

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Form 8-K/A
AMENDMENT NO. 2

CURRENT REPORT

Pursuant to Section 13 of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 16, 1996

Owens-Illinois, Inc.

(Exact name of registrant as specified in its charter)

Delaware	1-9576	22-2781933
----- (State or other jurisdiction of incorporation)	----- (Commission File No.)	----- (IRS Employer Identification No.)

Owens-Illinois Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	33-13061	34-1559348
----- (State or other jurisdiction of incorporation)	----- (Commission File No.)	----- (IRS Employer Identification No.)

One SeaGate, Toledo, Ohio

43666

(Address of principal executive offices)

(Zip code)

Registrants' telephone number,
including area code:

419-247-5000

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On December 31, 1996, the Registrants filed a Current Report on Form 8-K to include the information required under Item 2 regarding the December 16, 1996, agreement to acquire a controlling interest in Avir S.p.A.

On March 3, 1997, the Registrants amended the December 16, 1996, Current Report, via Form 8-K/A, to include the information required under Items 7(a), 7(b) and 7(c) with regard to audited financial statements as of and for the year ended December 31, 1995, and unaudited financial statements as of and for the six months ended June 30, 1996.

The Registrants hereby further amend the December 16, 1996, Current Report to include the information required under Items 7(a), 7(b) and 7(c) with regard to audited financial statements as of and for the year ended December 31, 1996, following the availability of such financial statements.

Item 7. Financial Statements and Exhibits.

(a) Financial statements of business acquired.

(1) Audited consolidated financial statements of Avir S.p.A. and subsidiaries for the year ended December 31, 1996 (with comparative information as of and for the year ended December 31, 1995).

- Report of Independent Public Accountants (Avir S.p.A. and subsidiaries) - Arthur Andersen S.p.A.
- Consolidated Balance Sheets
- Consolidated Profit and Loss Accounts
- Consolidated Statements of Changes in Net Equity
- Consolidated Cash Flow Statements
- Notes to Consolidated Financial Statements
- Independent Auditors' Report (Avirunion, a.s.) - KPMG Ceska republika Audit, spol. S.r.o.
- Audit Report on the Annual Accounts (Vidrieria Rovira, S.A. and subsidiary companies) - AUDIHISPANA

(b) Unaudited pro forma financial information.

- Pro Forma Condensed Consolidated Balance Sheet at December 31, 1996
- Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 1996
- Notes to Pro Forma Condensed Consolidated Financial Statements

(c) Exhibits.

- 23.1 Consent of Arthur Andersen S.p.A., Milan, Italy
- 23.2 Consent of KPMG Ceska republika Audit, spol. S.r.o., Prague, Czech Republic
- 23.3 Consent of AUDIHISPANA, Barcelona, Spain

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

OWENS-ILLINOIS, INC.
OWENS-ILLINOIS GROUP, INC.

By /s/ Lee A. Wesselmann

Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

Dated: May 9, 1997

EXHIBIT INDEX

Exhibit Number	Exhibit
23.1	Consent of Arthur Andersen S.p.A., Milan, Italy
23.2	Consent of KPMG Ceska republika Audit, spol. S.r.o., Prague, Czech Republic
23.3	Consent of AUDIHISPANA, Barcelona, Spain

To the Shareholders

Avir S.p.A.:

We have audited the accompanying consolidated balance sheet of Avir S.p.A. and subsidiaries as of December 31, 1996, and the related consolidated profit and loss accounts, statement of changes in net equity and cash flow statement for the year then ended. These consolidated financial statements are the responsibility of Avir S.p.A.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the consolidated financial statements of Avirunion a.s and Vidrieria Rovira S.A., which statements reflect total assets of 21% and total revenues of 18% of the related consolidated totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Avirunion a.s, and for Vidrieria Rovira S.A. is based solely on the report of the other auditors. The financial statements of Avir S.p.A. as of December 31, 1995, were audited by other auditors whose report dated May 13, 1996, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the Republic of Italy, which standards are substantially equivalent to auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Avir S.p.A. and subsidiaries as of December 31, 1996, and the results of their operations and their cash flows for the year then ended, in conformity with generally accepted accounting principles in the Republic of Italy.

Accounting principles generally accepted in the Republic of Italy vary in certain significant respects from accounting principles generally accepted in the United States of America. Application of accounting principles generally accepted in the United States of America would have affected net profit for the year ended December 31, 1996 and net equity as of December 31, 1996, to the extent summarized in Note 20 to the consolidated financial statements.

ARTHUR ANDERSEN S.p.A.

Milan, Italy
March 28, 1997

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CONSOLIDATED BALANCE SHEETS Avir S.p.A.

Millions of Italian Lire

December 31,	1995	1996
- - - - -	-----	-----
Assets		
A) Receivables from shareholders for unpaid capital	--	--
B) Fixed Assets		
I) Intangible assets:		
1) Start-up and improvement costs	323	344
2) Costs of research, development and publicity	38	4
3) Patents and rights to use third-party patents	1,053	1,233
4) Concessions, licenses, brands and similar rights	9	20
5) Differences on consolidation	1,933	587
6) Assets in progress and advances	50	41
7) Other	1,563	1,200
- - - - -	-----	-----

Total	4,969	3,429
II) Tangible assets:		
1) Land and buildings	107,009	101,836
2) Plant and machinery	188,364	217,408
3) Industrial and commercial equipment	20,754	23,786
4) Other assets	1,089	793
5) Assets under construction and advances	47,310	84,223

Total	364,526	428,046
III) Financial assets:		
1) Investment in:		
b) associated companies	24,147	27,239
d) other companies	1,621	1,421
2) Loans receivable:		
d) from third-parties		
due within one year	257	--
due after one year	8,838	9,050
3) other securities	860	260

Total	35,723	37,970
=====		
Total fixed assets (B)	405,218	469,445
=====		

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CONSOLIDATED BALANCE SHEETS Avir S.p.A. (continued)

Millions of Italian Lire

December 31,	1995	1996

C) Current assets		
I) Inventories		
1) raw materials and supplies	45,303	58,985
2) work-in-progress and semi-finished products	5,563	3,236
4) finished products and goods for resale	85,071	117,124
5) advances	26	232

Total	135,963	179,577
II) Receivables:		
1) from customers		
due within one year	250,366	188,922
due after one year	8,907	9,626
3) from associated companies		
due within one year	293	1,083
5) from third parties		
due within one year	25,076	22,718
due after one year	26,523	24,752

Total	311,165	247,101
III) Financial assets:		
4) other investments	6,569	4,215
6) loans receivable:		
-- from associated companies		
due within one year	--	159
-- from third parties		
due within one year	178,231	112,432

Total	184,800	116,806
IV) Cash on hand and at bank		
1) bank and postal accounts	84,313	84,603
2) checks	--	2
3) cash on hand	198	122

Total	84,511	84,727
Total current assets	716,439	628,211
D) Prepaid expenses and accrued income	8,796	2,644
Total Assets	1,130,453	1,100,300

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CONSOLIDATED BALANCE SHEETS Avir S.p.A. (continued)

Millions of Italian Lire

December 31,	1995	1996
Liabilities and Net Equity		
A) Net equity		
I) Share capital	22,092	20,995
II) Share premium reserve	--	--
III) Revaluation reserve	4,224	44,290
IV) Legal reserve	4,418	4,199
V) Treasury stock	--	--
VI) Statutory reserves	--	--
VII) Other reserves		
-- extraordinary reserve	78,584	68,108
-- taxed reserves	202	202
-- reserve for CASMEZ grants	991	17,620
-- reserve on gains re. Law 170	1,767	1,767
-- reserve re. Law 27/83	--	159
-- reserve for VAT deduction	--	3,087
-- reserve re. Law 308/82	--	5,698
-- reserve for grants re. L.P. 26/72	--	799
-- reserve for grants re. L.P. 4/81	--	207
-- reserve re. Law 10/91	--	3,709
-- reserve for investments grants	--	48
-- reserve re. Law 104/95	--	160
-- incorporation surplus	--	166,002
-- consolidation reserve	257,642	124,228
-- foreign exchange translation reserve	1,771	(8,954)
VIII) Retained earnings	--	--
IX) Net profit for the year attributable to the Group	102,153	61,115
Total net equity attributable to the Group	472,952	513,439
Share capital and reserves attributable to minorities	72,454	48,862
Net profit for the year attributable to minorities	11,599	8,785
Total net equity attributable to minorities	84,053	57,647
Total Consolidated Net Equity	557,005	571,086
B) Risk and other provisions		
1) Deferred compensation	308	192
2) Income taxes	34,281	38,856
3) Other	19,724	48,403
Total	54,313	87,451

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CONSOLIDATED BALANCE SHEETS Avir S.p.A. (continued)

Millions of Italian Lire

December 31,	1995	1996
C) Employees' termination indemnity	57,385	59,298

D) Payables		
3) Banks overdrafts:		
due within one year	46,265	30,717
due after one year	63,109	53,253
4) Due to other financial institutions:		
due within one year	1,101	6,242
due after one year	30,296	33,427
5) Advances		
due within one year	385	843
6) Trade payables		
due within one year	182,416	180,796
7) Notes payable		
due within one year	703	40
due after one year	40	--
9) Due to associated companies		
due within one year	25	2,325
11) Due to fiscal authorities		
due within one year	97,315	37,821
12) Due to social security		
due within one year	13,167	8,375
due after one year	44	529
13) Other payables		
due within one year	16,068	16,014
due after one year	537	315

Total	451,471	370,697
=====		
E) Accrued expenses and deferred income	10,279	11,768

Total net equity and liabilities	1,130,453	1,100,300
=====		
Memorandum Accounts		
Liens on real estate on the Group's liabilities:		
-- mortgages and privileges	83,787	71,275
-- reservation of property	743	40

Total guarantees	84,530	71,315
Other memorandum, commitments and contingency accounts	3,901	6,581

Total Memorandum Accounts	88,431	77,896
=====		

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CONSOLIDATED PROFIT AND LOSS ACCOUNTS Avir S.p.A.

Millions of Italian Lire

Years ended December 31,

	1995	1996

A) Value of production		
1) Revenues from sales	1,150,874	1,036,041
2) Variation in inventories of work-in-progress, semi-finished and finished products	(3,615)	32,464
4) Capitalized labor	7,382	10,136
5) Other		
-- contribution on operating expenses revenues	144	171
-- other	8,452	11,435

Total	1,163,237	1,090,247
B) Cost of production		
6) Raw materials, supplies and goods for resale	(397,644)	(374,334)
7) Services received	(284,966)	(276,081)
8) Rentals and leasing charges	(3,091)	(3,441)
9) Personnel:		
a) wages and salaries	(132,094)	(133,900)
b) social security contributions	(48,441)	(47,128)

	c) employees' severance indemnities	(9,713)	(9,250)
	d) deferred compensation	(77)	(327)
	e) other	(2,519)	(2,877)
10)	Depreciation and write-downs:		
	a) amortization of intangible assets	(2,682)	(2,652)
	b) depreciation of tangible assets	(69,734)	(71,753)
	c) other write-downs to fixed assets	(132)	(60)
	d) provision for doubtful accounts risks	(3,249)	(3,723)
11)	Variation in inventories of raw materials, supplies and goods for resale	6,111	14,586
12)	Provisions for risks	(6,580)	(30,209)
13)	Other provisions	(677)	(193)
14)	Other operating costs	(20,118)	(22,031)

Total		(975,606)	(963,373)
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Difference between value and cost of production		187,631	126,874
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C) Financial income and expense

15)	Income from investments:		
	-- dividends	115	1,545
16)	Other financial income		
	b) on investment securities	116	49
	d) other		
	-- on associated companies	--	9
	-- on third parties	26,043	21,123

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CONSOLIDATED PROFIT AND LOSS ACCOUNTS Avir S.p.A. (continued)

Millions of Italian Lire

Years ended December 31,	1995	1996
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17)	Interest and other financial charges		
	-- third-parties	(22,534)	(17,620)

Total		3,740	5,106
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D) Adjustment to the value of financial assets

18)	Revaluation		
	a) investments	8,645	6,606
19)	Write-downs		
	a) investments	(961)	(1,289)

Total		7,684	5,317
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E) Extraordinary income and expense

20)	Extraordinary income		
	-- gains on disposals	1,361	8,573
	-- other	13,601	11,170
21)	Extraordinary expense		
	-- losses on disposals	(1,647)	(644)
	-- prior year income taxes	(1,123)	(79)
	-- other	(4,012)	(5,119)

Total		8,180	13,901
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Profit before income taxes		207,235	151,198
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22)	Income taxes	(93,483)	(81,298)
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23)	Net profit for the year	113,752	69,900
	of which:		
	-- attributable to the Group	102,153	61,115
	-- attributable to minorities	11,599	8,785

CONSOLIDATED STATEMENTS OF CHANGES IN NET EQUITY Avir S.p.A.
Millions of Italian Lire
Years ended December 31, 1996 and 1995

Attributable to the Group

	Share capital	Other reserves	Consolidation reserves	Total	Net profit for the year	Total net equity of the Group
Balance at December 31, 1994	22,092	85,320	215,502	370,799	102,153	472,952
Dividends distributed	--	--	(13,255)	(13,255)	--	(13,255)
Appropriation of net profit to reserves	--	3,974	57,903	61,877	(61,877)	--
Variations in reserves	--	--	(737)	(737)	--	(737)
Net profits for the year	--	--	--	--	102,153	102,153
Balance at December 31, 1995	22,092	89,294	259,413	370,799	102,153	472,952

	Attributable to the Group	Attributable to minorities		Total	Consolidated net equity
	Total net equity of the Group	Share capital and reserves	Net profit for the year		
Balance at December 31, 1994	384,791	69,261	5,492	74,753	459,544
Dividends distributed	(13,255)	(3,106)	--	(3,106)	(16,361)
Appropriation of net profit to reserves	--	5,492	(5,492)	--	--
Variations in reserves	(737)	807	--	807	70
Net profit for the year	102,153	--	11,599	11,599	113,752
Balance at December 31, 1995	472,952	72,454	11,599	84,053	557,005

CONSOLIDATED STATEMENTS OF CHANGES IN NET EQUITY Avir S.p.A.
Millions of Italian Lire
Years ended December 31, 1996 and 1995

Attributable to the Group

	Share	Other	Consolidation	Net profit for the	Total net equity of the
--	-------	-------	---------------	--------------------------	----------------------------------

	capital	reserves	reserves	Total	year	Group
Balance at December 31, 1995	22,092	89,294	259,413	370,799	102,153	472,952
Exercise of right of recourse	(1,097)	(24,666)	--	(25,763)	--	(25,763)
Dividends distributed	--	--	(17,673)	(17,673)	--	(17,673)
Appropriation of net profit to reserves	--	13,971	88,182	102,153	(102,153)	--
Variations in reserves	--	237,456	(214,648)	22,808	--	22,808
Net profits for the year	--	--	--	--	61,115	61,115
Balance at December 31, 1996	20,995	316,055	115,274	452,324	61,115	513,439
	Attributable to the Group	Attributable to minorities				
	Total net equity of the Group	Share capital and reserves	Net profit for the year	Total	Consolidated net equity	
Balance at December 31, 1995	472,952	72,454	11,599	84,053	557,005	
Exercise of right of recourse	(25,763)	--	--	--	(25,763)	
Dividends distributed	(17,673)	(6,071)	--	(6,071)	(23,744)	
Appropriation of net profit to reserves	--	11,599	(11,599)	--	--	
Variations in reserves	22,808	(29,120)	--	(29,120)	(6,312)	
Net profit for the year	61,115	--	8,785	8,785	69,900	
Balance at December 31, 1996	513,439	48,862	8,785	57,647	571,086	

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CONSOLIDATED CASH FLOW STATEMENTS Avir S.p.A.

Millions of Italian Lire

Years ended December 31,

	1995	1996
Net Cash - beginning	137,537	241,467
Cash flows from operating activities		
Net income - Group	102,153	61,115
Net income - External	11,599	8,785
Depreciation	72,416	74,405
Reversal of Group shares of the net result of companies valued at net equity	(8,626)	(6,574)
(Gain)/Loss from disposal of assets	1,656	(8,204)
(Revaluation)/Devaluation of assets	131	610
Movement in working capital	39,393	(35,551)
Net movement in severance indemnity	2,734	1,913
Net movement in allowance for risks and charges	(631)	33,138
	220,825	129,637
Cash flows from investing activities		
Investments in assets:		
-- intangible	(493)	(1,292)
-- fixed	(108,793)	(138,609)
-- financial	(9,680)	(350)
Sales proceeds on disposal of fixed assets	12,304	15,666
	(106,662)	(124,585)
Cash flows from financing activities		

-- Additional borrowings	31,310	16,438
-- Capital contributions	383	3,408
-- Loan repayments	(24,278)	(18,421)

	7,415	1,425
Dividends paid	(13,255)	(17,673)
Right of recourse paid	--	(25,763)
Other movements that do not form part of cash flows		
from financing activities		
Movements in reserves	2,546	(18,212)
Movements in shares of net equity of third parties	(3,106)	(6,071)
Conversion differences	(3,833)	8,613

	(4,393)	(15,670)
Cash flows for the period	103,930	(52,629)

Net Cash - final	241,467	188,838
=====		

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CONSOLIDATED CASH FLOW STATEMENTS Avir S.p.A.
Millions of Italian Lire
December 31, 1996 and 1995

Movements in 1996 not included into consolidated cash-flow statements that do not form variations of cash-flows:

- revaluation of fixed assets (R.D.L. 7/96 Spain)	11,974
- movement in reserves for the above-mentioned revaluation	(11,974)

Total	-
	=====

Net cash, at year end, is as follows:

	1995	1996
	-----	-----
- -- Bank deposits and liquid funds	84,511	84,603
- -- Current financial debtors	184,800	116,806
- -- Current financial creditors	(27,844)	(12,695)

	241,467	188,838
=====		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated
December 31, 1996 and 1995
- -----

Description of business

Avir Group is the largest manufacturer of glass containers in Italy (15 plants) and Czech Republic (2 plants) and the fourth in Spain (2 plants); its major customers are producers of wine, spirits, beer and food.

The consolidated financial statements, consisting of the consolidated balance sheets, consolidated profit and loss accounts, consolidated cash flow statements and notes thereto, have been drawn up in accordance with the requirements of Legislative Decree no. 127 on April 9, 1991 enacted as a result of the VIIth EEC Directive.

1. Consolidation Group

The consolidation group includes the Parent Company, AZIENDE VETRARIE INDUSTRIALI RICCIARDI- AVIR S.p.A., and the Italian and foreign companies in which AVIR S.p.A. (the "Company" and together with its subsidiaries, the "Group") holds the majority of the voting rights and over which it exercises significant control.

The list of the companies consolidated with the full consolidation method has been showed in Attachment 1.

On October 31, 1996, the following subsidiaries were merged into the Company: ADIGE VETRO S.r.l., AVIR COMMERCIALE S.r.l., AZIENDE VETRARIE ITALIANE RICCIARDI - A.V.I.R. S.p.A., BENINVEST S.r.l., BORMA S.p.A., CO.GE.VE S.p.A., I.A.G. HOLDING S.r.l., IMMOBILIARE AGRICOLA INDUSTRIALE S.r.l., VETROCERAMICA TURRITANA S.p.A., VETROPIAVE S.p.A., VETROSILEX S.p.A. and VETRO UMBRA S.r.l..

Such merger has not involved any effect on the consolidated balance sheet and consolidated profit and loss accounts.

In July 1996, the Company sold S.C.V.- SOCIETA' COMMERCIALE VETRO S.r.l., and on October 1996 liquidated SILICES DE CATALUNA S.A.. All costs relating to the liquidation were properly accrued by the Company, therefore these subsidiaries have been excluded from consolidation as of the beginning of the year since the effect on profit and loss is immaterial. There were no significant gains or losses on the disposition of these subsidiaries.

2. Changes in Unconsolidated Investments

Non-consolidated investments, over which the Group exercises significant influence and normally represented by shareholdings of between 20% and 50%, are valued using the equity method and classified as "Investment in associated companies".

In accordance with the equity method, the consolidated financial statements do

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated
December 31, 1996 and 1995
- -----

not include the assets, liabilities, costs and revenues of the relevant companies, but the Group's share of their equity, including the result for the year, is proportionately credited to profit and loss under the caption "Adjustment to the value of financial assets".

The list of the Companies accounted for under the equity method is included in Attachment 2. There have been no changes from prior year.

Minority investments in other companies are valued at cost and such companies are listed in Attachment 3.

The increase in such investments is due to the purchase of 200 shares with a nominal value of 5,000 pesetas each of Daniel Rosas S.A. in Barcelona (Spain).

3. Basis of Consolidation

Financial statements used for the consolidation

The financial statements used for the consolidation are those approved as of December 31, 1996 by the Board of Directors for the shareholders' approval.

Financial statements denominated in foreign currency are converted into Italian Lire as follows: profit and loss items at the average rate for the year and balance sheet items at year-end exchange rates, except for the result for the year which was converted using the same rate as the profit and loss account. The difference arising on the result for the year between the application of average rates and year-end rates is recorded in the "Foreign exchange translation reserve" in net equity. The effects on net equity due to the fluctuation of exchange rates between the end of 1996 and the end of 1995 are also recorded in this account.

The exchange rates applied for the conversion are as follows:

	1995 Average	December 31, 1995	1996 Average	December 31, 1996
Czech crown	61.57	59.42	56.77	56.23
Dutch guilder	1,015.89	987.73	915.79	875.56
Pound sterling	2,556.27	2,458.22	2,409.58	2,583.91
Swiss franc	--	--	1,250.61	1,131.58
Spanish peseta	13.08	13.05	12.19	11.66

These financial statements have been adjusted, where necessary, to eliminate items recorded exclusively to obtain fiscal benefits and to ensure they comply with the accounting principles adopted by the Company.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated
December 31, 1996 and 1995

4. Accounting and consolidation principles

The accounting principles adopted in the preparation of the consolidated financial statements are those issued by the Consigli Nazionali dei Dottori Commercialisti e dei Ragionieri and, where non existent, those recommended by IASC - International Accounting Standards Committee.

All the consolidated companies have been included through the full consolidation method, the main characteristics of which are as follows:

- -- assets, liabilities, costs and revenues are included at their full amount;
- -- equity and result for the year attributable to minority shareholders are shown separately in specific items of the financial statements;
- -- the book value of the investments is eliminated against the corresponding value of their equity, any differences between acquisition cost and the proportional value of net equity at the date of acquisition, in respect of consolidated subsidiaries and investments valued under the equity method, have been treated as follows:
 - negative differences are credited to the consolidation reserve;
 - positive differences, if they do not relate to specific assets, are recorded as difference in consolidation under intangible assets;
- -- balances and transactions between the Group companies are eliminated;
- -- if significant, profits arising from transactions between Group companies with respect to inventories held at year end by the acquiring company are eliminated;
- -- if significant, gains and losses resulting from the transfer of fixed assets between Group companies are eliminated;
- -- intercompany dividends and write-downs in the value of investments in

- consolidated companies are eliminated;
- -- conversion differences in respect of financial statements expressed in foreign currencies are recorded under a specific reserve in net equity;
- -- items recorded exclusively to obtain fiscal benefits are eliminated.

Use of estimates

- - - - -

The preparation of the financial statements are in conformity with Italian GAAP, along with the reconciliation to U.S. GAAP, requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

The most significant accounting principles adopted by the Group and by the single consolidated entities in the preparation of the consolidated financial statement are as follows:

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- - - - -

Intangible assets

- - - - -

Intangible assets are recorded at acquisition cost; they include incorporation and share capital costs, patents and rights.

Start-up and improvement costs, relating primarily to incorporation and share capital increase fees, and research, development and publicity costs are amortized over a period not exceeding 5 years.

Patents and rights to use patents of third-parties, relating principally to trademarks and software programs are amortized over their duration and 5 years, respectively.

Brands are written-off over 10 years.

The difference on consolidation relates to the goodwill paid on acquisition of investments and is amortized over a maximum of 5 years.

Other intangibles include the acquired voting rights on Avirunion a.s. shares, costs related to loan agreements and improvements made to third-party assets and are amortized on the basis of the duration of the underlying contracts.

Tangible assets

- - - - -

Tangible assets are recorded at acquisition cost or manufacturing cost, including directly attributable ancillary costs and increased by monetary revaluation carried out by Italian subsidiaries in accordance with specific legislation, and are shown net of accumulated depreciation.

Depreciation is calculated using the straight-line method, based on the useful lives of the assets as well as on their effective utilization. In the year of acquisition the rates used are decreased by half. The depreciation rates used are as follows:

	Percentage

Buildings	3%-10%
Plant and machinery	10%-22%
Furniture and fixture	12%-20%
Vehicles	20%-22%
Tools	25%-40%

Assets under construction and advances are recorded on the basis of actual costs incurred.

Ordinary maintenance and repairs are expensed as incurred, extraordinary

maintenance and repairs, which extend asset lives, are capitalized.

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- -----

Investments
- -----

Investments in non-consolidated companies, in which the Group holds an interest of at least 20%, are valued using the equity method.

Other investments relating to ownership of less than 20% are valued at cost, eventually reduced to take into consideration any permanent reduction in value.

Fixed financial assets - other securities
- -----

Long-term securities are recorded at acquisition cost, which is equivalent to nominal value since they are not marketable.

Inventories
- -----

Inventories are recorded at the lower of cost (purchase or internal production) or market value. Cost is determined using the LIFO method with annual layers.

Receivables and payables
- -----

Receivables (both current and long-term) and payables are recorded at their nominal value.

The value of receivables is adjusted to correspond to their net realizable value.

Receivables and payables denominated in foreign currencies have been converted into Italian Lire using the exchange rates on the transaction date; losses on exchange are covered by a specific provision recorded under "Risk and other provisions - Other", calculated as the negative difference between the balances converted at the year-end exchange rates and the original transaction exchange rates.

Securities purchased under resale agreements are recorded under financial assets in current assets at their acquisition cost; the difference between the sale and acquisition value is recorded as interest over the term of the agreement.

Investments not classified as fixed assets
- -----

The investments in other companies, related to quoted share, are stated at the lower of cost and market value, determined on the basis of the average Stock

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- -----

Exchange prices in the last month of the year.

If in subsequent periods the reason for any write down no longer applies, the asset is restated at cost.

Accruals and prepayments
- -----

They consist of income and expense items relating to more than one financial

year and are recorded under the accrual method of accounting.

Deferred income taxes
- -----

The provision includes deferred taxes recorded by Italian subsidiaries on realized gains on disposal of fixed assets and on prior year income, whose taxation effects are spread over the year of realization and a number of subsequent years, as well as those with respect to the elimination of accelerated depreciation.

The provision also includes the amounts provided for by each consolidated company with respect to expected fiscal charges on outstanding positions or amounts under dispute.

Employees' severance indemnities
- -----

The provision is calculated in accordance with the relevant legislation and labor contracts and reflects amounts accruing to each individual employee of the consolidated companies at year-end.

Costs and revenues
- -----

They are recorded on the basis of prudent criteria using the accrual method of accounting. Revenues from sales are recognized upon shipment of the related goods.

Income taxes
- -----

Income taxes are calculated by each consolidated company based on a realistic estimate of taxes payable in accordance with local current relevant legislation.

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- -----

5. Fixed Assets

Intangible assets
- -----

Intangible assets and related accumulated amortization consist of the following:

	1996		1995	
	Gross	Accumulated amortization	Net	Net
Start-up and improvement costs	1,127	(783)	344	323
Cost of research, development and publicity	173	(169)	4	38
Patents and rights to use third-party patents	2,837	(1,604)	1,233	1,053
Concessions, licenses, brands and similar rights	23	(3)	20	9
Difference on consolidation	6,343	(5,756)	587	1,933
Assets in progress and advances	41	--	41	50
Other	3,429	(2,229)	1,200	1,563
	13,973	(10,544)	3,429	4,969

The schedule below outlines the movements for the year in intangible assets

and accumulated amortization:

	Gross	Accumulated amortization
Balance at December 31, 1995	14,923	(9,954)
Increases	1,292	--
Decreases	(2,000)	1,904
Write-off	(60)	--
Amortization	--	(2,652)
Exchange differences	(182)	158
Balance at December 31, 1996	13,973	(10,544)

The difference on consolidation of 587 relates to the positive differences between the acquisition cost of investments and the corresponding share of net equity, as explained in the accounting principles.

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Movements during the year were as follows:

Balance at December 31, 1995	1,933
Amortization	(1,346)
Balance at December 31, 1996	587

Other intangible assets of 1,200 includes 673 with respect to acquired voting rights on Avirunion a.s. shares.

Tangible assets

	1996		1995	
	Gross	Accumulated depreciation	Net	Net
Land and buildings	196,514	(94,678)	101,836	107,009
Plant and machinery	682,002	(464,594)	217,408	188,364
Industrial and commercial equipment	83,620	(59,834)	23,786	20,754
Other assets	2,186	(1,393)	793	1,089
Assets under construction and advances	84,223	--	84,223	47,310
	1,048,545	(620,499)	428,046	364,526

The schedule below outlines the movements for the year in tangible assets and accumulated depreciation:

	Gross	Accumulated depreciation
Balance at December 31, 1995	967,675	(603,149)
Increases (decreases) for the year:		
- -- acquisitions	138,609	--
- -- revaluation (R.D.L 7/96 Spain)	11,974	--
- -- disposals	(53,504)	46,783
- -- depreciation	--	(71,753)
- -- exchange differences	(16,209)	7,620
Balance at December 31, 1996	1,048,545	(620,499)

Medium and long-term loans are collateralized by mortgages (land and buildings) and privileges (on plant and machinery) on tangible fixed assets.

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In addition, machinery of 40, purchased in accordance with Law 1329/65 (so-called Sabatini law), is held under capital leases.

The following schedule details the various revaluation carried out on fixed assets held by the Group at December 31, 1996:

	Land and buildings	Plant and machinery	Industrial and Commercial equipment	Other assets (*)	Total
Law no. 576 of 2.12.75	3,231	2,579	225	--	6,035
Law no. 72 of 18.3.83	17,102	17,516	632	--	35,250
Law no. 413 of 30.12.91	32,948	--	--	512	33,460
	53,281	20,095	857	512	74,745

(*) Industrial building concessions.

Financial assets

In associated companies

The balance consist of the following:

	1995	1996
Attivita' Industriali Friuli S.r.l	5,412	8,863
Avir Serapo S.r.l.	228	198
Nord Vetri S.p.A.	7,274	6,859
Sicilvetro S.p.A.	11,233	11,319
	24,147	27,239

The change is due to the effect of the results of companies valued under the equity method.

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Other companies

The balance consists of the following:

	1995	1996
Sanita S.p.A. (formerly Acque e Terme di Bognanco S.p.A.)	800	250
CESI S.p.A.	16	16
Confidi Soc. Coop. a r.l	5	5
Consorzio nazionale obbligatorio per il riciclaggio		

dei contenitori per liquidi in vetro (compulsory national consortium for the recycling of glass bottles)	35	35
Daniel Rosas S.A.	--	350
Vetriere Venete S.p.A.	765	765

	1,621	1,421
=====		

The changes relate to the acquisition of the investment in Daniel Rosas S.A. and to the write-down of Sanita S.p.A. due to losses incurred.

The list of the above-mentioned investments valued under the equity method is included in the Attachment 2, while the investments in other companies valued at cost are listed in Attachment 3.

Loans receivable from third-parties

	1995	1996

Due within one year	257	--
Due after one year (guarantee deposits)	8,838	9,050

	9,095	9,050
=====		

Receivables due after one year consist of the following:

Guarantee deposits on utilities' contracts	1,442
Term deposit due on March 31, 1998	7,358
Term deposit for V.A.T. credit collection	250

	9,050
	=====

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The term deposit due on March, 1998 relates to the Company and is connected to the guarantee (principal and interest) provided by a primary Italian bank in favor of Mediocredito Centrale for a loan; according to the contract, the deposit will bear interest to the Company at the best market conditions and eventually through other forms of investment designed to maximize earnings. The year-end balance of 7,358 was used to purchase treasury certificates under agreements to resell expiring on January 1, 1997 and has been renewed at due-date.

Other securities

These are as follows:

	1995	1996

Treasury certificates, issue date January 1, 1994, expiring January 1998, interest 12.5% p.a.	260	260
Vetriere Veneta S.p.A. debentures, expiring July 1, 1999, variable interest rate credited every six months on January 1 and July 1	600	--

	860	260
=====		

The change is due to the redemption of Vetriere Venete S.p.A. debentures.

6. Current assets

Inventories

	1995	1996
Raw materials and supplies	45,303	58,985
Work-in-progress and semi-finished products	5,563	3,236
Finished products and goods for resale	85,071	117,124
Advances	26	232
	135,963	179,577

The increase in inventories is due, for finished products, to sales decline and, for raw materials and supplies, to a lower consumption because of productive stops of some plants.

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Inventories are valued using the LIFO method; had inventories been valued at current costs their value in the consolidated financial statements would have been higher by approximately 15,000. At December 31, 1995, the difference would have amounted to 24,000.

Receivables from customers

	1995	1996
Due within one year	265,475	197,191
Provision for doubtful accounts	(15,109)	(8,269)
	250,366	188,922
Due after one year	12,888	9,626
Provision for doubtful accounts	(3,981)	--
	8,907	9,626
Total	259,273	198,548

The decrease is related to the reduction in the volume of business.

Receivables from associated companies

	1995	1996
Nord Vetri S.p.A.	--	703
Sicilvetro S.p.A.	293	380
	293	1,083

The item relates to trade receivables due within one year.

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Receivables from third-parties

	1995	1996
Due within one year		
- -- State and public offices	11,129	8,659
- -- Personnel	364	333
- -- Debit balances with suppliers	10,671	9,481
- -- Other	2,912	4,245
	25,076	22,718

	1995	1996
Due after one year:		
- -- State and public offices	23,314	24,681
- -- Personnel	22	5
- -- Other	3,187	66
	26,523	24,752
Total	51,599	47,470

Financial assets

	1995	1996
Other investments	6,569	4,215

The item relates to shares of Italian public companies valued at the lower of cost or average market prices for the month of December 1996. The change is principally related to the sale of 380,000 shares of STET.

Loans receivable from associated companies

	1995	1996
Due within one year		
Avir Serapo S.r.l.	--	159

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Loans receivable from third parties

	1995	1996
Due within one year	178,231	112,432

They mainly relate to treasury certificates purchased under agreement to resell and to commercial papers.

Cash on hand and at bank

	1995	1996
Bank and postal accounts	84,313	84,603

Checks	--	2
Cash on hand	198	122
	84,511	84,727
=====		
7. Prepaid expenses and accrued income		
	1995	1996

Accrued income		
Interest income	7,922	1,901
Other	117	187
	8,039	2,088

Prepaid expenses		
Interest expense and commissions	97	51
Rental, hiring and maintenance charges	60	70
Insurance premiums	130	148
Other items	470	287
	757	556

Total	8,796	2,644
=====		

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
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8. Net equity

	1995	1996

Attributable to the Company		
Share capital	22,092	20,995
Reserves	348,707	431,329
Net profit for the year	102,153	61,115
	472,952	513,439

Attributable to minorities		
Share capital and reserves	72,454	48,862
Net profit for the year	11,599	8,785
	84,053	57,647

Total net equity	557,005	571,086
=====		

At December 31, 1996 the share capital of the Company, issued and fully paid, amounts to 20,995 and is made up of 41,989,240 shares with a nominal value of five-hundred Lire each.

The Statutory financial statements at December 31, 1996 of the consolidated companies include the following reserves with respect to which no deferred income taxes have been provided for since their distribution is not expected:

- -- revaluation reserve of 53,659, net of 21,860 utilized for share capital increases in prior years;
- -- investment grants and other reserves of 53,886.

In addition the following are included:

- -- other reserves of 19,472 which, in the event of distribution, would be taxed at an additional rate of 15% and 13,825 at an additional rate of 56.25%.

The reconciliation between the financial statements of the Company and the consolidated financial statements with respect to net equity and profit for the year follows:

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	Net profit for the year	Capital and reserves of the Group	Consolidation reserve	Net equity
Financial statements of the Company at December 31, 1996	58,425	337,050	--	395,475
Net profit of other consolidated companies, net of minorities	15,700	--	--	15,700
Consolidation adjustments:				
- -- dividends recorded by Group	(19,584)	--	19,584	--
- -- valuation of equity investments	6,574	--	13,797	20,371
- -- difference between net equity of consolidated companies and relevant net equity, net of minorities	--	--	51,658	51,658
Other consolidation adjustments	--	--	30,235	30,235
Consolidated financial statements of the Company at December 31, 1996	61,115	337,050	115,274	513,439

9. Risk and other provisions

	1995	1996
Deferred compensation	308	192
Income taxes	34,281	38,856
Other	19,724	48,403
	54,313	87,451

The provision for deferred compensation includes agents' leaving indemnities.

Income taxes relates primarily to deferred taxes which have arisen due to differences between financial reporting used for consolidation and tax reporting methodologies relating to depreciation. The provision also includes deferred taxes on gains on disposals of fixed assets and on prior year income

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which will be subject to taxation in future years as well as the presumed tax charges on outstanding positions and items under litigation.

Other provisions reflect principally the provision for foreign exchange fluctuations which is calculated in accordance with the net difference on receivables and payables denominated in foreign currencies valued at year-end exchange rates as well as provisions for reorganization costs, incentivated resignations from employees, and for possible future costs coming from the investigation of the "Autorita Garante della Concorrenza e del Mercato" (Antitrust Commission) which is currently in progress. In addition, there are claims regarding the transportation companies utilized by the Group. In particular regarding the inquiry of Antitrust Commission, in April 1996 the Commission began an investigation on the principal producers of glass, to establish whether an agreement had been reached to charge uniform prices to customers, prohibited by Art. 2 of Law 287/90, at the time of renewing supply contracts during 1996, for the supply and repurchase of packaging (pallets and buffers).

The inquiry was pursued throughout all of 1996 and concluded on February 4, 1997. As a result of the inquiry the Commission expanded its investigation, assuming a wider agreement against free market had been made and already exists between the Company and the other Italian producers of glass. Although this assumption will be contested by the Company in the courts the Company has provided 15,980 for contingent liabilities both for different repurchase of packaging prices and possible penalty. It is management's opinion that the ultimate resolution of this matter will not have a material effect on the financial statements as a whole.

Relating to contingent litigation from transportation companies, Italian regulations, concerning free competition, do not comply with the corresponding European regulations and, accordingly, Italian regulations are expected to be modified in the near future. However, although at this moment it is very difficult to evaluate the contingent liability, the Company, based on legal advice, has provided 5,000 for this exposure. The Company intends to vigorously defend any actions resulting from the Constitutional Court, sentence 386 October 17, 1996 and November 5, 1996, relating to Art. 3 D.L. 29/3/93 82, concerning mandatory rules and regulations governing the application of rates for transportation companies (tariffe a forcella). It is management's opinion that the ultimate resolution of this matter will not have a material effect on the financial statements as a whole.

10. Employees' termination indemnity

Balance at December 31, 1995	57,385
Charge for the year	9,250
Utilization for indemnities paid	(7,337)
Balance at December 31, 1996	59,298

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The closing balance represents the amounts due to employees in accordance with relevant legislation and labor contracts.

11. Payables

Bank overdrafts

Bank overdrafts are made up as follows:

	1995	1996
Short-term	27,844	12,695
Long-term:		
due within one year	18,421	18,022
due after one year	63,109	53,253
	109,374	83,970

Long-term loans relate to mortgage and other loans, whose changes during the year were as follows:

Balance at December 31, 1995	81,530
New loans	8,166
Installments paid	(18,421)

Balance at December 31, 1996	71,275
=====	

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
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Detail of the long-term loans is as follows:

	Maturity			Total
	Within 1 year	Between 1 and 5 years	After 5 years	
BIMER-BANCA S.p.A.	1,333	2,667	--	4,000
B.N.L. - Sezione di Credito Industriale	766	--	--	766
Cassa di Risparmio delle Provincie Lombarde	1	3	1	5
Credito Industriale Sardo	425	1,334	567	2,326
Istituto Mobiliare Italiano	7,942	23,915	7,748	39,605
Mediocredito Centrale	3,297	11,539	--	14,836
Mediocredito della Puglia	2,301	4,107	--	6,408
Mediocredito Trentino Alto Adige	187	550	--	737
SFIRS	283	--	--	283
Mediosud	1,485	824	--	2,309

	18,020	44,939	8,316	71,275
=====				

Interest rates vary between 4.05% and 14.55%.

Mortgage loans are collateralized by mortgages on land and buildings, privileges on plant and machinery while the loan of 14,836 from Mediocredito Centrale is collateralized by a bank guarantee.

Due to other financial institutions

	1995	1996
--	------	------

Due within one year	1,101	6,242
Due after one year	30,296	33,427
- - - - -		
	31,397	39,669
=====		

At December 31, 1996 amounts due after one year include a loan to the subsidiary Avirunion a.s. (21,926) and to Vidreria Rovira S.A. (7,149). Such loans are repayable within 5 years.

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Advances

- - - - -		
- - - - -		
	1995	1996
- - - - -		
Due within one year	385	843
=====		

Trade payables

- - - - -		
- - - - -		
	1995	1996
- - - - -		
Due within one year	182,416	180,796
=====		

Notes payable

- - - - -		
- - - - -		
	1995	1996
- - - - -		
Due within one year	703	40
Due after one year	40	--
- - - - -		
	743	40
=====		

Notes payable relate to principal and interest amounts in respect of loans granted for the purchase of machinery in accordance with Law 170 of November 28, 1965; the amounts due are collateralized by the machinery acquired.

Due to associated companies:

- - - - -		
- - - - -		
	1995	1996
- - - - -		
Nord Vetri S.p.A.	-	15
Sicilvetro S.p.A.	25	2,310
- - - - -		
	25	2,325
=====		

They relate to commercial transactions due within one year.

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Due to fiscal authorities

- - - - -		
- - - - -		

	1995	1996
Income taxes	76,839	26,773
Tax on net equity	2,646	2,096
Withholding taxes	6,416	4,698
Value-added taxes	2,560	161
Other	8,854	4,093
	97,315	37,821

Due to social security

	1995	1996
Due within one year	13,167	8,375
Due after one year	44	529
	13,211	8,904

Amounts mainly relate to contributions matured at the end of the year and payable to the relevant authorities within the following year.

Other payables

Other payables due within one year are as follows:

	1995	1996
Personnel	12,915	11,685
Directors and statutory auditors	631	1,183
Credit balances with customers	1,217	417
Other	1,305	2,729
	16,068	16,014

Other payables due after one year, amounting to 315 at December 31, 1996 (1995: 537) relate mainly to guarantee deposits of tenants and interest matured thereon.

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12. Accrued expenses and deferred income

	1995	1996
Accrued expenses		
- -- holiday leave due to employees	3,411	3,127
- -- interest on loans	671	437
- -- insurance premiums	23	42
- -- other	624	715
	4,729	4,321

	1995	1996
Deferred income		
- -- interest grants	52	--
- -- investment grants	5,157	7,243
- -- rental charges	12	17
- -- other	329	187
	5,550	7,447

 10,279 11,768
 =====

In accordance with art. 55 of Presidential Decree 917/86, investment grants, under the Law 308/82, 64/86 and 104/95, amounting to 7,243 will be credited to profit and loss accounts over the next years as follows:

	Within one year	Between 1 and 5 years	After 5 years	Total
Investment grants	1,322	4,604	1,317	7,243

=====

Had the company credited such investment grants to net equity, net of fiscal effect on taxable amount, net equity and profit of the year would have been higher by 3.491 and lower by 619, respectively, net of fiscal effect.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
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13. Memorandum accounts

Guarantees given by the Group

	1995	1996
Mortgages and privileges on fixed assets of consolidated companies	83,787	71,275
Reservation of property, as per Law 1329/65 (Sabatini) on machinery of consolidated companies	743	40
	84,530	71,315

=====

The amount of the guarantees corresponds to the amounts due on secured loans still outstanding at year-end. For amounts in foreign currency the adjustment to year end rates has been taken into consideration.

Other memorandum, commitments and contingency accounts

	1995	1996
Leasing installments	101	116
Contingencies	--	1,080
Commitments	3,800	5,385
	3,901	6,581

=====

Commitments are with respect of the obligation of the Company to repurchase, on July 30, 1998, 4,552 shares of Avirunion a.s. (representing 7% of the share capital) at the agreed-upon base price of 3,800; the commitment is secured by a bank guarantee.

14. Profit and loss account

	1995	1996
Value of production	1,163,237	1,090,247

=====

The following schedule shows the detail of revenues divided by category and geographical area:

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	1996			1995 Total
	Geographical Area			
	Italy	Europe	Total	
Revenues from sales:				
- -- glass containers	621,522	226,538	848,060	936,007
- -- glass household products	11,156	24,285	35,441	41,911
- -- glass insulators	10,800	13,326	24,126	25,639
- -- molds	116	160	276	613
- -- raw materials and supplies	108,883	16,804	125,687	137,592
	752,477	281,113	1,033,590	1,141,762
Services rendered	2,446	5	2,451	9,112
	754,923	281,118	1,036,041	1,150,874

Other revenues are made up as follows:

	1995	1996
Revenues from properties	1,252	1,318
Gains on disposal of fixed assets	888	2,457
Indemnities received on damaged goods	209	1,241
Expenses recovered	4,705	3,481
Other	1,398	2,938
	8,452	11,435
Contributions on operating expenses	144	171
	8,596	11,606

	1995	1996
Cost of production	975,606	963,373

Costs for the purchase of raw materials, supplies and goods for resale are as follows:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated
December 31, 1996 and 1995

	1995	1996
Raw materials	181,490	174,094
Suppliers	214,373	198,380
Goods for resale	1,781	1,860
	397,644	374,334

Costs for services received are as follows:

	1995	1996
Purchased services	32,666	36,275
Energy	136,059	136,043
Other manufacturing services	31,964	29,891
Commercial services	75,751	63,746
Administrative services	8,526	10,126
	284,966	276,081

Rental and leasing charges comprise:

	1995	1996
Rentals	3,037	3,406
Leasing installments	54	35
	3,091	3,441

Personnel costs are as follows:

	1995	1996
Salaries and benefits	192,844	193,482

The amount includes wages and salaries, the year's charge with respect to employees' termination indemnities, accrued holiday leave, social security contributions arising from the application of labor contracts and current legislation as well as other costs relating to canteen services and public utility charges.

The average number of employees, divided by category, of the Group is as follows:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated
December 31, 1996 and 1995

	1995	1996
Managers	48	53
White collar employees	757	775
Intermediates	277	255
Blue collar workers	2,883	2,606
	3,965	3,689
of which on temporary lay-off schemes	63	42

Depreciation and write-downs are as follows:

	1995	1996
Amortization of intangible assets	2,682	2,652
Depreciation of tangible assets	69,734	71,753
Other write-downs of intangible assets	132	60
Charge to the provision for doubtful accounts	3,249	3,723
	75,797	78,188

The charge to the provision for doubtful accounts was calculated to adjust the nominal value of receivables to their net realizable value.

	1995	1996
--	------	------

Provision for risks	6,580	30,209
---------------------	-------	--------

The charge has been already disclosed in "risk and other provision".

	1995	1996
Other provisions	677	193

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated
December 31, 1996 and 1995

Other operating costs are as follows:

	1995	1996
Tax on net equity	2,383	2,861
Municipal tax on building premises	1,100	1,131
Indirect duties and taxes	2,253	3,176
Membership fees	1,432	1,512
Emoluments to Directors and Statutory Auditors	3,335	3,306
Losses on disposal of fixed assets	2,258	2,182
Other	7,357	7,863
	20,118	22,031

15. Financial income and expense

Financial income and expense is composed of the following:

	1995	1996
Income from investments	116	1,545
Other financial income	26,158	21,181
Interest and other financial expense	(22,534)	(17,620)
	3,740	5,106

They are made up as follows:

	1995	1996
Income from investments		
- -- dividends from other companies	115	1,545

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated
December 31, 1996 and 1995

	1995	1996
Other financial income		
- -- interest on fixed-interest securities and resale agreements (long-term)	116	49
- -- interest on fixed-interest securities and resale agreements (short-term)	11,986	9,333
- -- interest on commercial paper transactions	870	1,551
- -- interest grants	462	640
- -- other interest income	7,351	8,727
- -- exchange gains	5,373	881
	26,158	21,181

	1995	1996
Interest and other financial expense		
- -- interest on mortgage loans	6,690	6,230
- -- interest on amount due to banks	527	395
- -- other interest expense	4,298	2,742
- -- discounts and other financial expense	6,394	3,955
- -- exchange losses	4,625	4,298
	22,534	17,620

No interest charges were capitalized during the year.

16. Adjustment to the value of financial assets

	1995	1996
Revaluation of investments	8,645	6,606
Write-down of investments	(961)	(1,289)
	7,684	5,317

The balance includes the Group's share of the year's results of companies valued under the equity method.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated
December 31, 1996 and 1995

17. Extraordinary income and expense

They are as follows:

	1995	1996
Extraordinary income	14,962	19,743
Extraordinary expense	(6,782)	(5,842)
	8,180	13,901

Extraordinary income for 1995 and 1996 consists of:

	1995	1996
Gains on disposals of fixed assets	1,361	8,573
Utilization of charges recorded in prior years	1,130	744
Portion of investment grants	639	1,322
Other extraordinary income and prior year income:		
- -- indemnities received from suppliers of machinery	5,306	3,130
- -- indemnities received for thermic overprice	--	1,750
- -- indemnities received for flood damages	2,100	
- -- other	4,426	4,224
	14,962	19,743

Extraordinary expense for 1995 and 1996 is comprised of:

	1995	1996
Losses on disposals of fixed assets	1,647	644
Prior year income taxes	1,123	79
Incentives paid to leaving employees and related contributions	62	921
Other extraordinary expenses and prior year expenses	3,950	4,198
	6,782	5,842

1996 Extraordinary gains and losses are related to the disposal of land and factories of the industrial plant of Livorno of the merged company Borma S.p.A..

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated
December 31, 1996 and 1995

18. Income taxes

	1995	1996
Current and deferred taxes	93,483	81,298

They relate to the income taxes of each consolidated company and to the deferred taxes mainly related to the elimination of accelerated depreciation.

19. Emoluments to directors and statutory auditors

Emoluments due to Directors and Statutory Auditors of the Company in respect of similar functions carried out in other consolidated companies are as follows:

- -- 1,996 for directors
- -- 166 for statutory auditors

The following schedules are attached to these notes to the consolidated financial statements at December 31, 1996:

1. list of companies included in the consolidation with the full consolidation method;
2. list of companies valued using the equity method;
3. list of companies valued at cost;

20. Differences between Italian GAAP and U.S. GAAP

The Group's accounting policies differ from accounting principles generally

accepted in the United States (hereafter "U.S. GAAP"). Differences which have an effect on net profit and net equity are described below:

- A. Revaluation of property -- Certain buildings were revalued to amounts in excess of historical cost. These revaluations, which were either authorized or required by Italian law, are permissible under Italian accounting principles.

The total increase in tangible assets resulting from these revaluations was credited to net equity. Assets revalued under Italian accounting principles are depreciated over their remaining useful lives based on their revalued basis. U.S. GAAP does not permit the revaluation of such assets. Accordingly, the increase in net equity and the related increase in depreciation expense occurring as a result of such revaluation have been reversed for U.S. GAAP purposes.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated
December 31, 1996 and 1995

At December 31, 1996 net equities of the consolidated companies included approximately 83,700 resulting from revaluations which occurred prior to 1993. Deferred tax liabilities on the taxable portion of such revaluation reserve have not been provided. In accordance to SFAS 109 all revaluation reserves that arose prior to 1993 are not required to recognize a deferred tax liability. Should the Company had recorded deferred taxes it would have been in the amount of approximately 42,000.

In addition, during 1996 the Spanish Companies made a revaluation on fixed assets (Lire 11,974 million), authorized by Spanish law (R.D.L. 7/96). For U.S GAAP purposes such revaluation has been reversed.

- B. Depreciation on land -- Included in this adjustment is the reversal of depreciation on land which is not permitted under U.S. GAAP.
- C. Accounting for intangible assets and deferred charges -- The Group has capitalized and deferred various costs which should be expensed under U.S. GAAP. At December 31, 1996 these costs include research and development, advertising expenses and certain other deferred charges.
- D. Accounting for balances in foreign currencies -- The Group has certain receivables and payables denominated in foreign currencies which are recorded in the financial statements at the exchange rate prevailing at the date of the transaction. Under U.S. GAAP, these balances are adjusted at each balance sheet date using rates prevailing on the respective date and both unrealized gains and losses are recognized. At each of the balance sheet dates, the Group has recorded an adjustment only if an unrealized loss resulted. Accordingly, the accompanying reconciliation includes adjustments to recognize the unrealized gains.
- E. Accounting for Government Grants -- The Group has received a number of government grants for primarily investments in tangible assets. The Group has accounted for these grants as either a direct credit to net equity or as deferred revenue recognized over five to ten years based on the prevailing Italian regulations and accounting principles at the time of the grant. Under U.S. GAAP, all such grants would be deferred and recognized through income over the estimated useful life of the related assets.
- F. Investments in Equity Securities -- During 1995 and 1996, the Group invested in the equity securities of several Italian publicly traded companies. At December 31, 1995 and 1996, the Group has adjusted the carrying value of these investments to the current market value with the resulting charge being recorded in the income statement. Under SFAS 115,

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated

these investments would be considered available-for-sale securities and the unrealized gains and losses would be recorded as a separate component of net equity, net of the related deferred taxes.

- G. Accounting for income taxes -- The Group has recorded deferred taxes following the accounting principles in those countries in which it operates. The deferred taxes recorded substantially all relate to differences in the basis of tangible assets for income tax and financial reporting purposes. The accompanying reconciliation includes the effect of establishing deferred tax assets and liabilities in accordance with SFAS 109 and the related change in the provision for income taxes. These changes relate primarily to: (1) establishing deferred tax assets for provisions for inventory, accounts receivable and plant shutdowns which are not yet deductible for tax purposes; (2) establishing deferred tax liabilities for government grants received after 1992 and undistributed earnings of domestic subsidiaries after 1992 which are not taxable until distributed; and (3) establishing deferred tax assets and liabilities on the U.S. GAAP adjustments.
- H. Cash Flow Statement -- The cash flow statement presented by the Group differs from that of a statement of cash flows under U.S. GAAP primarily in the definition of cash, classification of cash flows and gross versus net reporting. Italian GAAP considers current financial debtors and current financial creditors as a component of cash, while U.S. GAAP classifies these items as operating activities. In addition, Italian GAAP presents dividends paid and other movements as a separate cash flows, while U.S. GAAP provides for dividends paid to be presented as financing activities and other movements as either operating, investing or financing, depending on the type of cash flow.
- I. Extraordinary items: Italian GAAP for identifying extraordinary items differ from those under U.S. GAAP. Items recorded by Avir as extraordinary in 1996 and 1995 would not classify as extraordinary under U.S. GAAP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
 Millions of Italian Lire, except as otherwise indicated
 December 31, 1996 and 1995

The following table reconciles net equity of December 31, 1995 and 1996 between Italian GAAP and U.S. GAAP:

	Dec 31, 1995 -----	Dec 31, 1996 -----
Net equity as reported in the Italian consolidated financial statements	472,952	513,439
A. Elimination of revaluation of property, net of related accumulated depreciation	(31,441)	(27,387)
Elimination of revaluation (Spain)	--	(11,974)
B. Reversal of accumulated depreciation on land	2,846	3,155
C. Write-off of certain intangible assets and deferred charges, net of accumulated amortization	(341)	(348)
D. Unrealized foreign exchange gains	1,737	--
E. Deferral of the recognition of government		

grants (unamortized portion)	(6,554)	(4,013)
G. Recognition of deferred taxes under FAS 109		
-- net deferred income taxes on provisions (for inventory, accounts receivable, plant shutdowns, etc) which are not yet deductible for tax purposes	7,258	14,815
-- deferred tax liabilities on the undistributed earnings of domestic subsidiaries and Government grants received after 1992	(4,791)	(5,061)
-- net deferred income taxes on U.S. GAAP adjustments	17,957	15,211
	-----	-----
Net equity in accordance with U.S. GAAP	459,623	497,837
	=====	=====

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir S.p.A.
Millions of Italian Lire, except as otherwise indicated
December 31, 1996 and 1995
- -----

The following table reconciles net profit for the year ended December 31, 1995
and 1996 between Italian GAAP and U.S. GAAP:

	1995	1996
	-----	-----
Net income as reported in the Italian consolidated financial statements	102,153	61,115
A. Reversal of depreciation related to revaluation of property	2,302	4,054
B. Reversal of depreciation of land	566	309
C. Write-off of certain intangible assets and deferred charges, net of amortization expense	180	(7)
D. Unrealized foreign exchange gains	363	(1,737)
E. Recognition of government grants	3,023	3,310
F. Reversal of amounts recognized for the change in fair market value of investments in equity securities	941	706
G. Recognition of deferred taxes under FAS 109:		
-- net deferred income taxes on provision (for inventory, accounts receivable, plant shutdowns, etc.) which are not yet deductible for tax purposes	342	7,558
-- deferred tax liabilities on undistributed earnings of domestic subsidiaries and government grants received after 1992	(118)	--
-- net deferred income taxes on U.S. GAAP adjustments	(3,923)	(3,529)
	-----	-----
Net profit in accordance with U.S. GAAP	105,829	71,779
	=====	=====

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir A.p.A.
 Millions of Italian Lire, except as otherwise indicated
 December 31, 1996 and 1995

Attachment 1)
 Page 1 of 2

LIST OF FULLY CONSOLIDATED COMPANIES

Name (activity)	Registered Office	Share Capital	% Ownership	Held by
Parent company:				
AVIR S.p.A.				

Companies controlled directly or indirectly				

AVIRUNION a.s.				
(glass manufacturing)	Dubi U Teplic (Czech Rep)	Kcs 650,340,000	93.000 (*) (*) 7% for usufruct	AVIR

BORMA INTERNATIONAL Ltd.				
(commercial company)	London (Great Britain)	GBP 10,000	100.000	AVIR

CRISBISBAL S.A.				
(glass manufacturing)	Castellbisbal (Barcelona - Spain)	ESP 1,220,690,000	99.984	VIDRIERIA ROVIRA

KAOLINIFERAS DEL TURIA S.A.				
(extraction industry)	Villar Del Arzo Bispo (VALENCIA - SPAIN)	ESP 71,300,000	99.860	VIDRIERIA ROVIRA

P.S.C. - Pegaso				
Services and Consulting S.A.	Lugano (Swiss)	CHF 200,000	100.000	SONATOR INVESTMENTS

SAN DOMENICO VETRARIA S.r.l.				
(glass manufacturing)	Ottaviano (NA)	Lit. 5,000,000,000	56.936	AVIR

SONATOR INVESTMENTS B.V.				
(investment company)	Amsterdam (Holland)	NLG 20,526,500	100.000	AVIR

TRASVE S.r.l.				
(services company)	Corsico (MI)	Lit. 50,000,000	100.000	AVIR

VETRERIA MERIDIONALI S.p.A.				
(glass manufacturing)	Castellana Grotte (BA)	Lit. 2,200,000,000	50.000	AVIR

VEBAR S.p.A.				
(glass manufacturing-inactive)	Naples	Lit. 2,010,000,000	100.000	AVIR

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir A.p.A.
 Millions of Italian Lire, except as otherwise indicated
 December 31, 1996 and 1995

Attachment 1)
 Page 2 of 2

LIST OF FULLY CONSOLIDATED COMPANIES

VIDRIERIA ROVIRA S.A.				
(glass manufacturing)	Barcelona (Spain)	ESP 2,636,541,360	62.415	SONATOR INVESTMENTS

ZANOTTI VETRO S.r.l.				
(re-working glass scrap)	Tortona (AL)	Lit. 2,000,000,000	52.000	AVIR

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Avir A.p.A.
 Millions of Italian Lire, except as otherwise indicated
 December 31, 1996 and 1995

Attachment 2)

LIST OF COMPANIES VALUED UNDER THE EQUITY METHOD

Name (activity)	Registered Office	Share Capital	% Ownership	Held by
ATTIVITA' INDUSTRIALI FRIULI S.r.l. (glass manufacturing)	San Vito al Tagliamento (PN)	Lit. 1,000,000,000	49.000	AVIR
AVIR SERAPO S.r.l. (real estate-non operating)	Desio (MI)	Lit. 600,000,000	50.000	AVIR
NORD VETRI S.p.A. (glass manufacturing)	Pergine Valsugana (TN)	Lit. 3,000,000,000	48.450	AVIR
SICILVETRO S.p.A. (glass manufacturing)	Marsala (TP)	Lit. 3,400,000,000	50.000	AVIR

Attachment 3)

LIST OF COMPANIES VALUED AT COST

Name (activity)	Registered Office	Share Capital	% Ownership	Held by
CESI CENTRO ELETTROTECNICO SPERIMENTALE ITALIANO GIACINTO MOTTA S.p.A. (experimental electronic centre)	Milano	Lit. 16,000,000,000	(x)	AVIR
CONFIDI SOC. COOP a.r.l. (finance company)	Trento	Lit. 4,338,100,000	(x)	AVIR
CONSORZIO NAZIONALE OBBLIGATORIO PER IL RICICLAGGIO DEI CONTENITORI PER LIQUIDI IN VETRO (collection and recycling of glass)				Societa industriali vetrarie italiane

containers - Law 475/88)	Roma	Lit.	110,000,000	(x)	consolidate
DANIEL ROSAS S.A. (re-working of glass scrap)	Barcelona	ESP	10,000,000	10.00	Vidreria Rovira
SANITA' S.p.A.	Frosinone	Lit.	191,387,052,000	(x)	Vetriere Meridionali
VETRERIE VENETE S.p.A. (glass manufacturing)	Verona	Lit.	5,000,000,000	15.30	AVIR

(x) not significant

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Independent Auditors' Report

The Board of Directors and Shareholders
Avirunion, a.s.

We have audited the accompanying balance sheet of Avirunion, a.s. as of December 31, 1996, and the related statements of income, cash flows, and changes in shareholders' equity for the year then ended. These financial statements are the responsibility of Avirunion, a.s. management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the Czech Republic, which standards are substantially equivalent to auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Avirunion, a.s. as of December 31, 1996, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles in the Czech Republic.

KPMG Ceska republika Audit, spol. S.r.o.

Prague, Czech Republic
February 17, 1997

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AUDIT REPORT ON THE ANNUAL ACCOUNTS

To the shareholders of
VIDRIERIA ROVIRA, S.A.

1. We have audited the consolidated annual accounts of VIDRIERIA ROVIRA, S.A. and SUBSIDIARY COMPANIES (hereafter the Group) which comprise the consolidated balance sheet at 28 December, 1996, the consolidated profit and loss account and the notes to the consolidated annual accounts for the year then ended, the preparation of which is the responsibility of the directors of VIDRIERIA ROVIRA, S.A. Our responsibility is to express an opinion on the aforementioned annual accounts as a whole, based upon the audit work carried out. We conducted our audit in accordance with auditing standards which are generally accepted in Spain, which standards are substantially equivalent to auditing standards in the United States of America; these require an examination, by carrying out selective tests, of the evidence supporting the annual accounts and an evaluation of their presentation, of the accounting principles applied and of the estimates made.
2. In accordance with the commercial legislation, the directors present, as well as the figures for 1996, the prior year comparative figures for each of the classifications appearing in the balance sheet and the profit and loss account. Our opinion is expressed exclusively on the 1996 consolidated annual accounts. On 2 April, 1996, we issued our audit report on the 1995 consolidated annual accounts in which we expressed an unqualified opinion.
3. At 28 December, 1996, some of the companies of the Group have taken advantage of the provisions of the Royal Decree Law 7/96 and re-valued certain balance sheet items. The effects of this revaluation, which are included in the attached consolidated annual accounts, are explained in notes 4 and 6 to the consolidated annual accounts.
4. In our opinion the attached 1996 consolidated annual accounts present, for all the significant aspects, a true and fair view of the shareholders' funds and the financial situation of VIDRIERIA ROVIRA, S.A. and SUBSIDIARY COMPANIES at 28 December, 1996 and of the results of its operations during the year then ended. They contain that information which is both sufficient and necessary for their adequate interpretation and comprehension, in accordance with generally accepted accounting principles which have been applied on a consistent basis with the prior year.

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5. The attached report of the directors for 1996 contains that information considered relevant by the directors of VIDRIERIA ROVIRA, S.A. concerning the situation of the Group, the development of its business and other matters and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the aforementioned report of the directors is consistent with that of the 1996 consolidated annual accounts. Our work as auditors is limited to verifying the report of the directors in accordance with the scope mentioned in this paragraph and does not include the review of information other than that which has been obtained from the accounting records of the Company.

AUDIHISPANA

/s/Alberto Ribas

Alberto Ribas
Partner

Item 7(b) PRO FORMA FINANCIAL STATEMENTS

The following pro forma condensed consolidated balance sheet and pro forma condensed consolidated statement of operations depict the effects of the acquisition of 100% of Avir Finanziaria S.p.A. ("AVIR") and the related financing. For purposes of the pro forma condensed consolidated balance sheet, the transaction is assumed to have occurred on December 31, 1996, whereas for purposes of the pro forma condensed consolidated statement of operations, the transaction is assumed to have occurred on January 1, 1996.

The pro forma financial statements do not purport to represent what Owens-Illinois, Inc.'s ("Company") financial position or results of operations would actually have been if all of the above transactions had actually occurred on the dates indicated, or to project the Company's financial position or results of operations for any future period or date.

Acquisition of AVIR
- -----

On December 16, 1996, the Company announced that it completed a definitive agreement to purchase a controlling interest of approximately 76% in AVIR, the largest manufacturer of glass containers in Italy. AVIR is based in Milan, Italy and its shares are traded on the Milan Stock Exchange. Approximately 21% of the shares are publicly held, with the remaining shares controlled by Dr. Natale Maderna, AVIR chairman, and members of the Maderna and Ricciardi families. On February 3, 1997, the Company completed the acquisition of a 79% controlling interest. In addition to acquiring this controlling interest, the Company will also initiate a tender offer for the 21% of the shares of AVIR that are publicly held. Assuming an exchange rate of 1,536.00 Italian Lire per U.S. dollar at the purchase date, total consideration for 100% of the AVIR shares is expected to be approximately \$582 million.

The acquisition is being accounted for under the purchase method of accounting. The total purchase cost of approximately \$582 million will be allocated to the tangible and identifiable intangible assets and liabilities of AVIR based upon their respective fair values. Such allocations will be based upon valuation and studies that have not been finalized. Accordingly, the allocation of the purchase cost included in the accompanying pro forma condensed consolidated balance sheet is preliminary and, among other things, no allocation has been made to property, plant, and equipment. The unallocated excess of purchase cost over net assets acquired is being amortized over 30 years in the pro forma condensed consolidated statement of operations. Such period is an estimate of the average life of the tangible and intangible assets to which the excess purchase cost will be assigned.

Owens-Illinois, Inc.
 Pro Forma Condensed Consolidated Balance Sheet
 As of December 31, 1996
 (Millions of Dollars)

	Historical	Consolidation of AVIR Historical Amounts (1)	AVIR Purchase Accounting and Financing Adjustments (2)	Adjusted Company Pro Forma
	-----	-----	-----	-----
Assets				
Current assets:				
Cash and short				
term investments	\$ 175.3	\$131.2		\$ 306.5
Receivables, net	488.8	124.9		613.7
Inventories	494.6	116.9	\$ 9.8	621.3
Prepaid expenses	126.4	15.3		141.7
Total current	-----	-----	-----	-----
assets	1,285.1	388.3	9.8	1,683.2
Investments and other				
assets	1,250.6	48.7	(440.1)	859.2
Prepaid pension	624.5			624.5
Excess of purchase cost				
over net assets				
acquired	1,003.5	.4	252.3	1,256.2
Property, plant, and				
equipment, net	1,941.6	254.4		2,196.0
Total assets	\$6,105.3	\$691.8	\$(178.0)	\$6,619.1
	=====	=====	=====	=====
Liabilities and				
Share owners' Equity				
Current liabilities:				
Short-term loans and				
long-term debt due				
within one year	\$ 141.5	\$ 24.1		\$ 165.6
Accounts payable				
and other				
liabilities	763.4	194.6		958.0
Total current	-----	-----	-----	-----
liabilities	904.9	218.7		1,123.6
Long-term debt	3,253.2	56.4	\$ 141.8	3,451.4
Deferred taxes and				
other liabilities	1,022.8	56.0	4.4	1,083.2
Minority share owners'				
interests	194.7	36.5		231.2
Share owners' equity	729.7	324.2	(324.2)	729.7
Total liabilities	-----	-----	-----	-----
and share owners'				
equity	\$6,105.3	\$691.8	\$(178.0)	\$6,619.1
	=====	=====	=====	=====

See accompanying Notes to Pro Forma Condensed Consolidated Balance Sheet.

NOTES TO PRO FORMA
 CONDENSED CONSOLIDATED BALANCE SHEET

- (1) AVIR Historical Amounts -- Represents the historical carrying value of AVIR's assets and liabilities prior to purchase accounting adjustments. The translation into U. S. dollars has been made using the exchange rate of 1,536.00 Italian Lire per U. S. dollar.
- (2) Acquisition and Financing Adjustments -- The initial escrow funding of

\$440.1 million has been eliminated from investments and other assets as reflected in the Company's December 31, 1996 balance sheet, and long-term debt has been increased by \$141.8 million representing the amount paid in February 1997 for an approximate additional 3% interest in AVIR and the estimated amount required to complete the tender offer for the remaining 21% of AVIR. The excess of purchase cost over the historical value of the net assets acquired is \$252.3 million. Such excess will be allocated based upon the fair value of the assets and liabilities of AVIR, the determination of which has not been completed. Therefore, the amounts reflected are preliminary estimates and subject to further refinement upon final determination of the detailed allocation of the AVIR purchase cost.

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Owens-Illinois, Inc.
 Pro Forma Condensed Consolidated Statement of Operations
 Year Ended December 31, 1996
 (Millions of Dollars, except per share amounts)

	Historical	AVIR Historical Results of Operations (1)	AVIR Purchase Accounting and Financing Adjustments (2)	Adjusted Company Pro Forma
	-----	-----	-----	-----
Revenues:				
Net Sales	\$3,845.7	\$594.4		\$4,440.1
Other	130.5	38.0		168.5
	-----	-----		-----
	3,976.2	632.4		4,608.6
Costs and expenses:				
Manufacturing, shipping, and delivery	3,025.6	455.5		3,481.1
Research, engineering, selling, and administrative	245.3	37.5		282.8
Interest	302.6	11.5	\$ 37.2	351.3
Other	78.6	25.0	8.4	112.0
	-----	-----	-----	-----
	3,652.1	529.5	45.6	4,227.2
	-----	-----	-----	-----
Earnings (loss) before				

income taxes and minority share owners' interests	324.1	102.9	(45.6)	381.4
Provision (credit) for income taxes	104.9	50.2	(14.2)	140.9
Minority share owners' interests	28.1	6.0		34.1
	-----	-----	-----	-----
Net earnings (loss)	\$ 191.1	\$ 46.7	\$(31.4)	\$ 206.4
	=====	=====	=====	=====
Net earnings per share of common stock	\$ 1.58			\$ 1.70
	=====			=====
Average shares outstanding (thousands)	120,276			120,276
	=====			=====

See accompanying Notes to Pro Forma
Condensed Consolidated Statement of Operations.

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NOTES TO PRO FORMA CONDENSED CONSOLIDATED
STATEMENT OF OPERATIONS

- (1) Consolidation of AVIR Historical Results -- Reflects the actual results of operations for AVIR based on historical costs for the year ended December 31, 1996 prior to purchase accounting adjustments and the effects of the related financing. The translation into U. S. dollars has been made using the average rate for the year ended December 31, 1996 of 1,537.41 Italian Lire per U. S. dollar.

Financing for the acquisition has been assumed to be provided by additional borrowings under the Company's Bank Credit Agreement which was amended in November 1996. Interest is based on average rates in effect under the Company's Bank Credit Agreement during the period. In the event any portion of the acquisition is financed or refinanced with borrowings from sources other than under the Company's Bank Credit Agreement, the incremental interest cost may be higher than that shown in the pro forma condensed consolidated statements of operations.

- (2) AVIR Purchase Accounting and Financing Adjustments -- Includes the following increases (decreases) in earnings:

	Year ended December 31, 1996 ----- (Millions of Dollars)
Incremental interest cost assuming the financing related to the acquisition occurred on January 1, 1996	\$(37.2)
Amortization of the unallocated excess of purchase cost over net assets acquired over 30 years	(8.4)
	----- (45.6)
Tax benefits related to the incremental interest cost, at incremental U. S. statutory rates	14.2
	----- \$(31.4) =====

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in the registration statement (No. 333-25175) on Form S-3 of Owens-Illinois, Inc., in the registration statement (No. 33-57139) on Form S-8 of Owens-Illinois, Inc. Stock Purchase and Savings Plan, Non-Union Retirement and Savings Plan, Supplemental Retirement Plan and Long-Term Savings Plan, in the registration statement (No. 33-44252) on Form S-8 pertaining to the Stock Option Plan for Key Employees of Owens-Illinois, Inc., in the registration statement (No. 33-57141) on Form S-8 pertaining to the Stock Option Plan for Directors of Owens-Illinois, Inc. of our report dated March 28, 1997, with respect to the consolidated financial statements of AVIR S.p.A. as of and for the year ended December 31, 1996, which report appears in the Form 8-K/A of Owens-Illinois, Inc. dated May 9, 1997.

ARTHUR ANDERSEN S.p.A.

Milan, Italy
May 9, 1997

Consent Of Independent Auditors

The Board of Directors
Avirunion, a.s.:

We consent to the incorporation by reference in the following registration statements of our report dated February 17, 1997, with respect to the financial statements of Avirunion, a.s. as of and for the year ended December 31, 1996, which report appears in the Form 8-K/A of Owens-Illinois, Inc. dated May 9, 1997.

Name	Form	Registration Number
----	----	-----
Owens-Illinois, Inc.	S-3	333-25175
Owens-Illinois, Inc. Stock Purchase and Savings Plan, Non-Union Retirement and Savings Plan, Supplemental Retirement Plan and Long-Term Savings Plan	S-8	33-57139
Stock Option Plan for Key Employees of Owens- Illinois, Inc.	S-8	33-44252
Stock Option Plan for Directors of Owens- Illinois, Inc.	S-8	33-57141

KPMG Ceska republika Audit, spol. S.r.o.

Prague, Czech Republic
May 9, 1997

Consent of AUDIHISPANA

We consent to the incorporation by reference in the registration statement (No. 333-25175) on Form S-3 of Owens-Illinois, Inc., in the registration statement (No. 33-57139) on Form S-8 of Owens-Illinois, Inc. Stock Purchase and Savings Plan, Non-Union Retirement and Savings Plan, Supplemental Retirement Plan and Long-Term Savings Plan, in the registration statement (No. 33-44252) on Form S-8 pertaining to the Stock Option Plan for Key Employees of Owens-Illinois, Inc., in the registration statement (No. 33-57141) on Form S-8 pertaining to the Stock Option Plan for Directors of Owens-Illinois, Inc. of our report dated 5 February, 1997 with respect to the consolidated financial statements of Vidrieria Rovira, S.A. as of and for the year ended 28 December, 1996, which report appears in the Form 8-K/A of Owens-Illinois, Inc. dated May 9, 1997.

AUDIHISPANA

/s/ Alberto Ribas

Alberto Ribas
Partner

Barcelona, 9 May, 1997