UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

(X) ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2001

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________________ to ________________

Commission File Number 1-7349

Ball Corporation

State of Indiana 35-0160610

10 Longs Peak Drive, P.O. Box 5000
Broomfield, Colorado 80021-2510

Registrant's telephone number, including area code: (303) 469-3131

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, without par value	New York Stock Exchange, Inc. Chicago Stock Exchange, Inc. Pacific Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: NONE

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of voting stock held by non-affiliates of the registrant was $2,453 million based upon the closing market price on March 1, 2002.

Number of shares outstanding as of the latest practicable date.

Class	Outstanding at March 3, 2002
Common Stock, without par value	57,268,648

DOCUMENTS INCORPORATED BY REFERENCE

1. Annual Report to Shareholders for the year ended December 31, 2001, to the extent indicated in Parts I, II and IV. Except as to information specifically incorporated, the 2001 Annual Report to Shareholders is not to be deemed filed as part of this Form 10-K Annual Report.

2. Proxy statement filed with the Commission dated March 15, 2001, to the extent indicated in Part III.

PART I

Item 1. Business

Ball Corporation was organized in 1880 and incorporated in Indiana in 1922. Its principal executive offices are located at 10 Longs Peak Drive, Broomfield, Colorado 80021-2510. The terms "Ball," "the company," "we" or "our" as used herein refer to Ball Corporation and its consolidated subsidiaries.

Ball is a manufacturer of metal and plastic packaging, primarily for beverages and foods, and a supplier of aerospace and other technologies and services to commercial and governmental customers.

The following sections of the 2001 Annual Report to Shareholders contain financial and other information concerning company business developments and operations, and are incorporated herein by reference: the notes to the consolidated financial statements including "Business Segment Information" (Note 2), "Business Consolidation Costs and Other" (Note 3), "Acquisition" (Note 4) and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Business Developments in 2001 and Early 2002

Ball took a number of actions in 2001 to address overcapacity in the industries in which we operate and to improve production efficiencies. In June 2001, after an extensive review, we announced a plan to exit the general line metal can business in the People's Republic of China (PRC) and to further reduce our PRC beverage can manufacturing capacity by closing two plants. We have since sold the general line business, closed one beverage can plant and are in the process of closing the second. Also in June 2001, we ceased operations in two commercial product lines in our aerospace and technologies business. In mid-December 2001 we closed our Moultrie, Georgia, beverage can plant. Charges recorded in connection with these actions totaled $271.2 million.

On December 28, 2001, Ball acquired substantially all of the assets of Wis-Pak Plastics, Inc. (Wis-Pak) for approximately $27.5 million. Additional payments of up to $10 million in total, including interest, are contingent upon the future performance of the acquired business through 2006. Under the acquisition agreement, we entered into a ten-year agreement to supply 100 percent of Wis-Pak's annual PET container requirements, which are currently 550 million containers.

Additional details about the business consolidations charges and the acquisition are provided in Notes 3 and 4 to the consolidated financial statements, which can be found in Exhibit 13.1

On January 1, 2002, we commenced a 50/50 joint venture agreement with Coors Brewing Company (Coors) for the manufacture and supply of the majority of the 4.5 billion beverage cans and ends used by Coors annually. Ball will receive management fees under this agreement and will account for the joint venture using the equity method of accounting. In addition to beverage cans supplied to Coors from the joint venture, Ball will supply Coors with beverage cans manufactured in other wholly-owned Ball facilities.

On January 23, 2002, the company's board of directors declared a two-for-one split of Ball stock, increased the next quarterly dividend and authorized the additional repurchase of common shares. The stock split was effective February 22, 2002, for all shareholders of record on February 1, 2002. As a result of the stock split, all amounts related to earnings per share, share prices and share amounts have been retroactively restated for all periods presented.

Information Pertaining to the Business of the Company

The company's businesses are comprised of two segments: (1) packaging and (2) aerospace and technologies.

Packaging Segment

Ball's principal business is the manufacture and sale of rigid packaging products, primarily for beverages and foods. Packaging products are sold in highly competitive markets, primarily based on quality, service and price. A substantial part of our packaging sales are made directly to relatively few major companies in packaged beverage and food businesses, including Miller Brewing Company and bottlers of Pepsi-Cola and Coca-Cola branded beverages and their licensees utilizing consolidated purchasing groups. Additional details about our sales to these customers are included in Note 2 to the consolidated financial statements, which can be found in Exhibit 13.1.

The rigid packaging business is capital intensive, requiring significant investments in machinery and equipment. Profitability is sensitive to production volumes, labor and the costs and availability of certain raw materials, such as aluminum, steel and plastic resin.

Raw materials used in our packaging business are generally available from several sources. We have secured what we consider to be adequate supplies of raw materials and are not experiencing any shortages. Our manufacturing facilities are dependent, in varying degrees, upon the availability of process energy, such as natural gas and electricity. While certain of these energy sources may become increasingly in short supply or halted due to external factors, we cannot predict the effects, if any, of such occurrences on future operations.

Research and development efforts in this business generally seek to improve manufacturing efficiencies and lower unit costs, principally raw material costs, by reducing the material content of containers while improving or maintaining other physical properties such as material strength. In addition, research and development efforts are directed toward the development of new sizes and types of metal and plastic beverage and food containers, as well as new uses for the current containers.

Decorated two-piece aluminum beverage cans are produced at 17 manufacturing facilities in the U.S., one facility in Canada and one in Puerto Rico; ends are produced within five U.S. facilities. Metal beverage containers are sold primarily to fillers of carbonated soft drinks, beer and other beverages under long-term or annual supply contracts. Sales volumes of metal beverage cans and ends in North America tend to be highest during the period from April through September.

Metal beverage containers and ends represent Ball's largest product line, accounting for approximately 67 percent of 2001 packaging segment net sales. Since 1998 we have been the largest beverage can producer in North America.

Based on publicly available industry information, we estimate that our North American metal beverage container shipments were approximately 31 percent of total U.S. and Canadian shipments for metal beverage containers. We also estimate that five producers represent substantially all of the remaining metal beverage container shipments. Available industry information indicates the growth in industry-wide shipments was relatively flat from 1998 to 2001.

In Canada, metal beverage containers have captured significantly lower percentages of the packaged beverage industry than in the U.S., particularly in the packaged beer industry, in which the market share of metal containers has been hindered by non-tariff trade barriers and restrictive taxes within Canada.

Beverage container industry production capacity in the U.S. and Canada exceeds demand. In order to balance more closely capacity and demand within our business, we have consolidated our can and end manufacturing capacity into fewer, more efficient facilities with the closure of five plants during 1999, 2000 and 2001, as reported in Note 3 in our Annual Report to Shareholders, which can be found in Exhibit 13.1.

The aluminum beverage can continues to compete aggressively with other packaging materials in the beer and soft drink industries. The glass bottle has shown resilience in the packaged beer industry, while the soft drink industry use of the PET bottle has grown. The beer industry has also begun the usage of plastic beer bottles.

Two-piece and three-piece steel food containers are manufactured in the U.S. and Canada and sold primarily to food processors in the U.S. and Canada. In 2001 metal food container sales comprised approximately 19 percent of packaging segment net sales. Sales volumes of metal food containers in North America tend to be highest from June through October as a result of seasonal vegetable and salmon packs.

In the metal food container industry, manufacturing capacity in North America exceeds demand. Approximately 33 billion steel food cans were shipped in the U.S. and Canada in 2001, of which approximately 17 percent were shipped by Ball.

Since the second quarter of 2000, Ball and ConAgra Grocery Products Company have participated in a joint venture food can manufacturing company, Ball Western Can Company. Under this arrangement, Ball receives management fees and accounts for the results of its 50 percent-owned investment under the equity method.

The steel food can competes with other packaging materials in the food industry including glass, aluminum, plastic and paper. As a result, this product line must increasingly focus on product innovation. Service, quality and price are deciding competitive factors.

Polyethylene terephthalate (PET) packaging is Ball's newest product line, representing slightly less than 9 percent of packaging segment net sales in 2001. Demand for containers made of PET has increased in the beverage packaging industry and is expected to increase in the food packaging industry with improved technology and adequate supplies of PET resin. While PET beverage containers compete against metal, glass and cardboard, the historical increase in the sales of PET containers has come primarily at the expense of glass containers and through new market introductions. The latest publicly available projections indicate that the growth in overall PET demand over the next two years is expected to be between 7 and 8 percent. Based on research estimates from various sources, we believe Ball's share of the total U.S. and Canadian shipments is between 8 and 12 percent.

Competition in the PET container industry includes four national suppliers and several regional suppliers and self-manufacturers.

Service, quality and price are deciding competitive factors. Increasingly, the ability to produce customized, differentiated plastic containers is an important competitive factor.

Ball has secured long-term customer supply agreements, principally for carbonated beverage and water containers. Plastic beer containers are being tested by several of our customers and we are developing plastic containers for the single serve juice market.

Capacity has grown rapidly in the PRC, resulting in a supply/demand imbalance. As discussed above, we undertook a review of our options there and, as a result, have either closed or are closing several facilities. The Beijing manufacturing facility is one of the most technologically advanced plants in the PRC and the company's 32 percent-owned affiliate, Sanshui Jianlibao FTB Packaging Limited, is the largest can manufacturing facility in the PRC in terms of production capacity. For more information on operations in the PRC, see Item 2, Properties, and Exhibit 21.1, Subsidiary List.

We are a 50 percent equity owner of a joint venture with BBM Participacoes S.A. producing two-piece aluminum cans and ends in Brazil. Ball also participates in joint ventures in Thailand, Taiwan and the Philippines, in addition to providing manufacturing technology and assistance to several can manufacturers around the world.

Aerospace and Technologies Segment

The aerospace and technologies segment includes civil space systems, defense operations, and commercial space operations. The defense operations business unit includes defense systems, systems engineering services, advanced antenna and video systems and electro-optics and cryogenic systems and components. Sales in the aerospace and technologies segment accounted for approximately 11 percent of consolidated net sales in 2001. The commercial products and technologies business unit was closed in mid-2001. Additional details regarding this closure can be found in Note 3 to our consolidated financial statements, which can be found in Exhibit 13.1.

The majority of the aerospace and technologies segment business involves work under contracts, generally of from one to five years in duration for the National Aeronautics and Space Administration (NASA), the U.S. Department of Defense (DoD), other U.S. government agencies and for foreign governments. Contracts funded by the various agencies of the federal government represented approximately 92 percent of segment sales in 2001. Major industry trends have not changed significantly, with DoD and NASA budgets remaining relatively stable. Consolidation in the aerospace and defense industries continues, and there is strong competition for business.

Civil space systems, defense operations and commercial space operations include hardware, software and services to both U.S. and international customers, with emphases on space science, environmental and Earth sciences, defense and intelligence, manned missions and space exploration. Major contractual activities frequently involve the design, manufacture and testing of satellites, ground systems and payloads (including launch vehicle integration), as well as satellite ground station control hardware and software.

Other hardware activities include: electro-optics products for spacecraft guidance, control of instruments and sensors, and surveillance subsystems; target identification, warning and attitude control systems and components; cryogenic systems for reactant storage, and sensor cooling devices using either closed-cycle mechanical refrigerators or open-cycle solid and liquid cryogens; star trackers, which are general-purpose stellar attitude sensors; and fast-steering mirrors.

Additionally, the aerospace and technologies segment provides diversified technical services and products to federal and local government agencies, prime contractors and commercial organizations for a broad range of information warfare, electronic warfare, avionics, intelligence, training and space systems needs.

Backlog

Backlog of the aerospace and technologies segment was approximately $431 million and $351 million at December 31, 2001 and 2000, respectively, and consists of the aggregate contract value of firm orders, excluding amounts previously recognized as revenue. The 2001 backlog includes approximately $250 million expected to be billed during 2002, with the remainder expected to be billed thereafter. Unfunded amounts included in backlog for certain firm government orders which are subject to annual funding were approximately $291 million at December 31, 2001. Year-to-year comparisons of backlog are not necessarily indicative of the trend of future operations.

The company's aerospace and technologies segment has contracts with the U.S. government or its contractors which have standard termination provisions. The government retains the right to terminate contracts at its convenience. However, if contracts are terminated in this manner, Ball is entitled to reimbursement for allowable costs and profits to the date of termination relating to authorized work performed to such date. U.S. government contracts are also subject to reduction or modification in the event of changes in government requirements or budgetary constraints.

Patents

In the opinion of the company, none of its active patents is essential to the successful operation of its business as a whole.

Research and Development

Note 18, "Research and Development," in the 2001 Annual Report to Shareholders contains information on company research and development activity and is incorporated herein by reference.

Environment

Aluminum, steel and PET containers are recyclable, and significant amounts of used containers are being recycled and diverted from the solid waste stream. Using the most recent data available, in 2000 approximately 62 percent of aluminum containers, 58 percent of steel cans and 22 percent of the PET containers sold in the U.S. were recycled.

Compliance with federal, state and local laws relating to protection of the environment has not had a material, adverse effect upon capital expenditures, earnings or competitive position of the company. As more fully described under Item 3, Legal Proceedings, the U. S. Environmental Protection Agency and various state environmental agencies have designated the company as a potentially responsible party, along with numerous other companies, for the cleanup of several hazardous waste sites. However, the company's 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.

Legislation which would prohibit, tax or restrict the sale or use of certain types of containers, and would require diversion of solid wastes such as packaging materials from disposal in landfills, has been or may be introduced in the U.S. Congress and the Canadian Parliament, in state and Canadian provincial legislatures and other legislative bodies. While container legislation has been adopted in a few jurisdictions, similar legislation has been defeated in public referenda in several other states, in local elections and in many state and local legislative sessions. The company anticipates that continuing efforts will be made to consider and adopt such legislation in many jurisdictions in the future. If such legislation was widely adopted, it could have a material adverse effect on the business of the company, as well as on the container manufacturing industry generally, in view of the company's substantial North American sales and investment in metal and PET container manufacture.

Employees

At the end of February 2002 the company employed approximately 9,950 people worldwide.

Item 2. Properties

The company's properties described below are well maintained, are considered adequate and are being utilized for their intended purposes.

The Corporate headquarters is located in Broomfield, Colorado. The offices for metal packaging operations are in Westminster, Colorado. Also located in Westminster is the Edmund F. Ball Technical Center, which serves as a research and development facility, primarily for the metal packaging operations. The offices, pilot line and research and development center for the plastic container business are located in Smyrna, Georgia.

Ball Aerospace and Technologies Corp. offices are located in Boulder, Colorado. The Colorado-based operations of this business occupy a variety of company-owned and leased facilities in Boulder, Broomfield and Westminster, which together aggregate approximately 1,300,000 square feet of office, laboratory, research and development, engineering and test and manufacturing space. Other aerospace and technologies operations include facilities in California, Georgia, New Mexico, Ohio, Texas and Virginia.

Information regarding the approximate size of the manufacturing locations for significant packaging operations which are owned by the company, except where indicated otherwise, follows. Facilities in the process of being shut down have been excluded from the list. Where certain locations include multiple facilities, the total approximate size for the location is noted. In addition to the manufacturing facilities, the company leases warehousing space.

Plant Location	**Approximate Floor Space in Square Feet**
Metal packaging manufacturing facilities:	
North America	
Blytheville, Arkansas (leased)	29,000
Springdale, Arkansas	286,000
Richmond, British Columbia	194,000
Fairfield, California	340,000
Torrance, California	265,000
Golden, Colorado	500,000
Tampa, Florida	275,000
Kapolei, Hawaii	132,000
Monticello, Indiana	356,000
Kansas City, Missouri	225,000
Saratoga Springs, New York	153,000
Wallkill, New York	314,000
Reidsville, North Carolina	287,000
Columbus, Ohio	167,000
Findlay, Ohio	733,000
Burlington, Ontario	308,000
Whitby, Ontario	200,000
Guayama, Puerto Rico	225,000
Baie d'Urfe, Quebec	211,000
Chestnut Hill, Tennessee	300,000
Conroe, Texas	180,000
Fort Worth, Texas	161,000
Bristol, Virginia	241,000
Williamsburg, Virginia	400,000
Seattle, Washington	166,000
Weirton, West Virginia (leased)	85,000
DeForest, Wisconsin	45,000
Milwaukee, Wisconsin	161,000
Asia	
Beijing, PRC	272,000
Hubei (Wuhan), PRC	193,000
Shenzhen, PRC	271,000
Zhuhai, PRC	180,000

Plant Location	**Approximate Floor Space in Square Feet**
Plastic packaging manufacturing facilities:	
North America	
Chino, California (leased)	240,000
Ames, Iowa (leased)	250,000
Sioux City, Iowa	127,500
Delran, New Jersey	450,000
Baldwinsville, New York (leased)	240,000
Watertown, Wisconsin	111,000
Asia	
Zhongfu, PRC (leased)	112,000
Hemei, PRC	2,000

In addition to the consolidated manufacturing facilities, the company has ownership interests of 50 percent or less in packaging affiliates located in the PRC, Brazil, Thailand, Taiwan and the Philippines.

Item 3. Legal Proceedings

As previously reported, the U.S. Environmental Protection Agency (EPA) considers the company to be a Potentially Responsible Party (PRP) with respect to the Lowry Landfill site located east of Denver, Colorado. On June 12, 1992, the company was served with a lawsuit filed by the City and County of Denver (Denver) and Waste Management of Colorado, Inc., seeking contribution from the company and approximately 38 other companies. The company filed its answer denying the allegations of the Complaint. On July 8, 1992, the company was served with a third-party complaint filed by S.W. Shattuck Chemical Company, Inc., seeking contribution from the company and other companies for the costs associated with cleaning up the Lowry Landfill. The company denied the allegations of the complaint.

In July 1992 the company entered into a settlement and indemnification agreement with Denver, Chemical Waste Management, Inc., and Waste Management of Colorado, Inc. (collectively Waste) pursuant to which Denver and Waste dismissed their lawsuit against the company and Waste agreed to defend, indemnify and hold harmless the company from claims and lawsuits brought by governmental agencies and other parties relating to actions seeking contributions or remedial costs from the company for the cleanup of the site. Several other companies, which are defendants in the above-referenced lawsuits, had already entered into the settlement and indemnification agreement with Denver and Waste. Waste Management, Inc., has agreed to guarantee the obligations for Chemical Waste Management, Inc., and Waste Management of Colorado, Inc. Denver and Waste may seek additional payments from the company if the response costs related to the site exceed $319 million. The company might also be responsible for payments (calculated in 1992 dollars) for any additional wastes which may have been disposed of by the company at the site but which are identified after the execution of the settlement agreement.

At this time, there are no Lowry Landfill actions in which the company is actively involved. Based on the information available to the company at this time, the company believes that this matter will not have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

The company previously reported that it was notified on April 24, 1992, 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 Company, 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 Company settled their dispute, and General Motors Company dismissed its lawsuit with prejudice. Based upon the information available to the company at the present time, the company believes that this matter is now concluded without any material adverse effect upon the liquidity, results of operations or financial condition of the company.

The company previously reported that on August 1, 1997, the EPA sent notice of potential liability to 19 PRPs concerning past activities at one or more of the four Rocky Flats parcels (including land owned by Precision Chemicals now owned by Great Western Inorganics) at the Rocky Flats Industrial Park site (RFIP) located in Jefferson County, Colorado. The RFIP site also includes the AERRCO site and a site owned by Thoro Products Company. Based upon sampling at the site in 1996, the EPA determined that additional site work would be required to determine the extent of contamination and the possible cleanup of the site. The EPA requested the PRPs to perform certain site work in 1996. These discussions have been ongoing. On December 19, 1997, the EPA issued an Administrative Order on Consent (AOC) to conduct the engineering estimates and cost analyses. The AOC has been finalized. The company has funded approximately $70,000 toward these costs. The PRPs have negotiated an agreement and the company contributed $5,000 as an initial group contribution. The company has agreed to pay 12 percent of the costs of cleanup at the AERRCO site and a percentage of the cleanup costs on the Thoro site. Based on 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.

In October 2001 representatives of Vauxmont Intermountain Communities notified six of the PRPs at the AERRCO site, including the company, (AERRCO PRPs) that hazardous materials might have contaminated property owned by Vauxmont. The AERRCO site is contained within the Rocky Flats Industrial Park site. Vauxmont also alleges that it lost $7 million on a contract with a home developer for the purchase of a portion of the land. Vauxmont representatives requested that the AERRCO PRPs study any contamination to the Vauxmont real estate. The AERRCO PRPs agreed to undertake such a study and sought the EPA's final approval. Based on the information, or lack thereof 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.

As previously reported, the company was notified on June 19, 1989, that the EPA has designated the company and numerous other companies as PRPs responsible for the cleanup of certain hazardous wastes that were released at the Spectron, Inc., site located in Elkton, Maryland. In December 1989, the company, along with other companies whose alleged hazardous waste contributions to the Spectron, Inc., site were considered to be *de minimis*, entered into a settlement agreement with the EPA for cleanup costs incurred in connection with the removal action of aboveground site areas. By a letter dated September 29, 1995, the company, along with other above-described PRPs, were notified by the EPA that it was negotiating with the large-volume PRPs another consent order for performance of a site environmental study as a prerequisite to long-term remediation. The EPA and the large-volume PRPs offered a second *de minimis* program buyout for settlement of liability for remediation of the site, and the offer was made to certain PRPs, including the company. On August 10, 2001, the EPA issued a General Notice and Opportunity to Participate in *De Minimis* Settlement letter to the company and over 1,000 other PRPs. The company signed the Global Consent Decree for *De Minimis* Parties on September 6, 2001, and returned it to the EPA. Within 30 days of entry of the Consent Decree, the company will make one payment of $66,737 to the EPA and an additional payment of $53,668 to the large volume PRPs. Alltrista Corporation has agreed to reimburse the company for $116,311 of the $120,404 total payment. Once the Consent Decree is final, the company's and Alltrista Corporation's liability at the site will be resolved. The Consent Decree is expected to be finalized and entered in 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.

As previously reported, during July 1992, the company received information that it had been named a PRP with respect to the Solvents Recovery of New England Site (SRSNE) located in Southington, Connecticut. According to the information received, it is alleged that the company contributed approximately 0.08816 percent of the waste contributed to the site on a volumetric basis. The PRP group has been involved in negotiations with the EPA regarding the remediation of the site. The company has paid approximately $17,500 toward site investigation and remediation efforts.

The PRP group has spent $15 million through the end of 2001. Approximately $1.5 million more will be spent to complete a remedial investigation/feasibility study (RI/FS) and pay for remediation work through 2003. As of December 2001, projected remediation cost estimates for a bioremediation and enhanced oxidation system ranged from $20 million to $30 million. A *de minimis* offer was expected to be prepared in 2001, but there will be no proposals made in the foreseeable future. The PRP group offered a $5.5 million settlement to resolve the EPA claim of $16 million for past costs at the SRSNE site. PRP/EPA negotiations to resolve the past cost claims from the EPA have not been resolved and are not being actively pursued by the PRP group. A natural resources damage claim of approximately $3 million is anticipated. At the present time, there are no PRP group assessments for 2002.

The EPA has also sought recovery for the Angelillo site which is related to the SRSNE site. Contaminated soil and empty drums were transferred from the SRSNE Site to the Angelillo site and removed by the EPA's contractor in 1996 and 1997. The EPA informed the PRP group in March 2000 of their intention to seek recovery of approximately $1,155,000 for work the EPA conducted at the Angelillo site. The company signed a Tolling Agreement with the EPA on April 20, 2000, regarding the Angelillo site. The PRP group and the EPA reached agreement on past EPA site costs for Angelillo. The company signed the Agreement for Recovery of Past Response Costs on March 20, 2001 and submitted it for the PRP group to hold until a sufficient number of PRPs (80-90 percent) responded in like manner. The company has not yet received notice that a sufficient number of PRPs have so responded. The company paid $885 on May 15, 2001, and $1,139 on December 5, 2001, for group assessments.

Based on the information, or lack thereof available to the company at the present time, the company does not believe that these matters will have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

The company previously reported that on or about June 14, 1990, the El Monte plant of Ball-InCon Glass Packaging Corp., a then wholly-owned subsidiary of the company (renamed Ball Glass Container Corporation [Ball Glass]), the assets of which were contributed in September 1995 into a joint venture with Compagnie de Saint-Gobain (Saint-Gobain), now known as Saint-Gobain Industries, Inc., and currently wholly owned by Saint-Gobain, received a general notification letter and information request from the EPA, Region IX, notifying Ball Glass that it may have a potential liability as defined in Section 107(a) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) with respect to the San Gabriel Valley areas 1-4 Superfund Sites located in Los Angeles County, California. The EPA requested certain information from Ball Glass, and Ball Glass responded. A PRP group organized and drafted a PRP group agreement, which Ball Glass executed. The PRP group completed negotiations with the EPA over the terms of the administrative consent order, statement of work for the remedial investigation phase of the cleanup, and the interim allocation arrangement between PRP group members to fund the remedial investigation. The interim allocation approach requires that any payment will be based upon contribution to pollution. An AOC was executed by the PRP group and the EPA. The EPA also accepted the statement of work for the remedial investigation phase of the cleanup. The PRP group retained an environmental engineering consulting firm to perform the remedial investigation. As required under the AOC, the group submitted to the EPA copies of all environmental studies conducted at the plant, the majority of which had already been furnished to the State of California. The EPA then approved the work plan, project management plan, and the data management plan portions of the PRP group's proposed RI/FS. The PRP group funded the RI/FS. The EPA and the PRP group have continued to negotiate a resolution of this matter. The EPA is requiring the PRP group to pay $331,000 of the EPA's past site operation costs plus interest. Such payment must be made within the next 3 years; however, the EPA has agreed to accept installment payments. The first such installment of $100,000 was anticipated to be made by the PRP group during the first quarter of 2001, but such payment was not made and is now expected to be made during the first or second quarter of 2002. However, the company paid its allocated percentage of $5,020 of the $100,000 on January 2001. The PRP group, *de minimis* members, including the company, have finalized their *de minimis* offer to the PRP group. The amount of the offer was $3.75 million with the company's share being $391,000 (10 percent). In November 2001, PRP group members circulated a good-faith settlement offer to the EPA. If accepted, the company will be released from any further cleanup obligation or liability upon payment of its share of the *de minimis* settlement. In addition, Commercial Union, the company's general liability insurer, is defending this governmental action and is paying the cost of defense including attorneys' fees. Based on the information, or lack thereof 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.

The company previously reported that in 1998 various consumers filed toxic tort litigation in the Superior Court for Los Angeles County (Trial Court) against various water companies operating in the San Gabriel Valley Basin. The water companies petitioned the Trial Court to remove this action to the California Public Utilities Commission. The Trial Court agreed. The plaintiffs appealed this decision to the California Court of Appeals, which reversed the Trial Court. One non-regulated utility has appealed this decision to the California Supreme Court. Pending completion of the appellate process, the Trial Court stayed further action in this litigation except that the plaintiffs were permitted to add additional defendants. The Trial Court consolidated the six separate lawsuits in the Northeast District (Pasadena) and designated the case of *Adler, et al. v. Southern California Water Company, et al.*, as the lead case. In late March 1999, Ball-Foster Glass Container Co., L.L.C., which the company no longer owns, received a summons and amended complaint based on its ownership of the El Monte glass plant. Ball-Foster Glass tendered the lawsuit to the company for defense and indemnity. The company has in turn tendered this lawsuit to its liability carrier, Commercial Union, for defense and indemnity. Plaintiffs appear to be proceeding to join all companies, which are alleged to be PRPs in the various operable units in the San Gabriel Valley Superfund Site. The litigation, including the filing of answers by such joined parties, has been stayed pending the decision of the California Supreme Court as to whether the California Public Utilities Commission has sole jurisdiction over these cases since some of the defendants are regulated utilities. On February 4, 2002, the California Supreme Court issued its written opinion upholding the decision of the Court of Appeals ruling that the plaintiffs may proceed with their toxic tort claims in the Trial Court against all defendants, including the company, who are non-regulated utilities. The stay remains in effect until a complex case management order is entered, and no responsive pleadings or motions are required while the stay is in effect. Similarly situated *de minimis* industry defendants are forming a joint defense group and the company will be invited to join. Based on the information, or lack thereof, available to the company at the present time, the company is unable to express an opinion as to the actual exposure of the company for this matter; however, based on 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.

The company previously reported that in March of 1992, William Hallahan, an employee of the company's metal container plant in Saratoga Springs, New York, filed a workers' compensation claim alleging that he suffers from a form of leukemia that was caused by his exposure to certain chemicals used in the plant. The company denied the claim, and hearings on the matter were held before the Workers' Compensation Board of the State of New York. Testimony was concluded in April 1996. On January 14, 1997, the Administrative Law Judge (ALJ) filed his Memorandum of Decision finding in favor of the claimant. The decision was appealed, and the Workers' Compensation Board remanded the case back to the ALJ for further findings. The ALJ made those findings and the company again appealed the case. In June 1999, a three-judge panel of the Workers' Compensation Board reversed the decision of the ALJ and found that the claimant failed to show a causal relationship between the claimant's workplace and his disease in order to establish that he developed an occupational disease from an exposure at the plant. The Board then closed the case. The claimant appealed the case to the Full Workers' Compensation Board and alternatively to the Appellate Division of the New York State judicial system. On May 30, 2000, the Full Workers' Compensation Board denied Mr. Hallahan's appeal. On April 6, 2001, the General Counsel of the New York State Workers' Compensation Board deemed Mr. Hallahan's appeal to have been abandoned. On November 21, 2001, Mr. Hallahan filed a Petition to reopen the workers' compensation case on the basis that ethylene glycol monobutyl ethers (2-Buto-xylthanol) (EGBE) may have been the possible cause of Mr. Hallahan's leukemia. Mr. Hallahan's attorney requested the Board to reopen the case under its continuing jurisdiction. Claimant also claims that this information supports their expert witness' previous testimony at the hearing regarding the cause of Mr. Hallahan's leukemia. Mr. Hallahan's counsel also argued that the EPA supports the position that EGBE is a possible human carcinogen. The company filed a statement in opposition to Mr. Hallahan's petition to reopen the case. On February 4, 2002, the Board denied the request to reopen the case. Based on the information, or lack thereof, 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.

As previously reported, on or about December 31, 1992, William Hallahan and his wife filed suit in the Supreme Court of the State of New York, County of Saratoga, against certain manufacturers of solvents, coatings and equipment, including Somerset Technologies Inc. and Belvac Production Machinery, seeking damages in the amount of $15 million for allegedly causing leukemia by exposing him to harmful toxins. Somerset and Belvac filed third-party complaints seeking contribution from the company for damages that they might be required to pay William Hallahan. The defendants, including the company, have filed a motion for summary judgment against the plaintiff requesting a judgment that the Workers' Compensation Board has determined this case against William Hallahan. Based upon the information available to the company at the present time, the company believes that this matter will not have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

The company previously reported that on September 21, 1998, The Daiei Inc. (Daiei), a Japanese corporation, with its principal place of business in Tokyo, Japan, sued the company in United States District Court, Southern District of Indiana, Evansville Division (Court). Daiei alleged it is engaged in the retail sale of consumer goods and food products at stores throughout Japan. Daiei alleged that it purchased defective beer cans filled with beer from Evansville Brewing Company, Inc. (EBC) between April 6, 1995 and July 20, 1995. Daiei alleged that the metal containers were defectively assembled and sealed by EBC at its production facility in Evansville, Indiana, on a machine that was inspected by representatives of Ball. Daiei further alleged Ball breached its warranty to provide metal containers that performed in a commercially reasonable manner and that the company's representatives were negligent in the repair of the sealing equipment owned by EBC. Daiei sought damages for the lost containers and product in the amount of $6 million. The company retained counsel and defended this case. The parties engaged in the discovery process and a Motion to Dismiss was filed by the company on several legal grounds. On March 31, 2000, the Court dismissed plaintiff's claim alleging negligence on the part of the company and its representatives, but denied the company's

Motion to Dismiss Daiei's claim for breach of express and implied warranties. The case proceeded on Daiei's claim that the company allegedly breached express and implied warranties and warranties of fitness for a particular purpose with respect to the sale of beverage cans to Daiei by EBC. In a Court ordered settlement conference in December 2001, the parties settled this matter. The company believes that this matter is now concluded with no material adverse effect upon the liquidity, results of operations or financial condition of the company.

As previously reported on March 3, 2000, Pechiney Plastic Packaging, Inc., and Pechiney Emballage Flexible Europe (Pechiney) filed a lawsuit against Kortec, Inc.; Crown Cork and Seal Company, Inc.; Crown Cork and Seal Technologies Company and Ball Plastic Container Corp. in the U.S. District Court for the District of Massachusetts. Pechiney alleged that the defendants had infringed two of its patents with respect to methods and apparatus for injection molding and injection blow molding multi-layer plastic containers. Pechiney sought an injunction and damages. Kortec is a supplier to Ball Plastic Container Corp, of equipment for use in manufacturing multi-layered plastic bottles. Kortec agreed to defend Ball Plastic Container Corp. against the claims for infringement of patents arising out of the purchase and use of such equipment purchased from Kortec and assumed the defense of the action. The parties negotiated a settlement of this matter effective November 2, 2000. Pursuant to the terms of the settlement agreement, the company agreed to become a licensee of Pechiney in exchange for certain royalty payments. The company believes that this matter has been 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 4. Submission of Matters to Vote of Security Holders

There were no matters submitted to the security holders during the fourth quarter of 2001.

Part II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters

Ball Corporation common stock (BLL) is traded on the New York, Chicago and Pacific Stock Exchanges. There were 5,834 common shareholders of record on March 1, 2002.

Other information required by Item 5 appears under the caption, "Quarterly Stock Prices and Dividends," in the 2001 Annual Report to Shareholders and is incorporated herein by reference.

Item 6. Selected Financial Data

The information required by Item 6 for the five years ended December 31, 2001, appearing in the section titled, "Five-Year Review of Selected Financial Data," of the 2001 Annual Report to Shareholders, is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

"Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2001 Annual Report to Shareholders is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The information required by Item 7A appears under the caption, "Financial Instruments and Risk Management," within the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the 2001 Annual Report to Shareholders, which is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements and notes thereto of the 2001 Annual Report to Shareholders, together with the report thereon of PricewaterhouseCoopers LLP, dated January 22, 2002, except for Note 14, as to which the date is February 22, 2002, included in the 2001 Annual Report to Shareholders, are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no matters required to be reported under this item.

Part III

Item 10. Directors and Executive Officers of the Registrant

The executive officers of the company as of December 31, 2001, were as follows:

1. George A. Sissel, 65, Chairman of the Board effective January 24, 2001; Chairman and Chief Executive Officer, January 1998 to January 24, 2001; Chairman, President and Chief Executive Officer, 1996-1998; President and Chief Executive Officer, 1995-1996; Acting President and Chief Executive Officer, 1994-1995; Senior Vice President, Corporate Affairs; Corporate Secretary and General Counsel, 1993-1995; Senior Vice President, Corporate Secretary and General Counsel, 1987-1993; Vice President, Corporate Secretary and General Counsel, 1981-1987.

2. R. David Hoover, 56, President and Chief Executive Officer since January 24, 2001; Vice Chairman, President and Chief Operating Officer, April 2000 to January 2001; Vice Chairman, President and Chief Financial Officer, January 2000 to April 2000; Vice Chairman and Chief Financial Officer, 1998-2000; Executive Vice President and Chief Financial Officer, 1997-1998; Executive Vice President, Chief Financial Officer and Treasurer, 1996-1997; Executive Vice President and Chief Financial Officer, 1995-1996; Senior Vice President and Chief Financial Officer, 1992-1995; Vice President and Treasurer, 1988-1992; Assistant Treasurer, 1987-1988; Vice President, Finance and Administration, Technical Products, 1985-1987; Vice President, Finance and Administration, Management Services Division, 1983-1985.

3. Raymond J. Seabrook, 50, Senior Vice President and Chief Financial Officer since April 2000; Senior Vice President, Finance, April 1998 to April 2000; Vice President, Planning and Control, 1996-1998; Vice President and Treasurer, 1992-1996; Senior Vice

President and Chief Financial Officer, Ball Packaging Products Canada, Inc., 1988-1992.

4. Leon Midgett, 59, Executive Vice President and Chief Operating Officer, Packaging, since April 2000; Chief Operating Officer, Packaging, and President of North American Beer/Beverage, January 2000 to April 2000; President of North American Beer/Beverage, November 1995 to January 2000.

5. Donald C. Lewis, 59, Vice President and General Counsel, since September 1998; Vice President, Assistant Corporate Secretary and General Counsel, 1997-1998; General Counsel and Assistant Corporate Secretary, 1995-1997; Associate General Counsel and Assistant Corporate Secretary, 1990-1995; Associate General Counsel, 1983-1990; Assistant General Counsel, 1980-1983; Senior Attorney, 1978-1980; General Attorney, 1974-1978.

6. Albert R. Schlesinger, 60, Vice President and Controller, since January 1987; Assistant Controller, 1976-1986.

7. Harold L. Sohn, 55, Vice President, Corporate Relations, since March 1993; Director, Industry Affairs, Packaging Products, 1988-1993.

8. David A. Westerlund, 51, Senior Vice President, Administration, since April 1998; Vice President, Administration, 1997-1998; Vice President, Human Resources, 1994-1997; Senior Director, Corporate Human Resources, July 1994-December 1994; Vice President, Human Resources and Administration, Ball Glass Container Corporation, 1988-1994; Vice President, Human Resources, Ball-InCon Glass Packaging Corp., 1987-1988.

9. Scott Morrison, 39, Treasurer since September 2000; Managing Director/Senior Banker of Corporate Banking, Bank One, Indianapolis, Indiana, 1995 to August 2000.

10. John Hayes, 36, Vice President, Corporate Planning and Development, since April 2000; Senior Director, Corporate Planning and Development, February 1999 to April 2000; Vice President, Mergers and Acquisitions/Corporate Finance, Lehman Brothers, Chicago, Illinois, April 1993 to February 1999.

Effective March 13, 2002, Albert Schlesinger assumed the duties of Chairman and Chief Executive Officer of Ball Asia Pacific, Ltd. and relinquished his duties as Vice President and Controller of Ball Corporation. Raymond J. Seabrook, the company's Senior Vice President and Chief Financial Officer, will temporarily assume the duties of Vice President and Controller until a new controller is elected at the company's next board meeting in April 2002.

Other information required by Item 10 appearing under the caption, "Director Nominees and Continuing Directors," on pages 3 through 5 and under the caption, "Section 16(a) Beneficial Ownership Reporting Compliance," on page 15 of the company's proxy statement filed pursuant to Regulation 14A dated March 15, 2002, is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 11 appearing under the caption, "Executive Compensation," on pages 7 through 13 of the company's proxy statement filed pursuant to Regulation 14A dated March 15, 2002, is incorporated herein by reference. Additionally, the Ball Corporation 2000 Deferred Compensation Company Stock Plan and the Ball Corporation Deposit Share Program were created to encourage key executives and other participants to acquire a larger equity ownership interest in the company and to increase their interest in the company's stock performance. Nonemployee directors also participate in the 2000 Deferred Compensation Company Stock Plan.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by Item 12 appearing under the caption, "Voting Securities and Principal Shareholders," on pages 1 and 2 of the company's proxy statement filed pursuant to Regulation 14A dated March 15, 2002, is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

The information required by Item 13 appearing under the caption, "Ratification of the Appointment of Independent Accountants," on page 15 of the company's proxy statement filed pursuant to Regulation 14A dated March 15, 2002, is incorporated herein by reference.

Part IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) (1) ***Financial Statements:***

The following documents included in the 2001 Annual Report to Shareholders are incorporated by reference in Part II, Item 8:

Consolidated statements of earnings - Years ended December 31, 2001, 2000 and 1999

Consolidated balance sheets - December 31, 2001 and 2000

Consolidated statements of cash flows - Years ended December 31, 2001, 2000 and 1999

Consolidated statements of shareholders' equity and comprehensive earnings - Years ended December 31, 2001, 2000 and 1999

Notes to consolidated financial statements

Report of independent accountants

(2) ***Financial Statement Schedules:***

There were no financial statement schedules required under this item.

(3) ***Exhibits:***

See the Index to Exhibits which appears at the end of this document and which is incorporated by reference herein.

(b) ***Reports on Form 8-K:***

The registrant did not file or amend reports on Form 8-K during the fourth quarter of 2001.

FORWARD-LOOKING STATEMENTS
The company has made or implied certain forward-looking statements in this annual report. These forward-looking statements represent

the company's goals and could vary materially from those expressed or implied. 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; product introductions; 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; vegetable and fishing yields; power and natural resource costs; difficulty in obtaining supplies and energy, such as gas and electric power; shortages in and pricing of raw materials; changes in the pricing of the company's products and services; competition in pricing and the possible decrease in, or loss of, sales resulting therefrom; loss of profitability and plant closures; insufficient or reduced cash flow; transportation costs; the inability to continue the purchase of the company's common shares; the ability to obtain adequate credit resources for foreseeable financing requirements of the company's businesses and to satisfy the resulting credit obligations; regulatory action; federal and state legislation; increases in interest rates; labor strikes; increases in various employee benefits and labor costs; boycotts; litigation involving antitrust; intellectual property, consumer and other issues; maintenance and capital expenditures; goodwill impairment; local economic conditions; the authorization, funding and availability of government contracts and the nature and continuation of those contracts and related services provided thereunder; 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; and successful or unsuccessful acquisitions, joint ventures or divestitures. If the company 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.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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/R. David Hoover
R. David Hoover, President and Chief Executive Officer
March 28, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated below.

(1) Principal Executive Officer:

/s/R. David Hoover		President and Chief Executive Officer
R. David Hoover		March 28, 2002

(2) Principal Financial Accounting Officer and Acting Controller:

/s/Raymond J. Seabrook		Senior Vice President and Chief Financial Officer; Acting Controller
Raymond J. Seabrook		March 28, 2002

(3) A Majority of the Board of Directors:

/s/Frank A. Bracken	*	Director
Frank A. Bracken		March 28, 2002
/s/Howard M. Dean	*	Director
Howard M. Dean		March 28, 2002
/s/John T. Hackett	*	Director
John T. Hackett		March 28, 2002
/s/R. David Hoover	*	Director
R. David Hoover		March 28, 2002
/s/John F. Lehman	*	Director
John F. Lehman		March 28, 2002
/s/Ruel C. Mercure, Jr.	*	Director
Ruel C. Mercure, Jr.		March 28, 2002
/s/Jan Nicholson	*	Director
Jan Nicholson		March 28, 2002
/s/George A. Sissel	*	Chairman and Director
George A. Sissel		March 28, 2002
/s/William P. Stiritz	*	Director

William P. Stiritz   March 28, 2002

/s/Stuart A. Taylor II   *   Director

Stuart A. Taylor II   March 28, 2002

*By George A. Sissel as Attorney-in-Fact pursuant to a Limited Power of Attorney executed by the directors listed above, which Power of Attorney has been filed with the Securities and Exchange Commission.

By: /s/George A. Sissel

George A. Sissel
As Attorney-in-Fact
March 28, 2002

Ball Corporation and Subsidiaries
Annual Report on Form 10-K
For the year ended December 31, 2001

Index to Exhibits

Exhibit Number	**Description of Exhibit**
3.i	Amended Articles of Incorporation as of August 2, 1996 (filed by incorporation by reference to the company's Form 10-Q filed May 14, 1997).
3.ii	Bylaws of Ball Corporation as amended September 23, 1998, filed March 29, 1999.
4.1(a)	Senior Note Indenture, dated August 10, 1998, among Ball Corporation, certain subsidiary guarantors of Ball Corporation and The Bank of New York, as Senior Note Trustee (filed by incorporation by reference to the Current Report on Form 8-K dated August 10, 1998) filed August 25, 1998.
4.1(b)	Senior Registration Rights Agreement, dated August 10, 1998, among Ball Corporation, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner and Smith Incorporated, BancAmerica Robertson Stephens, First Chicago Capital Markets, Inc., and certain subsidiary guarantors of Ball Corporation (filed by incorporation by reference to the Current Report on Form 8-K dated August 10, 1998) filed August 25, 1998.
4.2(a)	Senior Subordinated Note Indenture, dated August 10, 1998, among Ball Corporation, certain subsidiary guarantors of Ball Corporation and The Bank of New York, as Senior Subordinated Note Trustee (filed by incorporation by reference to the Current Report on Form 8-K dated August 10, 1998) filed August 25, 1998.
4.2(b)	Senior Subordinated Registration Rights Agreement, dated August 10, 1998, among Ball Corporation, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner and Smith Incorporated, BancAmerica Robertson Stephens, First Chicago Capital Markets, Inc., and certain subsidiary guarantors of Ball Corporation (filed by incorporation by reference to the Current Report on Form 8-K dated August 10, 1998) filed August 25, 1998.
4.3	Dividend distribution payable to shareholders of record on August 4, 1996, of one preferred stock purchase right for each outstanding share of common stock under the Rights Agreement dated as of July 24, 1996, between the company and The First Chicago Trust company of New York (filed by incorporation by reference to the Form 8-A Registration Statement, No. 1-7349, dated August 1, 1996, and filed August 2, 1996, and to the company's Form 8-K Report dated February 13, 1996, and filed February 14, 1996).

Exhibit Number	**Description of Exhibit**
10.1	1980 Stock Option and Stock Appreciation Rights Plan, as amended, 1983 Stock Option and Stock Appreciation Rights Plan (filed by incorporation by reference to the Form S-8 Registration Statement, No. 2-82925) filed April 27, 1983.
10.2	1988 Restricted Stock Plan and 1988 Stock Option and Stock Appreciation Rights Plan (filed by incorporation by reference to the Form S-8 Registration Statement, No. 33-21506) filed April 27, 1988.
10.3	Ball Corporation Deferred Incentive Compensation Plan (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1987) filed March 25, 1988.
10.4	Ball Corporation 1986 Deferred Compensation Plan, as amended July 1, 1994 (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994) filed August 17, 1994.
10.5	Ball Corporation 1988 Deferred Compensation Plan, as amended July 1, 1994 (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994) filed August 17, 1994.
10.6	Ball Corporation 1989 Deferred Compensation Plan, as amended July 1, 1994 (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994) filed August 17, 1994.
10.7	Amended and Restated Form of Severance Benefit Agreement which exists between the company and its executive officers, effective as of August 1, 1994, and as amended on January 24, 1996

Exhibit Number	Description of Exhibit
	(filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended March 22, 1996) filed May 15, 1996.
10.8	Stock Purchase Agreement dated as of June 29, 1989, between Ball Corporation and Mellon Bank, N.A. (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 2, 1989) filed August 15, 1989.
10.9	Ball Corporation 1986 Deferred Compensation Plan for Directors, as amended October 27, 1987 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1990) filed April 1, 1991.
10.10	1991 Restricted Stock Plan for Nonemployee Directors of Ball Corporation (filed by incorporation by reference to the Form S-8 Registration Statement, No. 33-40199) filed April 26, 1991.
10.11	Ball Corporation Economic Value Added Incentive Compensation Plan dated January 1, 1994 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1994) filed March 29, 1995.

Exhibit Number	**Description of Exhibit**
10.12	Ball Corporation 1997 Stock Incentive Plan (filed by incorporation by reference to the Form S-8 Registration Statement, No. 333-26361) filed May 1, 1997.
10.13	Agreement and Plan of Merger among Ball Corporation, Ball Sub Corp. and Heekin Can, Inc. dated as of December 1, 1992, and as amended as of December 28, 1992 (filed by incorporation by reference to the Registration Statement on Form S-4, No. 33-58516) filed February 19, 1993.
10.14	Distribution Agreement between Ball Corporation and Alltrista (filed by incorporation by reference to the Alltrista Corporation Form 8, Amendment No. 3 to Form 10, No. 0-21052, dated December 31, 1992) filed March 17, 1993.
10.15	1993 Stock Option Plan (filed by incorporation by reference to the Form S-8 Registration Statement, No. 33-61986) filed April 30, 1993.
10.16	Ball-InCon Glass Packaging Corp. Deferred Compensation Plan, as amended July 1, 1994 (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994) filed August 17, 1994.
10.17	Ball Corporation Supplemental Executive Retirement Plan (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994) filed November 15, 1994.
10.18	Ball Corporation Split Dollar Life Insurance Plan (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994) filed November 15, 1994.
10.19	Ball Corporation Long-Term Cash Incentive Plan, dated October 25, 1994, as amended October 23, 1996 (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended September 29, 1996) filed November 13, 1996.
10.20a	Ball Corporation Merger Related, Special Incentive Plan for Operating Executives which provides for Stock Option grants in which the five named executive officers participate and which grants are referred to in the Executive Compensation section in the Ball Corporation Proxy Statement dated March 15, 1999. (The form of the option grants was filed March 29, 1999.)
10.20b	Ball Corporation Merger Related, Special Incentive Plan for Operating Executives which provides for Restricted Stock grant in which the five named executive officers participate and which grants are referred to in the Executive Compensation section of the Ball Corporation Proxy Statement dated March 15, 1999. (The form of the restricted grants was filed March 29, 1999.)
10.20c	Ball Corporation Merger Related, Special Incentive Plan for Operating Executives which provides for certain cash incentive payments based upon the attainment of certain performance criteria. (The form of the plan was filed March 29, 1999.)

Exhibit Number	**Description of Exhibit**
10.21	Asset Purchase Agreement dated June 26, 1995, among Foster Ball, L.L.C. (since renamed Ball-Foster Glass Container Co., L.L.C.), Ball Glass Container Corporation and Ball Corporation (filed by incorporation by reference to the Current Report on Form 8-K dated September 15, 1995) filed September 29, 1995.
10.22	Foster Ball, L.L.C. (since renamed Ball-Foster Glass Container Co., L.L.C.) Amended and Restated Limited Liability Company Agreement dated June 26, 1995, among Saint-Gobain Holdings I Corp., BG Holdings I, Inc. and BG Holdings II, Inc. (filed by incorporation by reference to the Current Report on Form 8-K dated September 15, 1995) filed September 29, 1995.
10.23	Asset Purchase Agreement dated August 10, 1998, among Ball Corporation and its Ball Metal Beverage Container Corp. and Reynolds Metals Company (filed by incorporation by reference to the Current Report on Form 8-K dated August 10, 1998) filed August 25, 1998.
10.24	Form of Severance Agreement (Change of Control Agreement) which exists between the company and its executive officers (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1988) filed March 25, 1989.
10.25	Consulting Agreement between George A. Matsik and Ball Corporation dated October 18, 1999. (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1999) filed March 30, 2000.
10.26	Ball Corporation 2000 Deferred Compensation Company Stock Plan. This plan is referred to in Item 11, the Executive Compensation section of this Form 10-K. (Filed herewith.)
10.27	Ball Corporation Deposit Share Program. This plan is referred to in Item 11, the Executive Compensation section of

this Form 10-K. (Filed herewith.)

11.1	Statement re: Computation of Earnings Per Share (filed by incorporation by reference to the notes to the consolidated financial statements, "Earnings Per Share," in the 2001 Annual Report to Shareholders). (Filed herewith.)
12.1	Statement re: Computation of Ratio of Earnings to Fixed Charges. (Filed herewith.)
13.1	Ball Corporation 2001 Annual Report to Shareholders. (The Annual Report to Shareholders, except for those portions thereof incorporated by reference, is furnished for the information of the Commission and is not to be deemed filed as part of this Form 10-K.) (Filed herewith.)

Exhibit Number	**Description of Exhibit**
18.1	Letter re: Change in Accounting Principles. (Filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarterly period ended July 2, 1995) filed August 15, 1995.
21.1	List of Subsidiaries of Ball Corporation. (Filed herewith.)
23.1	Consent of Independent Accountants. (Filed herewith.)
24.1	Limited Power of Attorney. (Filed herewith.)
99.1	Specimen Certificate of Common Stock (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1979) filed March 24, 1980.
99.2	Cautionary statement for purposes of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended. (Filed herewith.)

Exhibit 12.1

Ball Corporation and Subsidiaries
Ratio of Earnings to Fixed Charges

($ in millions)	2001	2000	1999	1998	1997
Earnings (loss) before taxes	$(113.7)	$ 113.9	$ 171.2	$ 27.3	$ 85.9
Plus:					
Interest expensed and capitalized	89.7	98.5	109.6	80.9	57.9
Interest expense within rent	21.7	25.4	18.0	15.4	12.7
Amortization of capitalized interest	2.3	2.0	1.9	2.1	2.6
Distributed income of equity investees	-	-	1.5	2.5	6.9
Less:					
Interest capitalized	(1.4)	(3.3)	(2.0)	(2.3)	(4.4)
Adjusted earnings	(1.4)	236.5	300.2	125.9	161.6
Fixed charges *(1)*	111.4	123.9	127.6	96.3	70.6
Ratio of earnings to fixed charges	0.0x*(2)*	1.9x	2.4x	1.3x	2.3x

(1) Fixed charges include interest expensed and capitalized as well as interest expense within rent.

(2) During 2001 there was a deficiency of earnings to fixed charges of $112.8 million.

Exhibit 13.1

Management's Discussion and Analysis of Financial Condition and Results of Operations
Ball Corporation and Subsidiaries

Ball Corporation and subsidiaries are referred to collectively as "Ball" or "the company" or "we" and "our" in the following discussion and analysis.

Management's discussion and analysis should be read in conjunction with the consolidated financial statements and accompanying notes, including that in connection with the company's significant accounting policies defined in Note 1.

Recent Developments
On January 23, 2002, the company's board of directors declared a two-for-one split of our stock, increased the next quarterly dividend and authorized the additional repurchase of common shares. The stock split was effective February 22, 2002, for all shareholders of record on February 1, 2002. As a result of the stock split, all amounts related to earnings per share and share prices have been retroactively restated as if the split had occurred as of January 1, 1999.

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. The packaging segment includes metal container products used primarily in beverage and food packaging and PET (polyethylene terephthalate) plastic container products used principally in beverage packaging. Our packaging operations are located primarily in North America (the U.S. and Canada).

Packaging Segment
North American metal beverage container sales, which represented approximately 67 percent of segment sales in 2001, were 3 percent lower than in 2000. The decrease was due to lower soft drink container shipments and lower selling prices. While manufacturing cost controls are yielding favorable results, operating margins were lower due to lower beverage can selling prices and higher unit costs as a result of planned inventory reductions. In mid-December 2001 we ceased production at the Moultrie, Georgia, beverage can plant; its production of one billion cans per year is expected to be consolidated into other Ball plants. Based on publicly available industry information, we estimate that shipments in 2001 for our metal beverage container product line were approximately 31 percent of total U.S. and Canadian shipments, compared to 32 percent in 2000.

The 3 percent decrease in 2000 sales compared to those in 1999 was due to lower shipments, partially offset by higher aluminum prices passed through to customers. During the first quarter of 2000, we closed a beverage can plant in Tampa and began operation of a new, high-speed production line in a second plant in Tampa. At the end of the second quarter of 2000, we closed another beverage can plant in the Southeast due to industry overcapacity and unattractive pricing. Near the end of 2000, a beverage can manufacturing line in British Columbia was decommissioned.

On January 1, 2002, we entered into a 50/50 joint venture agreement with Coors Brewing Company (Coors) for the manufacture and supply of essentially all of the 4.5 billion beverage cans and ends used by Coors annually. Ball will account for the joint venture under the equity method of accounting. In addition to beverage cans supplied to Coors from the joint venture, Ball will supply Coors with beverage cans manufactured in other wholly-owned Ball facilities.

North American metal food container sales, which comprised approximately 19 percent of segment sales in 2001, were 8 percent higher than those in 2000 and 10 percent higher than in 1999. Sales in 2001 reflected volume gains from several customers, including ConAgra Grocery Products Company, and strong salmon and pre-season vegetable can sales. The increase in 2000 from 1999 was primarily the result of volume gains. We estimate our 2001 shipments of 5.6 billion cans to be approximately 17 percent of total U.S. and Canadian metal food container shipments, based on publicly available industry information.

Plastic bottle sales, approximately 9 percent of segment sales in 2001, increased 10 percent from 2000 sales, which were higher than 1999 sales by 4 percent. Plastic bottle sales are predominantly to water and carbonated soft drink customers. Shipments were significantly higher in 2001 than in 2000 although selling prices were lower. This product line has also experienced higher than planned freight, warehousing and utility costs, particularly on the West Coast, resulting in lower operating margins in 2001. The 2000 sales increase compared to 1999 was due to the pass-through of higher resin prices.

International packaging sales are comprised of the sales within the People's Republic of China (PRC) as well as revenues from technical services provided to Ball licensees. Sales and operating margins in the PRC were lower in 2001 due to the weak market there as well as the business consolidation actions being taken. See the discussion under "Other Items" for information regarding our China operations.

Aerospace and Technologies Segment
Sales in the aerospace and technologies segment were 15 percent higher than in 2000, due in part to customer requested acceleration of certain programs into 2001 from 2002. Excluding the charge to exit product lines discussed under "Other Items," as well as a favorable Employee Stock Ownership Plan (ESOP) litigation settlement in 2000, the improvement in operating margins was due to strong sales in our U.S. government business. The aerospace and technologies segment had lower sales in 2000 compared to 1999 as a result of the completion of some programs and delays in the start-up and funding of new programs. Despite the decrease in sales and excluding the favorable ESOP litigation settlement, earnings in 2000 were higher as a result of better than anticipated margins at the completion of certain long-term contracts.

Sales to the U.S. government, either directly as a prime contractor or indirectly as a subcontractor, represented approximately 92 percent, 85 percent and 86 percent of segment sales in 2001, 2000 and 1999, respectively. Consolidation in the industry continues, and there is strong competition for business. Backlog for the aerospace and technologies segment at December 31, 2001 and 2000, was approximately $431 million and $351 million, respectively. Year-to-year comparisons of backlog are not necessarily indicative of the trend of future operations.

For additional information regarding the company's segments, see the summary of business segment information in Note 2 accompanying the consolidated financial statements.

Selling and Administrative Expenses
Selling and administrative expenses were $135.6 million, $138.9 million and $140.9 million for 2001, 2000 and 1999, respectively. Lower expenses in 2001 compared to 2000 were largely related to lower performance-based compensation. Higher selling and administrative expenses in 1999 reflect, in large part, $4.7 million of performance-based compensation recorded in connection with a program since ended.

Interest and Taxes
Consolidated interest expense was $88.3 million in 2001 compared to $95.2 million in 2000 and $107.6 million in 1999. The decrease in 2001 was attributable to lower interest rates and borrowings, partially offset by lower capitalized interest. The 2000 decrease compared to 1999 was the result of a lower level of average borrowings during the year, as well as higher capitalization of interest, largely in connection with our Tampa plant expansion, offset by higher short-term interest rates. We maintained a higher percentage of long-term debt at lower fixed rates in 2000 as a result of fixing certain previously floating rate debt through the use of financial instruments.

Ball's consolidated effective income tax benefit rate for 2001 was 8.6 percent as compared to the provision of 37.6 percent in 2000 and 37.9 percent in 1999. The decreased benefit in 2001, compared to that calculated using the federal statutory rate of 35 percent, is primarily the result of the taxable characteristics of the China restructuring, in particular nondeductible goodwill. Excluding the effects of the restructuring in both 2001 and 2000, and the ESOP settlement in 2000, the effective income tax rate would have been approximately 35 percent for both years. The lower 2001 and 2000 adjusted effective tax rate as compared to 1999 is primarily the result of the favorable effects of implementing strategies which have reduced overall state taxes and negative effects of foreign operations.

Results of Equity Affiliates

Equity in the earnings of affiliates is attributable to our 50 percent ownership investment in Brazil and, to a lesser extent, our minority-owned investments in the PRC and Thailand. Earnings were $4 million in 2001 compared to losses of $3.9 million and $0.2 million in 2000 and 1999, respectively. The equity earnings improvement in 2001 was due to our operations in Brazil. Brazil's losses in 2000 were the result of the unfavorable effect of foreign currency transactions, while losses in the PRC reflected the continued effects of excess capacity in the industry, coupled with higher metal costs relative to the previous year and the impact of business consolidation costs. Thailand incurred a small loss in all three years.

Other Items

We took a number of actions in 2001 to address overcapacity in the industries in which we operate and to improve production efficiencies. 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 upon that 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 beverage can manufacturing capacity by closing two plants. We have since sold the general line business, closed one beverage can plant and are in the process of closing the second. Based on current estimates, positive cash flow of approximately $29 million, after tax recoveries, is expected upon the completion of this reorganization plan. Also in June 2001, we ceased operations in two commercial developmental product lines in our aerospace and technologies business. In mid-December 2001 we closed our Moultrie, Georgia, beverage can plant. To affect these actions, pre-tax charges totaling $271.2 million were recorded in 2001.

Actions taken during 2000 resulted in a charge in the second quarter for packaging business consolidation and investment exit activities. The charge included costs associated with the closure of two beverage can facilities, the elimination of a beverage can production line and the write-down to net realizable value of certain international equity investments.

The charges recorded were based on the estimates of Ball management, actuaries and other independent parties and were developed from information available at the time. Actual outcomes may vary from the estimates, and, as required, changes, if any, have been or will be reflected in current period earnings or as a reduction of goodwill. Additional details about our business consolidation and acquisition-related activities and associated costs are provided in Note 3 accompanying the consolidated financial statements.

During the second quarter of 2000, we favorably resolved certain state and federal tax matters related to prior years that reduced the overall tax provision by $2.3 million.

In 2000 the Armed Services Board of Contract Appeals sustained our claim to recoverability of costs associated with our ESOP for fiscal years beginning in 1989. As a result, in the third quarter of 2000 we recognized earnings of approximately $7 million ($4.3 million after tax) related to this matter.

Financial Condition, Liquidity and Capital Resources

Cash flows from operating activities were $320.8 million in 2001 compared to $176.5 million in 2000 and $306 million in 1999. The increase in 2001 from 2000 was due to planned inventory reductions and lower accounts receivable, partially offset by a decrease in accounts payable. The decrease in 2000 from 1999 was primarily the result of higher accounts receivable and inventory balances.

Free cash flow is the cash remaining from operations reduced by capital spending. We focus on increasing free cash flow as an element in our effort to achieve our primary objective of maximizing shareholder value.

The consolidated statements of our cash flows are summarized as follows:

($ in millions)	2001	2000	1999
Operating cash flows	$ 320.8	$ 176.5	$ 306.0
Capital spending	(68.5)	(98.7)	(107.0)
Free cash flow	252.3	77.8	199.0
Acquisitions of previously leased assets and a PET manufacturing business	(77.9)	-	-
Debt repayments	(62.3)	(48.0)	(151.1)
Share repurchases, net of issuances	(53.8)	(60.9)	(35.5)
Common and preferred dividends	(20.4)	(21.6)	(22.5)
Other	19.6	42.5	11.9
Net change in cash and temporary investments	$ 57.5	$ (10.2)	$ 1.8

Capital expenditures, excluding the effects of business acquisitions and lease buyouts, were $68.5 million, $98.7 million and $107 million in 2001, 2000 and 1999, respectively, and are expected to be approximately $130 million in 2002.

Cash payments required for debt maturities and rental payments under noncancellable operating leases in effect at December 31, 2001, are $97.6 million, $109.7 million, $114.7 million, $15.4 million and $488.3 million for the years 2002 through 2006, respectively, and $268.6 million combined for all years thereafter.

Debt at December 31, 2001, decreased $73.2 million to $1,064.1 million from $1,137.3 million at year end 2000, while cash and temporary investments increased by $57.5 million. Consolidated debt-to-total capitalization increased to 67.4 percent at December 31, 2001, from 62 percent at year end 2000. Capitalization, which we define as the total of debt, minority interests and shareholders' equity, decreased during 2001 due largely to the charges taken in June and December for business consolidation activities as well as our repurchase of company common shares. At December 31, 2001, approximately $596 million was available under the revolving credit facility portion of the Senior Credit Facility. Ball Asia Pacific Holdings Limited and its consolidated subsidiaries had non-recourse short-term uncommitted credit facilities of approximately $87 million at the end of the year, of which $48 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 December 31, 2001 and 2000, and are reflected as a reduction of accounts receivable in the consolidated balance sheet. In November 2001 we amended the restrictions in our financing agreements to allow for the sale of up to $200 million of designated accounts receivable.

The company was not in default of any loan agreement at December 31, 2001, and has met all payment obligations. The U.S. note agreements, bank credit agreement and industrial development revenue bond agreements contain certain restrictions relating to dividends, investments, financial ratios, guarantees and the incurrence of additional indebtedness.

Additional details about the company's receivables sales agreement and debt are available in Notes 5 and 9, respectively, accompanying the consolidated financial statements.

Annual cash dividends paid on common stock in 2001, 2000 and 1999 were 30 cents per share each year.

Financial Instruments and Risk Management

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

We have estimated our 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 analysis are summarized below. Actual changes in market prices or rates may differ from hypothetical changes.

Commodity Price Risk
We primarily manage our commodity price risk in connection with market price fluctuations of aluminum by entering into customer sales contracts for cans and ends, 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 to hedge commodity price risk.

Considering the effects of derivative instruments, the market's ability to accept price increases and the company's North American and international commodity price exposures to aluminum, a hypothetical 10 percent adverse change in the company's North American and international aluminum prices could have an estimated $2 million impact on net earnings over a one-year period. However, subsequent to December 31, 2001, the company entered into financial derivative contracts which would significantly reduce this hypothetical amount. Actual results may vary based on actual changes in market prices and rates and the timing of these changes.

Steel can sales contracts incorporate annually negotiated metal costs, and plastic container sales contracts include provisions to pass through resin cost changes. As a result, we believe we have minimal, if any, exposure related to changes in the costs of these commodities.

Interest Rate Risk
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. 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 December 31, 2001 and 2000, included pay-floating and pay-fixed interest rate swaps, interest rate caps and swaption contracts. Pay-fixed swaps convert floating rate obligations to fixed rate instruments. Pay-floating swaps convert fixed-rate obligations to variable rate instruments. Swap agreements expire at various times up to five years.

The related notional amounts of interest rate swaps and options serve as the basis for computing the cash flow under these agreements but do not represent our exposure through the use of these instruments. 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.

Based on our interest rate exposure at December 31, 2001, assumed floating rate debt levels throughout 2002 and the effects of derivative instruments, a 100 basis point change in interest rates could have an estimated $2 million impact on net earnings over a one-year period. Actual results may vary based on actual changes in market prices and rates and the timing of these changes.

Exchange Rate Risk
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. 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 that arise from translating the results of our global operations and maintaining U.S. dollar debt and payables in foreign countries. We primarily 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.

Considering the company's derivative financial instruments outstanding at December 31, 2001, and the currency exposures, a hypothetical 10 percent unfavorable change in the exchange rates compared to the U.S. dollar could have an estimated $7 million impact on net earnings over a one-year period. However, subsequent to December 31, 2001, the company entered into financial derivative contracts which would significantly reduce this hypothetical amount. Actual changes in market prices or rates may differ from hypothetical changes.

Shareholders' Equity
In connection with the company's ongoing share repurchase program, the company sells 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 the company's 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 2001 we entered into a forward share repurchase agreement to purchase shares of the company's common stock. In January 2002, we purchased 736,800 shares under this agreement at an average price of $33.58 per share. We also entered into a share repurchase agreement during 2000 under which we purchased 1,160,600 shares during the year at an average price of $17.25, and the remainder of 1,021,000 shares in January 2001 at an average price of $17.58 per share.

New Accounting Pronouncement
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.

For information regarding other recent accounting pronouncements, see Note 1 to the consolidated financial statements.

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 derivative financial instruments as explained above.

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.

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, the disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Future events could affect these estimates.

The U.S. economy and the company have experienced minor general inflation during the past several years. Management believes that evaluation of Ball's performance during the periods covered by these consolidated financial statements should be based upon historical financial statements.

Forward-Looking Statements
The company has made or implied certain forward-looking statements in this annual report. These forward-looking statements represent the company's goals and could vary materially from those expressed or implied. 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; product introductions; 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; vegetable and fishing yields; power and natural resource costs; difficulty in obtaining supplies and energy, such as gas and electric power; shortages in and pricing of raw materials; changes in the pricing of the company's products and services; competition in pricing and the possible decrease in, or loss of, sales resulting therefrom; loss of profitability and plant closures; insufficient or reduced cash flow; transportation costs; the inability to continue the purchase of the company's common shares; the ability to obtain adequate credit resources for foreseeable financing requirements of the company's businesses and to satisfy the resulting credit obligations; regulatory action; federal and state legislation; increases in interest rates; labor strikes; increases in various employee benefits and labor costs; boycotts; litigation involving antitrust; intellectual property, consumer and other issues; maintenance and capital expenditures; goodwill impairment; local economic conditions; the authorization, funding and availability of government contracts and the nature and continuation of those contracts and related services provided thereunder; 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; and successful or unsuccessful acquisitions, joint ventures or divestitures. If the company 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.

Report of Management on Financial Statements

The consolidated financial statements contained in this annual report to shareholders are the responsibility of management. These financial statements have been prepared in conformity with generally accepted accounting principles and, necessarily, include certain amounts based on management's informed judgments and estimates. Future events could affect these judgments and estimates.

In fulfilling its responsibility for the integrity of financial information, management maintains and relies upon a system of internal control which is designated to provide reasonable assurance that assets are safeguarded from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and that transactions are properly recorded to permit the preparation of reliable financial statements in all material respects. To assure the continuing effectiveness of the system of internal controls and to maintain a climate in which such controls can be effective, management establishes and communicates appropriate written policies and procedures; selects, trains and develops qualified personnel; maintains an organizational structure that provides defined lines of responsibility, appropriate delegation of authority and segregation of duties; and maintains a continuous program of internal audits with appropriate management follow-up. Company policies concerning use of corporate assets and conflicts of interest, which require employees to maintain the highest ethical and legal standards in their conduct of the company's business, are important elements of the internal control system.

The board of directors oversees management's administration of company reporting practices, internal controls and the preparation of the consolidated financial statements with the assistance of its audit committee, which is subject to regulation by the Securities and Exchange Commission and the New York Stock Exchange (the Exchange). The board of directors has adopted an audit committee charter that governs the work of the audit committee and is structured to meet the requirements of the Exchange.

R. David Hoover	*Raymond J. Seabrook*
President and Chief Executive Officer	*Senior Vice President and Chief Financial Officer*

Report of Independent Accountants

To the Board of Directors and Shareholders
Ball Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of earnings, of cash flows and of shareholders' equity and comprehensive earnings present fairly, in all material respects, the financial position of Ball Corporation and its subsidiaries at December 31, 2001, and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Denver, Colorado
January 22, 2002, except for Note 14 as to which the date is February 22, 2002

Consolidated Statements of Earnings

Ball Corporation and Subsidiaries

	Years ended December 31,		
($ in millions, except per share amounts)	2001	2000	1999
Net sales	**$3,686.1**	**$3,664.7**	**$3,707.2**
Costs and expenses			
Cost of sales (excluding depreciation and amortization)	3,142.2	3,067.1	3,111.0
Depreciation and amortization (Notes 7 and 8)	152.5	159.1	162.9
Business consolidation costs and other (Note 3)	271.2	76.4	-
Selling and administrative	135.6	138.9	140.9
Receivable securitization fees and product development (Note 5)	10.0	14.1	13.6
	3,711.5	3,455.6	3,428.4
Earnings (loss) before interest and taxes	**(25.4)**	**209.1**	**278.8**

Interest expense (Note 9)	88.3	95.2	107.6
Earnings (loss) before taxes	(113.7)	113.9	171.2
Tax provision (Note 11)	9.7	(42.8)	(64.9)
Minority interests	0.8	1.0	(1.9)
Equity in results of affiliates	4.0	(3.9)	(0.2)
Net earnings (loss)	**(99.2)**	**68.2**	**104.2**
Preferred dividends, net of tax	(2.0)	(2.6)	(2.7)
Earnings (loss) attributable to common shareholders	**$ (101.2)**	**$ 65.6**	**$ 101.5**
Basic earnings (loss) per share (Note 15) ***(a)***	**$ (1.85)**	**$ 1.13**	**$ 1.68**
Diluted earnings (loss) per share (Note 15) ***(a)***	**$ (1.85)**	**$ 1.07**	**$ 1.58**

(a) Per share amounts have been retroactively restated for the two-for-one stock split discussed in Note 14.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheets
Ball Corporation and Subsidiaries

($ in millions)	*December 31,* 2001	2000
Assets		
Current assets		
Cash and temporary investments	$ 83.1	$ 25.6
Receivables, net (Note 5)	172.0	230.2
Inventories, net (Note 6)	449.3	627.5
Deferred taxes and prepaid expenses (Note 11)	89.1	86.0
Total current assets	793.5	969.3
Property, plant and equipment, net (Note 7)	904.4	1,003.7
Goodwill and other assets (Notes 3 and 8)	615.7	676.8
Total Assets	$ 2,313.6	$ 2,649.8
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt and current portion of long-term debt (Note 9)	$ 115.0	$ 125.7
Accounts payable	258.5	332.1
Accrued employee costs and other current liabilities	201.2	201.3
Total current liabilities	574.7	659.1
Long-term debt (Note 9)	949.1	1,011.6
Employee benefit obligations, deferred taxes and other liabilities (Notes 11 and 12)	276.0	281.8
Total liabilities	1,799.8	1,952.5
Contingencies (Note 19)		
Minority interests	9.7	14.9
Shareholders' Equity (Note 13)		
Series B ESOP Convertible Preferred Stock	-	53.4
Unearned compensation - ESOP	-	(10.6)
Preferred shareholder's equity	-	42.8
Common stock (75,707,774 shares issued - 2001; 73,546,762 shares issued - 2000) *(a)*	478.9	443.9
Retained earnings	410.0	529.3
Accumulated other comprehensive loss	(43.7)	(29.7)
Treasury stock, at cost (17,890,596 shares - 2001; 17,448,760 shares - 2000) *(a)*	(341.1)	(303.9)
Common shareholders' equity	504.1	639.6
Total shareholders' equity	504.1	682.4

Total Liabilities and Shareholders' Equity	$ 2,313.6	$2,649.8

(a) Share amounts have been retroactively restated for the two-for-one stock split discussed in Note 14.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flows
Ball Corporation and Subsidiaries

	Years ended December 31,		
($ in millions)	2001	2000	1999
Cash Flows from Operating Activities			
Net earnings	$ (99.2)	$ 68.2	$ 104.2
Noncash charges to net earnings:			
Depreciation and amortization	152.5	159.1	162.9
Business consolidation costs net of related equity and minority interest effects	268.7	81.3	-
Deferred taxes	2.5	9.8	34.3
Other, net	(46.6)	(11.8)	6.1
Working capital changes, excluding effects of acquisitions and dispositions:			
Receivables	33.9	(9.8)	53.5
Inventories	155.8	(73.8)	(49.1)
Accounts payable	(71.8)	(12.5)	(5.1)
Accrued salaries and wages	(37.9)	15.1	19.3
Other, net	(37.1)	(49.1)	(20.1)
Net cash provided by operating activities	320.8	176.5	306.0
Cash Flows from Investing Activities			
Additions to property, plant and equipment	(68.5)	(98.7)	(107.0)
Acquisitions of previously leased assets and a PET manufacturing business	(77.9)	-	-
Incentive loan receipts and other, net	23.5	46.2	14.3
Net cash used in investing activities	(122.9)	(52.5)	(92.7)
Cash Flows from Financing Activities			
Long-term borrowings	-	-	23.1
Repayments of long-term borrowings	(52.0)	(50.9)	(161.0)
Change in short-term borrowings	(10.3)	2.9	(13.2)
Common and preferred dividends	(20.4)	(21.6)	(22.5)
Proceeds from issuance of common stock under various employee and shareholder plans	32.1	30.7	36.8
Acquisitions of treasury stock	(85.9)	(91.6)	(72.3)
Other, net	(3.9)	(3.7)	(2.4)
Net cash provided by (used in) financing activities	(140.4)	(134.2)	(211.5)
Net Change in Cash and Temporary Investments	57.5	(10.2)	1.8
Cash and Temporary Investments - Beginning of Year	25.6	35.8	34.0
Cash and Temporary Investments - End of Year	$ 83.1	$ 25.6	$ 35.8

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Shareholders' Equity and Comprehensive Earnings
Ball Corporation and Subsidiaries

	Number of Shares (in thousands)			*Years ended December 31, ($ in millions)*		
	2001	2000	1999	2001	2000	1999
Series B ESOP Convertible Preferred Stock						
Balance, beginning of year	1,454	1,530	1,587	$ 53.4	$ 56.2	$ 57.2
Shares converted or retired	(1,454)	(76)	(57)	(53.4)	(2.8)	(1.0)
Balance, end of year	-	1,454	1,530	$ -	$ 53.4	$ 56.2

Unearned Compensation - ESOP						
Balance, beginning of year				$ (10.6)	$ (20.5)	$ (29.5)
Amortization				10.6	9.9	9.0
Balance, end of year				$ -	$ (10.6)	$ (20.5)
Common Stock *(a)*						
Balance, beginning of year	73,546	71,700	69,720	$ 443.9	$ 413.0	$ 368.4
Shares issued for stock options and other employee and shareholder stock plans less shares exchanged, and other	2,162	1,846	1,980	35.0	30.9	44.6
Balance, end of year	75,708	73,546	71,700	$ 478.9	$ 443.9	$ 413.0
Retained Earnings						
Balance, beginning of year				$ 529.3	$ 481.2	$ 397.9
Net earnings (loss)				(99.2)	68.2	104.2
Common dividends				(16.5)	(17.5)	(18.2)
Preferred dividends, net of tax				(2.0)	(2.6)	(2.7)
ESOP/treasury stock conversion				(1.6)	-	-
Balance, end of year				$ 410.0	$ 529.3	$ 481.2
Treasury Stock *(a)*						
Balance, beginning of year	(17,448)	(12,066)	(8,810)	$ (303.9)	$(212.3)	$(140.0)
Shares reacquired	(3,566)	(5,382)	(3,256)	(85.9)	(91.6)	(72.3)
ESOP/treasury stock conversion	3,124	-	-	48.7	-	-
Balance, end of year	(17,890)	(17,448)	(12,066)	$ (341.1)	$ (303.9)	$ (212.3)

(a) Share amounts have been retroactively restated for the two-for-one stock split discussed in Note 14.

($ in millions)	*Years ended December 31,* 2001		2000		1999	
	Comprehensive Earnings	Accumulated Other Comprehensive Loss	Comprehensive Earnings	Accumulated Other Comprehensive Loss	Comprehensive Earnings	Accumulated Other Comprehensive Loss
Comprehensive Earnings (Loss)						
Balance, beginning of year		$ (29.7)		$ (26.7)		$ (31.7)
Net earnings (loss)	$ (99.2)		$ 68.2		$ 104.2	
Foreign currency translation adjustment	(2.1)		(3.2)		4.0	
Minimum pension liability adjustment, net of tax	(3.8)		0.2		1.0	
Effective financial derivatives (Note 16)	(8.1)		-		-	
Other comprehensive earnings (loss)	(14.0)	(14.0)	(3.0)	(3.0)	5.0	5.0
Comprehensive earnings (loss)	$ (113.2)		$ 65.2		$ 109.2	
Balance, end of year		$ (43.7)		$ (29.7)		$ (26.7)

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements
Ball Corporation and Subsidiaries

1. Significant Accounting Policies

Principles of Consolidation and Basis of Presentation
The consolidated financial statements include the accounts of Ball Corporation and its controlled affiliates (collectively, Ball, the company, we or our). Investments in 20 percent through 50 percent-owned affiliates are accounted for by the equity method where Ball does not control, but exercises significant influence over, operating and financial affairs. Otherwise, investments are included at cost. Differences between the carrying amounts of equity investments and the company's interest in underlying net assets are amortized over periods benefited. Significant intercompany transactions are eliminated. The results of subsidiaries and equity affiliates in Asia are reflected in the consolidated financial statements on a one-month lag.

Subsequent Event
On January 23, 2002, the company declared a two-for-one stock split of its common stock. See Note 14 for additional information.

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

Use of Estimates
Generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingencies and reported amounts of revenues and expenses. These estimates are based on

historical experience and various other assumptions believed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions.

Foreign Currency Translation
Assets and liabilities of foreign operations, where the local currency is the functional currency, are translated using period-end exchange rates, and revenues and expenses are translated using average exchange rates during each period. Translation gains and losses are reported in accumulated other comprehensive loss as a component of common shareholders' equity.

Revenue Recognition
Sales of products in the packaging segment are recognized upon the transfer of title. In the case of long-term contracts within the aerospace and technologies segment, sales are recognized under the cost-to-cost, percentage-of-completion method. Certain U.S. government contracts contain profit incentives based upon technical and cost performance relative to predetermined targets. Profit incentives are recorded when there is sufficient information to assess anticipated contract performance. Provision for estimated contract losses, if any, is made in the period that such losses are determined.

Temporary Investments
Temporary investments are considered cash equivalents if original maturities are three months or less.

Derivative Financial Instruments
The company uses derivative financial instruments for the purpose of hedging exposures to fluctuations in interest rates, foreign currency exchange rates, raw materials purchasing and the common share repurchase program. As required under the guidelines of Statement of Financial Accounting Standards (SFAS) No. 133, all of the company' s derivative instruments are recorded in the consolidated balance sheet at fair value. For a derivative designated as a fair value hedge of a recognized asset or liability, the gain or loss is recognized in earnings in the period of change together with the offsetting loss or gain on the hedged item attributable to the risk being hedged. For a derivative designated as a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive loss and subsequently reclassified into earnings when the forecasted transaction affects earnings. The ineffective portion of the gain or loss associated with a cash flow hedge is reported in earnings immediately.

Inventories
Inventories are stated at the lower of cost or market. The cost of the aluminum component of U.S. metal beverage container inventories and substantially all inventories within the U.S. metal food container business is determined using the last-in, first-out (LIFO) method of accounting. The cost of remaining inventories is determined using the first-in, first-out (FIFO) method.

Depreciation and Amortization
Depreciation is provided using the straight-line method in amounts sufficient to amortize the cost of the properties over their estimated useful lives (buildings and improvements - 15 to 40 years; machinery and equipment - 5 to 15 years). Through the end of 2001, goodwill was amortized using the straight-line method over 40 years. However, in accordance with SFAS No. 142 (discussed further in the "New Accounting Pronouncements" section) beginning on January 1, 2002, goodwill will no longer be amortized. The company evaluates long-lived assets, including goodwill and other intangibles, when events suggest that they may be impaired or may not be fully recoverable or the depreciation or amortization period should be reconsidered. Beginning in 2002, impairment will be evaluated in accordance with the guidelines to be considered under SFAS No. 142.

Taxes on Income
Deferred income taxes reflect the future tax consequences of differences between the tax bases of assets and liabilities and their financial reporting amounts at each balance sheet date, based upon enacted income tax laws and tax rates. Income tax expense or benefit is provided based on earnings reported in the financial statements. The provision for income tax expense or benefit differs from the amounts of income taxes currently payable because certain items of income and expense included in the consolidated financial statements are recognized in different time periods by taxing authorities. Deferred tax assets and operating loss and tax credit carryforwards are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that any portion of these tax attributes will not be realized.

Employee Stock Ownership Plan
On December 14, 2001, Ball's Employee Stock Ownership Plan (ESOP) trust paid the remaining balance of the ESOP loan. At that time, the company discontinued matching the ESOP participants' contributions to the 401(k). All of the preferred shares were converted into the company's common shares and distributed to the participants. Prior to that date, the cost of the ESOP was recorded using the shares allocated transitional method under which the annual pretax cost of the ESOP, including preferred dividends, approximated program funding. Compensation and interest components of ESOP cost were included in net earnings and preferred dividends, net of related tax benefits, were shown as a reduction from net earnings.

Earnings Per Share
Basic earnings per share are computed by dividing the net earnings attributable to common shareholders by the weighted average number of common shares outstanding for the period. Shares converted under the ESOP plan are included after December 14, 2001. Diluted earnings per share reflect the potential dilution that could occur if outstanding dilutive stock options were exercised, and prior to final repayment of the ESOP loan by the trust, also included the assumed conversion of the Series B ESOP Convertible Preferred Stock into additional outstanding common shares as well as the related earnings adjustment.

New Accounting Pronouncements
In August 2001 the Financial Accounting Standards Board (FASB) issued 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 is effective for Ball beginning January 1, 2002. The company believes there will be no impact upon adoption of this standard.

The FASB recently issued SFAS No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 requires that the purchase method be used for business combinations. Its provisions became effective for acquisitions after June 30, 2001. 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 initial recognition in the financial statements. In general goodwill and certain intangible assets will no longer be amortized but will be tested periodically for impairment. Resulting write-downs, if any, will be recognized in the statement of earnings. This statement became effective for Ball beginning January 1, 2002. We are evaluating the impact on the company's results from adopting SFAS No. 142. At this time, we do not anticipate impairment charges upon its adoption and 2000 net earnings are expected to improve by $8 million with the cessation of amortization.

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," and SFAS No. 138, an amendment of SFAS 133, essentially require all derivatives to be recorded on the balance sheet at fair value and establish new accounting practices for hedge instruments. The adoption of these statements, which became effective for Ball on January 1, 2001, has not had a significant impact on the company's earnings or financial condition.

Financial Accounting Standards Board Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation - an Interpretation of Accounting Principles Board Opinion No. 25," clarifies certain issues related to the accounting for stock compensation and was effective for Ball as of the beginning of the third quarter of 2000. This interpretation did not have an effect on our reported results in 2001 or 2000.

Staff Accounting Bulletin (SAB) No. 101, which was issued by the U.S. Securities and Exchange Commission, provides guidance on the recognition, presentation and disclosure of revenue in the financial statements and became effective for Ball in the fourth quarter of 2000. The adoption of this guidance had an insignificant effect on our results in 2001 and 2000.

The Emerging Issues Task Force (EITF) reached a consensus in September on a portion of 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. The effect of this guidance resulted in offsetting increases in net sales and cost of sales in the consolidated statement of earnings and accompanying notes. Reclassifications of $126.9 million and $123 million for 2000 and 1999, respectively, were reflected in those periods for comparative purposes.

2. Business Segment Information

Ball's operations are organized along its product lines and include two segments - the packaging segment and the aerospace and technologies segment. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. See Notes 3 and 4 for information regarding transactions affecting segment results.

Packaging

The packaging segment includes the manufacture and sale of metal and PET (polyethylene terephthalate) plastic containers, primarily for use in beverage and food packaging. Our consolidated packaging operations are located in and serve North America (the U.S. and Canada) and Asia, primarily the People's Republic of China (PRC). We also have investments in packaging companies in the PRC, Brazil and Thailand, which are accounted for under the equity method, and, accordingly, those results are not included in segment earnings or assets.

Aerospace and Technologies

The aerospace and technologies segment includes defense systems, civil space systems and commercial space operations.

Major Customers

Packaging segment sales to Miller Brewing Company represented approximately 16 percent of net sales in 2001 and 15 percent in both 2000 and 1999. Sales to PepsiCo, Inc., and affiliates represented approximately 13 percent, 14 percent and 13 percent of consolidated net sales in 2001, 2000 and 1999, respectively. Sales to the Coca-Cola Company and affiliates represented 7 percent of consolidated net sales in 2001 and 11 percent in 2000 and 1999. Sales to all bottlers of Pepsi-Cola and Coca-Cola branded beverages comprised approximately 31 percent of consolidated net sales in 2001 and 35 percent of consolidated net sales in 2000 and 1999. Sales to various U.S. government agencies by the aerospace and technologies segment, either as a prime contractor or as a subcontractor, represented approximately 10 percent of consolidated net sales in 2001 and 9 percent of consolidated net sales in 2000 and 1999.

Financial data segmented by geographic area is provided below.

Summary of Net Sales by Geographic Area

($ in millions)	U.S.	Other *(a)*	Consolidated
2001	**$ 3,264.3**	**$ 421.8**	**$ 3,686.1**
2000	3,195.9	468.8	3,664.7
1999	3,237.1	470.1	3,707.2

Summary of Long-Lived Assets*(b)* **by Geographic Area**

($ in millions)	U.S.	PRC	Other *(c)*	Consolidated
2001	**$ 1,351.9**	**$ 123.0**	**$ 45.2**	**$ 1,520.1**
2000	1,565.5	301.8	(186.8)	1,680.5
1999	1,701.6	352.0	(217.3)	1,836.3

(a) Includes the company's net sales in the PRC and Canada, neither of which are significant, intercompany eliminations and other.
(b) Long-lived assets primarily consist of property, plant and equipment, goodwill and other intangible assets.
(c) Includes the company's long-lived assets in Canada, which are not significant, intercompany eliminations and other.

Summary of Business by Segment

($ in millions)	2001	2000	1999
Net Sales			
North American metal beverage	$ 2,178.6	$ 2,245.5	$ 2,326.4
North American metal food	625.3	576.4	524.1
North American plastic containers	292.7	265.7	255.4
International (Note 3)	170.6	214.1	218.3
Total packaging	3,267.2	3,301.7	3,324.2
Aerospace and technologies	418.9	363.0	383.0
Consolidated net sales	$ 3,686.1	$ 3,664.7	$ 3,707.2
Consolidated Earnings			
Packaging	$ 241.3	$ 278.4	$ 276.7
Business consolidation costs and other (Note 3)	(257.4)	(83.4)	-
Total packaging	(16.1)	195.0	276.7
Aerospace and technologies	31.5	29.0	24.9
Business consolidation costs in 2001 and ESOP settlement in 2000 (Note 3)	(13.8)	7.0	-
Total aerospace and technologies	17.7	36.0	24.9
Segment earnings before interest and taxes	1.6	231.0	301.6
Corporate undistributed expenses	(27.0)	(21.9)	(22.8)
Earnings (loss) before interest and taxes	(25.4)	209.1	278.8
Interest expense	(88.3)	(95.2)	(107.6)

Provision for taxes	9.7	(42.8)	(64.9)
Minority interests	0.8	1.0	(1.9)
Equity in net results of affiliates	4.0	(3.9)	(0.2)
Consolidated earnings (loss)	$ (99.2)	$ 68.2	$ 104.2
Depreciation and Amortization			
Packaging	$ 138.1	$ 143.9	$ 146.4
Aerospace and technologies	12.4	13.0	13.5
Segment depreciation and amortization	150.5	156.9	159.9
Corporate	2.0	2.2	3.0
Consolidated depreciation and amortization	$ 152.5	$ 159.1	$ 162.9
Net Investment			
Packaging	$ 1,504.4	$ 1,410.9	$ 1,319.7
Aerospace and technologies	190.5	181.8	161.6
Segment net investment	1,694.9	1,592.7	1,481.3
Corporate net investment and eliminations	(1,190.8)	(910.3)	(790.4)
Consolidated net investment	$ 504.1	$ 682.4	$ 690.9
Investments in Equity Affiliates			
Packaging	$ 53.7	$ 65.6	$ 79.0
Aerospace and technologies	15.1	15.6	2.3
Consolidated investments in equity affiliates	$ 68.8	$ 81.2	$ 81.3
Property, Plant and Equipment Additions			
Packaging	$ 53.5	$ 85.9	$ 95.8
Aerospace and technologies	11.8	12.0	10.1
Segment property, plant and equipment additions	65.3	97.9	105.9
Corporate	3.2	0.8	1.1
Consolidated property, plant and equipment additions	$ 68.5	$ 98.7	$ 107.0

3. Business Consolidation Costs and Other

In June 2001 Ball announced the reorganization of its PRC packaging business. As a part of the reorganization plan, we have exited the general line metal can business and have closed one PRC beverage can plant. We are in the process of closing another PRC beverage can plant and relocating production equipment. 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. The charge was comprised of: (1) $90.3 million to write-down fixed assets and related spare parts held for sale to net realizable value, including estimated cost to sell; (2) $64.4 million of goodwill to estimated recoverable amounts; (3) $28.8 million for the acquisition of minority partner interests and write off of unrecoverable equity investments; (4) $24 million of accounts receivable deemed uncollectible and inventories deemed unsalable, both as a direct result of the exit plan; (5) $13 million of severance cost and other employee benefits and (6) $17.2 million of decommissioning costs, miscellaneous taxes and other exit costs. Based on current estimates, positive cash flow of approximately $29 million, including tax recoveries, is expected upon the completion of the reorganization plan. Revenues from the general line metal can business were approximately $20.4 million through August 2001, $45 million for the year 2000 and $41.2 million in 1999.

Also in the second quarter of 2001, we ceased operations in two commercial developmental product lines in our aerospace and technologies business. A pretax charge of $16 million ($9.7 million after tax) was recorded in the second quarter of 2001. The charge was comprised of: (1) $10 million of accounts receivable deemed uncollectible and inventories deemed unsalable, both as a direct result of the exit plan; (2) $2 million to write-down fixed assets held for sale to net realizable value, including estimated costs to sell; (3) $3.6 million of decommissioning and other exit costs and (4) $0.4 million of severance and other employee benefit costs.

In November 2001 Ball announced the closure of its Moultrie, Georgia, plant to address overcapacity in the aluminum beverage can industry in North America. The plant was closed in December and the company recorded a charge of $24.7 million ($15 million after tax). The charge included: (1) $15.8 million for the write-down of fixed assets held for sale and related machinery spare parts inventory to estimated net realizable value, including estimated costs to sell; (2) $4.7 million for severance and other employee benefit costs; (3) $3.2 million for other assets and decommissioning costs; and (4) $1 million for contractual pension and retirement obligations which have been included in the appropriate liability accounts. Based on current estimates, positive cash flow of approximately $4 million, including tax recoveries, is expected upon completion of the plant closure. This charge was offset in part by the reversal of $7.2 million ($4.5 million after tax) of the June 2001 restructuring charge, primarily due to original estimates exceeding net actual costs as activities are concluded.

The 2001 charges are comprised of:

($ in millions)	Fixed Assets/ Spare Parts	Goodwill	Acquisition of Minority Partner Interests	Pension/ Employee Costs	Other Assets/ Costs	Total
Charge to earnings in second quarter 2001:						
PRC	$ 90.3	$ 64.4	$ 28.8	$ 13.0	$ 41.2	$ 237.7
Aerospace and technologies	2.0	-	-	0.4	13.6	16.0
Charge/reversal to earnings in fourth quarter 2001:						
North America packaging	15.8	-	-	5.7	3.2	24.7
PRC	(7.2)	-	(0.9)	(3.5)	6.6	(5.0)
Aerospace and technologies	(0.1)	-	-	(0.3)	(1.8)	(2.2)

	100.8	64.4	27.9	15.3	62.8	271.2
Payments	-	-	(10.4)	(5.6)	(3.6)	(19.6)
Transfers to assets to reflect estimated realizable values	(100.8)	(64.4)	(19.4)	-	(40.3)	(224.9)
Transfers to liabilities	-	-	1.9	(1.0)	(2.3)	(1.4)
Balance at December 31, 2001	$ -	$ -	$ -	$ 8.7	$ 16.6	$ 25.3

Severance and other benefit costs are associated with the termination of 1,592 employees, primarily manufacturing and administrative personnel. The carrying value of fixed assets remaining for sale in connection with the 2001 charges is $1.1 million.

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.

The carrying value of fixed assets remaining for sale in connection with the 2000 business exit activities, as well as the remaining integration activities related to a 1998 acquisition, was approximately $6.1 million at December 31, 2001. Of the $14.2 million of severance and other estimated liabilities accrued as exit costs at December 31, 2000, $9.2 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 December 31, 2001, were less than $1 million.

Subsequent changes to the estimated costs of the 2001 and 2000 business consolidation activities, if any, will be included in current-period earnings.

During the third quarter of 2000, the company recognized cost recovery of approximately $7 million (approximately $4.3 million after tax) related to the Armed Services Board of Contract Appeals upholding the company's claim to recoverability of costs associated with Ball's ESOP for fiscal years beginning in 1989.

4. Acquisition

On December 28, 2001, Ball acquired substantially all of the assets of Wis-Pak Plastics, Inc. (Wis-Pak) for approximately $27.5 million. Additional payments of up to $10 million in total, including interest, are contingent upon the future performance of the acquired business through 2006. The contingent purchase price component will be recognized as the performance levels are achieved. Under the acquisition agreement, Ball entered into a ten-year agreement to supply 100 percent of Wis-Pak's annual PET container requirements, which are currently 550 million containers. The acquisition is not significant to the packaging segment's financial statements.

Subsequent increases in actual costs, if any, associated with the company's acquisitions will be included in current-period earnings while subsequent decreases, if any, will result in a reduction in goodwill.

5. Accounts Receivable

Accounts receivable are net of an allowance for doubtful accounts of $13.5 million at December 31, 2001, and $15.1 million at December 31, 2000.

A trade accounts receivable securitization agreement provides for the ongoing, revolving sale of a designated pool of U.S. packaging trade accounts receivable, up to $125 million. Net funds received from the sale of the accounts receivable totaled $122.5 million at both December 31, 2001 and 2000, and are reflected as a reduction in accounts receivable in the consolidated balance sheet. Fees incurred in connection with the sale of accounts receivable totaled $5.5 million in 2001, $8.4 million in 2000 and $7 million in 1999.

Net accounts receivable under long-term contracts, due primarily from agencies of the U.S. government, were $60.7 million and $100.1 million at December 31, 2001 and 2000, respectively, and include unbilled amounts representing revenue earned but contractually not yet billable of $19.9 million and $47.2 million, respectively. The average length of the long-term contracts is approximately three years and the average length remaining on those contracts at December 31, 2001, was approximately 13 months. Approximately $3.6 million of unbilled receivables at December 31, 2001, is expected to be collected after one year and is related to fees and cost withholds that will be paid upon completion of milestones or other contract terms, as well as final overhead rate settlements.

6. Inventories

	December 31,	
($ in millions)	2001	2000
Raw materials and supplies	$ 148.9	$ 214.9
Work in process and finished goods	300.4	412.6
	$ 449.3	$ 627.5

Approximately 40 percent and 41 percent of total inventories at December 31, 2001 and 2000, respectively, were valued using the LIFO method of accounting. Inventories at December 31, 2001 and 2000 would have been $3.5 million and $5.7 million higher, respectively, than the reported amounts if the FIFO method of accounting, which approximates replacement cost, had been used for those inventories.

7. Property, Plant and Equipment

	December 31,	
($ in millions)	2001	2000
Land	$ 49.5	$ 52.1
Buildings	456.8	438.9
Machinery and equipment	1,398.5	1,410.2
	1,904.8	1,901.2
Accumulated depreciation	(1,000.4)	(897.5)
	$ 904.4	$ 1,003.7

Depreciation expense amounted to $137.9 million, $142.2 million and $143.8 million for the years ended December 31, 2001, 2000 and 1999, respectively. The significant reduction in property, plant and equipment during 2001 as a result of reorganization activities in the PRC and North America (discussed in Note 3) was offset by the acquisition of previously leased assets and the assets obtained in the acquisition of Wis-Pak (discussed in Note 4).

8. Goodwill and Other Assets

($ in millions)	December 31, 2001	December 31, 2000
Goodwill (net of accumulated amortization of $65.2 and $54.5 at December 31, 2001, and 2000, respectively)	$ 357.8	$ 436.8
Investments in affiliates	68.8	81.2
Prepaid pension	101.0	67.1
Other	88.1	91.7
	$ 615.7	$ 676.8

Total amortization expense, including that in connection with goodwill, amounted to $14.6 million, $16.9 million and $19.1 million for the years ended December 31, 2001, 2000 and 1999, respectively, of which $10.7 million, $12.6 million and $13.4 million related to the amortization of goodwill. Goodwill of $64.4 million was written off in connection with the business consolidation in the PRC as discussed in Note 3. The remaining reduction in goodwill since December 31, 2000, is the result of cost allocation adjustments related to past acquisitions as required in accordance with generally accepted accounting principles, offset in large part by the initial estimate of goodwill in connection with the Wis-Pak acquisition (discussed in Note 4).

9. Debt and Interest Costs

Short-term debt consisted of non-recourse Asian bank facilities of which $48 million and $58.5 million were outstanding at December 31, 2001 and 2000, respectively. The weighted average interest rate of the outstanding facilities was 5.7 percent at December 31, 2001, and 6.5 percent at December 31, 2000.

Long-term debt at December 31 consisted of the following:

($ in millions)	2001	2000
Notes Payable		
7.75% Senior Notes due August 2006	$ 300.0	$ 300.0
8.25% Senior Subordinated Notes due August 2008	250.0	250.0
Senior Credit Facility:		
Term Loan A due August 2004 (2001 - 2.8125%; 2000 - 7.5%)	245.0	295.0
Term Loan B due March 2006 (2001 - 3.8125%; 2000 - 8.5%)	194.0	196.0
Industrial Development Revenue Bonds		
Floating rates due through 2011 (2001 - 1.45%; 2000 - 5%)	27.1	27.1
ESOP Debt Guarantee		
9.60% installment note due through 2001	-	10.7
	1,016.1	1,078.8
Less: Current portion of long-term debt	(67.0)	(67.2)
	$ 949.1	$1,011.6

The company's Senior Credit Facility bears interest at variable rates and is comprised of the following: (1) Term Loan A due in installments through August 2004; (2) Term Loan B due in installments through March 2006; (3) a revolving credit facility which provides us with up to $575 million revolving credit facility, comprised of a $125 million, 364-day annually renewable facility and a $450 million long-term committed facility expiring in August 2004; and (4) a $50 million long-term committed Canadian facility expiring in November 2002. At December 31, 2001, $596 million was available under the revolving credit facilities, after allowing for outstanding letters of credit.

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. All amounts outstanding under the Senior Credit Facility are secured by: (1) a pledge of 100 percent of the stock owned by the company in its direct and indirect majority-owned domestic subsidiaries and (2) a pledge of the company's stock, owned directly or indirectly, of certain foreign subsidiaries, which equals 65 percent of the stock of each such foreign subsidiary. 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. Condensed, consolidating financial information for the company, segregating the guarantor subsidiaries and non-guarantor subsidiaries, will be provided in an exhibit to our Form 10-K for the year ended December 31, 2001.

Ball's subsidiary and its consolidated affiliates in the PRC had short-term uncommitted credit facilities of approximately $87 million, of which $48 million was outstanding at December 31, 2001.

Maturities of all fixed long-term debt obligations outstanding at December 31, 2001, are $67 million, $87 million, $100.1 million, $10 million and $486 million for the years ending December 31, 2002 through 2006, respectively, and $266 million thereafter.

Ball issues letters of credit in the ordinary course of business to secure liabilities recorded in connection with industrial development revenue bonds and insurance arrangements, of which $28.6 million were outstanding at December 31, 2001. Ball also has provided a completion guarantee representing 50 percent of the $30.5 million of debt issued by our Brazilian joint venture to fund the construction of facilities.

The company was not in default of any loan agreement at December 31, 2001, and has met all payment obligations. The U.S. note agreements, bank credit agreement and industrial development revenue bond agreements contain certain restrictions relating to dividends, share repurchases, investments, financial ratios, guarantees and the incurrence of additional indebtedness.

A summary of total interest cost paid and accrued follows:

($ in millions)	2001	2000	1999
Interest costs	$ 89.7	$ 98.5	$ 109.6
Amounts capitalized	(1.4)	(3.3)	(2.0)
Interest expense	$ 88.3	$ 95.2	$ 107.6

Interest paid during the year	$ 89.0	$ 96.8	$ 111.2

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 December 31, 2001 and 2000, and for the years ended December 31, 2001, 2000 and 1999 (in millions of dollars). Certain prior-year amounts have been reclassified in order to conform with 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

December 31, 2001

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
ASSETS					
Current assets					
Cash and temporary investments	$ 52.7	$ 0.4	$ 30.0	$ -	$ 83.1
Accounts receivable, net	1.6	142.6	27.8	-	172.0
Inventories, net	-	375.5	73.8	-	449.3
Deferred income tax benefits and prepaid expenses	183.3	126.2	1.6	(222.0)	89.1
Total current assets	237.6	644.7	133.2	(222.0)	793.5
Property, plant and equipment, at cost	25.9	1,620.2	258.7	-	1,904.8
Accumulated depreciation	(13.8)	(870.8)	(115.8)	-	(1,000.4)
	12.1	749.4	142.9	-	904.4
Investment in subsidiaries	1,637.8	57.9	9.8	(1,705.5)	-
Investment in affiliates	7.4	15.3	46.1	-	68.8
Goodwill, net	-	326.6	31.2	-	357.8
Other assets	106.2	65.5	17.4	-	189.1
	$ 2,001.1	$ 1,859.4	$ 380.6	$ (1,927.5)	$ 2,313.6
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term debt and current portion of long-term debt	$ 67.0	$ -	$ 48.0	$ -	$ 115.0
Accounts payable	4.1	215.7	38.7	-	258.5
Salaries and wages	8.9	76.5	5.6	-	91.0
Other current liabilities	45.5	248.4	38.3	(222.0)	110.2
Total current liabilities	125.5	540.6	130.6	(222.0)	574.7
Long-term debt	939.0	10.1	-	-	949.1
Intercompany borrowings	308.2	291.7	98.9	(698.8)	-
Employee benefit obligations, deferred income taxes and other	124.3	95.4	56.3	-	276.0
Total liabilities	1,497.0	937.8	285.8	(920.8)	1,799.8
Contingencies					
Minority interests	-	-	9.7	-	9.7
Shareholders' equity					
Convertible preferred stock	-	-	179.6	(179.6)	-
Preferred shareholders' equity	-	-	179.6	(179.6)	-
Common stock	478.9	724.5	239.2	(963.7)	478.9
Retained earnings	410.0	207.8	(304.7)	96.9	410.0
Accumulated other comprehensive loss	(43.7)	(10.7)	(29.0)	39.7	(43.7)
Treasury stock, at cost	(341.1)	-	-	-	(341.1)
Common shareholders' equity	504.1	921.6	(94.5)	(827.1)	504.1
Total shareholders' equity	504.1	921.6	85.1	(1,006.7)	504.1
	$ 2,001.1	$ 1,859.4	$ 380.6	$ (1,927.5)	$ 2,313.6

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
Investment in subsidiaries	1,476.5	340.0	9.8	(1,826.3)	-
Investment 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
	$ 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
Salaries and wages	10.6	100.6	7.4	-	118.6
Other current liabilities	34.9	248.9	31.3	(232.4)	82.7
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	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
	$ 1,788.7	$ 2,290.1	$ 629.7	$ (2,058.7)	$ 2,649.8

CONSOLIDATED STATEMENT OF EARNINGS

For the Year Ended December 31, 2001

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	$ -	$ 3,523.2	$ 415.1	$ (252.2)	$ 3,686.1
Costs and expenses					
Cost of sales (excluding depreciation and amortization)	-	3,037.3	357.1	(252.2)	3,142.2
Depreciation and amortization	2.0	128.3	22.2	-	152.5
Business consolidation costs and other	-	38.7	232.5	-	271.2
Selling and administrative	20.8	90.2	24.6	-	135.6
Receivable securitization fees and product development	-	10.3	(0.3)	-	10.0
Interest expense	42.8	39.9	5.6	-	88.3
Equity in earnings of subsidiaries	106.6	-	-	(106.6)	-

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Corporate allocations	(59.9)	59.9	-	-	-
	112.3	3,404.6	641.7	(358.8)	3,799.8
Earnings (loss) before taxes	(112.3)	118.6	(226.6)	106.6	(113.7)
Provision for taxes	13.4	1.1	(4.8)	-	9.7
Minority interests	-	-	0.8	-	0.8
Equity in earnings (losses) of affiliates	(0.3)	(0.2)	4.5	-	4.0
Net earnings (loss)	(99.2)	119.5	(226.1)	106.6	(99.2)
Preferred dividends, net of tax	(2.0)	-	-	-	(2.0)
Earnings (loss) attributable to common shareholders	$ (101.2)	$ 119.5	$ (226.1)	$ 106.6	$ (101.2)

CONSOLIDATED STATEMENT OF EARNINGS

For the Year Ended December 31, 2000

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	$ -	$ 3,460.4	$ 454.2	$ (249.9)	$ 3,664.7
Costs and expenses					
Cost of sales (excluding depreciation and amortization)	-	2,936.5	380.5	(249.9)	3,067.1
Depreciation and amortization	2.2	128.1	28.8	-	159.1
Business consolidation costs and other	2.3	15.1	59.0	-	76.4
Selling and administrative	30.4	97.9	10.6	-	138.9
Receivable securitization fees and product development	-	13.9	0.2	-	14.1
Interest expense	82.1	7.8	5.3	-	95.2
Equity in earnings of subsidiaries	(90.8)	-	-	90.8	-
Corporate allocations	(60.2)	60.2	-	-	-
	(34.0)	3,259.5	484.4	(159.1)	3,550.8
Earnings (loss) before taxes	34.0	200.9	(30.2)	(90.8)	113.9
Provision for taxes	34.5	(75.1)	(2.2)	-	(42.8)
Minority interests	-	-	1.0	-	1.0
Equity in earnings (losses) of affiliates	(0.3)	(1.3)	(2.3)	-	(3.9)
Net earnings (loss)	68.2	124.5	(33.7)	(90.8)	68.2
Preferred dividends, net of tax	(2.6)	-	-	-	(2.6)
Earnings (loss) attributable to common shareholders	$ 65.6	$ 124.5	$ (33.7)	$ (90.8)	$ 65.6

CONSOLIDATED STATEMENT OF EARNINGS

For the Year Ended December 31, 1999

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	$ -	$ 3,498.6	$ 456.9	$ (248.3)	$ 3,707.2
Costs and expenses					
Cost of sales (excluding depreciation and amortization)	-	2,980.6	378.7	(248.3)	3,111.0
Depreciation and amortization	3.0	130.1	29.8	-	162.9
Selling and administrative	15.3	97.5	28.1	-	140.9
Receivable securitization fees and product development	-	13.5	0.1	-	13.6
Interest expense	60.8	37.3	9.5	-	107.6
Equity in earnings of subsidiaries	(119.4)	-	-	119.4	-
Corporate allocations	(49.7)	49.7	-	-	-
	(90.0)	3,308.7	446.2	(128.9)	3,536.0
Earnings (loss) before taxes	90.0	189.9	10.7	(119.4)	171.2
Provision for taxes	13.9	(72.7)	(6.1)	-	(64.9)
Minority interests	-	-	(1.9)	-	(1.9)
Equity in earnings (losses) of affiliates	0.3	(0.2)	(0.3)	-	(0.2)
Net earnings (loss)	104.2	117.0	2.4	(119.4)	104.2
Preferred dividends, net of tax	(2.7)	-	-	-	(2.7)
Earnings (loss) attributable to common shareholders	$ 101.5	$ 117.0	$ 2.4	$ (119.4)	$ 101.5

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2001

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Cash flows from operating activities					
Net earnings (loss)	$ (99.2)	$ 119.5	$ (226.1)	$ 106.6	$ (99.2)
Noncash charges to net earnings:					
Depreciation and amortization	2.0	128.3	22.2	-	152.5
Business consolidation costs, net of related equity and minority interest effects	-	38.7	230.0	-	268.7
Deferred income taxes	(71.0)	69.6	3.9	-	2.5
Equity earnings of subsidiaries	106.6	-	-	(106.6)	-
Other, net	10.4	(55.0)	(2.0)	-	(46.6)
Changes in working capital components	54.4	(4.0)	(7.5)	-	42.9
Net cash (used in) provided by operating activities	3.2	297.1	20.5	-	320.8
Cash flows from investing activities					
Additions to property, plant and equipment	(3.2)	(52.7)	(12.6)	-	(68.5)
Acquisitions of previously leased assets and a PET manufacturing business	-	(77.9)	-	-	(77.9)
Investments in and advances to affiliates	168.2	(184.8)	16.6	-	-
Other, net	2.1	18.5	2.9	-	23.5
Net cash provided by (used in) investing activities	167.1	(296.9)	6.9	-	(122.9)
Cash flows from financing activities					
Repayments of long-term borrowings	(52.0)	-	-	-	(52.0)
Change in short-term borrowings	-	-	(10.3)	-	(10.3)
Common and preferred dividends	(20.4)	-	-	-	(20.4)
Proceeds from issuance of common stock under various employee and shareholder plans	32.1	-	-	-	32.1
Acquisitions of treasury stock	(85.9)	-	-	-	(85.9)
Other, net	(3.7)	-	(0.2)	-	(3.9)
Net cash (used in) provided by financing activities	(129.9)	-	(10.5)	-	(140.4)
Net change in cash and temporary investments	40.4	0.2	16.9	-	57.5
Cash and temporary investments - beginning of year	12.3	0.2	13.1	-	25.6
Cash and temporary investments - end of year	$ 52.7	$ 0.4	$ 30.0	$ -	$ 83.1

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2000

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Cash flows from operating activities					
Net earnings (loss)	$ 68.2	$ 124.5	$ (33.7)	$ (90.8)	$ 68.2
Noncash charges to net earnings:					
Depreciation and amortization	2.2	128.1	28.8	-	159.1
Business consolidation costs, net of related equity and minority interest effects	2.3	22.1	56.9	-	81.3
Deferred income taxes	(28.2)	42.1	(4.1)	-	9.8
Equity earnings of subsidiaries	(90.8)	-	-	90.8	-
Other, net	10.4	(21.0)	(1.2)	-	(11.8)
Changes in working capital components	(13.8)	(91.6)	(24.7)	-	(130.1)
Net cash (used in) provided by operating activities	(49.7)	204.2	22.0	-	176.5
Cash flows from investing activities					
Additions to property, plant and					

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
equipment	(0.8)	(85.4)	(12.5)	-	(98.7)
Investments in and advances to affiliates	153.6	(141.4)	(12.2)	-	-
Other, net	17.9	36.5	(8.2)	-	46.2
Net cash provided by (used in) investing activities	170.7	(190.3)	(32.9)	-	(52.5)
Cash flows from financing activities					
Repayments of long-term borrowings	(37.0)	(13.9)	-	-	(50.9)
Change in short-term borrowings	-	-	2.9	-	2.9
Common and preferred dividends	(21.6)	-	-	-	(21.6)
Proceeds from issuance of common stock under various employee and shareholder plans	30.7	-	-	-	30.7
Acquisitions of treasury stock	(91.6)	-	-	-	(91.6)
Other, net	(2.8)	-	(0.9)	-	(3.7)
Net cash (used in) provided by financing activities	(122.3)	(13.9)	2.0	-	(134.2)
Net change in cash and temporary investments	(1.3)	-	(8.9)	-	(10.2)
Cash and temporary investments - beginning of year	13.6	0.2	22.0	-	35.8
Cash and temporary investments - end of year	$ 12.3	$ 0.2	$ 13.1	$ -	$ 25.6

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 1999

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Cash flows from operating activities					
Net earnings (loss)	$ 104.2	$ 117.0	$ 2.4	$ (119.4)	$ 104.2
Noncash charges to net earnings:					
Depreciation and amortization	3.0	130.1	29.8	-	162.9
Deferred income taxes	8.0	24.6	1.7	-	34.3
Equity earnings of subsidiaries	(119.4)	-	-	119.4	-
Other, net	21.4	(15.3)	-	-	6.1
Changes in working capital components	(94.7)	94.8	(1.6)	-	(1.5)
Net cash (used in) provided by operating activities	(77.5)	351.2	32.3	-	306.0
Cash flows from investing activities					
Additions to property, plant and equipment	(1.1)	(95.1)	(10.8)	-	(107.0)
Investments in and advances to affiliates	238.5	(275.0)	36.5	-	-
Other, net	4.6	5.4	4.3	-	14.3
Net cash provided by (used in) investing activities	242.0	(364.7)	30.0	-	(92.7)
Cash flows from financing activities					
Long-term borrowings	-	13.9	9.2	-	23.1
Repayments of long-term borrowings	(102.0)	(0.4)	(58.6)	-	(161.0)
Change in short-term borrowings	-	-	(13.2)	-	(13.2)
Common and preferred dividends	(22.5)	-	-	-	(22.5)
Proceeds from issuance of common stock under various employee and shareholder plans	36.8	-	-	-	36.8
Acquisitions of treasury stock	(72.3)	-	-	-	(72.3)
Other, net	(2.5)	(0.3)	0.4	-	(2.4)
Net cash (used in) provided by financing activities	(162.5)	13.2	(62.2)	-	(211.5)
Net change in cash and temporary investments	2.0	(0.3)	0.1	-	1.8
Cash and temporary investments - beginning of year	11.6	0.5	21.9	-	34.0
Cash and temporary investments - end of year	$ 13.6	$ 0.2	$ 22.0	$ -	$ 35.8

10. Leases

The company leases warehousing and manufacturing space and certain manufacturing equipment, primarily within the packaging segment, and office space, primarily within the aerospace and technologies segment. Under certain of these lease arrangements, we have the option to purchase the leased facilities and equipment for a total purchase price at the end of the lease term of approximately $40.6 million. If we elect not to purchase the facilities and equipment and do not enter into a new lease arrangement, Ball will be required to compensate the lessors for the difference between a guaranteed minimum residual value of approximately $30.9 million and the fair market value of the assets, if less. Ball may also incur other incremental costs to discontinue or relocate the business activities associated with these leased assets. These agreements contain certain restrictions relating to dividends, investments and borrowings. Total noncancellable operating leases in effect at December 31, 2001, require rental payments of $30.6 million, $22.7 million, $14.6 million, $5.4 million and $2.3 million for the years 2002 through 2006, respectively, and $2.6 million combined for all years thereafter. Lease expense for all operating leases was $58.1 million, $63.4 million and $44.8 million in 2001, 2000 and 1999, respectively.

11. Taxes on Income

The amounts of earnings (losses) before income taxes by national jurisdiction follow:

($ in millions)	2001	2000	1999
U.S.	$ 112.8	$ 144.0	$ 161.5
Foreign	(226.5)	(30.1)	9.7
	$ (113.7)	$ 113.9	$ 171.2

The provision for income tax expense (benefit) was as follows:

($ in millions)	2001	2000	1999
Current			
U.S.	$ (5.3)	$ 28.5	$ 23.5
State and local	(7.7)	0.9	2.2
Foreign	0.8	3.6	4.9
Total current	(12.2)	33.0	30.6
Deferred			
U.S.	(8.2)	12.8	28.7
State and local	6.9	2.5	4.6
Foreign	3.8	(5.5)	1.0
Total deferred	2.5	9.8	34.3
Provision for income taxes	$ (9.7)	$ 42.8	$ 64.9

The current and deferred U.S. benefits above include the offsetting effects of a $34 million minimum tax credit reclassified from current to deferred since full realization is expected in 2002 and beyond.

The income tax benefit or expense recorded within the consolidated statement of earnings differs from the amount of benefit or expense determined by applying the U.S. statutory tax rate to pretax earnings as a result of the following:

($ in millions)	2001	2000	1999
Statutory U.S. federal income tax	$ (39.8)	$ 39.8	$ 59.9
Increase (decrease) due to:			
Company-owned life insurance	(2.9)	(3.1)	(2.1)
Research and development tax credits	(1.3)	(3.1)	(3.0)
Foreign operations and royalty income	1.0	3.2	2.9
U.S. tax effects of China restructuring and nondeductible goodwill	28.6	1.3	-
State and local taxes, net	2.8	1.9	4.4
Other, net	1.9	2.8	2.8
Provision for taxes	$ (9.7)	$ 42.8	$ 64.9
Effective tax rate expressed as a percentage of pretax earnings	(8.6)%	37.6%	37.9%

At December 31, 2001, the company had capital loss carryforwards, expiring in 2004, of $23.7 million with a related tax benefit of $9.3 million. That benefit has been fully offset by a valuation allowance as the company currently does not anticipate capital gains in the carryforward period to allow realization of the tax benefit.

Provision has not been made for additional U.S. or foreign taxes on undistributed earnings of controlled foreign corporations where such earnings will continue to be reinvested. It is not practicable to estimate the additional taxes, including applicable foreign withholding taxes, that might become payable upon the eventual remittance of the foreign earnings for which no provision has been made.

Net income tax payments were $0.2 million, $28.8 million and $29.6 million for 2001, 2000 and 1999, respectively.

The significant components of deferred tax assets and liabilities at December 31 were:

($ in millions)	2001	2000
Deferred tax assets:		
Deferred compensation	$ (37.8)	$ (35.2)
Accrued employee benefits	(62.1)	(63.3)
Plant closure costs	(49.3)	(38.4)
Minimum tax credits	(34.0)	-
Other	(45.5)	(43.6)
Total deferred tax assets	(228.7)	(180.5)

Deferred tax liabilities:		
Depreciation	161.6	139.5
Other	59.7	36.6
Total deferred tax liabilities	221.3	176.1
Net deferred tax asset	$ (7.4)	$ (4.4)

12. Pension and Other Postemployment Benefits

The company's noncontributory pension plans cover substantially all U.S. and Canadian employees meeting certain eligibility requirements. The defined benefit plans for salaried employees provide pension benefits based on employee compensation and years of service. In addition, the plan covering salaried employees in Canada includes a defined contribution feature. Plans for hourly employees provide benefits based on fixed rates for each year of service. Our policy is to fund the plans on a current basis to the extent deductible under existing tax laws and regulations and in amounts sufficient to satisfy statutory funding requirements. Plan assets consist primarily of common stocks and fixed income securities.

The company sponsors defined benefit and defined contribution postretirement health care and life insurance plans for substantially all U.S. and Canadian employees. Employees may also qualify for long-term disability, medical and life insurance continuation and other postemployment benefits upon termination of active employment prior to retirement. All of the Ball-sponsored plans are unfunded and, with the exception of life insurance benefits, are self-insured.

In Canada, the company provides supplemental medical and other benefits in conjunction with Canadian provincial health care plans. Most U.S. salaried employees who retired prior to 1993 are covered by noncontributory defined benefit medical plans with capped lifetime benefits. Ball provides a fixed subsidy toward each retiree's future purchase of medical insurance for U.S. salaried and substantially all nonunion hourly employees retiring after January 1, 1993. Life insurance benefits are non-contributory. Ball has no commitments to increase benefits provided by any of the postemployment benefit plans.

An analysis of the change in benefit accruals for 2001 and 2000 follows:

	Pension Benefits		Other Postemployment Benefits	
($ in millions)	2001	2000	2001	2000
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 455.7	$ 418.3	$ 99.4	$ 97.3
Service cost	13.1	12.4	2.4	1.9
Interest cost	34.4	32.0	7.6	7.6
Benefits paid	(29.0)	(18.7)	(5.1)	(3.9)
Net actuarial (gain) loss	25.5	(1.8)	7.9	(6.1)
Special termination	-	11.4	-	1.7
Other, net	10.7	2.1	(0.9)	0.9
Benefit obligation at end of year	510.4	455.7	111.3	99.4
Change in plan assets:				
Fair value of assets at beginning of year	466.7	435.4	-	-
Actual return on plan assets	(44.4)	30.8	-	-
Employer contributions	26.9	21.9	5.1	3.8
Benefits paid	(29.0)	(18.7)	(5.1)	(3.9)
Other, net	(4.3)	(2.1)	-	0.1
Fair value of assets at the measurement date	415.9	467.3	-	-
Additional contributions	32.2	-	1.3	1.3
Funded status	(62.3)	11.6	(110.0)	(98.1)
Unrecognized net actuarial loss (gain)	130.5	16.5	(3.2)	(11.9)
Unrecognized prior service cost	28.0	14.9	3.6	4.0
Unrecognized transition asset	-	(0.6)	-	-
Prepaid (accrued) benefit cost	$ 96.2	$ 42.4	$ (109.6)	$ (106.0)

Amounts recognized in the balance sheet consist of:

	Pension Benefits		Other Postemployment Benefits	
($ in millions)	2001	2000	2001	2000
Prepaid benefit cost	$ 105.7	$ 56.2	$ -	$ -
Accrued benefit liability	(31.5)	(30.0)	(109.6)	(106.0)
Intangible asset	13.2	12.9	-	-
Accumulated other comprehensive loss	8.8	3.3	-	-
Net amount recognized	$ 96.2	$ 42.4	$ (109.6)	$ (106.0)

Components of net periodic benefit cost were:

	Pension Benefits			Other Postemployment Benefits		
($ in millions)	2001	2000	1999	2001	2000	1999

Service cost	$ 13.1	$ 12.4	$ 14.2	$ 2.4	$ 1.9	$ 1.7
Interest cost	34.4	32.0	29.1	7.6	7.6	6.5
Expected return on plan assets	(45.1)	(42.3)	(37.6)	-	-	-
Amortization of prior service cost	1.4	1.4	1.1	0.4	0.3	-
Amortization of transition asset	(0.6)	(3.1)	(3.2)	-	-	-
Curtailment loss	0.4	7.9	0.5	-	-	-
Recognized net actuarial loss (gain)	0.4	0.7	1.7	(0.9)	(0.7)	(0.3)
Net periodic benefit cost	4.0	9.0	5.8	9.5	9.1	7.9
Expense of defined contribution plans	0.6	0.7	0.7	-	-	-
Net periodic benefit cost	$ 4.6	$ 9.7	$ 6.5	$ 9.5	$ 9.1	$ 7.9

Weighted average assumptions at the measurement date were:

	Pension Benefits			Other Postemployment Benefits		
	2001	2000	1999	2001	2000	1999
Discount rate	7.39%	7.84%	7.84%	7.43%	7.85%	7.82%
Rate of compensation increase	3.30%	3.30%	3.33%	N/A	N/A	N/A
Expected long-term rates of return on assets	9.62%	9.81%	9.82%	N/A	N/A	N/A

The expected long-term rates of return on assets are calculated by applying the expected rate of return to a market related value of plan assets at the beginning of the year, adjusted for the weighted average expected contributions and benefit payments. The market related value of plan assets used to calculate expected return was $479.8 million at September 30, 2001, $433.9 million at September 30, 2000, and $382.8 million at December 31, 1999. The measurement date for determining the market related value of plan assets was changed during 2000 from December 31 to September 30 in order to utilize more timely and accurate data in determining pension estimates. This change had an insignificant impact on the 2000 financial statements.

For pension plans, accumulated gains and losses in excess of a 10 percent corridor, the prior service cost and the transition asset are being amortized on a straight-line basis from the date recognized over the average remaining service period of active participants. For other postemployment benefits, the 10 percent corridor is not used for accumulated actuarial gains and losses, and they are amortized over 10 years.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $94.1 million, $92.9 million and $60.7 million, respectively, as of December 31, 2001.

For the U.S. health care plans at December 31, 2001, a 5.5 percent health care cost trend rate was used for pre-65 and post-65 benefits, and trend rates were assumed to remain level for 2002 and subsequent years. For the Canadian plans, a 6.5 percent health care cost trend rate was used, which was assumed to decrease to 4.5 percent by 2006 and remain at that level in subsequent years.

Health care cost trend rates can have an effect on the amounts reported for the health care plan. A one-percentage point change in assumed health care cost trend rates would increase or decrease the total of service and interest cost by approximately $0.3 million and the postemployment benefit obligation by approximately $3.6 million.

The additional minimum pension liability, less related intangible asset, was recognized net of tax benefits as a component of shareholders' equity within accumulated other comprehensive loss.

Other Benefit Plans

Substantially all employees within the company's aerospace and technologies segment who participate in Ball's 401(k) salary conversion plan receive a performance-based matching cash contribution of up to 4 percent of base salary. The company was required to contribute $1.9 million of additional compensation related to this program for the year 2000. In addition, prior to the payment of the ESOP loan by the trust on December 14, 2001 (discussed in Note 13), substantially all U.S. salaried employees and certain U.S. nonunion hourly employees who participate in Ball's 401(k) salary conversion plan automatically participated in the company's ESOP through an employer matching contribution. Cash contributions to the ESOP trust, including preferred dividends, were used to service the ESOP debt and were $11.4 million in 2001, $11.5 million in 2000 and $11.6 million in 1999. Interest paid by the ESOP trust for its borrowings was $0.7 million, $1.7 million and $2.6 million for 2001, 2000 and 1999, respectively. Subsequent to the payment of the ESOP loan by the trust on December 14, 2001, the company began matching employee contributions to the company's 401(k) with shares of Ball common stock beginning on January 1, 2002. Matching contributions are limited to 50 percent of up to 6 percent of a participant's annual salary.

13. Shareholders' Equity

At December 31, 2001, the company had 120 million shares of common stock and 15 million shares of preferred stock authorized, both without par value. Preferred stock includes 600,000 authorized but unissued shares designated as Series A Junior Participating Preferred Stock.

In accordance with plan provisions, effective December 14, 2001, the ESOP loan was paid by the trust and each related preferred share was converted into 1.1552 common shares, which were issued out of treasury stock. These common shares have been transferred to the company's 401(k) plan under which the employees have the option to convert them to other investments.

Under the company's successor Shareholder Rights Plan, one Preferred Stock Purchase Right (Right) is attached to each outstanding share of Ball Corporation common stock. Subject to adjustment, each Right entitles the registered holder to purchase from the company one one-thousandth of a share of Series A Junior Participating Preferred Stock of the company at an exercise price of $130 per Right. If a person or group acquires 15 percent or more of the company's outstanding common stock (or upon occurrence of certain other events), the Rights (other than those held by the acquiring person) become exercisable and generally entitle the holder to purchase shares of Ball Corporation common stock at a 50 percent discount. The Rights, which expire in 2006, are redeemable by the company at a redemption price of one cent per Right and trade with the common stock. Exercise of such Rights would cause substantial dilution to a person or group attempting to acquire control of the company without the approval of Ball's board of directors. The Rights would not interfere with any merger or other business combinations approved by the board of directors.

Common shares were reserved at December 31, 2001, for future issuance under the employee stock purchase, stock option, dividend reinvestment and restricted stock plans.

In connection with the employee stock purchase plan, the company contributes 20 percent of up to $500 of each participating employee's monthly payroll deduction toward the purchase of Ball Corporation common stock. Company contributions for this plan were approximately $1.8 million in 2001, $1.9 million in 2000 and $1.8 million in 1999.

Accumulated Other Comprehensive Loss

The activity related to accumulated other comprehensive loss was as follows:

Minimum Accumulated

($ in millions)	Foreign Currency Translation	Pension Liability (net of tax)	Effective Financial Derivatives(a)	Other Comprehensive Loss
December 31, 1998	$ (28.6)	$ (3.1)	$ -	$ (31.7)
1999 change	4.0	1.0	-	5.0
December 31, 1999	(24.6)	(2.1)	-	(26.7)
2000 change	(3.2)	0.2	-	(3.0)
December 31, 2000	(27.8)	(1.9)	-	(29.7)
2001 change	(2.1)	(3.8)	(8.1)	(14.0)
December 31, 2001	$ 29.9	$ (5.7)	$ (8.1)	$ (43.7)

(a) Please refer to Note 16 for a discussion of the company's use of derivative financial instruments.

The minimum pension liability component of other comprehensive earnings (loss) is presented net of related tax expense of $2.1 million, $1.4 million and $0.7 million for the years ended December 31, 2001, 2000 and 1999, respectively. No tax benefit has been provided on the foreign currency translation loss component for any period, as the undistributed earnings of the company's foreign investments will continue to be reinvested.

Stock Options and Restricted Shares

The company has several stock option plans under which options to purchase shares of common stock have been granted to officers and key employees at the market value of the stock at the date of grant. Payment must be made at the time of exercise in cash or with shares of stock owned by the option holder, which are valued at fair market value on the date exercised. Options terminate 10 years from date of grant. Tier A options are exercisable in four equal installments commencing one year from date of grant, with the exception of certain Tier A options granted in 1998, which became exercisable in October 2001 after the company's common stock price reached $30 or greater for 10 consecutive days. Tier B options vested in April 1999 when the company's stock price closed at specified levels. Approximately $4.7 million was recorded as compensation expense at the time the Tier B options became exercisable, and common stock was increased accordingly.

Ball 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 shares 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 and if the qualifying purchased shares are not sold or transferred prior to that time. There are a total of 548,000 shares available for grant under this program, of which 325,534 were granted as of December 31, 2001. 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 until restrictions lapse. The effect of this program has not been significant to earnings or financial position during the year.

The company also granted 260,000 shares of restricted stock to certain management employees during 1998 at a price of $17.50 per share. Restrictions on these shares lapsed in tranches during 2000, 2001 and early 2002 based on the company achieving certain standards of performance.

A summary of stock option activity for the years ended December 31 follows (retroactively restated for the two-for-one stock split discussed in Note 14):

	2001		2000		1999	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of year	4,308,510	$17.297	3,853,590	$17.329	4,326,792	$15.442
Tier A options exercised	(1,186,986)	15.513	(184,584)	13.352	(788,566)	14.813
Tier B options exercised	(215,000)	12.188	-	-	(111,000)	12.188
Tier A options granted	976,684	21.960	760,750	16.531	602,200	26.930
Tier A options canceled	(99,670)	20.857	(121,246)	19.506	(175,836)	18.317
Outstanding at end of year	3,783,538	19.252	4,308,510	17.297	3,853,590	17.329
Exercisable at end of year	1,951,746	17.567	2,516,980	15.863	2,174,090	14.978
Reserved for future grants	2,315,876		3,566,978		4,256,260	

Additional information regarding options outstanding at December 31, 2001, follows (retroactively restated for the two-for-one stock split discussed in Note 14):

	Exercise Price Range			
	$12.188 - $16.531	$17.500 - $17.969	$21.225 - $27.563	Total
Number of options outstanding	1,190,570	991,198	1,601,770	3,783,538
Weighted average exercise price	14.900	17.724	23.432	19.252
Weighted average remaining contractual life	6.57 years	6.08 years	8.39 years	7.22 years
Number of shares exercisable	721,692	882,548	347,506	1,951,746
Weighted average exercise price	13.840	17.694	24.985	17.567

These options cannot be traded in any equity market. However, based on the Black-Scholes option pricing model, adapted for use in valuing compensatory stock options in accordance with SFAS No. 123, Tier A options granted in 2001, 2000 and 1999 have estimated weighted average fair values at the date of grant of $7.80 per share $6.08 per share and $8.66 per share, respectively. Under the same methodology, Tier B options granted during 1997 have an estimated weighted average fair value at the date of grant of $4.27 per share. The actual value an employee may realize will depend on the excess of the stock price over the exercise price on the date the option is exercised. Consequently, there is no assurance that the value realized by an employee will be at or near the value estimated. The fair values were estimated using the following weighted average assumptions:

	2001 Grants	2000 Grants	1999 Grants
Expected dividend yield	0.91%	1.30%	1.52%
Expected stock price volatility	33.75%	32.43%	29.80%
Risk-free interest rate	4.84%	6.36%	5.34%
Expected life of options	5.25 years	5.5 years	5.5 years

Ball accounts for its stock-based employee compensation programs using the intrinsic value method prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees." If we had elected to recognize compensation based upon the calculated fair value of the options granted after 1994, pro forma net earnings and earnings per share would have been:

	Years ended December 31,		
($ in millions, except per share amounts)	2001	2000	1999
As reported:			
Net earnings (loss)	$ (99.2)	$ 68.2	$ 104.2
Basic earnings (loss) per share	(1.85)	1.13	1.68
Diluted earnings (loss) per share	(1.85)	1.07	1.58
Pro forma results:			
Net earnings (loss)	$(102.8)	$ 65.6	$ 100.6
Basic earnings (loss) per share	(1.92)	1.09	1.62
Diluted earnings (loss) per share	(1.92)	1.03	1.52

14. Subsequent Event - Two-for-One Stock Split
On January 23, 2002, the company's board of directors declared a two-for-one split of our stock, increased the next quarterly dividend and authorized the repurchase of additional common shares. The stock split was effective February 22, 2002, for all shareholders of record on February 1, 2002. As a result of the stock split, all amounts related to earnings, options and outstanding shares have been retroactively restated as if the split had occurred as of January 1, 1999.

15. Earnings per Share
The following table provides additional information on the computation of earnings per share amounts. Share and per share information have been retroactively restated for the two-for-one stock split discussed in Note 14.

	Years ended December 31,		
($ in millions, except per share amounts)	2001	2000	1999
Basic Earnings per Share			
Net earnings (loss)	$ (99.2)	$ 68.2	$ 104.2
Preferred dividends, net of tax	(2.0)	(2.6)	(2.7)
Earnings (loss) attributable to common shareholders	$ (101.2)	$ 65.6	$ 101.5
Weighted average common shares *(000s)*	54,880	58,080	60,340
Basic earnings (loss) per share	$ (1.85)	$ 1.13	$ 1.68
Diluted Earnings per Share			
Net earnings (loss)	$ (99.2)	$ 68.2	$ 104.2
Adjustments for deemed ESOP cash contribution in lieu of the ESOP Preferred dividend	(1.4)	(2.0)	(2.0)
Adjusted earnings (loss) attributable to common shareholders	$ (100.6)	$ 66.2	$ 102.2
Weighted average common shares *(000s)*	54,880	58,080	60,340
Effect of dilutive securities:			
Dilutive effect of stock options and restricted shares	896	512	952
Common shares issuable upon conversion of the ESOP Preferred stock	3,082	3,442	3,608
Weighted average shares applicable to diluted earnings per share	58,858	62,034	64,900
Diluted earnings (loss) per share	$ (1.85)	$ 1.07	$ 1.58

The following options have been excluded for the respective years from the computation of the diluted earnings per share calculation since they were anti-dilutive (i.e., the exercise price exceeded the average closing market price of common stock for the year):

Exercise Price	Expiration	2001	2000	1999
$ 17.500	2008	-	490,000	-
17.813	2005	-	257,700	-
17.969	2008	-	561,100	-

22.156	2008	-	197,500	-
27.563	2009	403,470	484,676	519,300
Various	Various	-	71,892	-
Total		403,470	2,062,868	519,300

16. Financial Instruments and Risk Management

Policies and Procedures
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.

Unrealized gains and losses on outstanding derivative contracts are recorded in the balance sheet as other current assets or other current liabilities. The effective portion of cash flow hedges is recorded in other comprehensive earnings and the ineffective portion, if any, is charged directly against earnings. For a derivative designated as a fair value hedge, the gain or loss is recognized in earnings in the period of change together with the offsetting gain or loss on the hedged item. Realized gains and losses from hedges are classified in the income statement consistent with the accounting treatment of the item being hedged. Gains and losses upon the early termination of effective derivative contracts are deferred in other comprehensive earnings and amortized to earnings in the same period as the originally hedged item affects earnings.

Commodity Price Risk
Our objective in managing our exposure to commodity price changes is to limit the impact of raw material price changes on earnings and cash flow through arrangements with customers and suppliers, and, at times, through the use of certain derivative instruments such as options and forward contracts designated as hedges. 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.

At December 31, 2001, the company had aluminum forward contracts with notional amounts of $249 million hedging its aluminum purchase contracts. These forward contract agreements expire in less than one year and up to three years. Included in shareholders' equity at December 31, 2001, within accumulated other comprehensive loss, is a net loss of $5 million associated with these contracts, $6 million of which is expected to be recognized in the consolidated statement of earnings during 2002 and will be offset by higher revenue from fixed price sales contracts. At December 31, 2000, the company had aluminum forward contracts with notional amounts of $124 million hedging the aluminum in the aluminum purchase contracts.

The company's equity joint ventures also had aluminum forward contracts with notional amounts of $29 million and $20 million hedging aluminum purchase contracts at December 31, 2001 and 2000, respectively. The forward contract agreements at December 31, 2001, expire at various times up to two years.

Interest Rate Risk
Our objective in managing our 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 December 31, 2001, included pay-floating and pay-fixed interest rate swaps and swaption contracts. Pay-fixed swaps convert floating rate obligations to fixed rate instruments. Pay-floating swaps 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.

Interest rate swap agreements outstanding at December 31, 2001, had notional amounts of $210 million at a floating rate and $442 million at a fixed rate, or a net fixed position of $232 million. Approximately $3 million of loss associated with these contracts is included in other accumulated comprehensive loss at December 31, 2001. Of this amount approximately $1 million is expected to be recognized in the consolidated statement of earnings during 2002. At December 31, 2000, the agreements had notional amounts of $10 million at a floating rate and $154 million at a fixed rate, or a net fixed position of $144 million.

The fair value of all non-derivative financial instruments approximates their carrying amounts with the exception of long-term debt. Rates currently available to the company for loans with similar terms and maturities are used to estimate the fair value of long-term debt based on discounted cash flows. The fair value of derivatives generally reflects the estimated amounts that we would pay or receive upon termination of the contracts at December 31, 2001 and 2000, taking into account any unrealized gains and losses on open contracts.

	2001		2000	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 1,016.1	$ 1,042.2	$ 1,078.8	$ 1,059.4
Unrealized net gain (loss) on derivative contracts relating to debt	-	(6.1)	-	1.3

Exchange Rate Risk
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.

Shareholders' Equity
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 December 31, 2001, there were put option contracts outstanding for 250,000 shares at an average price of $29.04 per share. During 2001 we received $0.6 million in premiums for option contracts of which all are still outstanding. The premiums received are shown as a reduction in treasury stock.

Also in connection with the ongoing share repurchase program, in 2001 we entered into a forward share repurchase agreement to purchase shares of the company's common stock. In January 2002, we purchased 736,800 shares under this agreement at an average price of $33.58 per share. We also entered into a share repurchase agreement during 2000 under which we purchased 1,160,600 shares during the year at an average price of $17.25, and the remainder of 1,021,000 shares in January 2001 at an average price of $17.58 per share.

New Accounting Pronouncement

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 adoption of this standard did not have a significant impact on the company's earnings or financial position.

17. Quarterly Results of Operations (Unaudited)

The company's fiscal quarters end on the Sunday nearest the calendar quarter end. The fiscal years end on December 31.

2001 Quarterly Information

During the second quarter of 2001, the company recorded a $237.7 million pretax charge ($185 million after tax and minority interest impact) for the reorganization of its business in the PRC as well as a $16 million pretax charge associated with the cessation of operations in two commercial aerospace and technologies segment developmental product lines. A fourth quarter pretax charge of $24.7 million was recorded in connection with the closure of a comparatively high cost beverage can manufacturing facility, which was partially offset by a $7.2 million reversal of the charges taken in the second quarter for the PRC and aerospace and technologies business consolidation activities.

2000 Quarterly Information

The company recorded an $83.4 million pretax charge ($55 million after tax, minority interests and equity earnings impacts) in the second quarter for packaging business consolidation and investment exit activities. Additional details about the charge, credits and related activities are provided in Note 3.

($ in millions except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2001					
Net sales *(a)*	$ 850.0	$ 992.6	$ 1,000.5	$ 843.0	$ 3,686.1
Gross profit *(b)*	95.1	107.0	116.1	94.9	413.1
Net earnings (loss)	18.5	(162.1)	36.3	8.1	(99.2)
Preferred dividends, net of tax	(0.6)	(0.6)	(0.6)	(0.2)	(2.0)
Earnings (loss) attributable to common shareholders	$ 17.9	$ 162.7)	$ 35.7	$ 7.9	$ (101.2)
Basic earnings (loss) per share *(c)*	$ 0.33	$ (2.96)	$ 0.65	$ 0.14	$ (1.85)
Diluted earnings (loss) per share *(c)*	$ 0.31	$ (2.96)	$ 0.61	$ 0.14	$ (1.85)
2000					
Net sales *(a)*	$ 846.0	$ 995.0	$ 996.0	$ 827.7	$ 3,664.7
Gross profit *(b)*	102.6	127.0	134.1	103.1	466.8
Net earnings	20.0	(15.4)	44.5	19.1	68.2
Preferred dividends, net of tax	(0.6)	(0.7)	(0.6)	(0.7)	(2.6)
Earnings attributable to common shareholders	$ 19.4	$ (16.1)	$ 43.9	$ 18.4	$ 65.6
Basic earnings (loss) per share *(c)*	$ 0.33	$ (0.27)	$ 0.76	$ 0.33	$ 1.13
Diluted earnings (loss) per share *(c)*	$ 0.31	$ (0.27)	$ 0.71	$ 0.31	$ 1.07

(a) EITF No. 00-10, which requires that shipping and handling fees be reported as a component of cost of sales, was adopted in the fourth quarter of 2000. The effect of this guidance resulted in offsetting increases in sales and cost of sales for both years.
See Note 1 for more details.

(b) Gross profit is shown after depreciation and amortization of $130.8 million and $133.8 million for the years ended December 31, 2001, and 2000, respectively.

(c) Amounts have been retroactively restated for the two-for-one stock split discussed in Note 14.

Earnings per share calculations for each quarter are based on the weighted average shares outstanding for that period. As a result, the sum of the quarterly amounts may not equal the annual earnings per share amount. The diluted loss per share for the year 2001 and the second quarters of 2001 and 2000 is the same as the net loss per basic share because the assumed exercise of dilutive securities would have been antidilutive, in effect reducing losses per share.

18. Research and Development

Research and development costs are expensed as incurred in connection with the company's internal programs for the development of products and processes. Costs incurred in connection with these programs, a portion of which is included in cost of sales, amounted to $14.9 million, $14.4 million and $14 million for the years 2001, 2000 and 1999, respectively. The majority of these costs were incurred in the company's aerospace and technologies segment.

19. 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.

Five-Year Review of Selected Financial Data
Ball Corporation and Subsidiaries

($ in millions, except per share amounts)	2001	2000	1999	1998	1997
Net sales	$3,686.1	$3,664.7	$3,707.2	$2,995.7	$2,464.5
Earnings (loss) before extraordinary item and cumulative effect of accounting change	$ (99.2)	$ 68.2	$ 104.2	$ 32.0	$ 58.3
Early debt extinguishment costs, net of tax	-	-	-	(12.1)	-
Cumulative effect of accounting change, net of tax	-	-	-	(3.3)	-
Net earnings (loss)	(99.2)	68.2	104.2	16.6	58.3
Preferred dividends, net of tax	(2.0)	(2.6)	(2.7)	(2.8)	(2.8)
Earnings (loss) attributable to common shareholders	$ (101.2)	$ 65.6	$ 101.5	$ 13.8	$ 55.5
Return on average common shareholders' equity	(17.7)%	10.1%	16.2%	2.3%	9.3%
Basic earnings per share: *(1)*					
Earnings (loss) before extraordinary item and cumulative effect of accounting change	$ (1.85)	$ 1.13	$ 1.68	$ 0.48	$ 0.92
Early debt extinguishment costs, net of tax	-	-	-	(0.20)	-
Cumulative effect of accounting change, net of tax	-	-	-	(0.05)	-
Basic earnings (loss) per share	$ (1.85)	$ 1.13	$ 1.68	$ 0.23	$ 0.92
Weighted average common shares outstanding *(000s) (1)*	54,880	58,080	60,340	60,776	60,468
Diluted earnings per share: *(1)*					
Earnings (loss) before extraordinary item and cumulative effect of accounting change	$ (1.85)	$ 1.07	$ 1.58	$ 0.46	$ 0.87
Early debt extinguishment costs, net of tax	-	-	-	(0.19)	-
Cumulative effect of accounting change, net of tax	-	-	-	(0.05)	-
Diluted earnings (loss) per share	$ (1.85)	$ 1.07	$ 1.58	$ 0.22	$ 0.87
Diluted weighted average common shares outstanding *(000s) (1)*	58,858	62,034	64,900	65,184	64,622
Property, plant and equipment additions	$ 68.5	$ 98.7	$ 107.0	$ 84.2	$ 97.7
Depreciation and amortization	$ 152.5	$ 159.1	$ 162.9	$ 145.0	$ 117.5
Total assets	$2,313.6	$2,649.8	$2,732.1	$2,854.8	$2,090.1
Total interest bearing debt and capital lease obligations	$1,064.1	$1,137.3	$1,196.7	$1,356.6	$ 773.1
Common shareholders' equity	$ 504.1	$ 639.6	$ 655.2	$ 594.6	$ 611.3
Total capitalization	$1,577.9	$1,834.6	$1,907.3	$2,003.2	$1,459.0
Debt-to-total capitalization	67.4%	62.0%	62.7%	67.7%	53.0%
Cash dividends *(1)*	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30
Book value *(1)*	$ 8.72	$ 11.40	$ 10.99	$ 9.76	$ 10.11
Market value *(1)*	$ 35.35	$ 23.03	$ 19.69	$ 22.88	$ 17.69
Annual return to common shareholders *(2)*	55.3%	19.2%	(12.7)%	31.4%	37.4%
Working capital	$ 218.8	$ 310.2	$ 225.7	$ 198.0	$ (39.7)
Current ratio	1.38	1.47	1.34	1.29	0.95

(1) Amounts have been retroactively restated for a two-for-one stock split, which as effective on February 22, 2002.
(2) Change in stock price plus dividend yield assuming reinvestment of dividends.

Quarterly Stock Prices and Dividends

Quarterly prices for the company's common stock, as reported on the composite tape, were:

	2001 1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2002 1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
High	$ 24.41	$ 25.58	$ 30.60	$ 36.06	$ 21.63	$ 18.82	$ 18.19	$ 23.97
Low	19.04	21.05	23.03	27.63	13.00	14.63	15.57	14.28

Amounts have been retroactivity restated for a two-for-one stock split, which was effective on February 22, 2002.
A common stock dividend of $0.15 per share was paid in each of the 2001 and 2000 quarters.

Exhibit 21.1

SUBSIDIARY LIST *(1)*
Ball Corporation and Subsidiaries

The following is a list of subsidiaries of Ball Corporation (an Indiana Corporation).

Name	State or Country of Incorporation or Organization	Percentage Ownership *(2)*
Ball Capital Corp.	Colorado	100%
Ball Packaging Corp.	Colorado	100%
Ball Asia Services Limited	Delaware	100%
Ball Plastic Container Corp.	Colorado	100%
Ball Metal Food Container Corp.	Delaware	100%
Ball Metal Beverage Container Corp.	Colorado	100%
Latas de Aluminio Ball, Inc.	Delaware	100%
Ball Metal Packaging Sales Corp.	Colorado	100%
Ball Aerospace and Technologies Corp.	Delaware	100%
Sirba Solutions, Inc.	Delaware	100%
Ball Aerospace - (Australia), Pty Ltd.	Australia	100%
Ball Advanced Imaging and Management Solutions PTY LTD	Australia	100%
Ball AIMS (Malaysia) SDN BHD	Malaysia	100%
Ball Systems Technology Limited	United Kingdom	100%
Ball Technology Services Corporation	California	100%
Ball North America, Inc.	Canada	100%
Ball Packaging Products Canada Corp.	Canada	100%
Ball Asia Pacific Holdings Limited (formerly FTB Packaging Limited) (owned by Ball Metal Beverage Container Corp.)	Hong Kong	97%
FTB Tooling and Engineering Ltd.	Hong Kong	97%
Fully Tech Industrial Ltd.	Hong Kong	67%
Greater China Trading Ltd.	Cayman Islands	97%
FTB Zhuhai Ends Manufacturing Co. Ltd.	PRC	97%
Ningbo FTB Can Company Limited	PRC	73%
Zhuhai FTB Packaging Limited	PRC	97%
Xi'an Kunlun FTB Packaging Limited	PRC	97%
Ball Asia Pacific Limited (formerly M.C. Packaging (Hong Kong) Limited)	Hong Kong	97%
Beijing FTB Packaging Limited	PRC	92%
Hubei FTB Packaging Limited	PRC	77%
MCP Beverage Packaging Limited	Hong Kong	97%
Plasco Limited	Hong Kong	97%
Hainan M.C. Packaging Limited	PRC	97%
Shenzhen M.C. Packaging Limited	PRC	58%
Suzhou M.C. Beverage Packaging Co. Ltd.	PRC	97%
Tianjin M.C. Packaging Limited	PRC	97%
Hemei Containers (Tianjin) Co. Ltd.	PRC	66%
Tianjin MCP Cap Manufacture Company Limited	PRC	97%
Tianjin MCP Industries Limited	PRC	97%
Zhongfu (Taicang) Plastics Products Co. Ltd.	PRC	68%
GPT Global Packaging Technology AB	Sweden	100%

The following is a list of affiliates of Ball Corporation included in the financial statements under the equity or cost accounting methods:

Name	State or Country of Incorporation or Organization	Percentage Ownership *(2)*
Ball Western Can Company, LLC	Delaware	50%
Rocky Mountain Metal Container, LLC	Colorado	50%
Space Operations International LLC	Maryland	55%
Vexcel Corporation	Colorado	50%
EarthWatch Incorporated (dba DigitalGlobe)	Delaware	6%
Lam Soon-Ball Yamamura	Taiwan	8%
Latapack-Ball Embalagens Ltda.	Brazil	50%
Centrotampa Embalagens Ltda.	Brazil	50%
Thai Beverage Can Ltd.	Thailand	40%

The following are owned indirectly through Ball Asia Pacific Holdings Limited and Ball Asia Pacific Limited:

Sanshui Jianlibao FTB Packaging Limited	PRC	34%
Guangzhou M.C. Packaging Limited	PRC	29%
Qingdao M.C. Packaging Limited	PRC	39%

Richmond Systempak Limited	Hong Kong	49%
Hangzhou Cofco-M.C. Packaging Company Limited	PRC	24%

(1) In accordance with Regulation S-K, Item 601(b)(21)(ii), the names of certain subsidiaries have been omitted from the foregoing lists. The unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary, as defined in Regulation S-X, Rule 1-02(w).

(2) Represents the Registrant's direct and/or indirect ownership in each of the subsidiaries' voting capital share.

Exhibit 23.1

Consent of Independent Accountants

We hereby consent to the incorporation by reference in each Prospectus constituting part of each Post-Effective Amendment No. 1 on Form S-3 to Form S-16 Registration Statement (Registration Nos. 2-62247 and 2-65638) and in each Prospectus constituting part of each Form S-3 Registration Statement or Post-Effective Amendment (Registration Nos. 33-3027, 33-16674, 33-19035, 33-40196 and 33-58741) and in each Form S-8 Registration Statement or Post-Effective Amendment (Registration Nos. 33-21506, 33-40199, 33-37548, 33-28064, 33-15639, 33-61986, 33-51121, 333-26361, 333-32393, 333-84561, 333-52862, 333-62550, 333-67180 and 333-67284) of Ball Corporation of our report dated January 22, 2002, except for Note 14 as to which the date is February 22, 2002, relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Denver, Colorado
March 28, 2002

Exhibit 24.1

Form 10-K
Limited Power of Attorney

KNOW ALL MEN BY THESE PRESENTS that the undersigned directors and officers of Ball Corporation, an Indiana corporation, hereby constitute and appoint R. David Hoover and Raymond J. Seabrook, and any one or all of them, the true and lawful agents and attorneys-in-fact of the undersigned with full power and authority in said agents and attorneys-in-fact, and any one or more of them, to sign for the undersigned and in their respective names as directors and officers of the Corporation the Form 10-K of the Corporation to be filed with the Securities and Exchange Commission, Washington, D.C., under the Securities Exchange Act of 1934, as amended, and to sign any amendment to such Form 10-K, hereby ratifying and confirming all acts taken by such agents and attorneys-in-fact or any one of them, as herein authorized.

Date: March 28, 2002

/s/ R. David Hoover

R. David Hoover Officer

/s/ Raymond J. Seabrook

Raymond J. Seabrook Officer

/s/ Frank A. Bracken

Frank A. Bracken Director

/s/ Howard M. Dean

Howard M. Dean Director

/s/ John T. Hackett

John T. Hackett Director

/s/ R. David Hoover

R. David Hoover Director

/s/ John F. Lehman

John F. Lehman Director

/s/ Ruel C. Mercure, Jr.

Ruel C. Mercure, Jr. Director

/s/ Jan Nicholson

Jan Nicholson Director

/s/ George A. Sissel

George A. Sissel Director

/s/ William P. Stiritz

William P. Stiritz Director

/s/ Stuart A. Taylor II

Stuart A. Taylor II Director

Exhibit 99.2

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 may contain forward-looking statements, and many of these statements would be contained in Part I, Item 1, "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 expressed or implied and 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; vegetables and fishing yields; regulatory action; federal, state and local law, such as recycling or mandatory deposit laws; 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, terrorism 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 aerospace products.

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

- 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 by the United States or foreign governments, foreign exchange rate risk, exchange controls, national or regional labor strikes or work stoppages and terrorist activity or war.

- 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 purchase the company's common shares or 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 extensions or new technological and product advances in the company's businesses.

- The technical risks associated with aerospace products and services, the success or lack of success of satellite launches and the businesses and governments associated with aerospace products and services and 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, and goodwill impairment.

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