Common Stock						208,2476	I	401K Plan

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

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(9-02)

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 Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 16.5	05/30/2006		M	9,000	<u>(1)</u> 06/26/2006	Common Stock	9,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
MCDANIEL MICHAEL D ONE SEAGATE TOLEDO, OH 43666	VP, Pres Closure & Specialty

Signatures

By: James W. Baehren For: Michael D.
McDaniel

05/31/2006

__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).

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