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 **September 30, 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 October 28, 2001
Common Stock, without par value	27,402,751 shares

Ball Corporation and Subsidiaries
QUARTERLY REPORT ON FORM 10-Q
For the period ended September 30, 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		Nine Months Ended	
	September 30, 2001	October 1, 2000	September 30, 2001	October 1, 2000
Net sales	**$ 1,000.5**	**$ 996.0**	**$ 2,843.1**	**$ 2,837.0**
Costs and expenses				
Cost of sales (excluding depreciation and amortization)	853.0	833.4	2,426.7	2,375.1
Depreciation and amortization (Notes 6 and 7)	37.6	39.3	114.7	118.6
Business consolidation costs and other (Note 4)	-	(7.0)	253.7	76.4
Selling and administrative expenses	30.7	32.8	91.6	101.8
Receivable securitization fees and product development (Note 8)	1.7	3.5	8.7	10.9
	923.0	902.0	2,895.4	2,682.8
Earnings (loss) before interest and taxes	**77.5**	**94.0**	**(52.3)**	**154.2**
Interest expense	21.6	24.4	68.5	71.6
Earnings (loss) before taxes	55.9	69.6	(120.8)	82.6
Provision for taxes	(19.6)	(24.3)	11.3	(31.7)
Minority interests	(0.5)	(0.3)	0.7	2.1
Equity in earnings of affiliates	0.5	(0.5)	1.5	(3.9)
Net earnings (loss)	36.3	44.5	(107.3)	49.1
Preferred dividends, net of tax	(0.6)	(0.6)	(1.8)	(1.9)
Earnings (loss) attributable to common shareholders	**$ 35.7**	**$ 43.9**	**$ (109.1)**	**$ 47.2**
Basic earnings (loss) per share (Note 10)	$ 1.30	$ 1.52	$ (3.98)	$ 1.61
Diluted earnings (loss) per share (Note 10)	$ 1.22	$ 1.43	$ (3.98)	$ 1.52
Cash dividends declared per common share	$ 0.15	$ 0.15	$ 0.45	$ 0.45

See accompanying notes to unaudited condensed consolidated financial statements.

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

	September 30, 2001	December 31, 2000
ASSETS		
Current assets		
Cash and temporary investments	$ 36.4	$ 25.6
Accounts receivable, net (Notes 4 and 8)	351.1	230.2
Inventories, net (Note 5)	457.2	627.5
Deferred income tax benefits and prepaid expenses	100.5	86.0
Total current assets	945.2	969.3
Property, plant and equipment, net (Notes 4 and 6)	868.0	1,003.7
Goodwill and other assets (Notes 4 and 7)	556.7	676.8
Total Assets	$ 2,369.9	$ 2,649.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term debt and current portion of long-term debt (Note 8)	$ 155.8	$ 125.7

Accounts payable	271.6	332.1
Accrued employee costs and other current liabilities (Note 4)	190.4	201.3
Total current liabilities	617.8	659.1
Long-term debt (Note 8)	965.8	1,011.6
Employee benefit obligations, deferred income taxes and other noncurrent liabilities	259.4	281.8
Total liabilities	1,843.0	1,952.5
Contingencies (Note 11)		
Minority interests (Note 4)	10.2	14.9
Shareholders' equity (Note 9):		
Series B ESOP Convertible Preferred Stock	49.7	53.4
Unearned compensation - ESOP	(5.4)	(10.6)
Preferred shareholder's equity	44.3	42.8
Common stock (37,600,573 shares issued - 2001; 36,773,381 shares issued - 2000)	467.7	443.9
Retained earnings	407.9	529.3
Accumulated other comprehensive loss	(41.1)	(29.7)
Treasury stock, at cost (10,053,236 shares - 2001; 8,724,380 shares - 2000)	(362.1)	(303.9)
Common shareholders' equity	472.4	639.6
Total shareholders' equity	516.7	682.4
Total Liabilities and Shareholders' Equity	$ 2,369.9	$ 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)

	Nine Months Ended	
	September 30, 2001	October 1, 2000
Cash flows from operating activities		
Net earnings	$ (107.3)	$ 49.1
Noncash charges to net earnings:		
Depreciation and amortization	114.7	118.6
Business consolidation costs, net of related earnings in equity affiliates and minority interests	251.2	81.3
Deferred income taxes	22.6	(4.3)
Other, net	(23.8)	(14.6)
Changes in working capital components	(152.9)	(181.2)
Net cash provided by operating activities	104.5	48.9
Cash flows from investing activities		
Additions to property, plant and equipment	(49.5)	(69.8)
Incentive loan receipts and other, net	19.0	41.9
Net cash used in investing activities	(30.5)	(27.9)
Cash flows from financing activities		
Long-term borrowings	-	30.0
Repayments of long-term borrowings	(39.0)	(41.7)
Change in short-term borrowings	28.6	33.1
Common and preferred dividends	(14.4)	(15.4)
Net proceeds from issuance of common stock under various employee and shareholder plans	23.4	25.9
Acquisitions of treasury stock	(58.1)	(57.4)
Other, net	(3.7)	(3.9)
Net cash used in financing activities	(63.2)	(29.4)
Net Change in Cash and Temporary Investments	10.8	(8.4)
Cash and Temporary Investments - Beginning of Period	25.6	35.8
Cash and Temporary Investments - End of Period	$ 36.4	$ 27.4

See accompanying notes to unaudited condensed consolidated financial statements.

Ball Corporation and Subsidiaries
September 30, 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

In August 2001 the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." This statement will be effective for Ball beginning January 1, 2002. The effect of adopting this standard has not yet been determined but is not expected to be significant.

The FASB recently issued 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. The effect of adopting these standards has not yet been determined.

Effective January 1, 2001, we adopted 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 nine 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 the related line in the consolidated statement of earnings when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges, if any, will be 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 $34.7 million and $96.9 million have been reflected in the third quarter and first nine 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		Nine Months Ended	
($ in millions)	September 30, 2001	October 1, 2000	September 30, 2001	October 1, 2000
Net Sales				
North American metal beverage	$ 570.1	$ 574.2	$ 1,678.8	$ 1,750.2
North American metal food	189.2	193.7	479.2	443.1
North American plastic containers	77.8	72.3	224.6	203.8
International	46.7	61.5	140.9	169.9

Total packaging	883.8	901.7	2,523.5	2,567.0
Aerospace and technologies	116.7	94.3	319.6	270.0
Consolidated net sales	$ 1,000.5	$ 996.0	$ 2,843.1	$ 2,837.0
Consolidated Net Earnings				
Packaging	$ 73.7	$ 82.3	$ 193.2	$ 226.2
Business consolidation costs (Note 4)	-	-	(237.7)	(83.4)
	73.7	82.3	(44.5)	142.8
Aerospace and technologies	9.2	9.4	22.7	19.4
Business consolidation costs and other (Note 4)	-	7.0	(16.0)	7.0
Total aerospace and technologies	9.2	16.4	6.7	26.4
Segment earnings before interest and taxes	82.9	98.7	(37.8)	169.2
Corporate undistributed expenses, net	(5.4)	(4.7)	(14.5)	(15.0)
Earnings before interest and taxes	77.5	94.0	(52.3)	154.2
Interest expense	(21.6)	(24.4)	(68.5)	(71.6)
Provision for taxes	(19.6)	(24.3)	11.3	(31.7)
Minority interests	(0.5)	(0.3)	0.7	2.1
Equity in earnings of affiliates	0.5	(0.5)	1.5	(3.9)
Consolidated net earnings (loss)	$ 36.3	$ 44.5	$ (107.3)	$ 49.1

	September 30, 2001	December 31, 2000
Net Investment		
Packaging	$ 1,486.1	$ 1,410.9
Aerospace and technologies	185.5	181.8
Segment net investment	1,671.6	1,592.7
Corporate net investment and eliminations	(1,154.9)	(910.3)
Consolidated net investment	$ 516.7	$ 682.4

4. Business Consolidation Costs, Acquisitions and Other

In June 2001 Ball announced the reorganization of its business in the PRC. As a part of the reorganization plan, we are exiting our general line metal can business and reducing our PRC aluminum beverage can manufacturing capacity 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 during 2002. A $237.7 million pretax charge ($185 million after tax and minority interest impact) was recorded in connection with this reorganization. Positive cash flow of approximately $28 million, including tax benefits, is expected upon the completion of the reorganization plan. We also expect these actions to return our PRC operations to profitability next year. Revenues from the general line metal can 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	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 investments	28.8	-	28.8
Write-down of other assets as a direct result of the exit plan	24.0	10.0	34.0
Severance and other benefit costs	13.0	0.4	13.4
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 $4.1 million related to severance, $1.3 million related to the acquisition of minority partner interests and $3.3 million related to other exit costs have been made since the actions began. 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. In connection with the acquisition, the company provided for the costs of integrating the acquired business, which included the closure of a headquarters facility and three plants. One vacant plant and certain idled equipment remain for sale.

The carrying value of fixed assets remaining for sale in connection with the 2000 and 1998 business exit activities was approximately $12.1 million at September 30, 2001. Of the $14.2 million of severance and other estimated liabilities accrued as exit costs at December 31, 2000, $7.7 million has been paid and $4.1 million has been reclassified as a reduction of goodwill. The remaining accrued employee severance and other exit costs at September 30, 2001, were $2.4 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.

On April 3, 2000, the Armed Services Board of Contract Appeals sustained the Company's claim to recoverability of costs associated with Ball's Employee Stock Ownership Plan (ESOP) for fiscal years beginning in 1989, and the time frame for the U.S. government to file an appeal expired in August 2000. Therefore, during the third quarter of 2000, the Company recognized cost recovery of approximately $7 million (approximately $4 million after tax or 13 cents per diluted share) related to this matter.

5. Inventories

($ in millions)	September 30, 2001	December 31, 2000
Raw materials and supplies	$ 149.4	$ 214.9
Work in process and finished goods	307.8	412.6
	$ 457.2	$ 627.5

6. Property, Plant and Equipment

($ in millions)	September 30, 2001	December 31, 2000
Land	$ 48.5	$ 52.1
Buildings	443.7	438.9
Machinery and equipment	1,360.1	1,410.2
	1,852.3	1,901.2
Accumulated depreciation	(984.3)	(897.5)
	$ 868.0	$ 1,003.7

Depreciation expense amounted to $103.3 million and $105.9 million for the nine-month periods ended September 30, 2001, and October 1, 2000, respectively.

7. Goodwill and Other Assets

($ in millions)	September 30, 2001	December 31, 2000
Goodwill (net of accumulated amortization of $62.7 at September 30, 2001, and $54.5 at December 31, 2000)	$ 344.8	$ 436.8
Investments in affiliates	67.1	81.2
Prepaid pension	70.5	67.1
Other	74.3	91.7
	$ 556.7	$ 676.8

Total amortization expense, including goodwill amortization, amounted to $11.4 million and $12.7 million for the nine-month periods ended September 30, 2001, and October 1, 2000, respectively, of which $8.2 million and $9.5 million related to the amortization of goodwill. Approximately $64.4 million of goodwill was written off in connection with the business consolidation in the PRC as discussed in Note 4. The remaining reduction in goodwill since December 31, 2000, is the result of past acquisition adjustments required in accordance with generally accepted accounting principles.

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 September 30, 2001, approximately $590 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.

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 September 30, 2001, and October 1, 2000. Fees incurred in connection with the sale of accounts receivable totaled $1.2 million and $4.6 million for the third quarter and first nine months of 2001, respectively, and $2.2 million and $6.3 million for the same periods in 2000, respectively.

9. Shareholders' Equity

Accumulated other comprehensive loss of $41.1 million at September 30, 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 1,354,007 shares at September 30, 2001, and 1,453,864 shares at December 31, 2000.

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

	Three Months Ended		Nine Months Ended	
($ in millions)	September 30, 2001	October 1, 2000	September 30, 2001	October 1, 2000
Comprehensive Earnings				
Net earnings (loss)	$ 36.3	$ 44.5	$ (107.3)	$ 49.1
Foreign currency translation adjustment	(3.8)	0.2	(1.3)	(2.8)
Effect of derivative instruments *(1)*	(8.9)	-	(9.9)	-
Minimum pension liability (net of tax)	-	-	(0.2)	-
Comprehensive earnings (loss)	$ 23.6	$ 44.7	$ (118.7)	$ 46.3

(1) For more information about our derivative instruments, please refer to Item 3, Quantitative and Qualitative Disclosures About Market Risk.

The company adopted a deposit share program in March 2001 that, by matching purchased shares with restricted shares, encourages certain senior management employees and outside directors to invest in Ball stock. Participants have until March 2003 to acquire shares in order to receive 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 share ownership guidelines are met, assuming the qualifying purchased shares are not sold or transferred prior to that time. There are a total of 286,500 shares available for grant under this program, of which 112,475 have been granted as of September 30, 2001. The effect of this program has not been significant to earnings or financial position during the first nine months. This plan is accounted for as a variable plan where expense is recorded based upon the current market price of the company's common stock.

10. Earnings Per Share

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

	Three Months Ended		Nine months Ended	
($ in millions, except per share amounts)	September 30, 2001	October 1, 2000	September 30, 2001	October 1, 2000
<u>Basic Earnings per Share</u>				
Net earnings (loss)	$ 36.3	$ 44.5	$ (107.3)	$ 49.1
Preferred dividends, net of tax	(0.6)	(0.6)	(1.8)	(1.9)
Earnings (loss) attributable to common shareholders	$ 35.7	$ 43.9	$ (109.1)	$ 47.2
Weighted average common shares *(000s)*	27,460	28,914	27,429	29,358
Basic earnings (loss) per share	$ 1.30	$ 1.52	$ (3.98)	$ 1.61
<u>Diluted Earnings per Share</u>				
Net earnings (loss)	$ 36.3	$ 44.5	$(107.3)	$ 49.1
Adjustment for deemed ESOP cash contribution in lieu of the ESOP Preferred dividend	(0.4)	(0.5)	(1.3)	(1.4)
Earnings (loss) attributable to common shareholders	$ 35.9	$ 44.0	$(108.6)	$ 47.7
Weighted average common shares *(000s)*	27,460	28,914	27,429	29,358
Effect of dilutive stock options and restricted shares	453	264	397	264
Common shares issuable upon conversion of the ESOP Preferred stock	1,602	1,708	1,636	1,735
Weighted average shares applicable to diluted earnings per share	29,515	30,886	29,462	31,357
Diluted earnings (loss) per share	$ 1.22	$ 1.43	$ (3.98) *(1)*	$ 1.52

(1) The diluted loss per share in the first nine months of 2001 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.

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 third quarter and first nine months of 2001 were approximately 2 percent lower than in 2000. Excluding the business consolidations charge, operating margins were lower by 10 percent for the third quarter and 15 percent for the first nine months as a result of planned reductions in beverage can manufacturing production, lower beverage can selling prices, higher energy costs, in California and elsewhere, and operating losses in China.

North American metal beverage container sales, which represented approximately 66 percent of segment sales in the third quarter and first nine months of 2001, were 4 percent lower than in the first nine months of 2000. The decrease was due to lower soft drink container shipments and lower selling prices driven by a highly competitive environment. Manufacturing cost controls are yielding favorable results. However, operating margins were lower, primarily due to lower selling prices and planned inventory reductions.

We recently signed an agreement with Coors Brewing Company (Coors) for the manufacture and supply of essentially all of approximately 4.5 billion beverage cans and ends used by Coors annually. Through a proposed 50/50 joint venture, which would be accounted for as an equity investment, Ball and Coors would operate Coors' existing can and end facilities in Golden, Colorado. In addition, Ball would supply Coors with beverage cans manufactured in other Ball facilities. Pending the negotiation of definitive agreements and approval of the boards of directors of both companies, the joint venture and supply agreements are expected to commence in January 2002.

North American metal food container sales, which comprised approximately 20 percent of segment sales in 2001, were essentially flat compared to those in the third quarter of 2000 but increased approximately 8 percent compared to the first nine months of 2000. Sales in the third quarter were lower than expected with strong salmon can sales being offset by the effects on vegetable and tomato packs of rain and an early freeze in the Midwest. The year-to-date increase was the result of volume gains with several customers, including ConAgra Grocery Products Company, and strong pre-season vegetable sales.

Plastic container sales, approximately 9 percent of segment sales in 2001, increased and were approximately 8 percent higher in the third quarter and 10 percent higher in the first nine months compared to the same periods in 2000. The sales mix continues to be weighted toward carbonated soft drink and water containers. The product line has experienced lower selling prices and higher than planned freight, warehousing and utility costs, particularly on the West Coast, resulting in lower operating margins in 2001.

Sales and operating margins in the PRC were both lower due to the weak market there as well as the business consolidation actions being taken. See the discussion within "Other Items" for information regarding our China operations.

Aerospace and Technologies Segment

Sales in the aerospace and technologies segment were 24 percent higher for the third quarter and 18 percent higher year-to-date, compared to the same periods in 2000. Excluding the charge to exit product lines discussed above as well as a favorable ESOP litigation settlement in 2000, the improvement in operating margins for the first nine months 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 third quarter of 2001 was approximately $353 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 third quarter was $21.6 million compared to $24.4 million in 2000 and, for the first nine months, was $68.5 million compared to $71.6 million in 2000. Variances were attributable to lower interest rates and borrowings in 2001, partially offset by lower capitalized interest due to the completion of significant plant capital projects.

Excluding the effect of the ESOP settlement in 2000, the 35 percent effective tax rate in the third quarter of 2001 was marginally higher than the same period in 2000, which included the favorable resolution of various tax matters in the course of normal audit cycles. The year-to-date effective income tax rates for 2001 and 2000, excluding the effects of business consolidation costs, the ESOP settlement and state tax settlements, were both approximately 35 percent.

<u>Results of Equity Affiliates</u>

Equity in the net results of affiliates is largely attributable to our 50 percent ownership investment in Brazil and, to a lesser extent, our equity investments in the PRC and Thailand. Results were earnings of $1.5 million in the first nine months of 2001, compared to a loss of $3.9 million for the same period in 2000. The improvement was primarily due to strong sales in Brazil and the reduced negative foreign currency effects compared to 2000.

<u>Other Items</u>

In the first quarter of 2001, we began an extensive review of options available to us in connection with our investment in the PRC. Based on our review, we announced in June 2001 a plan to exit the general line metal can business in the PRC and to further reduce our PRC aluminum beverage can manufacturing capacity there by closing two plants. A $237.7 million pretax charge ($185 million after tax and minority interest impact) was recorded in connection with the reorganization. Positive cash flow of $28 million, including tax benefits, is expected upon the completion of the reorganization plan. We also expect these actions to return our PRC operations to profitability next year. 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.

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, including details about the reserves associated with them, are provided in Note 4 accompanying the consolidated financial statements included within Item 1.

On April 3, 2000, the Armed Services Board of Contract Appeals sustained the Company's claim to recoverability of costs associated with Ball's ESOP. See 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 third quarter was $118 million, a significant improvement over the $89.1 million generated during the same period in 2000. For the first nine months of 2001, the cash flow from operations of $104.5 million also compared favorably to $48.9 million in 2000. The improvement in 2001 reflected planned inventory reductions, partially offset by the seasonal increase in accounts receivable and an increase in refundable income taxes, included in working capital, which are in part expected to be realized in 2001. Capital spending of $49.5 million in the first nine months of 2001 was well below depreciation and amortization of $114.7 million. We expect capital spending to be less than $100 million for the year.

Total debt decreased to $1,121.6 million at September 30, 2001, compared to $1,137.3 million at December 31, 2000, the result of the favorable effect of inventory reductions partially offset by seasonally higher accounts receivable and lower payables. The debt-to-total capitalization ratio was 68 percent at September 30, 2001, compared to 62 percent at December 31, 2000. Capitalization decreased during the first nine months of 2001 due largely to the charges taken in June for business consolidation activities as well as our repurchase of company common shares. At September 30, 2001, approximately $590 million was available under the revolving credit facility portion of the Senior Credit Facility.

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 September 30, 2001, and October 1, 2000. Ball Asia Pacific Holdings Limited and its consolidated subsidiaries had short-term uncommitted credit facilities of approximately $96 million at the end of the third quarter, of which $67.8 million was outstanding.

The company was not in default of any loan agreement at September 30, 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 an 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 third quarter expire at various times through December 2003. Included in shareholders' equity at September 30, 2001, within accumulated other comprehensive loss, is approximately $6 million of loss associated with these contracts, $2 million of which is expected to be recognized in the consolidated statement of earnings during the remainder of 2001 with the rest being recognized during 2002. The majority of the costs will be offset by fixed price sales contracts.

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 September 30, 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. Approximately $4 million of loss associated with these contracts is included in other accumulated comprehensive loss at September 30, 2001. Approximately $2 million of this amount is expected to be recognized in the consolidated statement of earnings during the remainder of 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 third 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. At September 30, 2001, there were put option contracts outstanding for 25,000 shares at an average price of $53.85 per share. 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 September 30, 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; terrorist activity or war that disrupts the company's production or supply, or pricing of raw materials used in the production of the company's goods and services, and/or disrupts the ability of the company to obtain adequate credit resources for the foreseeable financing requirements of the company's businesses; 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

As previously reported, on September 21, 1998, Daiei, Inc. (Daiei), a Japanese corporation with its principal place of business in Tokyo, Japan, sued the company in U.S. District Court, Southern District of Indiana, Evansville Division. Daiei alleges it is engaged in the retail sale of consumer goods and food products at stores throughout Japan. Daiei alleges that between April 5, 1995, and July 20, 1995, it purchased from Evansville Brewing Company, Inc. (EBC) beer cans filled with beer that had not been properly seamed when they were filled. Daiei further alleges that the metal containers were defectively assembled and sealed by EBC at its production facility in Evansville, Indiana, upon a machine which was inspected by representatives of Ball. Daiei further alleges that Ball breached its warranty to provide metal containers that performed in a commercially reasonable manner, and that Ball's representatives were negligent in the repair of the sealing equipment owned by EBC. Daiei seeks damages for the lost containers and product in the amount of approximately $2.7 million. The company has retained counsel and is defending this case. A motion to dismiss was filed by the company on several legal grounds. The Court dismissed Daiei's claim based upon negligence. Discovery has been completed with respect to Daiei's claims for breach of express and implied warranties and fitness for a particular purpose. Daiei waived its claims for breach of express warranty. The company filed a motion for summary judgment with respect to the claims for breach of implied warranties that has been fully briefed by both parties. The court has not ruled on the motion for summary judgment. The court has set a final pretrial/settlement conference for December 20, 2001, and the trial has been set for January 7, 2002. Based upon the information available to the company at the present time, the company does not believe that this matter will have a material adverse 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 September 30, 2001.

Item 3. Defaults Upon Senior Securities

There were no events required to be reported under Item 3 for the quarter ended September 30, 2001.

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

There were no events required to be reported under Item 4 for the quarter ended September 30, 2001.

Item 5. Other Information

There were no events required to be reported under Item 5 for the quarter ended September 30, 2001.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

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

There were no Current Reports on Form 8-K filed during the quarter ended September 30, 2001.

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: November 14, 2001

Ball Corporation and Subsidiaries
QUARTERLY REPORT ON FORM 10-Q
September 30, 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 September 30, 2001, and December 31, 2000, and for the nine-month periods ended September 30, 2001, and October 1, 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

	September 30, 2001				
	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
ASSETS					
Current assets					
Cash and temporary investments	$ 14.0	$ 0.5	$ 21.9	$ -	$ 36.4
Accounts receivable, net	1.4	308.1	41.6	-	351.1
Inventories, net	-	376.1	81.1	-	457.2
Deferred income tax benefits and prepaid expenses	270.3	104.0	1.2	(275.0)	100.5
Total current assets	285.7	788.7	145.8	(275.0)	945.2
Property, plant and equipment, at cost	25.7	1,559.4	267.2	-	1,852.3
Accumulated depreciation	(14.2)	(845.4)	(124.7)	-	(984.3)
	11.5	714.0	142.5	-	868.0
Investments in subsidiaries	1,610.2	45.3	9.8	(1,665.3)	-
Investments in affiliates	7.7	15.0	44.4	-	67.1
Goodwill, net	-	313.4	31.4	-	344.8
Other assets	78.8	48.2	17.8	-	144.8
Total Assets	$ 1,993.9	$ 1,924.6	$ 391.7	$ (1,940.3)	$ 2,369.9
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term debt and current portion of long-term debt	$ 72.2	$ -	$ 83.6	$ -	$ 155.8
Accounts payable	17.1	207.9	46.6	-	271.6
Accrued employee costs and other current liabilities	36.1	364.5	64.8	(275.0)	190.4
Total current liabilities	125.4	572.4	195.0	(275.0)	617.8
Long-term debt	955.7	10.1	-	-	965.8
Intercompany borrowings	265.6	381.9	51.3	(698.8)	-
Employee benefit obligations, deferred income taxes and other	130.5	75.2	53.7	-	259.4
Total liabilities	1,477.2	1,039.6	300.0	(973.8)	1,843.0
Contingencies					
Minority interests	-	-	10.2	-	10.2
Shareholders' Equity:					
Series B ESOP Convertible Preferred Stock	49.7	-	-	-	49.7
Convertible preferred stock	-	-	179.6	(179.6)	-
Unearned compensation - ESOP	(5.4)	-	-	-	(5.4)
Preferred shareholders' equity	44.3	-	179.6	(179.6)	44.3
Common stock	467.7	724.4	239.1	(963.5)	467.7
Retained earnings (deficit)	407.9	169.5	(310.9)	141.4	407.9
Accumulated other comprehensive loss	(41.1)	(8.9)	(26.3)	35.2	(41.1)
Treasury stock, at cost	(362.1)	-	-	-	(362.1)
Common shareholders' equity (deficit)	472.4	885.0	(98.1)	(786.9)	472.4
Total shareholders' equity	516.7	885.0	81.5	(966.5)	516.7
Total Liabilities and Shareholders' Equity	$ 1,993.9	$ 1,924.6	$ 391.7	$ (1,940.3)	$ 2,369.9

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 Nine months Ended September 30, 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	$ -	$ 2,708.8	$ 331.2	$ (196.9)	$ 2,843.1
Costs and expenses					
Cost of sales (excluding depreciation and amortization)	-	2,339.7	283.9	(196.9)	2,426.7
Depreciation and amortization	1.5	95.6	17.6	-	114.7
Business consolidation costs	-	16.0	237.7	-	253.7
Selling and administrative	8.7	63.7	19.2	-	91.6
Receivable securitization fees and product development	-	9.0	(0.3)	-	8.7
Interest expense	46.0	18.2	4.3	-	68.5
Equity in net results of subsidiaries	151.1	-	-	(151.1)	-
Corporate allocations	(39.4)	39.4	-	-	-
	167.9	2,581.6	562.4	(348.0)	2,963.9
Earnings (loss) before taxes	(167.9)	127.2	(231.2)	151.1	(120.8)
Provision for taxes	60.7	(45.6)	(3.8)	-	11.3
Minority interests	-	-	0.7	-	0.7
Equity in net results of affiliates	(0.1)	(0.4)	2.0	-	1.5
Net earnings (loss)	(107.3)	81.2	(232.3)	151.1	(107.3)
Preferred dividends, net of tax	(1.8)	-	-	-	(1.8)
Earnings (loss) attributable to common shareholders	$ (109.1)	$ 81.2	$ (232.3)	$ 151.1	$ (109.1)

CONSOLIDATED STATEMENT OF EARNINGS

For the Nine months Ended October 1, 2000

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	$ -	$ 2,674.7	$ 358.5	$ (196.2)	$ 2,837.0
Costs and expenses					
Cost of sales (excluding depreciation and amortization)	-	2,269.4	300.4	(196.2)	2,373.6
Depreciation and amortization	1.6	95.1	21.9	-	118.6
Business consolidation costs	2.3	15.1	59.0	-	76.4
Selling and administrative	7.3	74.6	21.4	-	103.3
Receivable securitization fees and product development	0.1	10.7	0.1	-	10.9
Interest expense	59.6	8.1	3.9	-	71.6
Equity in net results of subsidiaries	(49.4)	-	-	49.4	-
Corporate allocations	(42.4)	42.4	-	-	-
	(20.9)	2,515.4	406.7	(146.8)	2,754.4
Earnings (loss) before taxes	20.9	159.3	(48.2)	(49.4)	82.6
Provision for taxes	28.5	(61.0)	0.8	-	(31.7)
Minority interests	-	-	2.1	-	2.1
Equity in net results of affiliates	(0.3)	(0.3)	(3.3)	-	(3.9)
Net earnings (loss)	49.1	98.0	(48.6)	(49.4)	49.1
Preferred dividends, net of tax	(1.9)	-	-	-	(1.9)
Earnings (loss) attributable to common shareholders	$ 47.2	$ 98.0	$ (48.6)	$ (49.4)	$ 47.2

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Nine months Ended September 30, 2001

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Cash Flows from Operating Activities					
Net earnings (loss)	$ (107.3)	$ 81.2	$ (232.3)	$ 151.1	$ (107.3)
Noncash charges to net earnings:					
Depreciation and amortization	1.5	95.6	17.6	-	114.7
Business consolidation costs	-	16.0	235.2	-	251.2
Deferred income taxes	(25.6)	46.1	2.1	-	22.6
Equity in net results of subsidiaries	151.1	-	-	(151.1)	-
Other, net	9.7	(31.8)	(1.7)	-	(23.8)
Changes in working capital components	(50.5)	(104.7)	2.3	-	(152.9)
Net cash provided by (used in) operating activities	(21.1)	102.4	23.2	-	104.5

Cash Flows from Investing Activities					
Additions to property, plant and equipment	(2.2)	(36.2)	(11.1)	-	(49.5)
Investments in and advances to affiliates, net of dividends	114.1	(83.1)	(31.0)	-	-
Incentive loan receipts and other, net	(0.8)	17.2	2.6	-	19.0
Net cash provided by (used in) investing activities	111.1	(102.1)	(39.5)	-	(30.5)
Cash Flows from Financing Activities					
Repayments of long-term borrowings	(39.0)	-	-	-	(39.0)
Change in short-term borrowings	3.5	-	25.1	-	28.6
Common and preferred dividends	(14.4)	-	-	-	(14.4)
Proceeds from issuance of common stock under various employee and shareholder plans	23.4	-	-	-	23.4
Acquisitions of treasury stock	(58.1)	-	-	-	(58.1)
Other, net	(3.7)	-	-	-	(3.7)
Net cash provided by (used in) financing activities	(88.3)	-	25.1	-	(63.2)
Net Change in Cash and Temporary Investments	1.7	0.3	8.8	-	10.8
Cash and Temporary Investments - Beginning of Period	12.3	0.2	13.1	-	25.6
Cash and Temporary Investments - End of Period	$ 14.0	$ 0.5	$ 21.9	$ -	$ 36.4

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Nine months Ended October 1, 2000

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Cash Flows from Operating Activities					
Net earnings (loss)	$ 49.1	$ 98.0	$ (48.6)	$ (49.4)	$ 49.1
Noncash charges to net earnings:					
Depreciation and amortization	1.6	95.1	21.9	-	118.6
Business consolidation costs	2.3	22.1	56.9		81.3
Deferred income taxes	(23.3)	24.6	(5.6)		(4.3)
Equity in net results of subsidiaries	(49.4)	-	-	49.4	-
Other, net	6.6	(22.2)	1.0	-	(14.6)
Changes in working capital components	(29.9)	(141.4)	(9.9)	-	(181.2)
Net cash provided by (used in) operating activities	(43.0)	76.2	15.7	-	48.9
Cash Flows from Investing Activities					
Additions to property, plant and equipment	(0.7)	(59.9)	(9.2)	-	(69.8)
Investments in and advances to affiliates, net	79.4	(36.6)	(42.8)	-	-
Other, net	3.6	34.4	3.9	-	41.9
Net cash provided by (used in) investing activities	82.3	(62.1)	(48.1)	-	(27.9)
Cash Flows from Financing Activities					
Long-term borrowings	30.0	-	-	-	30.0
Repayments of long-term borrowings	(27.8)	(13.9)	-	-	(41.7)
Change in short-term borrowings	-	-	33.1	-	33.1
Common and preferred dividends	(15.4)	-	-	-	(15.4)
Net proceeds from issuance of common stock under various employee and shareholder plans	25.9	-	-	-	25.9
Acquisitions of treasury stock	(57.4)	-	-	-	(57.4)
Other, net	(2.8)	-	(1.1)	-	(3.9)
Net cash provided by (used in) financing activities	(47.5)	(13.9)	32.0	-	(29.4)
Net Change in Cash and Temporary Investments	(8.2)	0.2	(0.4)	-	(8.4)
Cash and Temporary Investments -					

Beginning of Period	13.6	0.2	22.0	-	35.8
Cash and Temporary Investments - End of Period	$ 5.4	$ 0.4	$ 21.6	$ -	$ 27.4

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.

- Terrorist activity or war that disrupts the company's production or supply, or pricing of raw materials used in the production of the company's goods and services, and/or disrupts the company's ability to obtain adequate credit resources for the foreseeable financing requirements of the company's businesses.

- 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.