

OWENS ILLINOIS INC /DE/
Form 10-Q
April 26, 2012

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 the quarterly period ended

March 31, 2012

or

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-9576

OWENS-ILLINOIS, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

22-2781933
(IRS Employer
Identification No.)

One Michael Owens Way, Perrysburg, Ohio
(Address of principal executive offices)

43551
(Zip Code)

Registrant's telephone number, including area code: **(567) 336-5000**

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 the 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 Exchange Act). Yes No

The number of shares of common stock, par value \$.01, of Owens-Illinois, Inc. outstanding as of March 31, 2012 was 164,926,375.

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 Company s Annual Report on Form 10-K for the year ended December 31, 2011.

OWENS-ILLINOIS, INC.

CONDENSED CONSOLIDATED RESULTS OF OPERATIONS

(Dollars in millions, except per share amounts)

	Three months ended March 31,	
	2012	2011
Net sales	\$ 1,739	\$ 1,719
Manufacturing, shipping and delivery expense	(1,361)	(1,376)
Gross profit	378	343
Selling and administrative expense	(140)	(142)
Research, development and engineering expense	(15)	(16)
Interest expense	(64)	(76)
Interest income	3	3
Equity earnings	13	14
Royalties and net technical assistance	4	5
Other income	2	2
Other expense	(11)	(18)
Earnings from continuing operations before income taxes	170	115
Provision for income taxes	(44)	(28)
Earnings from continuing operations	126	87
Loss from discontinued operations	(1)	(1)
Net earnings	125	86
Net earnings attributable to noncontrolling interests	(4)	(4)
Net earnings attributable to the Company	\$ 121	\$ 82
Amounts attributable to the Company:		
Earnings from continuing operations	\$ 122	\$ 83
Loss from discontinued operations	(1)	(1)
Net earnings	\$ 121	\$ 82
Basic earnings per share:		
Earnings from continuing operations	\$ 0.74	\$ 0.50
Loss from discontinued operations	(0.01)	
Net earnings	\$ 0.73	\$ 0.50
Weighted average shares outstanding (thousands)	164,241	163,355
Diluted earnings per share:		
Earnings from continuing operations	\$ 0.73	\$ 0.50
Loss from discontinued operations	(0.01)	
Net earnings	\$ 0.72	\$ 0.50
Weighted average diluted shares outstanding (thousands)	166,206	166,114

See accompanying notes.

OWENS-ILLINOIS, INC.

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME

(Dollars in millions)

	Three months ended March 31,	
	2012	2011
Net earnings	\$ 125	\$ 86
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	99	74
Pension and other postretirement benefit adjustments	24	20
Change in fair value of derivative instruments		1
Other comprehensive income	123	95
Total comprehensive income	248	181
Comprehensive income attributable to noncontrolling interests	(11)	(8)
Comprehensive income attributable to the Company	\$ 237	\$ 173

See accompanying notes.

OWENS-ILLINOIS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions, except per share amounts)

	March 31, 2012	December 31, 2011	March 31, 2011
Assets			
Current assets:			
Cash and cash equivalents	\$ 299	\$ 400	\$ 430
Receivables, less allowances for losses and discounts (\$42 at March 31, 2012, \$38 at December 31, 2011, and \$43 at March 31, 2011)	1,199	1,158	1,223
Inventories	1,237	1,061	1,103
Prepaid expenses	130	124	78
Total current assets	2,865	2,743	2,834