

OWENS ILLINOIS INC /DE/  
Form 10-Q  
October 28, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D. C. 20549

**FORM 10-Q**

(Mark one)

**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For Quarter Ended September 30, 2010**

or

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**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 No.)

**22-2781933**  
(IRS Employer  
Identification No.)

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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)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer   
(do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Owens-Illinois, Inc. \$.01 par value common stock 163,635,632 shares at September 30, 2010.

Part I FINANCIAL INFORMATION

**Item 1. Financial Statements.**

The Condensed Consolidated Financial Statements of Owens-Illinois, Inc. ( the Company ) presented herein are unaudited but, in the opinion of management, reflect all adjustments necessary to present fairly such information for the periods and at the dates indicated. All adjustments are of a normal recurring nature. Because the following unaudited condensed consolidated financial statements have been prepared in accordance with Article 10 of Regulation S-X, they do not contain all information and footnotes normally contained in annual consolidated financial statements; accordingly, they should be read in conjunction with the Consolidated Financial Statements and notes thereto appearing in the Registrant s Annual Report on Form 10-K for the year ended December 31, 2009.

## OWENS-ILLINOIS, INC.

## CONDENSED CONSOLIDATED RESULTS OF OPERATIONS

(Dollars in millions, except per share amounts)

	<b>Three months ended September 30,</b>	
	<b>2010</b>	<b>2009</b>
Net sales	\$ 1,741.2	\$ 1,874.6
Manufacturing, shipping, and delivery expense	(1,364.1)	(1,425.9)
Gross profit	377.1	448.7
Selling and administrative expense	(125.4)	(128.2)
Research, development, and engineering expense	(14.2)	(14.3)
Interest expense	(61.0)	(58.6)
Interest income	2.5	6.1
Equity earnings	19.4	11.9
Royalties and net technical assistance	4.1	3.4
Other income	7.5	2.4
Other expense	(2.0)	(78.6)
Earnings from continuing operations before income taxes	208.0	192.8
Provision for income taxes	(57.3)	(63.8)
Net earnings	150.7	129.0
Net earnings attributable to noncontrolling interests	(12.0)	(2.3)
Net earnings attributable to the Company	\$ 138.7	\$ 126.7
Basic earnings per share	\$ 0.85	\$ 0.75
Weighted average shares outstanding (thousands)	163,079	167,877
Diluted earnings per share	\$ 0.84	\$ 0.74
Weighted diluted average shares (thousands)	165,591	171,543
Comprehensive income (loss):		
Net earnings	\$ 150.7	\$ 129.0
Foreign currency translation adjustments	276.1	158.2
Pension and other postretirement benefit adjustments, net of tax	10.7	11.0
Change in fair value of derivative instruments, net of tax	(4.1)	15.9
Total comprehensive income	433.4	314.1
Comprehensive income attributable to noncontrolling interests	(22.1)	(13.5)
Comprehensive income attributable to the Company	\$ 411.3	\$ 300.6

## OWENS-ILLINOIS, INC.

## CONDENSED CONSOLIDATED RESULTS OF OPERATIONS

(Dollars in millions, except per share amounts)

	<b>Nine months ended September 30,</b>	
	<b>2010</b>	<b>2009</b>
Net sales	\$ 5,034.6	\$ 5,200.6
Manufacturing, shipping, and delivery expense	(3,949.8)	(4,047.7)
Gross profit	1,084.8	1,152.9
Selling and administrative expense	(372.0)	(369.1)
Research, development, and engineering expense	(43.3)	(42.3)
Interest expense	(176.6)	(164.6)
Interest income	10.7	21.1
Equity earnings	45.5	39.6
Royalties and net technical assistance	12.1	9.7
Other income	10.1	4.9
Other expense	(25.1)	(157.4)
Earnings from continuing operations before income taxes	546.2	494.8
Provision for income taxes	(146.2)	(144.5)
Net earnings	400.0	350.3
Net earnings attributable to noncontrolling interests	(34.9)	(29.2)
Net earnings attributable to the Company	\$ 365.1	\$ 321.1
Basic earnings per share	\$ 2.21	\$ 1.91
Weighted average shares outstanding (thousands)	164,638	167,577
Diluted earnings per share	\$ 2.18	\$ 1.89
Weighted diluted average shares (thousands)	167,558	170,160
Comprehensive income (loss):		
Net earnings	\$ 400.0	\$ 350.3
Foreign currency translation adjustments	84.1	338.4
Pension and other postretirement benefit adjustments, net of tax	68.1	26.2
Change in fair value of derivative instruments, net of tax	(5.2)	24.7
Total comprehensive income	547.0	739.6
Comprehensive income attributable to noncontrolling interests	(43.1)	(48.4)
Comprehensive income attributable to the Company	\$ 503.9	\$ 691.2

See accompanying notes.

## OWENS-ILLINOIS, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions, except per share amounts)

	September 30, 2010	December 31, 2009	September 30, 2009
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 700.2	\$ 811.7	\$ 1,017.1
Short-term investments, at cost which approximates market	0.7	0.9	0.9
Receivables, less allowances for losses and discounts (\$43.2 at September 30, 2010, \$36.5 at December 31, 2009, and \$36.7 at September 30, 2009)	1,186.0	1,004.2	1,146.6
Inventories	1,012.1	900.3	1,035.4
Prepaid expenses	66.6	79.6	45.5
<b>Total current assets</b>	<b>2,965.6</b>	<b>2,796.7</b>	<b>3,245.5</b>
<b>Investments and other assets:</b>			
Equity investments	286.8	114.3	124.0
Repair parts inventories	145.2	125.1	144.2
Prepaid pension	45.5	46.3	
Deposits, receivables, and other assets	623.6	521.7	513.9
Goodwill	2,744.3	2,381.0	2,382.3
<b>Total other assets</b>	<b>3,845.4</b>	<b>3,188.4</b>	<b>3,164.4</b>
Property, plant, and equipment, at cost	7,042.4	6,618.9	6,559.2
Less accumulated depreciation	3,970.2	3,876.6	3,849.3
<b>Net property, plant, and equipment</b>	<b>3,072.2</b>	<b>2,742.3</b>	<b>2,709.9</b>
<b>Total assets</b>	<b>\$ 9,883.2</b>	<b>\$ 8,727.4</b>	<b>\$ 9,119.8</b>

## CONDENSED CONSOLIDATED BALANCE SHEETS Continued

	September 30, 2010	December 31, 2009	September 30, 2009
<b>Liabilities and Share Owners Equity</b>			
<b>Current liabilities:</b>			
Short-term loans and long-term debt due within one year	\$ 339.3	\$ 352.0	\$ 377.6
Current portion of asbestos-related liabilities	175.0	175.0	175.0
Accounts payable	862.5	863.2	816.1
Other liabilities	779.1	644.1	730.8
<b>Total current liabilities</b>	<b>2,155.9</b>	<b>2,034.3</b>	<b>2,099.5</b>
<b>Long-term debt</b>	<b>4,005.7</b>	<b>3,257.5</b>	<b>3,343.9</b>
Deferred taxes	228.9	186.3	160.1
Pension benefits	547.0	577.6	706.9
Nonpension postretirement benefits	265.1	266.7	242.5
Other liabilities	328.0	358.5	368.9
Asbestos-related liabilities	196.5	310.1	197.9
<b>Commitments and contingencies</b>			
<b>Share owners equity:</b>			
<b>Share owners equity of the Company:</b>			
Common stock, par value \$.01 per share, 250,000,000 shares authorized, 180,778,613, 179,923,309, and 179,877,088 shares issued (including treasury shares), respectively	1.8	1.8	1.8
Capital in excess of par value	3,033.9	2,941.9	2,935.2
Treasury stock, at cost, 17,142,981, 11,322,544, and 11,366,734 shares, respectively	(413.0)	(217.1)	(218.0)
Retained earnings	494.5	129.4	288.7
Accumulated other comprehensive loss	(1,179.0)	(1,317.8)	(1,250.5)
<b>Total share owners equity of the Company</b>	<b>1,938.2</b>	<b>1,538.2</b>	<b>1,757.2</b>
Noncontrolling interests	217.9	198.2	242.9
<b>Total share owners equity</b>	<b>2,156.1</b>	<b>1,736.4</b>	<b>2,000.1</b>
<b>Total liabilities and share owners equity</b>	<b>\$ 9,883.2</b>	<b>\$ 8,727.4</b>	<b>\$ 9,119.8</b>

See accompanying notes.

## OWENS-ILLINOIS, INC.

## CONDENSED CONSOLIDATED CASH FLOWS

(Dollars in millions)

	Nine months ended September 30,	
	2010	2009
Cash flows from operating activities:		
Net earnings	\$ 400.0	\$ 350.3
Non-cash charges (credits):		
Depreciation	270.5	274.3
Amortization of intangibles and other deferred items	17.6	18.0
Amortization of finance fees and debt discount	15.9	7.3
Deferred tax provision (benefit)	(7.1)	11.8
Restructuring and asset impairment	8.0	113.1
Charge for acquisition-related fair value inventory adjustments	5.1	
Other	78.9	55.0
Asbestos-related payments	(113.6)	(122.4)
Cash paid for restructuring activities	(49.0)	(42.7)
Change in non-current operating assets	(33.2)	13.1
Change in non-current liabilities	(44.0)	(96.8)
Change in components of working capital	(144.1)	(1.6)
Cash provided by operating activities	405.0	579.4
Cash flows from investing activities:		
Additions to property, plant, and equipment	(391.6)	(193.7)
Acquisitions, net of cash acquired	(754.3)	(5.4)
Advances to equity affiliate - net		1.6
Change in short-term investments	0.3	
Net cash proceeds related to sale of assets	0.9	4.4
Cash utilized in investing activities	(1,144.7)	(193.1)
Cash flows from financing activities:		
Additions to long-term debt	1,369.8	1,072.6
Repayments of long-term debt	(494.8)	(750.0)
Decrease in short-term loans	(29.4)	(55.1)
Net receipts for hedging activity	33.8	17.9
Payment of finance fees	(32.6)	(13.9)
Dividends paid to noncontrolling interests	(23.4)	(58.3)
Treasury shares purchased	(199.2)	
Issuance of common stock and other	4.1	6.1
Cash provided by financing activities	628.3	219.3
Effect of exchange rate fluctuations on cash	(0.1)	32.0
Increase (decrease) in cash	(111.5)	637.6
Cash at beginning of period	811.7	379.5
Cash at end of period	\$ 700.2	\$ 1,017.1

See accompanying notes.



## OWENS-ILLINOIS, INC.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Tabular data dollars in millions,  
except share and per share amounts

**1. Earnings Per Share**

The following table sets forth the computation of basic and diluted earnings per share:

	<b>Three months ended September 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>Numerator:</b>		
Net earnings attributable to the Company	\$ 138.7	\$ 126.7
Net earnings attributable to participating securities	(0.4)	(0.4)
<b>Numerator for basic earnings per share - income available to common share owners</b>	<b>\$ 138.3</b>	<b>\$ 126.3</b>
<b>Denominator:</b>		
Denominator for basic earnings per share - weighted average shares outstanding	163,078,538	167,877,352
<b>Effect of dilutive securities:</b>		
Stock options and other	2,512,519	3,665,804
<b>Denominator for diluted earnings per share - adjusted weighted average shares outstanding</b>	<b>165,591,057</b>	<b>171,543,156</b>
<b>Basic earnings per share</b>	<b>\$ 0.85</b>	<b>\$ 0.75</b>
<b>Diluted earnings per share</b>	<b>\$ 0.84</b>	<b>\$ 0.74</b>

Options to purchase 838,535 and 400,182 weighted average shares of common stock that were outstanding during the three months ended September 30, 2010 and 2009, respectively, were not included in the computation of diluted earnings per share because the options exercise price was greater than the average market price of the common shares.

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The following table sets forth the computation of basic and diluted earnings per share:

	Nine months ended September 30,	
	2010	2009
<b>Numerator:</b>		
Net earnings attributable to the Company	\$ 365.1	\$ 321.1
Net earnings attributable to participating securities	(1.2)	(1.1)
<b>Numerator for basic earnings per share - income available to common share owners</b>	<b>\$ 363.9</b>	<b>\$ 320.0</b>
<b>Denominator:</b>		
Denominator for basic earnings per share - weighted average shares outstanding	164,637,945	167,576,712
<b>Effect of dilutive securities:</b>		
Stock options and other	2,919,876	2,583,478
<b>Denominator for diluted earnings per share - adjusted weighted average shares outstanding</b>	<b>167,557,821</b>	<b>170,160,190</b>
<b>Basic earnings per share</b>	<b>\$ 2.21</b>	<b>\$ 1.91</b>
<b>Diluted earnings per share</b>	<b>\$ 2.18</b>	<b>\$ 1.89</b>

Options to purchase 640,294 and 1,196,593 weighted average shares of common stock that were outstanding during the nine months ended September 30, 2010 and 2009, respectively, were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares.

The 2015 Exchangeable Notes have a dilutive effect only in those periods in which the Company's average stock price exceeds the exchange price of \$47.47 per share. For the three and nine months ended September 30, 2010, the Company's average stock price did not exceed the exchange price. Therefore, the potentially issuable shares resulting from the settlement of the 2015 Exchangeable Notes were not included in the calculation of diluted earnings per share. See Note 2 for additional information on the 2015 Exchangeable Notes.

## 2. Debt

The following table summarizes the long-term debt of the Company:

	September 30, 2010	December 31, 2009	September 30, 2009
<b>Secured Credit Agreement:</b>			
<b>Revolving Credit Facility:</b>			
Revolving Loans	\$	\$	\$
<b>Term Loans:</b>			
Term Loan A (160.0 million AUD at September 30, 2010)	154.8	143.9	197.9
Term Loan B	189.5	189.5	191.5
Term Loan C (110.8 million CAD at September 30, 2010)	107.3	105.4	102.5
Term Loan D ( 189.5 million at September 30, 2010)	257.7	273.5	280.2
<b>Senior Notes:</b>			
8.25%, due 2013		460.4	461.2
6.75%, due 2014	400.0	400.0	400.0
6.75%, due 2014 ( 225 million)	306.0	324.7	329.2
3.00%, Exchangeable, due 2015	603.0		
7.375%, due 2016	584.2	582.1	581.4
6.875%, due 2017 ( 300 million)	408.0	432.9	438.9
6.75%, due 2020 ( 500 million)	680.0		
<b>Senior Debentures:</b>			
7.50%, due 2010		28.3	28.4
7.80%, due 2018	250.0	250.0	250.0
Other	131.5	116.5	126.0
Total long-term debt	4,072.0	3,307.2	3,387.2
Less amounts due within one year	66.3	49.7	43.3
Long-term debt	\$ 4,005.7	\$ 3,257.5	\$ 3,343.9

On June 14, 2006, the Company's subsidiary borrowers entered into the Secured Credit Agreement (the Agreement). At September 30, 2010, the Agreement included a \$900.0 million revolving credit facility, a 160.0 million Australian dollar term loan, and a 110.8 million Canadian dollar term loan, each of which has a final maturity date of June 15, 2012. It also included a \$189.5 million term loan and a 189.5 million term loan, each of which has a final maturity date of June 14, 2013. At September 30, 2010, the Company's subsidiary borrowers had unused credit of \$724.0 million available under the Agreement.

The weighted average interest rate on borrowings outstanding under the Agreement at September 30, 2010 was 2.76%.

During May 2010, a subsidiary of the Company issued exchangeable senior notes with a face value of \$690.0 million due June 1, 2015 ( 2015 Exchangeable Notes ). The 2015 Exchangeable Notes bear interest at 3.00% and are guaranteed by substantially all of the Company's domestic subsidiaries. The net proceeds, after deducting debt issuance costs, totaled approximately \$672 million.

Upon exchange of the 2015 Exchangeable Notes, under the terms outlined below, the issuer of the 2015 Exchangeable Notes is required to settle the principal amount in cash and the Company is required to settle the exchange premium in shares of the Company's common stock. The exchange premium is calculated as the value of the Company's common stock in excess of the initial exchange price of approximately \$47.47 per share, which is equivalent to an exchange rate of 21.0642 per \$1,000 principal amount of the 2015 Exchangeable Notes. The exchange rate may be adjusted upon the occurrence of certain events, such as certain distributions, dividends or issuances of cash, stock, options, warrants or other property or effecting a share split, or a significant change in the ownership or structure of the Company, such as a recapitalization or reclassification of the Company's common stock, a merger or consolidation involving the Company or the sale or conveyance to another person of all or substantially all of the property and assets of the Company and its subsidiaries substantially as an entirety.

Prior to March 1, 2015, the 2015 Exchangeable Notes may be exchanged only if (1) the price of the Company's common stock exceeds \$61.71 (130% of the exchange price) for a specified period of time, (2) the trading price of the 2015 Exchangeable Notes falls below 98% of the average exchange value of the 2015 Exchangeable Notes for a specified period of time (trading price was 167% of exchange value at September 30, 2010), or (3) upon the occurrence of specified corporate transactions. The 2015 Exchangeable Notes may be exchanged without restrictions on or after March 1, 2015. As of September 30, 2010, the 2015 Exchangeable Notes are not exchangeable by the holders.

The value of the exchange feature of the 2015 Exchangeable Notes was computed using the Company's non-exchangeable debt borrowing rate at the date of issuance of 6.15% and was accounted for as a debt discount and a corresponding increase to share owners' equity. The carrying values of the liability and equity components at September 30, 2010 are as follows:

Principal amount of exchangeable notes	\$	690.0
Unamortized discount on exchangeable notes		87.0
Net carrying amount of liability component	\$	603.0
Carrying amount of equity component	\$	93.4

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The debt discount is being amortized over the life of the 2015 Exchangeable Notes. The amount of interest expense recognized on the 2015 Exchangeable Notes for the three and nine months ended September 30, 2010 is as follows:

	<b>Three months ended September 30, 2010</b>	<b>Nine months ended September 30, 2010</b>
Contractual coupon interest	\$ 5.2	\$ 8.3
Amortization of discount on exchangeable notes	4.0	6.4
Total interest expense	\$ 9.2	\$ 14.7

During June 2010, a subsidiary of the Company redeemed all \$450.0 million of the 8.25% senior notes due 2013. During the second quarter of 2010, the Company recorded \$9.0 million of additional interest charges for note repurchase premiums and the related write-off of unamortized finance fees. In addition, the Company recorded a reduction of interest expense of \$9.0 million during the second quarter of 2010 to recognize the unamortized proceeds from terminated interest rate swaps on these notes.

During September 2010, a subsidiary of the Company issued senior notes with a face value of \$500.0 million due September 15, 2020. The notes bear interest at 6.75% and are guaranteed by substantially all of the Company's domestic subsidiaries. The net proceeds, after deducting debt issuance costs, totaled approximately \$625 million.

During October 2006, the Company entered into a \$300 million European accounts receivable securitization program. The program extends through October 2011, subject to annual renewal of backup credit lines. In addition, the Company participated in a receivables financing program in the Asia Pacific region with a revolving funding commitment of 10 million New Zealand dollars. This program expired in October 2010.

Information related to the Company's accounts receivable securitization programs is as follows:

	<b>September 30, 2010</b>	<b>December 31, 2009</b>	<b>September 30, 2009</b>
Balance (included in short-term loans)	\$ 243.0	\$ 289.0	\$ 289.4
Weighted average interest rate	2.49%	2.52%	1.70%

The carrying amounts reported for the accounts receivable securitization programs, and certain long-term debt obligations subject to frequently redetermined interest rates, approximate fair value. Fair values for the Company's significant fixed rate debt obligations are generally based on published market quotations.

Fair values at September 30, 2010 of the Company's significant fixed rate debt obligations are as follows:

	Principal Amount (millions of dollars)	Indicated Market Price	Fair Value (millions of dollars)
<b>Senior Notes:</b>			
6.75%, due 2014	\$ 400.0	102.63	\$ 410.5
6.75%, due 2014 ( 225 million)	306.0	102.95	315.0
3.00%, Exchangeable, due 2015	690.0	98.56	680.1
7.375%, due 2016	600.0	108.25	649.5
6.875%, due 2017 ( 300 million)	408.0	104.28	425.5
6.75%, due 2020 ( 500 million)	680.0	102.48	696.9
<b>Senior Debentures:</b>			
7.80%, due 2018	250.0	109.27	273.2

### 3. Supplemental Cash Flow Information

	Nine months ended September 30,	
	2010	2009
Interest paid in cash	\$ 163.2	\$ 131.7
Income taxes paid in cash	69.6	123.5

Cash interest for 2010 includes note repurchase premiums related to the June 2010 redemption of the Company's 8.25% senior notes due 2013. Cash interest for 2009 includes note repurchase premiums and the proceeds from the settlement of interest rate swaps related to the May 2009 tender of the Company's 7.50% senior debentures due 2010.

#### 4. Share Owners Equity

The activity in share owners equity for the three months ended September 30, 2010 and 2009 is as follows:

	Share Owners Equity of the Company						
	Common Stock	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Non-controlling Interests	Total Share Owners Equity
Balance on July 1, 2010	\$ 1.8	\$ 3,046.6	\$ (414.3)	\$ 355.8	\$ (1,451.6)	\$ 205.4	\$ 1,743.7
Issuance of common stock (0.1 million shares)		0.4					0.4
Reissuance of common stock (0.1 million shares)		0.1	1.3				1.4
Stock compensation		(2.8)					(2.8)
Comprehensive income:							
Net earnings				138.7		12.0	150.7
Foreign currency translation adjustments					266.0	10.1	276.1
Pension and other postretirement benefit adjustments, net of tax					10.7		10.7
Change in fair value of derivative instruments, net of tax					(4.1)		(4.1)
Acquisition of noncontrolling interest		(10.4)				(7.9)	(18.3)
Dividends paid to noncontrolling interests on subsidiary common stock						(1.7)	(1.7)
Balance on September 30, 2010	\$ 1.8	\$ 3,033.9	\$ (413.0)	\$ 494.5	\$ (1,179.0)	\$ 217.9	\$ 2,156.1

	Share Owners Equity of the Company						
	Common Stock	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Non-controlling Interests	Total Share Owners Equity
Balance on July 1, 2009	\$ 1.8	\$ 2,927.6	\$ (218.8)	\$ 162.0	\$ (1,424.4)	\$ 232.3	\$ 1,680.5
Issuance of common stock (0.09 million shares)		1.8					1.8
Reissuance of common stock (0.04 million shares)		0.6	0.8				1.4
Stock compensation		5.2					5.2
Comprehensive income:							
Net earnings				126.7		2.3	129.0
Foreign currency translation adjustments					147.0	11.2	158.2
Pension and other postretirement benefit adjustments, net of tax					11.0		11.0
Change in fair value of derivative instruments, net of tax					15.9		15.9
Dividends paid to noncontrolling interests on subsidiary common stock						(2.9)	(2.9)
Balance on September 30, 2009	\$ 1.8	\$ 2,935.2	\$ (218.0)	\$ 288.7	\$ (1,250.5)	\$ 242.9	\$ 2,000.1





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The activity in share owners equity for the nine months ended September 30, 2010 and 2009 is as follows:

	Share Owners Equity of the Company						
	Common Stock	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Non-controlling Interests	Total Share Owners Equity
Balance on January 1, 2010	\$ 1.8	\$ 2,941.9	\$ (217.1)	\$ 129.4	\$ (1,317.8)	\$ 198.2	\$ 1,736.4
Issuance of common stock (0.9 million shares)		3.9					3.9
Reissuance of common stock (0.2 million shares)		1.0	3.3				4.3
Treasury shares purchased (6.0 million shares)			(199.2)				(199.2)
Stock compensation		6.5					6.5
Issuance of exchangeable notes		91.0					91.0
Comprehensive income:							
Net earnings				365.1		34.9	400.0
Foreign currency translation adjustments					75.9	8.2	84.1
Pension and other postretirement benefit adjustments, net of tax					68.1		68.1
Change in fair value of derivative instruments, net of tax					(5.2)		(5.2)
Acquisition of noncontrolling interest		(10.4)				(7.9)	(18.3)
Noncontrolling interests share of acquisition						7.9	7.9
Dividends paid to noncontrolling interests on subsidiary common stock						(23.4)	(23.4)
Balance on September 30, 2010	\$ 1.8	\$ 3,033.9	\$ (413.0)	\$ 494.5	\$ (1,179.0)	\$ 217.9	\$ 2,156.1

	Share Owners Equity of the Company						
	Common Stock	Capital in Excess of Par Value	Treasury Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Non-controlling Interests	Total Share Owners Equity
Balance on January 1, 2009	\$ 1.8	\$ 2,913.3	\$ (221.5)	\$ (32.4)	\$ (1,620.6)	\$ 252.8	\$ 1,293.4
Issuance of common stock (1.2 million shares)		6.1					6.1