UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **July 1, 2001**

Commission file number 1-7349

BALL CORPORATION

State of Indiana 35-0160610

10 Longs Peak Drive, P.O. Box 5000
Broomfield, CO 80021-2510
303/469-3131

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

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

Class	Outstanding at August 5, 2001
Common Stock, without par value	27,663,795 shares

Ball Corporation and Subsidiaries
QUARTERLY REPORT ON FORM 10-Q
For the period ended July 1, 2001

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Ball Corporation and Subsidiaries
UNAUDITED CONDENSED CONSOLIDATED
STATEMENTS OF EARNINGS
($ in millions)

	Three Months Ended	Six Months Ended

	July 1, 2001	July 2, 2000	July 1, 2001	July 2, 2000
Net sales	**$ 992.6**	**$ 995.0**	**$ 1,842.6**	**$ 1,841.0**
Costs and expenses				
Cost of sales (excluding depreciation and amortization)	851.3	835.4	1,573.7	1,544.7
Depreciation and amortization (Notes 6 and 7)	38.8	38.9	77.1	79.3
Business consolidation costs (Note 4)	253.7	83.4	253.7	83.4
Selling and administrative expenses	26.6	32.5	60.9	66.0
Receivable securitization fees and product development (Note 8)	4.0	3.7	7.0	7.4
	1,174.4	993.9	1,972.4	1,780.8
Earnings (loss) before interest and taxes	**(181.8)**	**1.1**	**(129.8)**	**60.2**
Interest expense	22.6	23.8	46.9	47.2
Earnings (loss) before taxes	(204.4)	(22.7)	(176.7)	13.0
Provision for taxes	40.6	6.4	30.9	(7.4)
Minority interests	1.2	2.6	1.2	2.4
Equity in earnings of affiliates	0.5	(1.7)	1.0	(3.4)
Net earnings (loss)	(162.1)	(15.4)	(143.6)	4.6
Preferred dividends, net of tax	(0.6)	(0.7)	(1.2)	(1.3)
Earnings (loss) attributable to common shareholders	**$ (162.7)**	**$ (16.1)**	**$ (144.8)**	**$ 3.3**
Basic earnings (loss) per share (Note 10)	$ (5.92)	$ (0.55)	$ (5.28)	$ 0.11
Diluted earnings (loss) per share (Note 10)	$ (5.92)	$ (0.55)	$ (5.28)	$ 0.11
Cash dividends declared per common share	$ 0.15	$ 0.15	$ 0.30	$ 0.30

See accompanying notes to unaudited condensed consolidated financial statements.

Ball Corporation and Subsidiaries
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
($ in millions)

	July 1, 2001	December 31, 2000
ASSETS		
Current assets		
Cash and temporary investments	$ 24.9	$ 25.6
Accounts receivable, net (Notes 4 and 8)	329.3	230.2
Inventories, net (Note 5)	566.6	627.5
Deferred income tax benefits and prepaid expenses	103.6	86.0
Total current assets	1,024.4	969.3
Property, plant and equipment, net (Notes 4 and 6)	892.8	1,003.7
Goodwill and other assets (Notes 4 and 7)	561.5	676.8
Total Assets	$ 2,478.7	$ 2,649.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term debt and current portion of long-term debt (Note 8)	$ 156.7	$ 125.7
Accounts payable	308.3	332.1
Accrued employee costs and other current liabilities (Note 4)	196.6	201.3
Total current liabilities	661.6	659.1
Long-term debt (Note 8)	1,037.6	1,011.6
Employee benefit obligations, deferred income taxes and other noncurrent liabilities	251.0	281.8
Total liabilities	1,950.2	1,952.5

Contingencies (Note 11)		
Minority interests (Note 4)	10.8	14.9
Shareholders' equity (Note 9):		
Series B ESOP Convertible Preferred Stock	51.0	53.4
Unearned compensation - ESOP	(5.4)	(10.6)
Preferred shareholder's equity	45.6	42.8
Common stock (37,368,322 shares issued - 2001; 36,773,381 shares issued - 2000)	460.8	443.9
Retained earnings	376.3	529.3
Accumulated other comprehensive loss	(28.4)	(29.7)
Treasury stock, at cost (9,553,636 shares - 2001; 8,724,380 shares - 2000)	(336.6)	(303.9)
Common shareholders' equity	472.1	639.6
Total shareholders' equity	517.7	682.4
Total Liabilities and Shareholders' Equity	$ 2,478.7	$ 2,649.8

See accompanying notes to unaudited condensed consolidated financial statements.

Ball Corporation and Subsidiaries
UNAUDITED CONDENSED CONSOLIDATED
STATEMENTS OF CASH FLOWS
($ in millions)

	Six Months Ended	
	July 1, 2001	July 2, 2000
Cash flows from operating activities		
Net earnings	$ (143.6)	$ 4.6
Noncash charges to net earnings:		
Depreciation and amortization	77.1	79.3
Business consolidation costs, net of related earnings in equity affiliates and minority interests	251.2	81.3
Deferred income taxes	8.2	(13.2)
Other, net	(17.0)	(2.1)
Changes in working capital components	(189.4)	(190.1)
Net cash used in operating activities	(13.5)	(40.2)
Cash flows from investing activities		
Additions to property, plant and equipment	(37.2)	(46.2)
Incentive loan receipts and other, net	17.6	38.4
Net cash used in investing activities	(19.6)	(7.8)
Cash flows from financing activities		
Long-term borrowings	55.0	60.0
Repayments of long-term borrowings	(26.0)	(32.4)
Change in short-term borrowings	31.9	49.1
Common and preferred dividends	(10.2)	(10.9)
Net proceeds from issuance of common stock under various employee and shareholder plans	16.6	21.3
Acquisitions of treasury stock	(32.6)	(37.6)
Other, net	(2.3)	(2.5)
Net cash provided by financing activities	32.4	47.0
Net Change in Cash and Temporary Investments	(0.7)	(1.0)
Cash and Temporary Investments - Beginning of Period	25.6	35.8
Cash and Temporary Investments - End of Period	$ 24.9	$ 34.8

See accompanying notes to unaudited condensed consolidated financial statements.

Ball Corporation and Subsidiaries
July 1, 2001

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General

The accompanying condensed consolidated financial statements include the accounts of Ball Corporation and its controlled affiliates (collectively Ball, the company, we or our) and have been prepared by the company without audit. Certain information and footnote disclosures, including significant accounting policies, normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Future events could affect these estimates. However, we believe that the financial statements reflect all adjustments which are of a normal recurring nature and are necessary for a fair statement of the results for the interim period.

Results of operations for the periods shown are not necessarily indicative of results for the year, particularly in view of the seasonality in the packaging segment. We suggest that these unaudited condensed consolidated financial statements and accompanying notes be read in conjunction with the consolidated financial statements and the notes thereto included in our company's latest annual report.

Certain prior-year amounts have been reclassified in order to conform to the current-year presentation.

2. New Accounting Standards

The Financial Accounting Standards Board recently issued Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 eliminates the pooling-of-interest method of accounting for business combinations and requires that the purchase method be used. Its provisions will be effective for Ball for all future business combinations. SFAS No. 142 establishes accounting guidelines for intangible assets acquired outside of a business combination. It also addresses how goodwill and other intangible assets are to be accounted for after having been initially recognized in the financial statements. In general, goodwill and certain intangible assets will no longer be amortized but will be tested periodically for impairment, and resulting write-downs, if any, will be recognized in the statement of earnings. This statement is effective for Ball beginning January 1, 2002.

Effective January 1, 2001, we adopted Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," and SFAS No. 138, an amendment of SFAS No. 133. The adoption of these statements did not have a material effect on our earnings or financial position in the first six months of 2001. These statements establish accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. All derivative instruments, whether designated in hedging relationships or not, are required to be recorded on the balance sheet at fair value. The effective portions of changes in the fair value of derivative instruments designated as cash flow hedges are recorded in other comprehensive earnings and are recognized in earnings when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings. Additional information about our use of derivative instruments is provided in Item 3, Quantitative and Qualitative Disclosures About Market Risk.

The Emerging Issues Task Force reached a consensus in September 2000 regarding Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs," which requires companies to report shipping and handling fees and costs as a component of cost of sales. We adopted this consensus in the fourth quarter of 2000, the effect of which was offsetting increases in net sales and cost of sales in the consolidated statements of earnings for all reported periods. Reclassifications of $33.8 million and $62.2 million have been reflected in the second quarter and first six months of 2000, respectively, for comparative purposes.

3. Business Segment Information

Ball's operations are organized along its product lines in two segments - the packaging segment and the aerospace and technologies segment. The accounting policies of the segments are the same as those in the unaudited condensed consolidated financial statements.

The packaging segment includes the lines of businesses that manufacture metal and PET (polyethylene terephthalate) containers, primarily for use in beverage and food packaging in North America. We also have beverage can manufacturing operations in the People's Republic of China (PRC), which are undergoing significant consolidation and reorganization as explained below in Note 4. In addition, Ball has joint venture investments in packaging companies located in the PRC, Brazil and Thailand, which are accounted for using the equity method.

The aerospace and technologies segment includes civil space systems, defense systems, commercial space operations, commercial products and technologies, systems engineering services, advanced antenna and video systems and products and technology.

Summary of Business by Segment	Three Months Ended		Six Months Ended	
($ in millions)	July 1, 2001	July 2, 2000	July 1, 2001	July 2, 2000
Net Sales				
North American metal beverage	$ 606.8	$ 646.5	$ 1,108.7	$ 1,176.0
North American metal food	156.1	133.9	290.0	249.4
North American plastic containers	82.4	70.5	146.8	131.5
International	41.7	55.9	94.2	108.4
Total packaging	887.0	906.8	1,639.7	1,665.3
Aerospace and technologies	105.6	88.2	202.9	175.2
Consolidated net sales	$ 992.6	$ 995.0	$ 1,842.6	$ 1,841.0
Consolidated Net Earnings				
Packaging	$ 67.6	$ 84.7	$ 119.5	$ 143.9
Business consolidation costs (Note 4)	(237.7)	(83.4)	(237.7)	(83.4)
	(170.1)	1.3	(118.2)	60.5

Aerospace and technologies	7.5	4.6	13.5	10.0
Business consolidation costs (Note 4)	(16.0)	-	(16.0)	-
Total aerospace and technologies	(8.5)	4.6	(2.5)	10.0
Segment earnings before interest and taxes	(178.6)	5.9	(120.7)	70.5
Corporate undistributed expenses, net	(3.2)	(4.8)	(9.1)	(10.3)
Earnings before interest and taxes	(181.8)	1.1	(129.8)	60.2
Interest expense	(22.6)	(23.8)	(46.9)	(47.2)
Provision for taxes	40.6	6.4	30.9	(7.4)
Minority interests	1.2	2.6	1.2	2.4
Equity in earnings of affiliates	0.5	(1.7)	1.0	(3.4)
Consolidated net earnings (loss)	$ (162.1)	$ (15.4)	$ (143.6)	$ 4.6

	July 1, 2001	December 31, 2000
Net Investment		
Packaging	$ 1,461.7	$ 1,410.9
Aerospace and technologies	179.8	181.8
Segment net investment	1,641.5	1,592.7
Corporate net investment and eliminations	(1,123.8)	(910.3)
Consolidated net investment	$ 517.7	$ 682.4

4. Business Consolidation Costs, Acquisitions and Other

In June 2001 the company announced the reorganization of its business in the PRC. As a part of that plan, we will exit our general line metal can manufacturing business and will reduce our aluminum beverage can manufacturing capacity there by closing two plants. One beverage can plant and one general line plant were closed at the end of June and the remaining actions are expected to be completed by early 2002. We recorded a $237.7 million pretax charge ($185 million after tax and minority interest impact) in connection with these actions. Positive cash flow of approximately $28 million, including tax benefits, is expected upon the completion of the plan. We estimate an initial full-year annual improvement in after-tax earnings of approximately $10 million subsequent to the completion of the plan. Revenues from the general line metal can manufacturing business were approximately $45 million for the year 2000. Also in the second quarter, we ceased operations in two commercial aerospace and technologies segment developmental product lines and recorded a pretax charge of $16 million ($9.7 million after tax).

The charges are comprised of:

($ in millions)	PRC Actions	Aerospace and Technologies	Total
Write-down to net realizable value of fixed assets and related spare parts	$ 90.3	$ 2.0	$ 92.3
Write-down of goodwill to estimated recoverable amounts	64.4	-	64.4
Acquisition of minority partner interests and write off of unrecoverable equity investment	28.8	-	28.8
Accounts receivable deemed uncollectible as a direct result of the exit plan	17.0	2.9	17.9
Severance and other benefit costs	13.0	0.4	13.4
Inventories deemed unsalable as a direct result of the exit plan	7.0	7.1	14.1
Decommissioning and other exit costs	17.2	3.6	20.8
	$ 237.7	$ 16.0	$ 253.7

The severance and other benefit costs are associated with the termination of 1,474 employees, primarily manufacturing and administrative personnel. Payments of $1.4 million related to severance and $1.1 million related to other exit costs were made in the second quarter. The carrying value of fixed assets remaining for sale in connection with these plans is insignificant.

In the second quarter of 2000, the company recorded an $83.4 million pretax charge ($55 million after tax, minority interests and equity earnings impacts) for packaging business consolidation and investment exit activities in North America and the PRC. The consolidation plan is complete and one plant and a portion of the equipment remain for sale. The $83.4 million charge included (1) $43.9 million for the write-down to estimated net realizable value of fixed assets held for sale and related spare parts inventory, (2) $9 million for severance, supplemental unemployment and other related benefits, (3) $14.3 million for contractual pension and retirement obligations which have been included in the appropriate liability accounts, (4) $5.4 million for the write-down of goodwill associated with the closed PRC plant, (5) $8.2 million for the write-down of equity investments and (6) $2.6 million for other assets and consolidation costs.

During 1998, we acquired substantially all the assets and assumed certain liabilities of the North American beverage can manufacturing business of Reynolds Metals Company and initiated certain business consolidation activities, primarily related to the closure of two of our PRC plants. In connection with the acquisition, the company provided $51.3 million in the opening balance sheet for the costs of integrating the acquired business, which included the closure of a headquarters facility and three plants. One plant and certain equipment in North America remain for sale. The business consolidation activities in the PRC resulted in a $56.2 million, largely noncash, charge primarily for the write-down of fixed assets to net realizable value, goodwill and other assets.

The carrying value of fixed assets remaining for sale in connection with 2000 and 1998 actions was approximately $12.2 million at July 1, 2001. At December 31, 2000, the remaining employee severance and other exit costs associated with the business consolidation activities and acquisition were $11.3 million. In 2001, $2.9 million of payments have been made, and $4.1 million of estimated liabilities associated with the acquisition no longer required were reclassified as a reduction of goodwill. The remaining accrued employee severance and other exit costs at July 1, 2001, were $4.3 million.

Subsequent changes to the estimated costs of the 2001, 2000 and 1998 business consolidation activities, as well as any increases in actual costs associated with the 1998 acquisition, if any, will be included in current-period earnings. Subsequent decreases in actual costs related to the 1998 acquisition, if any, will result in a reduction of goodwill.

5. Inventories

($ in millions)	July 1, 2001	December 31, 2000
Raw materials and supplies	$ 179.4	$ 214.9
Work in process and finished goods	387.2	412.6
	$ 566.6	$ 627.5

6. Property, Plant and Equipment

($ in millions)	July 1, 2001	December 31, 2000
Land	$ 48.8	$ 52.1
Buildings	438.5	438.9
Machinery and equipment	1,363.3	1,410.2
	1,850.6	1,901.2
Accumulated depreciation	(957.8)	(897.5)
	$ 892.8	$ 1,003.7

Depreciation expense amounted to $69 million and $70.8 million for the six-month periods ended July 1, 2001, and July 2, 2000, respectively.

7. Goodwill and Other Assets

($ in millions)	July 1, 2001	December 31, 2000
Goodwill (net of accumulated amortization of $60.3 at July 1, 2001, and $54.5 at December 31, 2000)	$ 347.6	$ 436.8
Investments in affiliates	64.5	81.2
Prepaid pension	71.0	67.1
Other	78.4	91.7
	$ 561.5	$ 676.8

Total amortization expense, including goodwill amortization, amounted to $8.1 million and $8.5 million for the six-month periods ended July 1, 2001, and July 2, 2000, respectively, of which $5.8 million and $6.3 million related to the amortization of goodwill.

8. Debt and Receivables Sales Agreement

Debt includes $300 million of 7.75% Senior Notes due in 2006, $250 million of 8.25% Senior Subordinated Notes due in 2008 and borrowings under a Senior Credit Facility, which bear interest at variable rates. At July 1, 2001, approximately $518 million was available under the revolving credit facility portion of the Senior Credit Facility.

The Senior Notes, Senior Subordinated Notes and Senior Credit Facility agreements are guaranteed on a full, unconditional and joint and several basis by certain of the company's domestic wholly owned subsidiaries and contain certain covenants and restrictions including, among other things, limits on the incurrence of additional indebtedness and limits on the amount of restricted payments, such as dividends and share repurchases. Exhibit 20.1 contains condensed, consolidating financial information for the company, segregating the guarantor subsidiaries and non-guarantor subsidiaries. Separate financial statements for the guarantor subsidiaries and the non-guarantor subsidiaries are not presented because management has determined that such financial statements would not be material to investors.

The company was not in default of any loan agreement at July 1, 2001, and has met all payment obligations. Latapack-Ball Embalagens Ltda. (Latapack-Ball), the company's 50 percent-owned equity affiliate in Brazil, was in noncompliance with certain financial provisions under a fixed-term loan agreement, of which $33.8 million was outstanding at the quarter end. Latapack-Ball has requested a waiver from the lender in respect of the noncompliance.

A receivables sales agreement provides for the ongoing, revolving sale of a designated pool of trade accounts receivable of Ball's U.S. packaging operations, up to $125 million. Net funds received from the sale of the accounts receivable totaled $122.5 million at July 1, 2001, and July 2, 2000. Fees incurred in connection with the sale of accounts receivable totaled $1.5 million and $3.3 million for the second quarter and first six months of 2001, respectively, and $2.1 million and $4.1 million for the same periods in 2000, respectively.

9. Shareholders' Equity

Accumulated other comprehensive loss of $28.4 million at July 1, 2001, and $29.7 million at December 31, 2000, includes the cumulative effect of foreign currency translation, additional minimum pension liability and unrealized gains and losses on derivative instruments. Issued and outstanding shares of the Series B ESOP Convertible Preferred Stock were 1,389,329 shares at July 1, 2001, and 1,453,864 shares at December 31, 2000.

The following table summarizes total comprehensive earnings for the second quarters and six-month periods of 2001 and 2000:

	Three Months Ended		Six Months Ended	
($ in millions)	July 1, 2001	July 2, 2000	July 1, 2001	July 2, 2000
Comprehensive Earnings				
Net earnings (loss)	$ (162.1)	$ (15.4)	$ (143.6)	$ 4.6
Foreign currency translation adjustment	6.8	(1.7)	2.5	(3.0)
Effect of derivative instruments	(1.0)	-	(1.0)	-
Minimum pension liability (net of tax)	0.1	-	(0.2)	-
Comprehensive earnings (loss)	$ (156.2)	$ (17.1)	$ (142.3)	$ 1.6

The company adopted a deposit share program in March 2001 that by matching purchased shares with restricted shares encourages certain senior management employees to invest in Ball stock. Participants have until March 2003 to fulfill the requirements for the matching restricted share grants. Restrictions on the matching shares lapse at the end of four years from date of grant, or earlier if established ownership guidelines are met, assuming the qualifying purchased shares are not sold or transferred prior to that time. There are a total of 254,500 shares available for grant under this program, of which 90,073 have been granted as of July 1, 2001. The adoption of the program had no significant impact on earnings or financial position during the first six months.

10. Earnings Per Share

The following table provides additional information on the computation of earnings per share amounts:

	Three Months Ended		Six Months Ended	
($ in millions, except per share amounts)	July 1, 2001	July 2, 2000	July 1, 2001	July 2, 2000
<u>Basic Earnings per Share</u>				
Net earnings (loss)	$ (162.1)	$ (15.4)	$ (143.6)	$ 4.6
Preferred dividends, net of tax	(0.6)	(0.7)	(1.2)	(1.3)
Earnings (loss) attributable to common shareholders	$ (162.7)	$ (16.1)	$ (144.8)	$ 3.3
Weighted average common shares *(000s)*	27,496	29,444	27,413	29,577
Basic earnings (loss) per share	$ (5.92)	$ (0.55)	$ (5.28)	$ 0.11
<u>Diluted Earnings per Share</u>				
Net earnings (loss)	$ (162.1)	$ (15.4)	$ (143.6)	$ 4.6
Adjustment for deemed ESOP cash contribution in lieu of the ESOP Preferred dividend	(0.4)	(0.5)	(0.9)	(1.0)
Earnings (loss) attributable to common shareholders	$ (162.5)	$ (15.9)	$ (144.5)	$ 3.6
Weighted average common shares *(000s)*	27,496	29,444	27,413	29,577
Effect of dilutive stock options	402	237	381	254
Common shares issuable upon conversion of the ESOP Preferred stock	1,634	1,736	1,653	1,749
Weighted average shares applicable to diluted earnings per share	29,532	31,417	29,447	31,580
Diluted earnings (loss) per share	$ (5.92) *(1)*	$ (0.55) *(1)*	$ (5.28) *(1)*	$ 0.11

(1) The diluted loss per share in the second quarter and first six months of 2001, as well as in the second quarter of 2000, is the same as the net loss per common share because the assumed exercise of stock options and conversion of the ESOP Preferred stock would have been antidilutive.

11. Contingencies

The company is subject to various risks and uncertainties in the ordinary course of business due, in part, to the competitive nature of the industries in which we participate, our operations in developing markets outside the U.S., changing commodity prices for the materials used in the manufacture of our products and changing capital markets. Where practicable, we attempt to reduce these risks and uncertainties through the establishment of risk management policies and procedures, including, at times, the use of certain derivative financial instruments.

From time to time, the company is subject to routine litigation incident to its business. Additionally, the U.S. Environmental Protection Agency has designated Ball as a potentially responsible party, along with numerous other companies, for the cleanup of several hazardous waste sites. Our information at this time does not indicate that these matters will have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and the accompanying notes. Ball Corporation and subsidiaries are referred to collectively as Ball" or the "company" or "we" and "our" in the following discussion and analysis.

RECENT DEVELOPMENTS

Although we have taken various actions in the PRC during the past several years, the industry and market environment in which we operate in China have not improved satisfactorily. As a result, in the first quarter of 2001, we began an extensive review of options available to us in connection with our investment there. Based on our review, we announced in June 2001 a plan to exit the general line metal can manufacturing business in the PRC and to reduce our PRC aluminum beverage can manufacturing capacity there by closing two plants. One beverage can plant and one general line plant were closed at the end of June, and we expect the remaining actions to be completed in 2002. We recorded a $237.7 million pretax charge ($185 million after tax and minority interest impact) in connection with these actions. Positive cash flow of $28 million, including tax benefits, is expected upon the completion of the plan. We estimate an initial full-year annual improvement in after-tax earnings of approximately $10 million as the plan is completed. Also in June 2001, we ceased operations in two commercial aerospace and technologies segment developmental product lines and recorded a pretax charge of $16 million ($9.7 million after tax). Additional information regarding these charges is available in Note 4 in the accompanying consolidated financial statements.

CONSOLIDATED SALES AND EARNINGS

Ball's operations are organized along its product lines and include two segments - the packaging segment and the aerospace and technologies segment.

Packaging Segment

The packaging segment includes metal and PET (polyethylene terephthalate) container products, primarily used in beverage and food packaging. Our packaging operations are located primarily in and serve North America (the U.S. and Canada). Packaging segment sales in the second quarter and six months of 2001 were approximately 2 percent lower than in 2000. Excluding the business consolidations charge, operating margins were lower by 20 percent for the same periods as a result of higher energy costs, primarily in California, and operating losses in China.

North American metal beverage container sales, which represented approximately 68 percent of segment sales in the second quarter and first six months of 2001, were 6 percent lower than in 2000. The decrease was due to lower soft drink container shipments, lower selling prices driven by a highly competitive environment and the expected effects of plant closings during 2000. Manufacturing cost controls are yielding favorable results. However, operating margins were lower due to decreased sales, higher energy costs and certain plants operating at less than full capacity to help reduce higher than anticipated inventory levels related to the lower shipments.

North American metal food container sales, which comprised approximately 18 percent of segment sales in the second quarter and first six months of 2001, increased approximately 16 percent over the same periods in 2000. This increase was the result of volume gains with several customers, including ConAgra Grocery Products Company, and strong pre-season vegetable sales. This overall sales gain was achieved in spite of industry-wide shipments being lower by an estimated 3 percent.

Plastic container sales, approximately 9 percent of segment sales in 2001, continue to increase and were approximately 17 percent higher in the second quarter compared to 2000. The sales mix continues to be weighted toward carbonated soft drink and water containers, with increasing demand for the larger sizes.

Sales levels were comparable in the PRC with lower operating losses in 2001 compared to 2000. See the discussion within "Recent Developments" for information regarding our China operations.

Aerospace and Technologies Segment

Sales in the aerospace and technologies segment were 20 percent higher for the second quarter and 15 percent higher year-to-date, compared to the same periods in 2000. Excluding the charge to exit product lines discussed above, the improvement in operating margins was primarily the result of the strong sales, which were driven by growth in our U.S. government business. Backlog at the end of the first quarter of 2001 was approximately $376 million compared to a backlog of $351 million at the end of 2000. Year-to-year comparisons of backlog are not necessarily indicative of the trend of future operations.

For additional information on our segment operations, see the Summary of Business by Segment in Note 3 accompanying the consolidated financial statements included within Item 1.

<u>Interest and Taxes</u>

Consolidated interest expense for the second quarter was $22.6 million compared to $23.8 million in 2000 and was comparable on a year-to-date basis. Variances were attributable to lower interest rates and borrowings in 2001, partially offset by lower capitalized interest due to the completion of significant qualifying plant projects.

The lower consolidated second quarter effective income tax rate reflects the impact of currently nondeductible goodwill as well as currently unrealized capital losses included in the second quarter charge for business consolidation costs in the PRC. Excluding the effect of the business consolidation costs for both 2001 and 2000, Ball's lower consolidated effective income tax rate of 35 percent for the second quarter of 2001, as compared to 36.5 percent for the second quarter 2000, was primarily due to the favorable effects of implementing planning strategies which have reduced overall state taxes and the effects of foreign operations. The implementation of these strategies, begun in mid-2000, is reflected in the more comparable tax rates for the last two quarters of 2000. We expect our effective tax rate, excluding the effect of the business consolidation costs, to be approximately 35 percent for the year.

The second quarter tax effects are illustrated in the following table:

	Before Business Consolidation Costs	Effect of Business Consolidation Costs	Total
Income tax provision (benefit)	$ 17.2	$ (57.8)	$ (40.6)
Pretax earnings (loss)	49.3	(253.7)	(204.4)
Effective income tax rate	35.0%	22.8%	19.9%

Minority Interests and Results of Equity Affiliates

Minority interest results were lower primarily as a result of their share of business consolidation costs. Minority interests' share of business consolidation costs was $1.2 million in the second quarter of 2001 compared to $3 million in 2000.

Equity in the net results of affiliates is largely attributable to that from investments in the PRC, Thailand and Brazil. Results were earnings of $1 million in the first six months of 2001, compared to a loss of $3.4 million for the same period in 2000. The improvement was primarily due to strong sales in Brazil and the absence of significant negative foreign currency effects experienced in 2000. Results in the PRC reflect the continued effects of excess capacity in the industry.

Other Items

In June we announced a plan to exit the general line business in the PRC and reduce our aluminum can manufacturing capacity there. We also announced our plan to dispose of two commercial aerospace and technologies segment developmental product lines. In connection with these actions, we recorded an after-tax charge of $195 million. See "Recent Developments" above for more information.

The company recorded an $83.4 million pretax charge ($55 million after tax, minority interests and equity earnings impacts) in the second quarter of 2000 for packaging business consolidation and investment exit activities. The charge included costs associated with the permanent closure of two beverage can facilities, the elimination or consolidation of certain production lines and the write-down to net realizable value of certain international equity investments.

Additional details about our business consolidation and acquisition-related activities undertaken from 1998 to 2001, including details about the reserves associated with them, are provided in Note 4 accompanying the consolidated financial statements included within Item 1.

Details of recently promulgated accounting and reporting standards, which may affect the company, are provided in Note 2 accompanying the consolidated financial statements included within Item 1.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations for the second quarter was $127.1 million, a significant improvement over the $87.8 million generated during the same period in 2000. For the first six months of 2001, the usage of $13.5 million also compared favorably to the usage of $40.2 million in 2000. The improvement in the second quarter reflected planned inventory reductions. Capital spending of $37.2 million in the first six months of 2001 was well below depreciation and amortization of $77.1 million. We expect capital spending to be less than $100 million for the year.

Total debt increased to $1,194.3 million at July 1, 2001, compared to $1,137.3 million at December 31, 2000, the result of the repurchase of our common shares, partially offset by the favorable effect of inventory reductions. In connection with a forward share purchase agreement we entered into in 2000, we acquired 510,500 shares at an average price of approximately $35.16 per share. The debt-to-total capitalization ratio was 69.3 percent at July 1, 2001, compared to 62 percent at December 31, 2000.

Debt includes $300 million of 7.75% Senior Notes due in 2006, $250 million of 8.25% Senior Subordinated Notes due in 2008 and borrowings under a Senior Credit Facility, which bear interest at variable rates. At July 1, 2001, approximately $518 million was available under the revolving credit facility portion of the Senior Credit Facility.

Ball Asia Pacific Holdings Limited and its consolidated subsidiaries had short-term uncommitted credit facilities of approximately $104 million at the end of the second quarter, of which $60.1 million was outstanding.

A receivables sales agreement provides for the ongoing, revolving sale of a designated pool of trade accounts receivable of Ball's U.S. packaging operations, up to $125 million. Net funds received from the sale of the accounts receivable totaled $122.5 million at July 1, 2001, and July 2, 2000.

The company was not in default of any loan agreement at July 1, 2001, and has met all payment obligations. However, its 50 percent-owned equity affiliate in Brazil is in noncompliance with certain financial provisions. Latapack-Ball has requested a waiver from the lender in respect of the noncompliance.

Additional details about the company's debt and receivables sales agreement are available in Note 8 accompanying the consolidated financial statements included within Item 1.

CONTINGENCIES

The company is subject to various risks and uncertainties in the ordinary course of business due, in part, to the competitive nature of the industries in which we participate, our operations in developing markets outside the

U.S., changing commodity prices for the materials used in the manufacture of our products and changing capital markets. Where practicable, we attempt to reduce these risks and uncertainties through the establishment of risk management policies and procedures, including, at times, the use of certain derivative financial instruments.

From time to time, the company is subject to routine litigation incident to its business. Additionally, the U.S. Environmental Protection Agency has designated Ball as a potentially responsible party, along with numerous other companies, for the cleanup of several hazardous waste sites. Our information at this time does not indicate that these matters will have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the ordinary course of business, we employ established risk management policies and procedures to reduce our exposure to commodity price changes, changes in interest rates, fluctuations in foreign currencies and the company's common share repurchase program.

We manage our commodity price risk in connection with market price fluctuations of aluminum primarily by entering into can and end sales contracts, which include aluminum-based pricing terms that consider price fluctuations under our commercial supply contracts for aluminum purchases. The terms include "band" pricing where there is an upper and lower limit, a fixed price or only any upper limit to the aluminum component pricing. This matched pricing affects substantially all of our North American metal beverage packaging net sales. We also, at times, use certain derivative instruments such as option and forward contracts as cash flow hedges of commodity price risk. Outstanding contracts at the end of the first quarter expire at various times through December 2003. Included in shareholders' equity at July 1, 2001, within other accumulated comprehensive loss, is approximately $1 million of loss associated with these contracts, the majority of which is expected to be recognized in the consolidated statement of earnings during the remainder of 2001.

Our objective in managing exposure to interest rate changes is to limit the impact of interest rate changes on earnings and cash flows and to lower our overall borrowing costs. We manage this primarily through the use of cash flow hedges and, at times, derivatives that limit the cash flow impact but not necessarily the earnings impact in cases where they do not qualify for favorable accounting treatment. To achieve these objectives, we use a variety of interest rate swaps, collars and options to manage our mix of floating and fixed-rate debt. Interest rate instruments held by the company at July 1, 2001, included pay-floating and pay-fixed interest rate swaps and swaption contracts. Pay-fixed swaps effectively convert floating rate obligations to fixed rate instruments. Pay-floating swaps effectively convert fixed-rate obligations to variable rate instruments. Swap agreements expire at various times up to five years. Although these instruments involve varying degrees of credit and interest risk, the counter parties to the agreements involve financial institutions, which are expected to perform fully under the terms of the agreements. Accumulated comprehensive loss at July 1, 2001, includes offsetting income and expense amounts. Approximately $1.2 million of expense is expected to be recognized in the consolidated statement of earnings in 2001.

Our objective in managing exposure to foreign currency fluctuations is to protect foreign cash flow and reduce earnings volatility associated with foreign exchange rate changes through the use of cash flow hedges. Our primary foreign currency risk exposures result from the strengthening of the U.S. dollar against the Hong Kong dollar, Canadian dollar, Chinese renminbi, Thai baht and Brazilian real. We face currency exposures in our global operations as a result of maintaining U.S. dollar debt and payables in these foreign countries. We use forward contracts to manage our foreign currency exposures and, as a result, gains and losses on these derivative positions offset, in part, the impact of currency fluctuations on the existing assets and liabilities. Contracts outstanding at the end of the first quarter expire in less than one year.

In connection with the company's ongoing share repurchase program, from time to time we sell put options which give the purchaser of those options the right to sell shares of the company's common stock to the company on specified dates at specified prices upon the exercise of those options. The put option contracts allow us to determine the method of settlement, either in cash or shares. As such, the contracts are considered equity instruments and changes in the fair value are not recognized in our financial statements. Our objective in selling put options is to lower the average purchase price of acquired shares in connection with the share repurchase program. In the latter part of 2000 we entered into a forward share repurchase agreement to purchase shares of the company's common stock. Under the agreement, we purchased 580,300 shares during 2000 at an average price of $34.50 per share and, in January 2001, purchased the remaining 510,500 shares at an average price of $35.16 per share.

Effective January 1, 2001, we adopted Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," and SFAS No. 138, an amendment of SFAS No. 133. These statements establish accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. All derivative instruments, whether designated in hedging relationships or not, are required to be recorded on the balance sheet at fair value. The effective portions of changes in the fair value of derivative instruments designated as cash flow hedges are recorded in other comprehensive earnings and are recognized in earnings when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in current period earnings.

The company has estimated its market risk exposure using sensitivity analysis. Market risk exposure has been defined as the changes in fair value of a derivative instrument assuming a hypothetical 10 percent adverse change in market prices or rates. The results of the sensitivity analyses as of July 1, 2001, did not differ materially from the amounts reported as of December 31, 2000. Actual changes in market prices or rates may differ from hypothetical changes.

FORWARD-LOOKING STATEMENTS

The company has made or implied certain forward-looking statements in this report. These forward-looking statements represent the company's goals and are based on certain assumptions and estimates regarding the worldwide economy, specific industry technological innovations, industry competitive activity, interest rates, capital expenditures, pricing, currency movements, product introductions and the development of certain domestic and international markets. Some factors that could cause the company's actual results or outcomes to differ materially from those discussed in the forward-looking statements include, but are not limited to, fluctuation in customer growth and demand; insufficient production capacity; overcapacity in foreign and domestic metal and plastic container industry production facilities and its impact on pricing and financial results; lack of productivity improvement or production cost reductions; the weather; power and natural resource costs; difficulty in obtaining supplies and energy, such as gas and electric power; shortages in and pricing of raw materials; competition in pricing and the possible decrease in, or loss of sales resulting therefrom; loss of profitability and plant closures; insufficient cash flow; the inability to continue the purchase of the company's common shares; regulatory action; federal and state legislation; interest rates; labor strikes; boycotts; litigation involving antitrust; intellectual property, consumer and other issues; maintenance and capital expenditures; local economic conditions; the authorization, funding and availability of government contracts and the nature and continuation of those contracts and related services provided thereunder; the success or lack of success of the satellite launches and the businesses and governments associated with the launches; international business and market risks such as the devaluation of international currencies; the ability to obtain adequate credit resources for foreseeable financing requirements of the company's businesses and to satisfy the resulting credit obligations and successful or unsuccessful acquisitions, joint ventures or divestitures. If the company's assumptions and estimates are incorrect, or if it is unable to achieve its goals, then the company's actual performance could vary materially from those goals expressed or implied in the forward-looking statements.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The company previously reported on April 24, 1992, that it was notified by the Muncie Race Track Steering Committee that the company may have been a PRP with respect to the disposal of waste at the Muncie Race Track Site located in Delaware County, Indiana. On February 15, 2001, General Motors Corporation, one of the PRPs at the site, filed a lawsuit against Ball and several other companies seeking contribution from them for past, present and future remedial costs at the site. On June 5, 2001, Ball and General Motors Corporation settled their dispute and General Motors Corporation dismissed its lawsuit against Ball with prejudice. The company believes that this matter is now concluded without any adverse material effect upon the liquidity, results of operations or financial condition of the company.

The company previously reported that on January 27, 1999, Plastic Solutions of Texas, Inc. (PST) and Kurt H. Ruppmann, Sr. (Ruppmann) filed a statement of claim with the American Arbitration Association alleging the company breached a contract between the company, PST and Ruppmann relating to the grant of a license under certain patents and technology owned by PST and Ruppmann relating to the use of cryogenics in the manufacture of hot-fill PET bottles. The arbitrator issued an order favorable to Ball including monetary damages and specific performance. This award was confirmed by the District Court of Dallas County, Texas, and a judgment was entered on the company's behalf. The parties have negotiated a satisfactory payment schedule of this judgment. The company believes that this matter is now concluded without any adverse material effect upon the liquidity, results of operations or financial condition of the company.

Item 2. Changes in Securities

There were no events required to be reported under Item 2 for the quarter ended July 1, 2001.

Item 3. Defaults Upon Senior Securities

There were no events required to be reported under Item 3 for the quarter ended July 1, 2001.

Item 4. Submission of Matters to a Vote of Security Holders

The Company held the Annual Meeting of Shareholders on April 25, 2001. Matters voted upon by proxy were (1) the election of three directors for three-year terms expiring in 2004 and (2) the ratification of the appointment of PricewaterhouseCoopers LLP as independent accountants for 2001. The results of the vote were as follows:

	For	Against/ Withheld	Abstained/ Broker Non-Vote
Election of directors for terms expiring in 2004:			
Frank A. Bracken	25,855,897	399,796	0
John F. Lehman	25,377,445	878,248	0
George A. Sissel	25,842,688	413,005	0
Appointment of PricewaterhouseCoopers LLP as independent accountants for 2001	25,863,816	276,076	115,801

Item 5. Other Information

There were no events required to be reported under Item 5 for the quarter ended July 1, 2001.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- 10.1 Deposit Share Program, as amended
- 10.2 Directors Deposit Share Program
- 20.1 Subsidiary Guarantees of Debt
- 99.1 Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995, as amended

(b) Reports on Form 8-K

A Current Report on Form 8-K was filed on June 21, 2001, reporting under Item 5 an announcement by Ball Corporation to exit the general line metal can manufacturing business in China and reduce its aluminum beverage can manufacturing capacity there. Also included in the announcement was Ball Corporation's intent to dispose of two commercial aerospace and technologies segment developmental product lines.

SIGNATURE

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.

Ball Corporation
(Registrant)

By: /s/ Raymond J. Seabrook

Raymond J. Seabrook
Senior Vice President and Chief Financial Officer

Date: August 15, 2001

Ball Corporation and Subsidiaries
QUARTERLY REPORT ON FORM 10-Q
July 1, 2001

EXHIBIT INDEX

Description	Exhibit
Subsidiary Guarantees of Debt (Filed herewith.)	EX-20.1
Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995, as amended (Filed herewith.)	EX-99.1

EXHIBIT 20.1

Subsidiary Guarantees of Debt

The company's Senior Notes, Senior Subordinated Notes and Senior Credit Facility agreements are guaranteed on a full, unconditional and joint and several basis by certain of the company's wholly owned domestic subsidiaries. The following is condensed, consolidating financial information for the company, segregating the guarantor subsidiaries and non-guarantor subsidiaries, as of July 1, 2001, and December 31, 2000, and for the six-month periods ended July 1, 2001, and July 2, 2000 (in millions of dollars). The presentation of certain prior-year amounts has been changed in order to conform to the current-year presentation. Separate financial statements for the guarantor subsidiaries and the non-guarantor subsidiaries are not presented because management has determined that such financial statements would not be material to investors.

CONSOLIDATED BALANCE SHEET

July 1, 2001

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
ASSETS					
Current assets					
Cash and temporary investments	$ 7.5	$ 0.4	$ 17.0	$ -	$ 24.9
Accounts receivable, net	1.0	286.6	41.7	-	329.3
Inventories, net	-	452.6	114.0	-	566.6
Deferred income tax benefits and prepaid expenses	269.9	86.7	2.1	(255.1)	103.6
Total current assets	278.4	826.3	174.8	(255.1)	1,024.4
Property, plant and equipment, at cost	24.9	1,553.6	272.1	-	1,850.6
Accumulated depreciation	(13.7)	(820.3)	(123.8)	-	(957.8)
	11.2	733.3	148.3	-	892.8
Investments in subsidiaries	1,575.8	45.9	9.8	(1,631.5)	-
Investments in affiliates	7.7	15.2	41.6	-	64.5
Goodwill, net	-	315.7	31.9	-	347.6
Other assets	82.8	45.4	21.2	-	149.4
Total Assets	$ 1,955.9	$ 1,981.8	$ 427.6	$ (1,886.6)	$ 2,478.7
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term debt and current portion of long-term debt	$ 64.9	$ -	$ 91.8	$ -	$ 156.7
Accounts payable	6.8	245.2	56.3	-	308.3
Accrued employee costs and other current liabilities	48.2	337.4	66.1	(255.1)	196.6
Total current liabilities	119.9	582.6	214.2	(255.1)	661.6
Long-term debt	1,027.5	10.1	-	-	1,037.6
Intercompany borrowings	159.3	474.3	65.3	(698.9)	-
Employee benefit obligations, deferred income taxes and other	131.5	64.2	55.3	-	251.0
Total liabilities	1,438.2	1,131.2	334.8	(954.0)	1,950.2
Contingencies					
Minority interests	-	-	10.8	-	10.8
Shareholders' Equity:					
Series B ESOP Convertible Preferred Stock	51.0	-	-	-	51.0
Convertible preferred stock	-	-	179.6	(179.6)	-
Unearned compensation - ESOP	(5.4)	-	-	-	(5.4)
Preferred shareholders' equity	45.6	-	179.6	(179.6)	45.6
Common stock	460.8	724.4	239.1	(963.5)	460.8
Retained earnings (deficit)	376.3	129.4	(313.6)	184.2	376.3
Accumulated other comprehensive loss	(28.4)	(3.2)	(23.1)	26.3	(28.4)
Treasury stock, at cost	(336.6)	-	-	-	(336.6)
Common shareholders' equity (deficit)	472.1	850.6	(97.6)	(753.0)	472.1
Total shareholders' equity	517.7	850.6	82.0	(932.6)	517.7
Total Liabilities and Shareholders'					

Equity	$ 1,955.9	$ 1,981.8	$ 427.6	$ (1,886.6)	$ 2,478.7

CONSOLIDATED BALANCE SHEET

December 31, 2000

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
ASSETS					
Current assets					
Cash and temporary investments	$ 12.3	$ 0.2	$ 13.1	$ -	$ 25.6
Accounts receivable, net	3.0	171.4	55.8	-	230.2
Inventories, net	-	498.8	128.7	-	627.5
Deferred income tax benefits and prepaid expenses	197.5	114.7	6.2	(232.4)	86.0
Total current assets	212.8	785.1	203.8	(232.4)	969.3
Property, plant and equipment, at cost	25.8	1,534.8	340.6	-	1,901.2
Accumulated depreciation	(15.2)	(768.2)	(114.1)	-	(897.5)
	10.6	766.6	226.5	-	1,003.7
Investments in subsidiaries	1,476.5	340.0	9.8	(1,826.3)	-
Investments in affiliates	7.8	15.7	57.7	-	81.2
Goodwill, net	-	338.8	98.0	-	436.8
Other assets	81.0	43.9	33.9	-	158.8
Total Assets	$ 1,788.7	$ 2,290.1	$ 629.7	$ (2,058.7)	$ 2,649.8
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term debt and current portion of long-term debt	$ 67.2	$ -	$ 58.5	$ -	$ 125.7
Accounts payable	7.4	262.8	61.9	-	332.1
Accrued employee costs and other current liabilities	45.5	349.5	38.7	(232.4)	201.3
Total current liabilities	120.1	612.3	159.1	(232.4)	659.1
Long-term debt	1,001.5	10.1	-	-	1,011.6
Intercompany borrowings	(142.1)	59.8	82.3	-	-
Employee benefit obligations, deferred income taxes and other	126.8	98.5	56.5	-	281.8
Total liabilities	1,106.3	780.7	297.9	(232.4)	1,952.5
Contingencies					
Minority interests	-	-	14.9	-	14.9
Shareholders' Equity:					
Series B ESOP Convertible Preferred Stock	53.4	-	-	-	53.4
Convertible preferred stock	-	-	179.6	(179.6)	-
Unearned compensation - ESOP	(10.6)	-	-	-	(10.6)
Preferred shareholders' equity	42.8	-	179.6	(179.6)	42.8
Common stock	443.9	1,155.7	239.7	(1,395.4)	443.9
Retained earnings (deficit)	529.3	355.7	(78.6)	(277.1)	529.3
Accumulated other comprehensive loss	(29.7)	(2.0)	(23.8)	25.8	(29.7)
Treasury stock, at cost	(303.9)	-	-	-	(303.9)
Common shareholders' equity	639.6	1,509.4	137.3	(1,646.7)	639.6
Total shareholders' equity	682.4	1,509.4	316.9	(1,826.3)	682.4
Total Liabilities and Shareholders' Equity	$ 1,788.7	$ 2,290.1	$ 629.7	$ (2,058.7)	$ 2,649.8

CONSOLIDATED STATEMENT OF EARNINGS

For the Six Months Ended July 1, 2001

Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	$ -	$ 1,752.3	$ 202.1	$ (111.8)	$ 1,842.6
Costs and expenses					
Cost of sales (excluding depreciation and amortization)	-	1,512.4	173.1	(111.8)	1,573.7
Depreciation and amortization	1.1	64.0	12.0	-	77.1
Business consolidation costs	-	16.0	237.7	-	253.7
Selling and administrative	4.7	43.6	12.6	-	60.9
Receivable securitization fees and product development	-	7.2	(0.2)	-	7.0
Interest expense	26.9	17.3	2.7	-	46.9
Equity in net results of subsidiaries	193.9	-	-	(193.9)	-
Corporate allocations	(24.8)	24.8	-	-	-
	201.8	1,685.3	437.9	(305.7)	2,019.3
Earnings (loss) before taxes	(201.8)	67.0	(235.8)	193.9	(176.7)
Provision for taxes	58.2	(25.6)	(1.7)	-	30.9
Minority interests	-	-	1.2	-	1.2
Equity in net results of affiliates	-	(0.3)	1.3	-	1.0
Net earnings (loss)	(143.6)	41.1	(235.0)	193.9	(143.6)
Preferred dividends, net of tax	(1.2)	-	-	-	(1.2)
Earnings (loss) attributable to common shareholders	$ (144.8)	$ 41.1	$ (235.0)	$ 193.9	$ (144.8)

CONSOLIDATED STATEMENT OF EARNINGS

For the Six Months Ended July 2, 2000

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	$ -	$ 1,737.6	$ 219.7	$ (116.3)	$ 1,841.0
Costs and expenses					
Cost of sales (excluding depreciation and amortization)	-	1,478.8	182.2	(116.3)	1,544.7
Depreciation and amortization	1.1	63.4	14.8	-	79.3
Business consolidation costs	2.3	22.1	59.0	-	83.4
Selling and administrative	5.2	47.1	13.7	-	66.0
Receivable securitization fees and product development	-	7.3	0.1	-	7.4
Interest expense	38.2	6.9	2.1	-	47.2
Equity in net results of subsidiaries	(4.1)	-	-	4.1	-
Corporate allocations	(25.3)	25.3	-	-	-
	17.4	1,650.9	271.9	(112.2)	1,828.0
Earnings (loss) before taxes	(17.4)	86.7	(52.2)	(4.1)	13.0
Provision for taxes	22.2	(33.0)	3.4	-	(7.4)
Minority interests	-	-	2.4	-	2.4
Equity in net results of affiliates	(0.2)	(0.3)	(2.9)	-	(3.4)
Net earnings (loss)	4.6	53.4	(49.3)	(4.1)	4.6
Preferred dividends, net of tax	(1.3)	-	-	-	(1.3)
Earnings (loss) attributable to common shareholders	$ 3.3	$ 53.4	$ (49.3)	$ (4.1)	$ 3.3

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended July 1, 2001

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Cash Flows from Operating Activities					
Net earnings (loss)	$ (143.6)	$ 41.2	$ (235.1)	$ 193.9	$ (143.6)
Noncash charges to net earnings:					
Depreciation and amortization	1.0	64.0	12.1	-	77.1
Business consolidation costs	-	16.0	235.2	-	251.2
Deferred income taxes	(15.1)	22.5	0.8	-	8.2
Equity in net results of subsidiaries	193.9	-	-	(193.9)	-
Other, net	5.0	(20.5)	(1.5)	-	(17.0)
Changes in working capital components	(51.3)	(122.3)	(15.8)	-	(189.4)

Net cash provided by (used in) operating activities	(10.1)	0.9	(4.3)	-	(13.5)
Cash Flows from Investing Activities					
Additions to property, plant and equipment	(1.4)	(26.7)	(9.1)	-	(37.2)
Investments in and advances to affiliates, net of dividends	7.9	9.1	(17.0)	-	-
Incentive loan receipts and other, net	(1.6)	16.9	2.3	-	17.6
Net cash provided by (used in) investing activities	4.9	(0.7)	(23.8)	-	(19.6)
Cash Flows from Financing Activities					
Long-term borrowings	55.0	-	-	-	55.0
Repayments of long-term borrowings	(26.0)	-	-	-	(26.0)
Change in short-term borrowings	-	-	31.9	-	31.9
Common and preferred dividends	(10.2)	-	-	-	(10.2)
Proceeds from issuance of common stock under various employee and shareholder plans	16.6	-	-	-	16.6
Acquisitions of treasury stock	(32.6)	-	-	-	(32.6)
Other, net	(2.4)	-	0.1	-	(2.3)
Net cash provided by (used in) financing activities	0.4	-	32.0	-	32.4
Net Change in Cash and Temporary Investments	(4.8)	0.2	3.9	-	(0.7)
Cash and Temporary Investments - Beginning of Period	12.3	0.2	13.1	-	25.6
Cash and Temporary Investments - End of Period	$ 7.5	$ 0.4	$ 17.0	$ -	$ 24.9

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended July 2, 2000

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Cash Flows from Operating Activities					
Net earnings (loss)	$ 4.6	$ 53.4	$ (49.2)	$ (4.2)	$ 4.6
Noncash charges to net earnings:					
Depreciation and amortization	1.1	63.4	14.8	-	79.3
Business consolidation costs	2.3	22.1	56.9		81.3
Deferred income taxes	(2.8)	(4.3)	(6.1)		(13.2)
Equity in net results of subsidiaries	(4.2)	-	-	4.2	-
Other, net	3.2	(6.2)	0.9	-	(2.1)
Changes in working capital components	(36.7)	(135.4)	(18.0)	-	(190.1)
Net cash provided by (used in) operating activities	(32.5)	(7.0)	(0.7)	-	(40.2)
Cash Flows from Investing Activities					
Additions to property, plant and equipment	(0.5)	(40.7)	(5.0)	-	(46.2)
Investments in and advances to affiliates, net	(9.9)	28.8	(18.9)	-	-
Other, net	3.0	32.9	2.5	-	38.4
Net cash provided by (used in) investing activities	(7.4)	21.0	(21.4)	-	(7.8)
Cash Flows from Financing Activities					
Long-term borrowings	60.0	-	-	-	60.0
Repayments of long-term borrowings	(18.5)	(13.9)	-	-	(32.4)
Change in short-term borrowings	25.0	-	24.1	-	49.1
Common and preferred dividends	(10.9)	-	-	-	(10.9)
Net proceeds from issuance of common stock under various employee and shareholder plans	21.3	-	-	-	21.3
Acquisitions of treasury stock	(37.6)	-	-	-	(37.6)
Other, net	(1.4)	-	(1.1)	-	(2.5)
Net cash provided by (used in) financing activities	37.9	(13.9)	23.0	-	47.0
Net Change in Cash and Temporary					

Investments	(2.0)	0.1	0.9	-	(1.0)
Cash and Temporary Investments - Beginning of Period	13.6	0.2	22.0	-	35.8
Cash and Temporary Investments - End of Period	$ 11.6	$ 0.3	$ 22.9	$ -	$ 34.8

EXHIBIT 99.1

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the Reform Act), Ball is hereby filing cautionary statements identifying important factors that could cause Ball's actual results to differ materially from those projected in forward-looking statements of Ball. Forward-looking statements may be made in several different contexts; for example, in the quarterly and annual earnings news releases, the quarterly earnings news conferences hosted by the company, public presentations at industry, investor and credit conferences, the company's Annual Report and in annual and periodic communications with investors. Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements, and many of these statements are contained in Part I, Item 2, "Business." The Reform Act defines forward-looking statements as statements that express or imply an expectation or belief and contain a projection, plan or assumption with regard to, among other things, future revenues, income, earnings per share, cash flow or capital structure. Such statements of future events or performance involve estimates, assumptions and uncertainties, and are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause Ball's actual results to differ materially from those contained in forward-looking statements made by or on behalf of Ball.

Some important factors that could cause Ball's actual results or outcomes to differ materially from those discussed in forward-looking statements include, but are not limited to:

- Fluctuation in customer growth and demand, including loss of major customers; manufacturing overcapacity; lack of productivity improvement or production cost reductions; weather; regulatory action; federal, state and local law; interest rates; labor strikes and work stoppages; boycotts; litigation involving antitrust, intellectual property, consumer and other issues; maintenance and capital expenditures; capital availability; economic conditions and acts of war or catastrophic events.

- Competition in pricing and the possible decrease in, or loss of, sales resulting therefrom; loss of profitability and plant closures, as well as the impact of price increases on financial results.

- The timing and extent of regulation or deregulation, competition in each line of business, product development and introductions and technology changes.

- Ball's ability or inability to have available sufficient production capacity in a timely manner.

- Overcapacity in foreign and domestic metal and plastic container industry production facilities and its impact on pricing and financial results.

- Difficulties in obtaining raw materials, supplies, energy such as gas and electric power, and natural resources needed for the production of metal and plastic containers as well as telecommunications and aerospace products.

- The pricing of raw materials, supplies, power and natural resources needed for the production of metal and plastic containers as well as telecommunications and aerospace products, pricing and ability or inability to sell scrap associated with the production of metal containers and the effect of changes in the cost of warehousing the company's products.

- The ability or inability to pass on to customers changes in raw material cost, particularly resin, steel and aluminum.

- International business and market risks, particularly in foreign developing countries such as China and Brazil, including political and economic instability in foreign markets, restrictive trade practices of foreign governments, sudden policy changes by foreign governments, the imposition of duties, taxes or other government charges, foreign exchange rate risk, exchange controls and national and regional labor strikes or work stoppages.

- The ability or inability to obtain adequate credit resources for foreseeable financing requirements of the company's businesses.

- Undertaking successful and unsuccessful acquisitions, joint ventures and divestitures and the integration activities associated with acquisitions and joint ventures.

- The failure to make cash payments and satisfy other debt obligations.

- The ability or inability to achieve technological and product advances in the company's businesses.

- The success or lack of success of satellite launches and the businesses and governments associated with the launches.

- The authorization, funding and availability of government contracts and the nature and continuation of those contracts and related services, as well as the cancellation or termination of government contracts for the U.S. government, other customers or other government contractors.

- Actual vs. estimated business consolidation and investment exit costs and the estimated net realizable values of assets associated with such activities.

- Fluctuation in the fiscal and monetary policy established by the U.S. government.