LIBBEY INC

FORM 8-K
(Unscheduled Material Events)

Filed 2/2/2000 For Period Ending 2/2/2000

Address	300 MADISON AVE PO BOX 10060
	TOLEDO, Ohio 43604
Telephone	419-325-2100
CIK	0000902274
Industry	Personal & Household Prods.
Sector	Consumer/Non-Cyclical
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): February 2, 2000

LIBBEY INC.
(Exact name of registrant as specified in its charter)

Delaware	1-12084	34-1559357
(State of incorporation)	(Commission File Number)	(IRS Employer identification No.)

300 Madison Avenue Toledo, Ohio	43604
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (419) 325-2100

ITEM 5. OTHER INFORMATION

On February 2, 2000, Libbey Inc. (the "Company") through a press release announced that the Board of Directors authorized the repurchase of up to 1,000,000 shares of the Company's common stock in open market and negotiated purchases in addition to announcing the Company's fourth quarter 1999 operating results.

(c) EXHIBITS

Exhibit No.	Description
99	Text of Press Release dated February 2, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIBBEY INC.
Registrant

Date: February 2, 2000

By: /s/ Kenneth G. Wilkes
Kenneth G. Wilkes
Vice President, Chief Financial Officer
(Principal Accounting Officer)

EXHIBIT INDEX

Exhibit No.	Description
99	Text of Press Release dated February 2, 2000.

EXHIBIT 99

LIBBEY INC.
300 MADISON AVE.
P.O. BOX 10060
TOLEDO, OH 43699

AT THE COMPANY:		AT THE FINANCIAL RELATIONS BOARD:	
KENNETH WILKES	KENNETH BOERGER	MARILYN WINDSOR	SUZY LYNDE
VP/CFO	VP/TREASURER	GENERAL INQUIRIES	ANALYST INQUIRIES
(419) 325-2490	(419) 325-2279	(312) 640-6692	(312) 640-6772

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 2, 2000

LIBBEY INC. ANNOUNCES RECORD SALES AND NET INCOME IN 1999; CITES BENEFITS OF CAPACITY REALIGNMENT AND SALES GAINS; ANNOUNCES NEW SHARE REPURCHASE PLAN

FOURTH-QUARTER DILUTED EPS INCREASES TO $0.74 FROM $0.49 LOSS; BOARD OF DIRECTORS APPROVES PURCHASE OF ADDITIONAL 1,000,000 SHARES.

TOLEDO, OHIO, FEBRUARY 2, 2000--Citing a 14 percent sales increase, the continued benefits of its capacity realignment efforts, and improved sales mix, LIBBEY INC. (NYSE: LBY) announced that diluted earnings per share for the fourth quarter ended December 31, 1999, were 74 cents compared with a diluted loss of 49 cents per share in the year-ago quarter. For the year, the company reported record sales of $460.6 million and diluted earnings per share of $2.64 compared with sales of $436.5 million and diluted earnings per share of $1.42 for 1998. The company recorded a capacity realignment charge of $20.0 million in the fourth quarter of 1998, or 68 cents per share after tax, for expenses associated with realigning its glass tableware production.

SALES UP 14 PERCENT, OPERATING INCOME UP 96 PERCENT IN FOURTH QUARTER

For the quarter ended December 31, 1999, sales increased 14.0 percent to $140.4 million from $123.2 million in the year-ago quarter. Double-digit sales increases were recorded in all of the company's operations. In glass tableware, sales benefited from a record performance in foodservice glassware. Both glassware and dinnerware sales were positively impacted by sales of products associated with the millennium.

The company recorded income from operations of $20.8 million during the quarter. This compares with a loss from operations of $10.1 million in the year-ago period, as the result of a capacity realignment charge of $20.0 million. The capacity realignment charge in 1998 primarily related to costs associated with the closure of the company's Wallaceburg, Ontario, glassware plant, including employee severance payments and the disposition of assets.

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Excluding the effect of a $1.2 million credit to the capacity realignment reserve, income from operations was $19.6 million during the quarter, compared with $10.0 million in the prior year, representing an increase of 96.2 percent.

The company recorded earnings before interest and income taxes (EBIT) of $21.8 million compared with a loss before interest and income taxes of $11.5 million in the year-ago quarter. The improved earnings primarily resulted from increased sales of more profitable products, greater utilization of the company's glassware plants, and an increase in equity earnings. Equity earnings increased to $1.1 million, compared with a loss of $1.9 million in the year-ago quarter, and increased primarily as a result of higher profits at Vitrocrisa, the company's joint venture in Mexico. In the fourth quarter of 1998, Vitrocrisa recorded higher interest costs, influenced by the strengthening of the Mexican peso during the fourth quarter of 1998, negatively impacting equity earnings.

For the quarter ended December 31, 1999, the company recorded net income of $11.9 million, or 74 cents diluted earnings per share compared with a net loss of $8.7 million, or 49 cents diluted loss per share, in the year-ago period. Excluding the effect of the capacity realignment charge, diluted earnings per share would have totaled 19 cents in 1998.

STRONG CASH FLOW PERFORMANCE, SHARES REPURCHASED

In the quarter, the company generated significant cash flow from operations and reductions in working capital. Inventories fell $15.4 million to $89.9 million and accounts receivable fell $1.2 million to $62.3 million. Cash flow was primarily used in the quarter to repurchase 900,200 shares of the company's common stock. Even with the use of $23.7 million in cash to fund the stock repurchase in the quarter, the company recorded a reduction in total debt of $20.0 million to $178.7 million. For the year, before the use of the $42.8 million in cash to repurchase shares, the company generated $55.9 million of free cash flow, the strongest operating cash flow performance in the company's history.

RECORD SALES AND NET INCOME IN 1999, EARNINGS PER SHARE UP 24 PERCENT

For the year ended December 31, 1999, sales increased 5.5 percent to $460.6 million from $436.5 million in 1998. Sales increases were recorded in all of the company's operations, with Syracuse China experiencing double-digit growth.

Income from operations increased to $78.2 million from $43.4 million last year. Excluding the effect of the capacity realignment charge in the fourth quarter of 1998, income from operations would have totaled $63.4 million in the year-ago period, or an improvement of 23.4 percent in 1999. The higher operating income was the result of improved utilization of the company's glassware plants and record sales. EBIT increased to $81.2 million from $53.7 million in 1998. Excluding the capacity realignment charge, EBIT would have been $73.8 million in 1998. The increase was attributable to higher operating income, which more than offset lower equity earnings at the company's joint venture in Mexico.

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Net income was $43.4 million, or $2.64 per share on a diluted basis, compared with $25.4 million, or $1.42 per share on a diluted basis in the year-ago period. Excluding the impact of the capacity realignment charge in the fourth quarter of 1998, net income would have been $37.9 million, or $2.12 diluted earnings per share in 1998. The $2.64 per diluted share in 1999 represents an increase of 24.5 percent over the adjusted diluted earnings per share of $2.12 in 1998.

Income from operations as a percent of sales was 17.0 percent compared with 9.9 percent in 1998. Excluding the capacity realignment charge, the margin was 14.5 percent. EBIT as a percent of sales was 17.6 percent in 1999, compared with 12.3 percent in the year-ago period. Excluding the capacity realignment charge, the EBIT margin in 1998 was 16.9 percent. Net income as a percent of sales was 9.4 percent, compared with 5.8 percent in the year-ago period.

RESULTS AND OUTLOOK

Discussing the company's current results and outlook, John F. Meier, chairman and chief executive officer, said, "We are most pleased with our 1999 results. The success of our capacity realignment program, the positive impact of our expanded sales coverage, and the strength of our millennium-driven sales all contributed. Our goal is to deliver $48 million in net income in 2000, which would represent continued strong growth and another record performance. While we will be challenged to grow off of our strong sales performance in 1999, with continued focus, exciting new products and with the commitment of our 3500 Libbey associates, I am confident we will reach our objective."

NEW SHARE REPURCHASE PLAN

The company also announced that its Board of Directors authorized the company to buy back as many as an additional 1,000,000 shares of the company's common stock in open market and negotiated purchases. This new authorization is in addition to an authorized repurchase of 875,000 shares announced on October 25, 1999, pursuant to which 748,000 shares have been repurchased. The average price of the 748,000 shares repurchased was $26.48. In total, the company now has authorization to repurchase up to an additional 1,127,000 shares.

As of January 31, 2000, Libbey had 15,249,753 shares outstanding. Libbey said the timing of any share repurchases will depend on market conditions and repurchases will be in amounts as deemed advisable.

John F. Meier, chairmen and chief executive officer, commenting on the repurchase plan, said, "We have been opportunistic in buying back our common stock. This new share repurchase program is another aspect of our continuing efforts to maximize shareholder value and represents our view as to the long-term value of an investment in Libbey. Efforts to enhance sales mix, improve capacity utilization, and increase our financial returns are working. Our strong cash flow and financial condition allow us to expand our share repurchase program without limiting our financial flexibility to pursue acquisitions, which we are doing. We will use the program over time to repurchase shares to increase shareholder value."

The above information includes "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. Such statements only reflect the company's best assessment at this time,

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and are indicated by words or phrases such as "goal," "expects, " believes," "will," "estimates," "anticipates," or similar phrases.

Investors are cautioned that forward-looking statements involve risks and uncertainty, that actual results may differ materially from such statements, and that investors should not place undue reliance on such statements.

Important factors potentially affecting performance include devaluations and other major currency fluctuations relative to the U.S. dollar that could reduce the cost-competitiveness of the company's products compared to foreign competition; the effect of high inflation in Mexico and exchange rate changes to the value of the Mexican peso and the earnings and cash flow of the company's joint venture in Mexico, Vitrocrisa, expressed under U.S. GAAP; the inability to achieve savings and profit improvements at targeted levels in the company's glassware sales from its production realignment efforts and re-engineering programs, or within the intended time periods; inability to achieve targeted manufacturing efficiencies at Syracuse China and cost synergies between World Tableware and the company's other operations; significant increases in interest rates that increase the company's borrowing costs and per unit increases in the costs for natural gas, corrugated packaging, and other purchased materials; protracted work stoppages related to collective bargaining agreements; increased competition from foreign suppliers endeavoring to sell glass tableware in the United States: major slowdowns in the retail, travel or entertainment industries in the United States or Canada; whether the company completes any significant acquisition, and whether such acquisitions can operate profitably.

Libbey Inc.:

o is the largest producer of glass tableware in North America;
o is a leading producer of tabletop products for the foodservice industry;
o exports to more than 100 countries; and,
o provides technical assistance to glass tableware manufacturers around the world.

Based in Toledo, Ohio, the company operates glass tableware manufacturing plants in California, Louisiana, and Ohio. In addition, Libbey is a joint venture partner in the largest glass tableware company in Mexico. Through its Syracuse China subsidiary, the company designs, manufactures and distributes an extensive line of high-quality ceramic dinnerware, principally for foodservice establishments in the United States. Through its World Tableware subsidiary, the company imports and sells a full-line of metal flatware and holloware and an assortment of ceramic dinnerware and other tabletop items, principally for foodservice establishments in the United States. In 1999, its net sales totaled $460.6 million.

**FOR FURTHER INFORMATION REGARDING LIBBEY INC., FREE OF CHARGE VIA FAX,
DIAL 1-800-PRO-INFO AND USE TICKER SYMBOLS "LBY."
OR, VISIT LIBBEY INC.'S WEBSITE AT WWW.LIBBEY.COM**

Tables to follow ...

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LIBBEY INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except per-share data)

	THREE MONTHS ENDED		
	December 31, 1999	December 31, 1998	Percent Change
Net sales	$140,372	$123,157	14.0%
Royalties and net technical assistance	353	755	
Total revenues	140,725	123,912	13.6%
Cost of sales	102,787	98,219	4.7%
Selling, general and administrative expenses	18,338	15,701	
Capacity realignment charge (credit)	(1,236)	20,046	
Income (loss) from operations	20,836	(10,054)	
Equity earnings (loss)	1,107	(1,888)	
Other income (expense)--net	(185)	467	
Earnings (loss) before interest and income taxes	21,758	(11,475)	
Interest expense--net	(3,114)	(2,921)	
Income (loss) before income taxes	18,644	(14,396)	
Provision for income taxes	6,726	(5,733)	
Net income (loss)	$ 11,918	$ (8,663)	
Net income (loss) per share:			
Basic	$0.76	$ (0.50)	
Diluted	$0.74	$ (0.49)	
Weighted average shares:			
Outstanding	15,700	17,253	
Diluted	15,998	17,623	

	TWELVE MONTHS ENDED		
	December 31, 1999	December 31, 1998	Percent Change
Net sales	$460,592	$436,522	5.5%
Royalties and net technical assistance	4,397	3,026	
Total revenues	464,989	439,548	5.8%
Cost of sales	321,633	321,949	-0.1%
Selling, general and administrative expenses	64,131	54,191	18.3%
Capacity realignment charge	991	20,046	
Income from operations	78,234	43,362	80.4%
Equity earnings	2,915	8,880	-67.2%
Other income--net	13	1,493	
Earnings before interest and income taxes	81,162	53,735	51.0%
Interest expense--net	(12,501)	(12,674)	
Income before income taxes	68,661	41,061	67.2%
Provision for income taxes	25,233	15,618	
Net income	$ 43,428	$ 25,443	70.7%
Net income per share:			
Basic	$2.69	$1.45	
Diluted	$2.64	$1.42	
Weighted average shares:			

Outstanding	16,151	17,524
Diluted	16,477	17,916

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LIBBEY INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	December 31, 1999	December 31, 1998
ASSETS		
Cash	$ 3,918	$ 3,312
Accounts receivable	62,329	49,797
Inventories	89,889	91,362
Other current assets	8,028	11,108
Total current assets	164,164	155,579
Investments	82,835	80,437
Other assets	35,974	36,249
Goodwill	46,328	47,935
Net property, plant and equipment	105,094	119,471
Total assets	$434,395	$439,671
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes payable	$ 8,655	$ 14,932
Accounts payable	29,126	22,605
Accrued liabilities	24,777	22,702
Capacity realignment reserve	3,692	19,929
Other current liabilities	28,775	14,413
Total current liabilities	95,025	94,581
Long-term debt	170,000	176,300
Deferred taxes and other liabilities	24,986	22,873
Nonpension retirement benefits	52,541	51,057
Total shareholders' equity	91,843	94,860
Total liabilities and shareholders' equity	$434,395	$439,671

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LIBBEY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(Dollars in thousands)

	TWELVE MONTHS ENDED	
	December 31, 1999	December 31, 1998
Operating activities		
Net income	$ 43,428	$ 25,443
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	14,717	15,852
Amortization	4,036	3,654
Capacity realignment charge	991	20,046
Other non-cash charges	7,272	(447)
Equity earnings	(2,915)	(8,880)
Net change in components of working capital and other assets	1,182	(4,391)
Net cash provided by operating activities	68,711	51,277
Investing activities		
Additions to property, plant and equipment	(9,428)	(17,486)
Dividends received from equity investments	517	14,232
Other	94	1,639
Net cash used in investing activities	(8,817)	(1,615)
Financing activities		
Net bank credit facility activity	(6,300)	(23,751)
Other net borrowings	(6,217)	4,547
Stock options exercised	779	2,749
Treasury shares purchased	(42,828)	(27,258)
Dividends	(4,821)	(5,253)
Net cash used in financing activities	(59,387)	(48,966)
Effect of exchange rate fluctuations on cash	99	(18)
Increase in cash	606	678
Cash at beginning of year	3,312	2,634
Cash at end of period	$ 3,918	$ 3,312

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LIBBEY INC.
CONDENSED CONSOLIDATED JOINT VENTURE INFORMATION

Income Statement Information

Year ended December 31,	1999	1998
Net sales	$189,699	$172,562
Cost of sales	129,667	114,250
Gross profit	60,032	58,312
General expenses	21,260	19,765
Income from operations	38,772	38,547
Other income (loss)	(1,058)	1,003
Earnings before finance costs	37,714	39,550
Interest expense	10,871	14,061
Translation gain (loss)	(1,392)	4,433
Earnings before income taxes and profit sharing	25,451	29,922
Income taxes and profit sharing	16,040	8,336
Net income	$ 9,411	$ 21,586

The above is summarized combined financial information for equity investments, which includes the 49% ownership in Vitrocrisa, which manufactures, markets and sells glass tableware (e.g. beverageware, plates, bowls, serveware and accessories) and industrial glassware (e.g. coffee pots, blender jars, meter covers, glass covers for cooking ware and lighting fixtures sold to original equipment manufacturers) and the 49% ownership in Crisa Industrial, L.L.C., which distributes industrial glassware in the U.S. and Canada for Vitrocrisa, for 1999 and 1998. The remaining ownership interest in Vitrocrisa and Crisa Industrial L.L.C. is held, directly or indirectly, by Vitro, S.A. The results reported by Vitro, S.A. for its Glassware business may differ from the Joint Venture because (a) business activities and operations other than those of the Joint Venture are considered in the Vitro, S.A. Glassware business, and (b) the Vitro, S.A. Glassware business results are reported in accordance with accounting principles generally accepted in Mexico ("Mexican GAAP").