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, 2002

( ) 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. [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). YES [X] NO [ ]

The aggregate market value of voting stock held by non-affiliates of the registrant was $2,361 million based upon the closing market price and common shares outstanding as of June 28, 2002.

Number of shares outstanding as of the latest practicable date.

Class	Outstanding at March 2, 2003
Common Stock, without par value	56,875,796

DOCUMENTS INCORPORATED BY REFERENCE

1. Annual Report to Shareholders for the year ended December 31, 2002, to the extent indicated in Parts I, II and IV. Except as to information specifically incorporated, the 2002 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 17, 2003, 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 2002 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), "Acquisitions" (Note 3), "Business Consolidation Costs and Other" (Note 4) and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Business Developments in 2002 and Early 2003

Acquisitions

On December 19, 2002, Ball acquired 100 percent of the outstanding shares of Schmalbach-Lubeca GmbH (a European beverage can manufacturer) for an initial cash purchase price of(euro)922.3 million (approximately $948 million), plus acquisition costs of $11.6 million, refinancing costs of $28.1 million and the assumption of approximately $20 million of debt and $11 million of unencumbered cash. In addition, the company assumed approximately $300 million of unfunded pension liabilities. The final acquisition price will be reduced by working capital and other adjustments estimated to be $23.9 million. With this acquisition, now known as Ball Packaging Europe, we became one of the world's largest manufacturers of metal beverage cans with the ability to produce over 45 billion cans annually, and we gained entry into the European market, of which Ball Packaging Europe's share was approximately 31 percent in 2002. In addition, we believe that in the first year of combined operations, the acquisition will be accretive to our earnings per share and provide us returns on our capital invested in excess of our weighted average cost of capital. On a pro forma basis, the acquisition significantly increases our 2002 sales from $3.8 billion to $4.9 billion.

In connection with the acquisition, we refinanced the company and, as a result, recorded an after-tax extraordinary charge from the early extinguishment of debt of $3.2 million (6 cents per diluted share). The refinancing, including related costs, was completed with the placement of $300 million in 6.875% senior notes due 2012 and $1.1 billion from borrowings under new long-term multi-currency senior credit facilities.

On March 11, 2003, we acquired Metal Packaging International, Inc. (MPI), a manufacturer of aluminum beverage can ends for $30.2 million in cash, subject to working capital and other adjustments. MPI produces just over 2 billion ends per year, primarily for soft drink companies, and had sales of approximately $42 million in 2002. MPI's plant, which is located in Northglenn, Colorado, will be closed and the volumes will be consolidated into other Ball facilities. The acquisition is not significant to the North American packaging segment's financial statements.

Other

On February 25, 2003, the company announced it will close its Blytheville, Arkansas, metal food container plant to address decreased demand for three-piece welded cans. The plant will be closed in the second quarter of 2003 and its operations will be consolidated into the Springdale, Arkansas, plant. The business consolidation will result in a charge of approximately $2.1 million ($1.3 million after tax) including $0.7 million of employee severance and benefit costs and $1.4 million related to decommissioning costs and an impairment charge on the fixed assets. These actions are not expected to have a significant impact on ongoing financial results.

In December 2002 Ball announced it would relocate its plastics office and research and development facility from Atlanta, Georgia, to Colorado. In connection with the relocation, we recorded a pretax charge in 2002 of $1.6 million ($1 million after tax) for employee-related and decommissioning costs and impairment of the leasehold improvements related to a leased facility. The office relocation is expected to be completed in 2003 and the R&D facility by the end of 2004.

Information Pertaining to the Business of the Company

The company's businesses are comprised of three segments: (1) North American packaging, (2) international packaging and (3) aerospace and technologies.

North American Packaging

Our principal business in North America is the manufacture and sale of aluminum, steel and PET containers, primarily for beverages and foods. This segment comprised 84 percent of Ball's 2002 consolidated net sales. However, this percentage will decrease to approximately 65 percent in 2003 due to the addition of Ball Packaging Europe, which is included in our international packaging segment.

A substantial part of our North American 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 that utilize consolidated purchasing groups. Sales of aluminum cans and PET containers to Miller Brewing Company, PepsiCo, Inc., and the Coca-Cola Company represented approximately 15 percent, 13 percent and 8 percent of Ball's consolidated net sales, respectively, for the year ended December 31, 2002. Additional details about our sales to our major customers are included in Note 2 to the consolidated financial statements, which can be found in Exhibit 13.1 to this Form 10-K.

Packaging products are sold in highly competitive markets, primarily based on quality, service and price. The packaging business is capital intensive, requiring significant investments in machinery and equipment. Profitability is sensitive to selling prices, production volumes, labor and the availability of certain raw materials, such as aluminum, steel and plastic resin. These raw materials are generally available from several sources and we have secured what we consider to be adequate supplies and are therefore not experiencing any shortages. We believe we have minimal, if any, exposure related to changes in the costs of aluminum, steel and plastic resin as a result of (1) the inclusion of provisions in aluminum container sales contracts to pass through aluminum cost changes, as well as the use of derivative instruments, (2) steel can sales contracts that incorporate annually negotiated metal costs and (3) the inclusion of provisions in plastic container sales contracts to pass through resin cost changes.

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 segment 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.

North American Metal Beverage Containers

Metal beverage containers and ends represent Ball's largest product line, accounting for approximately 70 percent of segment net sales and 58 percent of consolidated net sales in 2002. Since 1998 we have been the largest beverage can producer in North America. 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 of these U.S. facilities. The annual production capacity of these plants is currently approximately 33 billion cans. 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.

Through Rocky Mountain Metal Container, LLC, a 50/50 joint venture, which is accounted for as an equity investment, Ball and Coors Brewing Company (Coors) operate Coors' can and end facilities in Golden, Colorado. The joint venture supplies Coors with approximately 3.6 billion beverage cans and ends annually for its Golden, Colorado, and Memphis, Tennessee, breweries under agreements which commenced in January 2002. Ball receives management fees and technology licensing fees under this agreement. In addition to beverage cans supplied to Coors from the joint venture, substantially all of Coors' can requirements for its Shenandoah, Virginia, filling location are manufactured at Ball facilities and sold to Coors.

In mid-December 2001 we ceased production at the Moultrie, Georgia, beverage can plant. Its production of one billion cans per year was consolidated into other Ball plants.

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 four producers represent substantially all of the remaining metal beverage container shipments. Available industry information indicates the growth in industry-wide shipments was relatively flat over the past several years.

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.

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 soft drink industry use of the PET bottle has grown. The beer industry also has begun the usage of plastic beer bottles. 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.

Ball also participates in joint ventures in Thailand and Taiwan, in addition to providing manufacturing technology and assistance to several can manufacturers around the world. In addition to Ball's joint ventures, current licensees of technology include Fabricas Monterrey, SA de CV, and Amcor Ltd., among others.

North American Metal Food Containers

In addition to metal beverage cans, Ball produces two-piece and three-piece steel food cans for packaging vegetables, fruit, soups, meat and other foods. These steel food containers are manufactured in the U.S. and Canada and sold primarily to food processors in North America. In 2002 metal food container sales comprised approximately 19 percent of North American 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. Approximately 33 billion steel food cans were shipped in the U.S. and Canada in 2002, of which we estimate approximately 16 percent were shipped by Ball.

Since the second quarter of 2000, Ball and ConAgra Grocery Products Company (ConAgra) have participated in a joint venture food can manufacturing company, Ball Western Can Company (Ball Western). Ball receives management fees and accounts for the results of its 50 percent-owned investment under the equity method. On December 30, 2002, ConAgra notified Ball of its desire to terminate and dissolve the Ball Western joint venture effective January 1, 2004. Ball and ConAgra are engaged in ongoing discussions to evaluate various options.

We recently signed a multi-year contract with Abbott Laboratories' Ross Products Division (Ross), the makers of a broad range of infant formulas and food supplements. Ross will exit a portion of its self-manufacturing operations in early 2003. To accommodate this new business and convert some of our existing three-piece food can customers to two-piece cans, we are adding a new two-piece steel food can line in our Milwaukee beverage can plant capable of producing approximately 1.2 billion cans per year, as well as a new 225,000-square-foot warehouse addition.

Ball has two main competitors in the metal food containers business. The steel food can also competes with other packaging materials in the food industry including glass, aluminum, plastic, paper and the stand-up pouch. As a result, this product line must increasingly focus on product innovation. Service, quality and price are deciding competitive factors.

North American Plastic Containers

To capitalize on existing customer relationships, Ball entered the polyethylene terephthalate (PET) container business in 1995. PET packaging represented approximately 11 percent of packaging segment net sales in 2002. 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 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 in North America 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.

On December 28, 2001, we acquired substantially all of the assets of Wis-Pak Plastics, Inc. and entered into a long-term agreement to supply 100 percent of Wis-Pak's PET container requirements, which are currently 550 million containers annually. We closed one of the acquired plants in Iowa during 2002; the after-tax cash costs associated with this closure were approximately $1 million and were substantially paid by the end of 2002.

In addition to a Wisconsin facility that Ball acquired from Wis-Pak, the company operates four PET facilities that it built in California, Iowa, New Jersey and New York. Four new plastic bottle blow-molding productions lines were added to three of our facilities throughout 2002.

Competition in the PET container industry includes several national and 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.

Most of Ball's PET containers are sold under long-term contracts to suppliers of bottled water and carbonated soft drinks, including Pepsi-Cola and Coca-Cola. Plastic beer containers are being tested by several of our customers and we are developing plastic containers for the single serve juice market.

International Packaging

Europe

Ball Packaging Europe and its operations consist of 10 beverage can plants and two beverage can end plants, a technical center in Bonn, Germany, and the European headquarters in Ratingen, Germany. Of the 12 plants, four are located in Germany, four in the United Kingdom, two in France and one each in the Netherlands and Poland. In total the newly acquired plants produce approximately 12 billion cans annually, with 60 percent being produced from steel and 40 percent from aluminum. Five of the can plants use steel only, three use aluminum and two plants use both metals.

Ball Packaging Europe's metal beverage container business is the second largest in Europe, with an estimated 2002 market share of 31 percent, and produces two-piece beverage cans and can ends for beer, carbonated soft drinks, mineral water, fruit juices, isotonics, milk-based beverages, coffee drinks and alcoholic mixed drinks. In Western Europe, Ball Packaging Europe is the top beverage container manufacturer in Germany, France and the Benelux countries and the second largest beverage container manufacturer in the United Kingdom. In addition, it has contributed to the development of the Eastern European beverage market and has an estimated 50 percent market share in Poland.

As in North America, the metal beverage can continues to compete aggressively with other packaging materials in the European beer and soft drink industries. The glass bottle is utilized in the packaged beer industry, while soft drink industry use of the PET bottle has grown.

The European beverage can business has a relatively balanced and stable customer base with 10 customers accounting for approximately 55 percent of its gross trade sales and 20 customers accounting for approximately 70 percent of such sales. Ball Packaging Europe's major customers include Coca-Cola, Britvic (Pepsi-Cola), Coors, Heineken, Interbrew and South African Breweries.

Our operations in Germany are subject to packaging legislation that exempts one-way containers from a mandatory deposit fee as long as returnable containers maintain at least a 72 percent market share. After the market share dropped below this mandated level, regulators imposed a mandatory deposit fee on cans and other non-refillable containers effective January 1, 2003, although an effective container return system is not expected to be in place until October 2003, at the earliest. It is too soon to determine the long-term impact the deposit fee will have on sales in Germany, but in the interim, we have temporarily

reduced production at our German plants in response to lower demand.

The European packaging business is capital intensive, requiring significant investments in machinery and equipment. Profitability is sensitive to selling prices, foreign exchange rates, production volumes, labor and the costs and availability of certain raw materials, such as aluminum and steel. The European market for steel and aluminum supply is highly consolidated with three steel suppliers and four aluminum suppliers providing 95 percent of European demand. Material supply contracts are generally for a period of one year, although Ball Packaging Europe has negotiated some longer agreements. Aluminum is purchased primarily in U.S. dollars while the functional currencies of Ball Packaging Europe and its subsidiaries are non-U.S. dollars. This inherently results in a foreign exchange rate risk, which the company minimizes through the use of hedging contracts.

Other International

Through Ball Asia Pacific Holdings Limited, we are the largest beverage can manufacturer in the People's Republic of China (PRC) and believe that our facilities are the most modern in that country. Capacity has grown rapidly in the PRC, resulting in a supply/demand imbalance. We undertook a review of our options there and, as a result, have closed several facilities during the past several years. The Beijing manufacturing facility is one of the most technologically advanced plants in the PRC and the company's 34 percent-owned affiliate, Sanshui Jianlibao FTB Packaging Limited, is the largest can manufacturing facility in the PRC in terms of production capacity.

We are also a 50 percent equity owner of a joint venture in Brazil that produces approximately 2 billion two-piece aluminum cans and ends and holds an estimated 15 percent market share.

For more information on Ball's international operations, see Item 2, Properties, and Exhibit 21.1, Subsidiary List.

Aerospace and Technologies

The aerospace and technologies segment includes defense systems, civil space systems 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 13 percent of consolidated net sales in 2002.

The majority of the aerospace and technologies segment business involves work under contracts, generally from one to five years in duration, for the National Aeronautics and Space Administration (NASA), the U.S. Department of Defense (DoD) and other U.S. government agencies and for foreign governments. Contracts funded by the various agencies of the federal government represented approximately 96 percent of segment sales in 2002. Geopolitical events and executive and legislative branch priorities have created considerable growth opportunities in our core competencies. However, consolidation in the aerospace and defense industries continues, and there is strong competition for business.

Civil space systems, defense systems 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. The company also produces navigation and cryogenic equipment that is standard equipment on every space shuttle mission. At this time, the company anticipates minimal effect on its results from the loss of the space shuttle Columbia on February 1, 2003.

Other hardware activities include: 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 of the aerospace and technologies segment was approximately $497 million and $431 million at December 31, 2002 and 2001, respectively, and consists of the aggregate contract value of firm orders, excluding amounts previously recognized as revenue. The 2002 backlog includes approximately $329 million expected to be billed during 2003, 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 $334 million at December 31, 2002. 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 17, "Research and Development," in the 2002 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 2001 approximately 55 percent of aluminum containers, 58 percent of steel cans and 22 percent of the PET containers sold in the U.S. were recycled.

Recycling rates vary throughout Europe, but generally are comparable with rates for similar packaging materials in North America. Some of the highest rates are in Germany where both aluminum and steel cans were recycled at rates estimated to be at least 80 percent prior to the imposition of mandatory deposits on one-way packaging effective January 1, 2003.

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., Canada Europe and Asia. While container legislation has been adopted in a few jurisdictions, similar legislation has been defeated in public referenda in several others. 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 global sales and investment in metal and PET container manufacture.

Employees

At the end of February 2003 the company employed approximately 12,500 people worldwide, including approximately 8,300 employees in the United States and 4,200 in other countries. Approximately 20 percent of the North American employees were unionized and approximately 90 percent of the European employees were unionized.

Where to Find More Information

Ball Corporation is subject to the reporting and other information requirements of the Exchange Act. Reports and other information filed with the Securities and Exchange Commission (SEC) pursuant to the Exchange Act may be inspected and copied at the public reference facility maintained by the SEC in Washington, D.C. The SEC maintains a website at http://www.sec.gov containing our reports, proxy materials, information statements and other items.

The company also maintains a website at http://www.ball.com on which it provides a link to access Ball's SEC reports free of charge.

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. Ball Aerospace & Technologies Corp. offices are located in Broomfield, Colorado. The Colorado-based operations of this business occupy a variety of company-owned and leased facilities in Broomfield, Boulder and Westminster, which together aggregate approximately 1,200,000 square feet of office, laboratory, research and development, engineering and test and manufacturing space. Other aerospace and technologies operations include facilities in California, Florida, Georgia, New Mexico, Ohio, Texas, Virginia and Australia.

The offices for the North American packaging operations are based in Westminster, Colorado, and the offices for the European packaging operations are located in Ratingen, Germany. 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 pilot line and research and development center for the plastic container business, currently located in Smyrna, Georgia, will be relocated to Colorado by the end of 2004. The European Technical Centre, which serves as a research and development facility for the European beverage can manufacturing operations, is located in Bonn, Germany.

Information regarding the approximate size of the manufacturing locations for significant packaging operations, which are owned or leased by the company, 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 facilities listed, the company leases other warehousing space.

Plant Location	Approximate Floor Space in Square Feet
Metal packaging manufacturing facilities:	
North America	
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	400,000
Saratoga Springs, New York	358,000
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	328,000
Bristol, Virginia	241,000
Williamsburg, Virginia	457,000
Seattle, Washington	166,000
Weirton, West Virginia (leased)	85,000
DeForest, Wisconsin	360,000
Milwaukee, Wisconsin*	402,000
Europe	
Bierne, France	263,000
La Ciotat, France	354,000
Braunschweig, Germany	180,000
Hassloch, Germany	283,000
Hermsdorf, Germany	248,000
Weissenthurm, Germany	257,000
Oss, Netherlands	231,000
Radomsko, Poland	309,000
Deeside, U.K.	109,000
Rugby, U.K.	175,000
Runcorn, U.K.	140,000

Wrexham, U.K.	222,000
Asia	
Beijing, PRC	238,000
Hubei (Wuhan), PRC	167,000
Shenzhen, PRC	323,000

*Includes both metal beverage container and metal food container manufacturing operations.

Plant Location	**Approximate Floor Space in Square Feet**
Plastic packaging manufacturing facilities:	
North America	
Chino, California (leased)	500,000
Ames, Iowa	840,000
Delran, New Jersey	450,000
Baldwinsville, New York (leased)	240,000
Watertown, Wisconsin	111,000
Asia	
Zhongfu, PRC (leased)	52,000
Hemei, PRC	42,000

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

Item 3. Legal Proceedings

North America

As previously reported, the U.S. Environmental Protection Agency (EPA) considers the company 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 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 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. On January 8, 2003, the company made an additional payment of $97,200 toward the cost of cleanup. 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.

As previously reported, 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 PRP's. 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 finalized and expected to be entered in 2003. 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. The company paid $1,230 in 2002 toward site assessments. 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 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. The PRP and the EPA finalized a settlement of the past site costs. The PRP group paid $626,000 to the EPA on behalf of the PRP group. The company paid $885 on May 15, 2001, and $1,139 on December 5, 2001, for group assessments. This matter is now resolved with no 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 PRP group's environmental consulting firm then submitted its Feasibility Study Technical Memorandum 1 to the USEPA concerning the site. Five potential remedial action plans were identified in the study. USEPA finalized the Record of Decision ("ROD") and selected the most extensive and expensive remedy. The selected remedy is extraction and treatment of the solvent contaminated groundwater in both the east El Monte and west El Monte plumes, both deep and shallow aquifers. The PRP group then commenced the final allocation process. The Allocation Committee was assigned such task and undertook the development of the method for final allocation of costs among PRP group members. Although final allocation has not been made, the Allocation Committee will, if necessary, allocate costs so that PRP group members responsible for the majority of the contamination will pay a higher percentage of the cleanup costs required by the ROD. As a result of such allocation method for final remediation costs Ball Glass performed additional soil vapor analysis testing to compliment its soil and groundwater sampling analyses previously conducted. In a significant positive development, the results of all 44-vapor probe locations were non-detect for constituents of concern sampled (i.e., those pollutants present in the area groundwater). On November 11, 1999, Ball Glass informed the PRP group of these results, which should reduce Ball Glass' final cost allocation under such allocation method. Related to remediation costs, the San Gabriel Basin Water Quality Authority ("WQA") committed to fund $500,000 as an early response action program ("ERAP"); and as a result, the PRP group implemented a shallow aquifer groundwater treatment program under ERAP (in order to obtain such matching public grant funds), using group funds to install three west plume shallow aquifer groundwater remediation wells. Regarding the anticipated implementation of the final remedy, negotiations continue with area water providers who may pump and treat deep aquifer groundwater from the east and west plumes. If negotiations are successful the PRP group members may only be responsible for remediation of shallow aquifers on the east and west sides of the operable unit. The company has also been involved with other de minimis members of the PRP group to settle this matter. In August 2001, the de minimis members, including the company, finalized their de minimis offer to the PRP group. The amount of the offer is $3.75 million with the company's share being $391,000 (10%). Also, the company and the other de minimis' PRPs reached a tentative buy-out settlement with Gould Industries and the other large PRPs who will be site work parties. The work parties have submitted to USEPA and subsequently withdrawn a good-faith offer to conduct the final site remedial work. Site investigation work continues. In addition, the company's general liability insurer is defending this governmental action and is paying the cost of defense, including attorneys' fees under a reservation of rights. 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, however 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 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. Plaintiffs have joined numerous companies, which are alleged to be PRPs in the various operable units in the San Gabriel Valley Superfund Site. 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. (now named Saint Gobain Containers, Inc.), the present owner of the El Monte glass plant and an entity in which the company has no current ownership interest, 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 in turn tendered this lawsuit to its general liability carrier for defense and indemnity. The litigation, including the filing of answers by such joined parties, was stayed pending the decision of the California Supreme Court as to whether the California Public Utilities Commission had 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. A complex case management order has been entered. Under the order, the cases were divided into three groups with the company being named in only the Adler case. The plaintiffs were ordered to re-file their complaints. Plaintiffs served the consolidated Adler group complaint on the company, and the company filed its answer to the group complaint. At a hearing on October 21, 2002, the judge dismissed the punitive damage claims in the complaint. The case management order also allows limited discovery by written interrogatories and separate requests for production of documents. Similarly situated de minimis industry defendants have formed a joint defense group and the company has joined the group. During January and February 2003, the company responded to discovery requests by the plaintiffs. The

company's general liability insurer is defending this action and is paying the cost of defense, including attorneys' fees under a reservation of rights. 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 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.

On December 30, 2002, the company received a 104(e) letter from the USEPA pursuant to the Comprehensive Environmental, Response, Compensation and Liability Act (CERCLA) requesting answers to certain questions regarding the waste disposal practices of the Heekin Can Company and the relationship between the company and the Heekin Can Company. Region 5 of the EPA is involved in the cleanup of the Jackson Brothers Paint Company site which consists of four, and possibly five, sites in and around Laurel, Indiana. The Jackson Brothers Paint Company apparently disposed of drums of waste in the 1960s and 1970s. The USEPA has alleged that some of the waste that has been uncovered was sent to the sites from the Cincinnati plant operated by the Heekin Can Company. The Indiana Department of Environmental Management (IDEM) referred this matter to the USEPA for removal of the drums and cleanup. At the present time there are an undetermined number of drums at one or more of the sites that have been initially identified by the USEPA as originating from the Heekin Can Company. The USEPA has sent 104(e) letters to seven other potentially responsible parties including the Heekin Can Company. On January 30, 2003, the company responded to the request for information pursuant to Section 104(e) of CERCLA. The USEPA has initially estimated cleanup costs to be between $4 million and $5 million. 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 the 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. This decision was not appealed. This matter is now resolved with no 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. On July 3, 2002, the Court entered a decision in favor of the defendants and us. On August 13, 2002, the Court entered judgment on the decision. On August 29, 2002, Mr. Hallahan and his wife filed an appeal in the Appellate Division. On February 24, 2003, the Appellate Division held a mandatory mediation conference regarding this case. Certain defendants settled this case with the plaintiffs as to all parties. The company did not contribute to the settlement. The settlement agreement is being prepared by the parties. The appeal has been withdrawn by Mr. and Mrs. Hallahan. This matter has now been resolved with no material adverse effect upon the liquidity, results of operations or financial condition of the company.

Europe

Ball Packaging Europe, together with other plaintiffs, is contesting the enactment of a mandatory deposit for non-returnable containers based on the German Packaging Regulation (Verpackungsverordnung) in federal and state administrative courts. The proceedings in the administrative court in Hessen (Verwaltungsgericht Wiesbaden) and Brandenburg (Verwaltungsgericht Potsdam) were discontinued on September 24 and October 30, 2002, respectively. The Administrative Court in Northrhine Westfalia (Verwaltungsgericht Düsseldorf) has rendered a positive judgment and confirmed that a duty to implement a mandatory deposit fee as of January 1, 2003, does not exist. According to that court, a mandatory deposit fee to protect returnable containers is without legal basis in the current legislation. Other administrative courts have not yet scheduled hearings. The German administration has filed an appeal against the suspensive effect of the judgment of the administrative court in Northrhine Westfalia to the Oberverwaltungsgericht Münster (Higher Administrative Court) and has filed an appeal on the merits of the case to the Bundesverwaltungsgericht in Leipzig (Federal Administrative Court). On November 27, 2002, the Higher Administrative Court in Münster decided to lift the temporary legal protection. On January 16, 2003, the Federal Administrative Court in Leipzig decided that the plaintiffs did not have procedural standing in the administrative court in Düsseldorf; therefore, it did not reach the issue of whether the imposition of the mandatory deposit is a proper implementation of the current legislation. A proceeding in the Bundesverfassungsgericht in Karlsruhe (Federal Constitutional Court) is still pending; the date of the hearing has not yet been set. 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, however, the company does not believe that this matter will have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

Item 4. Submission of Matters to Vote of Security Holders

There were no matters submitted to the security holders during the fourth quarter of 2002.

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 5,658 common shareholders of record on February 28, 2003.

Securities authorized for issuance under equity compensation plans are summarized below:

Equity Compensation Plan Information

Number of Securities to be Issued Upon Exercise of Outstanding Options,	Weighted-average Exercise Price of Outstanding	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding

Plan category	Warrants and Rights (a)	Options, Warrants and Rights	Securities Reflected in Column (a))
Equity compensation plans approved by security holders	-	-	-
Equity compensation plans not approved by security holders	3,208,747	$ 24.565	1,647,279
Total	3,208,747	$ 24.565	1,647,279

Other information required by Item 5 appears under the caption, "Quarterly Stock Prices and Dividends," in the 2002 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, 2002, appearing in the section titled, "Five-Year Review of Selected Financial Data," of the 2002 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 2002 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 2002 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 2002 Annual Report to Shareholders, together with the report thereon of PricewaterhouseCoopers LLP, dated January 21, 2003, included in the 2002 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, 2002, were as follows:

1. R. David Hoover, 57, Chairman, President and Chief Executive Officer since April 2002 and a director since 1996. Mr. Hoover was President and Chief Executive Officer from January 2001 until April 2002 and Vice Chairman, President and Chief Operating Officer from April 2000 to January 2001; Vice Chairman, President and Chief Financial Officer from 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.

2. Raymond J. Seabrook, 51, 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.

3. Leon A. Midgett, 60, 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.

4. Hanno C. Fiedler, 57, Executive Vice President and a director since December 2002 as well as Chairman and Chief Executive Officer of Ball's European packaging business. Mr. Fiedler was Chairman of the Board of Management of Schmalbach-Lubeca AG from January 1996 until December 2002 and, prior to that, headed the European activities of TRW Inc.

5. Donald C. Lewis, 60, Vice President and General Counsel, since September 1998 and Assistant Corporate Secretary since December 2002; 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. Harold L. Sohn, 56, Vice President, Corporate Relations, since March 1993; Director, Industry Affairs, Packaging Products, 1988-1993.

7. David A. Westerlund, 52, Senior Vice President, Administration, since April 1998 and Corporate Secretary since December 2002; 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.

8. Scott C. Morrison, 40, Vice President and Treasurer since April 2002; Treasurer September, 2000 to April 2002; Managing Director/Senior Banker of Corporate Banking, Bank One, Indianapolis, Indiana, 1995 to August 2000.

9. John A. Hayes, 37, Vice President, Corporate Strategy, Marketing and Product Development since January 2003; Vice President, Corporate Planning and Development, April 2000 to January 2003; 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.

10. Douglas K. Bradford, 45, Controller since April 2002; Assistant Controller, May 1998 to April 2002; Senior Director, Tax Administration, January 1995 to May 1998; Director, Tax Administration, July 1989 to January 1995.

Other information required by Item 10 appearing under the caption, "Director Nominees and Continuing Directors," beginning on

page 4 and under the caption, "Section 16(a) Beneficial Ownership Reporting Compliance," on page 22 of the company's proxy statement filed pursuant to Regulation 14A dated March 17, 2003, is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 11 appearing under the caption, "Executive Compensation," beginning on page 10 of the company's proxy statement filed pursuant to Regulation 14A dated March 17, 2003, 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 through 3 of the company's proxy statement filed pursuant to Regulation 14A dated March 17, 2003, 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 19 of the company's proxy statement filed pursuant to Regulation 14A dated March 17, 2003, is incorporated herein by reference.

Item 14. Disclosure Controls and Procedures

Within 90 days of the filing of the annual report, our Chief Executive Officer and Chief Financial Officer conducted an evaluation of our disclosure controls and procedures as defined by the SEC and concluded that they were appropriate to ensure that information required to be disclosed by us in this annual report is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. There have not been any significant changes in our internal controls or in other factors that would significantly affect these controls subsequent to the evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses in the internal controls.

Part IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

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

The following documents included in the 2002 Annual Report to Shareholders are incorporated by reference in Part II, Item 8:

Consolidated statements of earnings - Years ended December 31, 2002, 2001 and 2000

Consolidated balance sheets - December 31, 2002 and 2001

Consolidated statements of cash flows - Years ended December 31, 2002, 2001 and 2000

Consolidated statements of shareholders' equity and comprehensive earnings - Years ended December 31, 2002, 2001 and 2000

Notes to consolidated financial statements

Report of independent accountants

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

Financial statement schedules have been omitted as they are either not applicable, are considered insignificant or the required information is included in the consolidated financial statements or notes thereto.

(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:***

A Current Report on Form 8-K was filed on November 14, 2002, furnishing under Item 9 the certifications pursuant to 18 U.S.C. Section 1380, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by R. David Hoover, Chairman of the Board, President and Chief Executive Officer of Ball Corporation, and by Raymond J. Seabrook, Senior Vice President and Chief Financial Officer of Ball Corporation.

A Current Report on Form 8-K was filed on November 20, 2002, reporting under Items 5, 7 and 9 an announcement that Ball was commencing the solicitation of consents from holders of its 7-3/4% Senior Notes due 2006 and 8-1/4% Senior Subordinated Notes due 2008 to amend certain provisions of the senior note indenture and the senior subordinated note indenture covering those securities. In addition, the company furnished financial statements of Schmalbach-Lubeca Beverage Cans.

A Current Report on Form 8-K was filed on November 27, 2002, reporting under Items 5 and 7 the commencement of Ball's offering of senior notes to be used to help finance the acquisition of Schmalbach-Lubeca AG.

A Current Report on Form 8-K was filed on December 31, 2002, reporting: (1) under Item 2 Ball's acquisition of 100 percent of the outstanding shares of Schmalbach-Lubeca GmbH, (2) under Item 5 that, in connection with the acquisition, Ball completed the issuance of $300 million in 6-7/8% senior notes due 2012.

FORWARD-LOOKING STATEMENTS

The company has made or implied certain forward-looking statements in this annual report which are made as of the end of the time frame covered by this report. These forward-looking statements represent the company's goals and could vary materially from those expressed or implied. From time-to-time we also provide oral or written forward-looking statements in other materials we release to the public. As time passes, the relevance and accuracy of forward-looking statements may change. 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 and consumer growth and demand, particularly during the months when the demand for metal beverage beer and soft drink cans is heaviest; 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; fruit, 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, particularly resin, steel and aluminum and the ability or inability to include or pass on to customers changes in raw material costs; 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 or federal and state legislation including mandated corporate governance and financial reporting laws; the German mandatory deposit or other restrictive packaging legislation such as recycling laws; increases in interest rates, particularly on floating rate debt of the company; labor strikes; increases in various employee benefits and labor costs, specifically pension, medical and health care costs incurred in the countries in which Ball has operations; rates of return projected and earned on assets of the company's defined benefit retirement plans; boycotts; litigation; antitrust, intellectual property, consumer and other issues; maintenance and capital expenditures; goodwill impairment; the effect of LIFO accounting on earnings; changes in generally accepted accounting principles or their interpretation; local economic conditions; the authorization, funding and availability of government contracts and the nature and continuation of those contracts and related services provided thereunder; technical uncertainty associated with performance of aerospace and technologies segment contracts; the ability to promptly invoice and collect accounts receivable from customers, particularly from governmental agencies; international business and market risks such as the devaluation of international currencies; pricing and ability or inability to sell scrap associated with the production of metal containers; international business risks (including foreign exchange rates) in the United States, Europe and particularly in developing countries such as China and Brazil; foreign exchange rate of the U.S. dollar against the European euro, British pound, Polish zloty, Hong Kong dollar, Canadian dollar, Chinese renminbi and Brazilian real; terrorist activity or war that disrupts the company's production, supply, or pricing of raw materials used in the production of the company's goods and services, including increased energy costs, 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 and the integration activities associated therewith, including the integration and operation of the business of Schmalbach-Lubeca GmbH, now known as Ball Packaging Europe. 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. The company does not intend to publicly update forward-looking statements except as it deems necessary at quarterly or annual earnings reports. You are advised, however, to consult any further disclosures we make on related subjects in our 10-Q, 8-K and 10-K reports to the Securities and Exchange Commission.

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, Chairman, President
and Chief Executive Officer
March 27, 2003

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:

Signature		Title / Date
/s/ R. David Hoover		Chairman, President and Chief Executive Officer
R. David Hoover		March 27, 2003

(2) Principal Financial Accounting Officer:

Signature		Title / Date
/s/ Raymond J. Seabrook		Sr. Vice President and Chief Financial Officer
Raymond J. Seabrook		March 27, 2003

(3) Controller:

Signature		Title / Date
/s/ Douglas K. Bradford		Controller
Douglas K. Bradford		March 27, 2003

(4) A Majority of the Board of Directors:

Signature		Title / Date
/s/ Frank A. Bracken	*	Director
Frank A. Bracken		March 27, 2003
/s/ Howard M. Dean	*	Director
Howard M. Dean		March 27, 2003
/s/ John T. Hackett	*	Director
John T. Hackett		March 27, 2003
/s/ Hanno C. Fiedler	*	Director
Hanno C. Fiedler		March 27, 2003
/s/ R. David Hoover	*	Chairman of the Board and Director
R. David Hoover		March 27, 2003

/s/ John F. Lehman	*	Director
John F. Lehman		March 27, 2003
/s/ Jan Nicholson	*	Director
Jan Nicholson		March 27, 2003
/s/ George A. Sissel	*	Director
George A. Sissel		March 27, 2003
/s/ Theodore M. Solso	*	Director
Theodore M. Solso		March 27, 2003
/s/ William P. Stiritz	*	Director
William P. Stiritz		March 27, 2003
/s/ Stuart A. Taylor II	*	Director
Stuart A. Taylor II		March 27, 2003

*By R. David Hoover 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/ R. David Hoover
R. David Hoover
As Attorney-in-Fact
March 27, 2003

Certification

I, R. David Hoover, certify that:

1. I have reviewed this annual report on Form 10-K of Ball Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 27, 2003

/s/ R. David Hoover
R. David Hoover
Chairman, President and Chief Executive Officer

Certification

I, Raymond J. Seabrook, certify that:

1. I have reviewed this annual report on Form 10-K of Ball Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

    b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

    c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 27, 2003

/s/ Raymond J. Seabrook
Raymond J. Seabrook
Executive Vice President and Chief Financial Officer

Ball Corporation and Subsidiaries
Annual Report on Form 10-K
For the year ended December 31, 2002

Index to Exhibits

Exhibit Number	Description of Exhibit
1.1	Purchase Agreement, dated as of December 5, 2002, by and among Ball Corporation, Lehman Brothers, Inc., Deutsche Bank Securities, Inc., Banc of America Securities LLC, Banc One Capital Markets, Inc., BNP Paribas Securities Corp., Dresdner Kleinwort Wasserstein-Grantchester, Inc., McDonald Investments Inc., SunTrust Capital Markets, Inc. and Wells Fargo Brokerage Services, LLC and certain subsidiary guarantors of Ball Corporation (filed by incorporation by reference to the Current Report on Form 8-K, dated December 19, 2002) filed December 31, 2002.
2.1	Share Sale and Transfer Agreement dated August 29/30, 2002, among Schmalbach-Lubeca Holding GmbH, AV Packaging GmbH, Ball Pan-European Holdings, Inc. and Ball Corporation (filed by incorporation by reference to Ball Corporation's Quarterly Report on Form 10-Q for the quarter ended September 29, 2002) filed November 14, 2002.
2.2	Amendment Agreement, dated December 18, 2002, among Schmalbach-Lubeca Holding GmbH, AV Packaging GmbH, Ball Pan-European Holdings, Inc., Ball Corporation and Ball (Germany) Acquisition GmbH, amending the Share Sale and Transfer Agreement, dated August 29/30, 2002, among Schmalbach-Lubeca Holding GmbH, AV Packaging GmbH, Ball Pan-European Holdings, Inc. and Ball Corporation (filed by incorporation by reference to the Current Report on Form 8-K, dated December 19, 2002) filed December 31, 2002.
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 January 22, 2003 (filed by incorporation by reference to the company's Form S-4 filed February 7, 2003).
4.1(a)	Amended and Restated Senior Note Indenture, dated August 10, 1998, and amended and restated as of December 19, 2002, by and 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 December 19, 2002) filed December 31, 2002.
4.1(b)	Senior Registration Rights Agreement, dated August 10, 1998, among Ball Corporation, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & 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)	Amended and Restated Senior Subordinated Note Indenture, dated August 10, 1998, and amended and restated as of

December 19, 2002, by and 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 & 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 December 19, 2002) filed December 31, 2002.

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).

4.4(a) Registration Rights Agreement, dated as of December 19, 2002, by and among Ball Corporation, Lehman Brothers, Inc. Deutsche Bank Securities Inc., Banc of America Securities LLC, Banc One Capital Marketes, Inc., BNP Paribas Securities Corp., Dresdner Kleinwort Wasserstein-Grantchester, Inc., McDonald Investments Ind., Sun Trust Capital Markets, Inc. and Wells Fargo Brokerage Services, LLC and certain subsidiary guarantors of Ball Corporation (filed by incorporation by reference to Exhibit 4.1 of the Current Report on Form 8-K, dated December 19, 2002) filed December 31, 2002.

4.4(b) Senior Note Indenture, dated as of December 19, 2002, by and among Ball Corporation, certain subsidiary guarantors of Ball Corporation and The Bank of New York, as Trustee (filed by incorporation by reference to the Current Report on Form 8-K dated December 19, 2002) filed December 31, 2002.

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 (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 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.

10.9 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.

10.10 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.

10.11 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.

10.12 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.

10.13 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.

10.14 1993 Stock Option Plan (filed by incorporation by reference to the Form S-8 Registration Statement, No. 33-61986) filed April 30, 1993.

10.15 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.

10.16 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.

10.17 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.

10.18 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.

10.19a 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.)

10.19b 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.)

10.19c	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.)
10.20	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.
10.21	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.
10.22	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.
10.23	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.
10.24	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.
10.25	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 by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 2001) filed March 28, 2002.
10.26	Ball Corporation Deposit Share Program. This plan is referred to in Item 11, the Executive Compensation section of this Form 10-K. (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 2001) filed March 28, 2002.
10.27	Credit Agreement, dated December 19, 2002, among Ball Corporation, certain subsidiaries of Ball Corporation, with Deutsche Bank AG, New York Branch, as Administrative Agent, The Bank of Nova Scotia, as Canadian Administrative Agent, Deutsche Bank Securities Inc. and Banc of America Securities LLC, as Joint Lead Arrangers, Joint Mandated Arrangers and Joint Book Managers, Bank of America, N.A., as Syndication Agent, Bank One, NA, Lehman Commercial Paper Inc. and BNP Paribas, as Co-Documentation Agents, and various lending institutions named therein (filed by incorporation by reference to the Current Report on Form 8-K dated December 19, 2002) filed December 31, 2002.
10.28	Acquisition Related, Special Incentive Plan for selected executives and senior managers which provides for cash incentive payments based upon the attainment of certain performance criteria. (Filed herewith.)
10.29	Employment agreement between Ball Corporation and Hanno C. Fiedler. (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 2002 Annual Report to Shareholders). (Filed herewith.)
12.1	Statement re: Computation of Ratio of Earnings to Fixed Charges. (Filed herewith.)
13.1	Ball Corporation 2002 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.)
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.
18.2	Letter re: Change in Accounting Principles regarding change in pension plan valuation measurement date. (Filed herewith.)
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 10.28

BALL CORPORATION LETTERHEAD

Memorandum

_______________, 2003

TO:

FROM:

SUBJECT: Acquisition-Related, Special Incentive Plan

I am pleased to advise you that you have been selected to participate in the Acquisition-Related, Special Incentive Plan ("Plan"). This program is available only to selected executives and senior managers who are in a position to impact significantly the successful integration of Ball Packaging Europe into our global business or to enhance and sustain the success of our other business units while the integration efforts proceed.

The terms of the Plan are as follows:

1. (a) Payment Contingent. Except as provided otherwise by paragraph 4 below, this Plan will pay you an amount of money determined in accordance with the provisions of paragraph 2 below, if (and only if) (i) Ball Packaging Europe exceeds the Threshold EBIT Goal or the Threshold EVA Goal for a Performance Period (as such terms are defined in paragraphs 1(b) and 1(c) below), and (ii) you are continuously employed full time by the Company from the effective date of this Plan, January 1, 2003, until the close of such Performance Period in your current position or another position eligible for inclusion in this Plan. If Ball Packaging Europe exceeds the Threshold EBIT Goal and the Threshold EVA Goal for none of the Performance Periods, or if you are not continuously employed full time by the Company as provided above from January 1, 2003, until the close of a Performance Period for which Ball Packaging Europe exceeds the Threshold EBIT Goal or the Threshold EVA Goal, you will not be paid any amount of money pursuant to this Plan, unless paragraph 4 below expressly provides otherwise.

(b) Performance Periods Defined.

(i) The term "Performance Period" means the Twelve-Month Performance Period, the Twenty-Four Month Performance Period, or the Thirty-Six Month Performance Period as hereafter defined;

(ii) The term "Twelve-Month Performance Period" means the period that begins on January 1, 2003, and that ends on December 31, 2003;

(iii) The term "Twenty-Four Month Performance Period" means the period that begins on January 1, 2003, and that ends on December 31, 2004; and

(iv) The term "Thirty-Six Month Performance Period" means the period that begins on January 1, 2003, and that ends on December 31, 2005.

(c) EBIT and EVA Defined.

(i) "Cumulative EBIT" means, with respect to any Performance Period, the cumulative earnings before interest and taxes of Ball Packaging Europe for such Performance Period (including, without limitation, expenses for this Plan and any other similar or dissimilar compensation arrangement). Such amount will exclude all interest and provisions for taxes based on income and without giving effect to any extraordinary gains or losses, or gains or losses from sales of assets other than inventory sold in the ordinary course of business, all as determined in accordance with generally accepted accounting principles and as included in the audited financial statements of the Company and its consolidated subsidiaries for such Performance Period; and

(ii) Economic Value Added ("EVA") means for the Twelve-Month Performance Period ending December 31, 2003: (1) 2003 net operating profit after tax less (2) 2003 average invested capital times the required rate of return, which is currently set at 9 percent (9%). The cumulative Economic Value Added for the Twenty-Four Month Performance Period ending December 31, 2004, means: (1) 2004 net operating profit after tax less (2) 2004 average invested capital times the required rate of return plus (3) the EVA earned in the Twelve-Month Performance Period ending December 31, 2003. The cumulative Economic Value Added for the Thirty-Six Month Performance Period ending December 31, 2005, means: (1) 2005 net operating profit after tax less (2) 2005 average invested capital times the required rate of return plus (3) the cumulative EVA earned in the Twenty-Four Month Performance Period ending December 31, 2004. EVA is a measure of performance which subtracts a charge for the use of invested capital from net operating profit after tax. This computation indicates whether or not performance is adding to or subtracting from shareholder value. The Ball Corporation Chief Financial Officer shall make all determinations related to the final EBIT and EVA calculations under this Plan.

2. Special Incentive Plan Award Opportunity and Performance Goals

(a) For the Thirty-Six Month Performance Period your award opportunity ("Special Incentive Factor") is [ ] percent of your average annual base salary earned in calendar years 2003, 2004 and 2005. Actual awards (including interim awards) under this Plan may range from zero to 150 percent of your Special Incentive Factor and are based on achievement of performance goals for Ball Packaging Europe as outlined below:

Cumulative Performance Goals
((€) millions)

Performance Measure	12-Month Performance Period Ending December 31, 2003			24-Month Performance Period Ending December 31, 2004			36-Month Performance Period Ending December 31, 2005		
	Threshold	Target	Maximum	Threshold	Target	Maximum	Threshold	Target	Maximum
Cumulative EBIT	(€)	(€)	(€)	(€)	(€)	(€)	(€)	(€)	(€)

Cumulative EVA	(€)	(€)	(€)	(€)	(€)	(€)	(€)	(€)	(€)

Depending upon actual cumulative performance for each of the Performance Periods above, interim awards may be made at the end of each Performance Period as follows:

Percent of Special Incentive Factor Awarded	Percentage of Special Incentive Factor Awarded Based on Actual Cumulative Performance During Performance Periods — 12-Month Performance Period Ending December 31, 2003 Performance Level			24-Month Performance Period Ending December 31, 2004 Performance Level			36-Month Performance Period Ending December 31, 2005 Performance Level		
	Threshold	Target	Maximum	Threshold	Target	Maximum	Threshold	Target	Maximum
Based upon Cumulative EBIT	zero to	16.67% to	25.0%	zero to	3.34%* to	50.0%*	zero to	50%* to	75%*
Based upon Cumulative EVA	zero to	16.66% to	25.0%	zero to	33.33%* to	50.0%*	zero to	50%* to	75%*

*Minus awards, if any, previously made under this Special Incentive Plan.

For each Performance Period, if actual performance under each measure is greater than Threshold Performance, but is less than Target Performance, awards shall be calculated pursuant to the table above, determined on a straight line interpolation between Threshold Performance and Target Performance levels. For each Performance Period, if actual performance under each measure is greater than Target Performance, but is less than Maximum Performance, awards shall be calculated pursuant to the table above, determined on a straight line interpolation between Target Performance and Maximum Performance levels.
Payment of amounts earned under this Plan with respect to any Performance Period shall take place on or before March 15 of the calendar year next following the close of such Performance Period.

3. Payment Contingent on Continued Service with the Company. Except to the extent otherwise expressly provided by paragraph 4, in order to be eligible to receive an award under this Plan, you must be employed full time by the Company from the date you begin participating in the Plan, until the close of the Performance Period in respect of which the payment is to be made. If your full-time employment by the Company terminates for any reason before the close of the Performance Period in respect of which a payment is to be made pursuant to any of the preceding paragraph, then, except to the extent otherwise expressly provided by paragraph 4 below, upon such termination of employment you shall relinquish any right to be paid any money that would otherwise thereafter be paid to you pursuant to this Plan in respect of such Performance Period.

4. Exception for Certain Terminations of Service during Performance Period. If, before the close of the Thirty-Six Month Performance Period, you cease to be continuously employed full time by the Company by reason of retirement, or for any other reason (including, but not limited to, by reason of your being transferred to a position not eligible for inclusion in this Plan) except (a) cause, or (b) your voluntary termination of employment, then, the Company will pay you (or your Beneficiary, in the case of your death) the amount of money which would have been paid to you pursuant to paragraph 2 if your full-time employment and participation in the Plan had continued until the close of the Thirty-Six Month Performance Period, multiplied by a fraction the numerator of which shall be the number of full months of continuous full-time employment that you actually served during the Thirty-Six Month Performance Period, and the denominator of which shall be Thirty-Six months. Any money payable pursuant to the preceding sentence shall be paid at the same time, on the same terms, and subject to the same conditions that would have applied if your full-time employment and participation in the Plan had continued until the close of the Thirty-Six Month Performance Period.

5. Withholding. All amounts of money that are payable pursuant to this Plan shall be subject to the withholding of such amounts as the Company may, in its sole discretion, determine are required to be withheld or collected under the laws or regulations of any governmental authority, whether federal, state, or local and whether domestic or foreign.

6. Administration, Interpretation, and Construction. The terms and conditions of the Plan shall be administered, interpreted, and construed by the Human Resources Committee of the Board of Directors of the Company ("Human Resources Committee"), whose decisions shall be final, binding, and conclusive. Without limiting the generality of the foregoing, any determination as to whether or not your employment has been terminated for cause, or has been terminated voluntarily by you, or whether you have transferred to a position not eligible for participation, shall be made in the good faith but otherwise absolute discretion of the Human Resources Committee.

7. No Employment Rights. No provision of the Plan shall confer upon you any right to continue in the employ of the Company or any subsidiary of the Company, or shall in any way affect the right and power of the Company or any subsidiary of the Company to terminate your employment at any time for any reason or no reason, or shall impose upon the Company or any subsidiary of the Company, any liability not expressly provided for in the Plan if your employment is so terminated.

8. Rights Not Transferable. No rights under this Plan, contingent or otherwise, shall be assignable or transferable other than to a "Beneficiary" (as hereafter defined) upon your death, either voluntarily, or, to the full extent permitted by law, involuntarily, by way of encumbrance, pledge, attachment, levy, or charge of any nature. Any attempt to transfer, assign, encumber, pledge, attach, levy upon, or charge any rights under the Plan, other than to a Beneficiary in the event of your death, shall be null, void, and of no force or effect and, in the event of any such attempt, the Human Resources Committee may terminate your participation in the Plan. For this purpose, a "Beneficiary" shall mean a person or entity (including a trust or estate), designated in writing by you on the attached form or similar document to whom amounts that would have otherwise been made to you shall pass in the event of your death. If no such person or entity has been so designated, or if no person or entity so designated is alive or in existence at the time any amount becomes payable pursuant to this Plan, your "Beneficiary" shall mean the legal representative of your estate.

9. Successors and Mergers, Consolidation, or Change in Control. The terms and conditions of this Plan shall enure to the benefit of and bind you and the Company, its successors assignees and personal representatives. If a change in control should occur then the rights and obligations created hereunder shall be the rights and obligations of the acquirer or successor corporation.

10. Employment or Failure Eligibility to Participate Not Guaranteed. Nothing contained in this Plan nor any action taken hereunder shall be construed as a contract of employment or as giving you any right to be retained in the employ of the Company. Designation as a Participant may be revoked at any time.

Finally, this Plan provides you the opportunity to earn special incentive compensation on the terms and conditions set forth above. I am very pleased that you have been chosen to participate in this Special Incentive Plan and am confident that you will have a

significant impact on our Company's success.

Exhibit 10.29

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into this 11th day of December 2002, by and between Hanno C. Fiedler ("Executive"), having a current address at Noldenkothen 18, 40882 Ratingen, Germany, and Ball Corporation ("Ball"), having a current address at 10 Longs Peak Drive, Broomfield, Colorado 80021-2510.

WITNESSETH

WHEREAS, Executive is to be employed by Ball as Executive Vice President and as Chairman of Ball's European packaging business; and

NOW, THEREFORE, IN CONSIDERATION of the covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Executive, the parties agree as follows:

1. **Employment.** Ball shall employ Executive during the Term as its Executive Vice President and as Chairman of Ball's European packaging business. Executive shall assume the duties and responsibilities as are commensurate with such positions. Executive shall report to the Chief Executive Officer of Ball and shall perform the duties assigned to him hereunder and assigned from time-to-time by the Chief Executive Officer of Ball. Executive shall devote all of his business time, attention and effort to the affairs of Ball and shall use his best efforts to promote the interests of Ball.

2. **Assignment.** Ball represented by its Chief Executive Officer is entitled to assign Executive, with respect to part or all of his business time, to Schmalbach-Lubeca GmbH ("S-L GmbH") and any of Ball's European subsidiary companies and to require Executive to assume the position and the functions of a managing director or other officer thereof, it being understood that Executive's primary assignment will be with S-L GmbH. In particular, Executive agrees that he will assume the position of Chairman of the Board of Management (*Vorsitzender der Geschäftsführung*) of S-L GmbH, following its conversion from an AG into a GmbH.

3. **Term.** Subject to the termination provisions hereinafter provided, the term ("Term") of this Agreement and Executive's employment with Ball and his positions as Executive Vice President and as Chairman of Ball's European packaging business shall commence at the Closing Date and terminate on December 31, 2005. This Agreement shall terminate and be null and void ab initio in the event that the Closing Date does not occur on or before January 31, 2003. "Closing Date" has the meaning set out in Article IX, Section 3 of the Share Sale and Transfer Agreement dated August 29/30, 2002 between Schmalbach-Lubeca Holding GmbH, AV Packaging GmbH, Ball Pan-European Holdings, Inc. and Ball Corporation.

4. **Compensation.** Subject to Section 5 hereof, Ball shall cause S-L GmbH to pay Executive in accordance with the normal payroll practices of S-L GmbH, a salary ("Base Salary") as follows:

From Closing Date through calendar year 2003	400,000 Euros (Annualized amount)
Calendar year 2004	450,000 Euros
Calendar year 2005	500,000 Euros

In addition, subject to Section 5 hereof, during the Term Executive shall:

(a) Participate in the Ball Corporation Economic Value Added Incentive Compensation Plan, as amended (the "Ball IC Plan"), a copy of which has been provided to Executive, at a 65% target level;

(b) Participate in the Ball Corporation Long Term Cash Incentive Plan (the "LTCIP"), a copy of which has been provided to Executive, for the cycles ending December 31, 2003, December 31, 2004 and December 31, 2005, prorated for Executive's actual period of participation in each cycle, with Executive's participation level for each cycle to be as follows:

12% of Total Compensation at minimum performance
25% of Total Compensation at target performance
50% of Total Compensation at maximum performance

"Total Compensation" for purposes of the LTCIP means Executive's average annual Base Salary plus target annual incentive compensation under the Ball IC Plan for each cycle;

(c) Participate in an acquisition incentive plan (the "Acquisition Incentive Plan"), substantially in the form of the draft attached hereto as Exhibit "A", which is intended to permit Executive to earn 150% of Executive's average annual Base Salary over the plan period (anticipated to run for 36 months from January 1, 2003 through 2005) for target performance and up to 225% of Executive's average annual Base Salary over the plan period for maximum performance, with payments to be made in cash;

(d) Participate in the Ball Corporation Deposit Share Program (the "Deposit Share Program"), a copy of which has been provided to Executive, pursuant to which Executive will be entitled, within one year after the Closing Date, to acquire up to 20,000 shares of Ball common stock, such shares to be matched with an amount of Ball restricted stock equal to the number of shares acquired by Executive, all in accordance with and subject to the provisions of the Deposit Share Program, with the restrictions on the said restricted stock to lapse three years from the date the matching restricted shares are granted;

(e) Receive within 10 days after the Closing Date 5,000 shares of Ball restricted stock, with the restrictions on such shares to lapse in equal installments over three years with the first restrictions lapsing on one-third of such shares 12 months from the date of grant. Such restricted shares are granted under the terms of the Ball Corporation 1997 Stock Incentive Plan (the "Restricted Stock Plan"), a copy of which has been provided to Executive.

5. **Deductions, Withholdings and Tax Payments.** Ball and any subsidiary of Ball that pays or otherwise grants compensation to Executive shall be entitled to deduct from the compensation to be granted to Executive the amounts of taxes or social security contributions that any (including any other) of them has to make, it being understood that Executive's Base Salary shall be paid by S-L GmbH. This shall apply to all payments that any of Ball or its subsidiaries are obligated to make under this Agreement pursuant to the applicable laws of any jurisdiction. Any deduction can only be made one time. In the event that Executive is subject to any additional taxation of his compensation as a result of an assignment of Executive pursuant to Section 2 hereof to a subsidiary company other than S-L GmbH, Ball or one of its subsidiaries shall provide an additional payment to Executive such that he will retain the same net after-tax proceeds as he would have received without the additional taxation. In addition, Ball shall cause S-L GmbH to pay Executive a lump sum of 10,000 Euros by June 30 of each year during the Term.

6. **Payments on Termination or Executive Resignation.** Notwithstanding any other provision in this Agreement, Ball shall be entitled (in Ball's sole discretion) to terminate this Agreement and Executive's employment and his positions as an officer and/or director of Ball and/or any subsidiary of Ball upon written notice to Executive with a notice period of at least one month to the end of a calendar month ("Termination"). In the event of a Termination prior to the end of the Term, either by Executive with Good Reason (as defined below) or by Ball, notwithstanding any other provision in this Agreement, Ball shall pay to Executive only the following amounts:

(i) within 5 days after receipt by Ball of the Release signed by Executive, a lump sum payment equal to the amount of Base Salary Executive would have earned under Section 4 hereof for the balance of the Term,

(ii) within 5 days after receipt by Ball of the Release signed by Executive, a lump sum payment equal to the greater of (A) Executive's annual bonus payable for the remainder of the Term calculated in accordance with the Schmalbach-Lubeca Change in Control Principles (as attached hereto as Exhibit "B") as the average of the annual bonus payable for the two calendar years immediately preceding such Termination, and (B) Executive's target annual incentive compensation for the remainder of the Term pursuant to the Ball IC Plan, and

(iii) such amounts, if any, as Executive may be entitled to in accordance with the provisions of the LTCIP, the Acquisition Incentive Plan, the Deposit Share Program and the Restricted Stock Plan provided however all such amounts shall be calculated based on Executive's actual date of Termination.

Executive shall be entitled (in his sole discretion) to terminate this Agreement and his employment and his positions as an officer and/or director of Ball and any subsidiary of Ball upon written notice to Ball with a notice period of at least one month to the end of a calendar month. In the event of such termination by Executive without Good Reason prior to the end of the Term, notwithstanding any other provision in this Agreement, Ball shall pay to Executive only the following amounts:

(i) the amount of any Base Salary which is earned but not yet paid as of the date of Executive's resignation, and

(ii) such amounts, if any, as Executive may be entitled in accordance with the provisions of the Ball IC Plan, the LTCIP, the Acquisition Incentive Plan, the Deposit Share Program and the Restricted Stock Plan.

Executive and Ball shall execute a mutual release of claims against each other, in substantially the form set forth in Exhibit "C" (the "Release"), prior to the time that payments are due under this Section 6.

"Good Reason" means (i) a substantial diminution of Executive's duties and responsibilities with Ball and S-L GmbH (or their successors), (ii) a reduction in the amount of Base Salary, or (iii) a substantial reduction in (or failure to provide) the aggregate level of incentive compensation and benefits that may be earned by the Executive pursuant to the terms of this Agreement and the terms of the respective plans; provided, however, that the occurrence of any of the above shall not constitute Good Reason unless the Executive gives written notice to Ball within 90 days of the occurrence of any of such events, and Ball thereafter fails to cure the event within 30 days after receipt of such notice.

7. **Duties.** Executive shall have a duty of loyalty to Ball and its subsidiaries. Executive agrees to perform his duties promptly with care, skill and diligence. Further, Executive is obligated to comply with all obligations that result from a position as managing director or officer of Ball or any subsidiary of Ball under respective applicable law. Executive understands that Ball and its subsidiaries will be relying upon the accuracy, competence and completeness of Executive's services. Without waiving his rights to enforce the specific provisions of this Agreement, Executive shall not disparage or criticize, orally or in writing, Ball, or its subsidiaries or affiliates, or their officers, directors or employees to any third party, except and to the extent that his testimony is compelled by judicial or administrative process. Without waiving its right to enforce the specific provisions of this Agreement, Ball shall not disparage or criticize, orally or in writing, Executive to any third party, except and to the extent that their testimony is compelled by judicial and administrative process.

8. **Participation in Other Businesses.** Until December 31, 2005, Executive shall not, directly or indirectly, and in any role whatsoever, offer, sell, advise, or provide any consulting or other services of any type to any person or entity which is Ball's supplier, competitor or customer in the packaging businesses. In addition, Executive shall not, directly or indirectly, as an employee or otherwise, compete with Ball or any subsidiary of Ball, in the manufacture, sale or development of packaging products and services until such date. Packaging businesses and packaging products and services include, without limitation: rigid food, beer, beverage and still drink containers, including the ends therefor, such as metal, plastic and glass containers. The obligations under this Section 8 shall be applicable until December 31, 2005, irrespective of a termination of this Agreement prior to such date. In the event that this Agreement terminates prior to December 31, 2005, the payments that Executive will receive under other provisions of this Agreement as of or following termination shall fully compensate Executive for complying with his obligations under this Section 8 between termination and December 31, 2005.

9. **Nondisclosure of Data.** Executive agrees that, unless he first secures Ball's written consent, he will keep confidential and will not divulge, communicate, disclose, copy, destroy or use at any time, any secret or confidential information or technology (including matters of a technical nature, such as know-how, formulae, secret processes or machines, inventions, discoveries, improvements, secret data, and research projects, and matters of a business nature, such as information about costs, profits, markets, sales, lists of customers, business objectives and strategies, including but not limited to strategic and operating plans, possible or consummated acquisitions, divestitures, strategic alliances and joint ventures, and any other information of a similar nature to the extent not available to the public) of Ball, any subsidiary of Ball or third parties to whom Ball has obligations of confidence of which he became informed during, or as a result of, his employment with Ball.

10. **Return of Materials.** Executive agrees to return to Ball upon request, but in any event no later than termination of Executive's services, any: secret or confidential information referred to in 9 above; manuals; documents; drawings; equipment; vendor, customer or other third party materials, computerized or hard copy files; computer hardware and software; identification cards; credit cards; keys and other property of Ball or any subsidiary of Ball.

11. **No Employment Solicitation.** Until the second anniversary of the last day of the Term, Executive shall not, directly or indirectly, solicit, persuade or advise (or authorize or assist others in the taking of such actions) any employee of Ball or of any subsidiary of Ball to leave the employ of Ball or such subsidiary.

12. **Injunctive and Other Relief.** Executive acknowledges that the businesses in which Ball and its subsidiaries are engaged are intensively competitive and Executive has had access to and knowledge of highly confidential information of Ball and such subsidiaries which if disclosed or used to the detriment of Ball and such subsidiaries would cause damage to Ball and such subsidiaries that could not be adequately compensated in damages. Executive acknowledges and agrees that Ball and such subsidiaries could suffer irreparable injury in the event of a breach or violation of the provisions set forth in Sections 7, 8, 9, 10 or 11 of this Agreement and Executive agrees that, in the event of an actual or threatened breach or violation of any of these Sections of the Agreement, Ball and its subsidiaries may be awarded injunctive relief in a

court of appropriate jurisdiction to prohibit and remedy any such violation, breach or threatened violation or breach, without the necessity of posting any bond or security. Any such right to injunctive relief may be in addition to any other right or remedy available to Ball or such subsidiaries.

Executive further acknowledges and agrees that Ball and such subsidiaries will also be entitled to monetary relief for such breach or violation of this Agreement including, but not be limited to, any profit or other economic benefit received by Executive in connection with such breach or violation and any damages incurred by Ball and such subsidiaries as a result of such breach or violation prior to or after the entry of injunctive relief.

13. **Assignment and Disability.** This Agreement and the obligations under it may not be assigned or delegated by Executive without Ball's written permission. This Agreement and the obligations under it may be assigned by Ball only as provided in Section 2 hereof. In the event Executive shall become unable to perform the services agreed to be rendered under this Agreement because of Executive's long-term illness, incapacity, disability or death or other reasons, this Agreement and Ball's obligations to make payments to Executive provided under this Agreement shall terminate as of that time.

14. **Payment of Enforcement Costs.** Ball agrees to reimburse Executive for all reasonable legal fees and expenses he may incur with respect to the recovery of any amounts due to Executive under this Agreement, but only with respect to such claim or claims upon which Executive substantially prevails. Such payments should be made within fourteen (14) days after delivery of Executive's written request for payment accompanied with such evidence of fees and expenses incurred as Ball may reasonably require.

15. **Applicable Law and Venue.** This Agreement shall be construed in accordance with the laws of the State of Colorado, without reference to principles of conflicts of laws. The District Court in and for the County of Jefferson in the State of Colorado shall have exclusive jurisdiction for any and all disputes and proceedings arising out of or in connection with this Employment Agreement, regardless of Executive's residence at the time of filing of the action, other than Executive's pension arrangements with S-L GmbH.

16. **Severability and Entire Agreement.** The provisions of this Agreement shall be severable, and the invalidity of any provision shall not affect the validity of the other provisions. Additionally, if any one of the provisions of this Agreement is held to be excessively broad as to duration, scope, activity or subject, such provisions shall be construed by a court by limiting and reducing them so as to be enforceable to the maximum extent allowable by applicable law. This Agreement states the entire agreement between the parties with respect to the subject matter hereof and, upon becoming effective, supersedes and replaces all other agreements, contracts and understandings relating to Executive's employment with Ball, Schmalbach-Lubeca AG or any of their subsidiaries or affiliates, including without limitation the Employment Contract dated August 25, 1995, between Schmalbach-Lubeca AG and Executive and all addenda, modifications and amendments thereto; excluding, however, all agreements with Schmalbach-Lubeca AG as to company pensions as modified and restated in Exhibit A hereto, which agreements should remain in full force and effect as modified and restated and which shall be assumed by S-L GmbH upon its conversion from Schmalbach-Lubeca AG.

17. **Modifications In Writing.** This Agreement may only be modified in writing and supersedes any and all prior oral or written communications. Any waiver by either party of nonperformance or noncompliance on the part of the other party of any term or condition of this Agreement shall not constitute a continuing waiver of such term or condition or any other term or condition of this Agreement.

18. **Titles.** The titles to sections of this Agreement are provided for convenience only and do not affect the interpretation of this Agreement.

19. **Termination.** Sections 7, 8, 9, 10, 11, 12, 13, 14 and 15 of this Agreement shall survive the Termination of this Agreement for any reason other than pursuant to Section 3 hereof.

20. **Pension.** Executive shall continue to be entitled to the pension arrangements with Schmalbach-Lubeca AG set out in Exhibit "D" hereto pursuant to a separate pension agreement between Executive and Schmalbach-Lubeca AG which shall be binding on Schmalbach-Lubeca AG and its successors.

21. **Legal Advice.** Executive confirms that he has obtained legal advice with respect to this Agreement prior to its execution.

22. **Comprehension.** Ball and Executive have jointly determined that this Agreement is in the English language. Executive confirms that he fully understands all provisions of this Agreement. **Ball Corporation und Herr Hanno C. Fiedler haben gemeinsam festgelegt, dass dieser Vertrag in englischer Sprache abgefasst ist. Herr Hanno C. Fiedler bestätigt, dass er alle Bestimmungen dieses Vertrages in vollem Umfang versteht.**

Hanno C. Fiedler	BALL CORPORATION
____________________________	By: ______________________
	Title:

Exhibit 12.1

Ball Corporation and Subsidiaries
Ratio of Earnings to Fixed Charges

($ in millions)	2002	2001	2000	1999	1998
Earnings (loss) before taxes	$ 235.4	$ (113.7)	$ 113.9	$ 171.2	$ 27.3
Plus:					
Interest expensed and capitalized	78.0	89.7	98.5	109.6	80.9
Interest expense within rent	17.1	21.7	25.4	18.0	15.4
Amortization of capitalized interest	2.0	2.3	2.0	1.9	2.1
Distributed income of equity investees	-	-	-	1.5	2.5
Less:					
Interest capitalized	(2.4)	(1.4)	(3.3)	(2.0)	(2.3)
Adjusted earnings (loss)	330.1	(1.4)	236.5	300.2	125.9
Fixed charges *(1)*	95.1	111.4	123.9	127.6	96.3
Ratio of earnings to fixed charges	3.5x	0.0x *(2)*	1.9x	2.4x	1.3x

(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 and critical accounting policies defined in Note 1.

Recent Developments
On December 19, 2002, Ball acquired 100 percent of the outstanding shares of Schmalbach-Lubeca GmbH (a European beverage can manufacturer) for an initial cash purchase price of €922.3 million (approximately $948 million), plus acquisition costs of $11.6 million, refinancing costs of $28.1 million and the assumption of approximately $20 million of debt and $11 million of unencumbered cash. In addition, the company assumed approximately $300 million of ongoing pension liabilities. The final acquisition price will be reduced by working capital and other adjustments estimated to be $23.9 million. With this acquisition, now known as Ball Packaging Europe, we became the world's largest manufacturer of metal beverage cans with the ability to produce over 45 billion cans annually, and we gained entry into the growing European beverage can market, of which Ball Packaging Europe's share was approximately 31 percent in 2002. In addition, we believe that in the first year of combined operations, the acquisition will be accretive to our earnings per share and provide us returns on capital invested in excess of our weighted average cost of capital.

Ball Packaging Europe and its operations consist of 10 beverage can plants and two beverage can end plants, a technical center in Bonn, Germany, and the European headquarters in Ratingen, Germany. Of the 12 plants, four are located in Germany, four in the United Kingdom, two in France and one each in the Netherlands and Poland. In total the newly acquired plants produce approximately 12 billion cans annually, with 60 percent being produced from steel and 40 percent from aluminum. On a pro forma basis, the acquisition significantly increases our 2002 sales from $3.8 billion to $4.9 billion.

In connection with the acquisition, we refinanced the company and, as a result, recorded an after-tax extraordinary charge from the early extinguishment of debt of $3.2 million (6 cents per diluted share). The refinancing, including related costs, was completed with the placement of $300 million in 6.875% senior notes due 2012 and $1.1 billion from borrowings under new long-term multi-currency senior credit facilities. Approximately $580 million of existing long-term debt remained in place.

For additional information regarding our European acquisition and the related financing activities, see Notes 3 and 9 accompanying the consolidated financial statements.

Consolidated Sales and Earnings
Ball's operations are organized along its product lines and include three segments - North American packaging, international packaging and aerospace and technologies.

North American Packaging
North American packaging consists of operations located in the U.S. and Canada, which manufacture metal container products used primarily in beverage and food packaging and PET (polyethylene terephthalate) plastic container products used principally in beverage packaging. This segment accounted for 84 percent of consolidated net sales in the year ended December 31, 2002. However, this percentage will decrease in 2003 due to the addition of Ball Packaging Europe.

North American metal beverage container sales, which represented approximately 70 percent of segment sales in 2002, were 3 percent higher than in 2001. The increase was largely due to beverage can price increases in 2002 compared to the prior year. Sales also increased in 2002 compared to 2001 as a result of Ball's agreement with Coors Brewing Company (Coors), effective January 1, 2002, under which substantially all of Coors' can requirements for its Shenandoah, Virginia, filling location are manufactured at Ball facilities and sold to Coors. Sales under this agreement began in the first quarter of 2002. North American beverage operating margins were higher as a result of plants operating at near full capacity coupled with improved sales prices. In mid-December 2001 we ceased production at the Moultrie, Georgia, beverage can plant; its production of one billion cans per year was consolidated into other Ball plants. Based on publicly available industry information, we estimate that shipments for our metal beverage container product line were approximately 31 percent of total U.S. and Canadian shipments in 2002 and 2001.

Sales in 2001 decreased 3 percent compared to those in 2000 due to lower soft drink container shipments and lower selling prices. While manufacturing cost controls in 2001 yielded favorable results, operating margins were lower in 2001 than in 2000 due to lower beverage can selling prices and higher unit costs as a result of reduced plant production for planned inventory reductions.

Through Rocky Mountain Metal Container, LLC, a 50/50 joint venture which is accounted for as an equity investment, Ball and Coors operate Coors' can and end facilities in Golden, Colorado. The joint venture supplies Coors with approximately 3.6 billion beverage cans and ends annually for its Golden, Colorado, and Memphis, Tennessee, breweries under agreements which commenced in January 2002.

North American metal food container sales, which comprised approximately 19 percent of segment sales in 2002, were essentially flat compared to those in 2001, which were at record levels. These results were achieved despite a combination of droughts and floods in the U.S., which negatively impacted our fruit and vegetable processor customers, and the lowest salmon pack in the Pacific Northwest in over a decade. Operating margins were lower largely due to product mix and start-up costs associated with the new two-piece food can line in our Milwaukee plant discussed below. Sales in 2001, which were 8 percent higher than those in 2000, reflected volume gains from several customers, including ConAgra Grocery Products Company (ConAgra), and strong salmon and pre-season vegetable can sales. We estimate our 2002 shipments of 5.6 billion cans to be approximately 16 percent of total U.S. and Canadian metal food container shipments, based on publicly available industry information.

During the second quarter of 2000, Ball and ConAgra formed a joint venture food can manufacturing company, Ball Western Can Company, LLC (Ball Western). Ball receives management fees and accounts for the results of its 50 percent-owned investment under the equity method. On December 30, 2002, ConAgra notified Ball of its desire to terminate and dissolve the Ball Western joint venture effective January 1, 2004. Ball and ConAgra are engaged in ongoing discussions to evaluate various options.

We recently signed a multi-year contract with Abbott Laboratories' Ross Products Division (Ross), the makers of a broad range of infant formulas. Ross will exit a portion of its self-manufacturing operations in early 2003. To accommodate this new business and convert some of our existing three-piece food can customers to two-piece cans, we are adding a new two-piece steel food can line in our Milwaukee beverage can plant capable of producing approximately 1.2 billion cans per year, as well as a new 225,000-square-foot warehouse addition. These capital additions are scheduled for completion in early 2003 and are expected to cost approximately $43 million.

Plastic bottle sales, approximately 11 percent of segment sales in 2002, increased 21 percent from 2001 sales, which were higher than 2000 sales by 10 percent. The increase in sales in 2002, which are predominantly to water and carbonated soft drink customers, was driven by internal growth as well as the company's acquisition of Wis-Pak Plastics, Inc. (Wis-Pak) in December 2001. Overall operating margins also improved as a result of lower

energy, freight and warehousing costs, despite higher operating costs and increased freight between plants in the third quarter as a result of extremely low inventory levels. Four new plastic bottle blow-molding production lines were added to our facilities throughout 2002 to help meet the increased demand. The increase in 2001 sales compared to those in 2000 was the result of significantly higher shipments partially offset by lower selling prices. Operating margins were lower in 2001 compared to 2000 due to higher than planned freight, warehousing and utility costs, particularly on the West Coast.

International Packaging

International packaging includes the production of metal beverage container products manufactured in Europe and Asia as well as plastic containers in Asia.

The European metal beverage operations, which represent approximately 31 percent of the total European market, are located in Germany, the United Kingdom, France, the Netherlands and Poland. These operations were acquired by Ball on December 19, 2002. Therefore, sales and earnings included in our consolidated 2002 results were minimal. On a pro forma basis, however, sales would have been approximately $1.1 billion for the year, or 22 percent of pro forma consolidated net sales.

Our operations in Germany are subject to packaging legislation that exempts one-way containers from a mandatory deposit fee as long as returnable containers maintain at least a 72 percent market share. After the market share dropped below this mandated level, regulators imposed a mandatory deposit fee on cans and other non-refillable containers effective January 1, 2003, although an effective container return system is not expected to be in place until October 2003, at the earliest. It is too soon to determine the long-term impact the deposit fee will have on sales in Germany, but in the interim, we have temporarily reduced production at our German plants in response to lower demand.

Sales in Asia, primarily within the People's Republic of China (PRC), were lower due to the sale of the general line can business and other PRC restructuring efforts that commenced in the second half of 2001. However, operating earnings improved by more than $11 million compared to 2001 due to the business consolidation actions begun in mid-2001. Both 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

Sales in the aerospace and technologies segment were 17 percent higher than in 2001, primarily in defense and civil space operations. The increase is due to a combination of newly awarded contracts and additions to previously awarded contracts. During 2002 Ball was selected as part of a team to build NASA's James Webb Space Telescope. The improvement in operating earnings in 2002 was primarily the result of the strong sales, which were driven by growth in our U.S. government business, and by the disposition of two unprofitable aerospace product lines in 2001. Sales in 2001 were 15 percent higher than in 2000, due in part to customer requested acceleration of certain programs into 2001 from 2002. The improvement in 2001 operating margins was due to strong sales but also included a charge to exit product lines, as well as a favorable Employee Stock Ownership Plan (ESOP) litigation result in 2000 (both discussed in "Other Items").

Sales to the U.S. government, either directly as a prime contractor or indirectly as a subcontractor, represented approximately 96 percent, 92 percent and 85 percent of segment sales in 2002, 2001 and 2000, respectively. Backlog for the aerospace and technologies segment at December 31, 2002 and 2001, was approximately $497 million and $431 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 $165.9 million, $135.6 million and $138.9 million for 2002, 2001 and 2000, respectively. Higher expenses in 2002 compared to 2001 were largely related to higher employee incentives, increased pension and medical costs and additions to environmental reserves. In addition, 401(k) plan costs previously accounted for as preferred stock dividends under the company's leveraged employee stock ownership plan that expired at the end of 2001 are included in selling and administrative costs beginning in 2002. Included in employee incentive costs were $4.7 million of higher expense associated with the company's deposit share program, which is discussed in further detail in Note 13 to the consolidated financial statements. In addition, in the third quarter we reduced our U.S. pension plan asset return assumptions to a long-term rate of 9 percent. The change in the return on pension asset assumption resulted in approximately $3.7 million higher pension expense for the year.

Based on current assumptions, pension expense for 2003 is anticipated to increase approximately $12 million compared to 2002, a portion of which will be included in cost of sales. A further reduction of the plan asset return assumption by one half of a percentage point would result in additional expense of approximately $2.6 million ($1.6 million after tax). Additional information regarding the company's pension plans is provided in Note 12 accompanying the consolidated financial statements.

Interest and Taxes

Consolidated interest expense was $75.6 million in 2002 compared to $88.3 million in 2001 and $95.2 million in 2000. The decrease in 2002 from 2001 was primarily the result of lower interest rates and average borrowings. The decrease in 2001 from 2000 was also attributable to lower interest rates and average borrowings but was partially offset by lower capitalized interest.

Ball's consolidated effective income tax rate was 35.6 percent in 2002 compared to a benefit rate of 8.6 percent for 2001 and a provision rate of 37.6 percent in 2000. Excluding the effect of business consolidation costs in 2001, Ball's effective income tax rate was approximately 35 percent for all three years. The lower benefit rate of 8.6 percent on the loss in 2001 was largely the result of nondeductible goodwill as well as unrealized capital losses included in the second quarter 2001 charge for business consolidation costs in the PRC.

Results of Equity Affiliates

Equity in the earnings of affiliates is attributable to our 50 percent ownership in packaging investments in North America and Brazil and, to a lesser extent, an aerospace business and our minority-owned packaging investments in the PRC and Thailand. Earnings were $9.3 million in 2002 compared to earnings of $4 million in 2001 and losses of $3.9 million in 2000 with improvements reported by all joint ventures. Our investment in Thailand was reduced to approximately 7 percent in the fourth quarter of 2002 as a result of a sale of a portion of the company's shares, with minimal financial impact, and dilution by the investment from a new partner. The investment was accounted for under the cost method after our ownership dilution. The equity earnings improvement in 2001 from 2000 was due primarily to our operations in Brazil. Equity losses in 2000 were the result of Brazil's losses due to the unfavorable effect of foreign currency transactions, while 2000 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.

Other Items

Beginning on January 1, 2002, goodwill was no longer amortized in accordance with Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets." The cessation of amortization

improved 2002 net earnings by $9.1 million after tax, or 16 cents per diluted share, as compared to 2001. See further discussion in Note 8 accompanying the consolidated financial statements.

In December 2002 Ball announced it would relocate its plastics office and research and development facility from Atlanta, Georgia, to Colorado. In connection with the relocation, we recorded a pretax charge in 2002 of $1.6 million ($1 million after tax) for employee-related and decommissioning costs and impairment of the leasehold improvements related to a leased facility. The office relocation is expected to be completed in 2003 and the R&D facility by the end of 2004. Also in the fourth quarter of 2002, we recorded a $2.5 million after-tax charge to write off an aerospace equity investment. These charges were offset by recording $6.4 million of income ($4 million after tax) related primarily to the restructuring charge taken in 2001 for business consolidation activities for the China packaging business and the aerospace and technology business. This amount was largely the result of cash proceeds realized on assets and the release of unrequired reserves. The increase in net earnings related to the above actions was $2.3 million ($0.5 million after tax).

We 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 we announced 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 relocating production equipment in China that will facilitate the closure of a second plant in 2003 and complete the restructuring plan. Also in June 2001, we ceased operations in two commercial developmental product lines in our aerospace and technologies business. In December 2001 we closed our Moultrie, Georgia, beverage can plant. To effect these actions, pre-tax charges totaling $271.2 million ($205.2 million after tax) were recorded in 2001.

Actions taken during 2000 resulted in a pretax charge of $83.4 million in the second quarter for packaging business consolidation and investment exit activities that have been completed. 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. Additional details about our business consolidation activities and associated costs are provided in Note 4 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.

Subsequent Event

On February 25, 2003, the company announced it would close its Blytheville, Arkansas, metal food container plant to address decreased demand for three-piece welded cans. The plant will be closed in the second quarter of 2003 and its operations will be consolidated into the Springdale, Arkansas, plant. The business consolidation will result in a charge of approximately $2.1 million ($1.3 million after tax) including $0.7 million of employee severance and benefit costs and $1.4 million related to decommissioning costs and an impairment charge on the fixed assets. These actions are not expected to have a significant impact on the ongoing financial results of the operations.

New Accounting Pronouncements

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

Financial Condition, Liquidity and Capital Resources

Cash flows from operating activities were $452.3 million in 2002 compared to $320.8 million in 2001 and $176.5 million in 2000. The increase in 2002 from 2001 includes the working capital effects of higher accrued employee incentive costs, higher taxes currently payable and higher year-end trade accounts payable. The cash outflow for the acquisition of Ball Packaging Europe in 2002 is net of acquired cash of approximately $145.4 million, which includes approximately $134 million for an accrued withholding tax obligation paid out in early January 2003. The increase in cash flows from operating activities from 2000 to 2001 was due to planned inventory reductions and lower accounts receivable, partially offset by a decrease in accounts payable.

Free cash flow is the cash generated from operations reduced by capital spending, excluding acquisitions of previously leased assets. We focus on increasing free cash flow as an element in our effort to achieve our primary objective of maximizing shareholder value as well as to evaluate strategic investment opportunities and our ability to service and incur debt.

Our consolidated statements of cash flows are summarized as follows:

($ in millions)	2002	2001	2000
Operating cash flows	$ 452.3	$ 320.8	$ 176.5
Capital spending	(158.4)	(68.5)	(98.7)
Free cash flow	293.9	252.3	77.8
Business acquisitions	(813.8)	(27.4)	-
Acquisitions of previously leased assets	(43.1)	(50.5)	-
Long-term borrowings	1,300.5	-	-
Debt repayments	(441.7)	(62.3)	(48.0)
Debt issuance costs	(28.1)	-	-
Share repurchases, net of issuances	(69.1)	(53.8)	(60.9)
Common and preferred dividends	(20.4)	(20.4)	(21.6)
Other	(2.1)	19.6	42.5
Net change in cash and cash equivalents	$ 176.1	$ 57.5	$ (10.2)

Major capital projects in 2002 included the addition of four plastic bottle blow molding production lines in three different plants and a two-piece steel food can line in our Milwaukee beverage plant. Capital expenditures are expected to be approximately $200 million in 2003, including $40 million for Ball Packaging Europe.

Cash payments required for debt maturities and rental payments under noncancellable operating leases in effect at December 31, 2002, are $92.9 million, $89.9 million, $86.5 million, $374.7 million and $173 million for the years 2003 through 2007, respectively, and $1,205.2 million combined for all years thereafter.

Debt at December 31, 2002, increased $916.9 million to $1,981 million from $1,064.1 million at year-end

2001, while cash and cash equivalents increased by $176.1 million. The increase in debt was primarily due to the additional borrowings in connection with the acquisition of Ball Packaging Europe. The increase in cash was largely due to cash included in the opening balance sheet of Ball Packaging Europe. Consolidated net debt to capitalization increased to 77.5 percent at December 31, 2002, from 65.6 percent at year-end 2001. Capitalization is defined as the total of net debt, minority interests and shareholders' equity, the latter of which decreased at December 31, 2002, due in part to the repurchase of common shares and the recognition of additional minimum pension liability adjustments for certain of our pension plans. Net debt is total debt less cash and cash equivalents. The pension adjustments, which were necessary due to the use of a lower discount rate and poor stock market performance causing lower than expected pension plan asset performance, resulted in an $85.9 million increase in long-term liabilities and a $99.2 million after-tax reduction of shareholders' equity in the consolidated balance sheet.

In connection with the acquisition of Ball Packaging Europe, we refinanced approximately $389 million of our existing debt and, as a result, recorded an extraordinary after-tax charge from the early extinguishment of debt of $3.2 million (6 cents per diluted share). The acquisition and the refinancing, included related costs, were financed with the placement of $300 million in 6.875% senior notes due 2012 and borrowings under new long-term multi-currency senior credit facilities of $350 million, €500 million and £79 million (approximately $1.1 billion in total).

Ball has offered to exchange the 6.875% notes with the terms of the new notes being substantially the same in all respects to the terms of the notes for which they will be exchanged except that the new notes will be registered under the Securities Act of 1933, as amended.

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. In June 2002 the designated pool of receivables was increased to provide for sales of up to $178.5 million from the previous amount of $125 million. Net funds received from the sale of the accounts receivable totaled $122.5 million at December 31, 2002 and 2001, and are reflected as a reduction of accounts receivable in the consolidated balance sheet.

Ball Packaging Europe also sells a portion of its trade accounts receivable as part of an asset backed securitization program that does not qualify as off-balance sheet financing under the provisions of SFAS No. 140. As a result, the receivables sold under this program are included in trade accounts receivable and the related liability is included in short-term debt on the consolidated balance sheet. Net funds received from the sale of the accounts receivable under this program totaled $20.9 million at December 31, 2002.

At December 31, 2002, approximately $309 million was available under the revolving credit facility portions of the new multi-currency senior credit facilities. Ball Asia Pacific Holdings Limited and its consolidated subsidiaries had non-recourse short-term uncommitted credit facilities of approximately $80 million at the end of the year, of which $47 million was outstanding.

The company was not in default of any loan agreement at December 31, 2002, 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 were 36 cents per share in 2002 and 30 cents per share in each of 2001 and 2000.

Financial Instruments and Risk Management

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 fluctuations in prices of the company's common stock in regard to the common share repurchase program. Although the instruments utilized involve varying degrees of credit and interest risk, the counter parties to the agreements are financial institutions, which are expected to perform fully under the terms of the agreements.

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 manage our commodity price risk in connection with market price fluctuations of aluminum primarily by entering into can and end sales contracts, which include aluminum-based pricing terms that consider price fluctuations under our commercial supply contracts for aluminum purchases. The terms include "band" pricing where there is an upper and lower limit, a fixed price or only an upper limit to the aluminum component pricing. This matched pricing affects substantially all of our North American metal beverage packaging net sales. We also, at times, use certain derivative instruments such as option and forward contracts as cash flow hedges of commodity price risk.

Considering the effects of derivative instruments, the market's ability to accept price increases and the company's commodity price exposures to aluminum, a hypothetical 10 percent adverse change in the company's aluminum prices could have an estimated $3 million after-tax reduction of net earnings over a one year period. Actual results may vary based on actual changes in market prices and rates.

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, 2002 and 2001, included pay-floating and pay-fixed interest rate swaps and interest rate caps. Pay-fixed swaps effectively convert variable rate obligations to fixed rate instruments. Pay-floating swaps effectively convert fixed-rate obligations to variable rate instruments. Swap agreements expire at various times up to four years.

Based on our interest rate exposure at December 31, 2002, assumed floating rate debt levels throughout 2003 and the effects of derivative instruments, a 100 basis point increase in interest rates could have an estimated $6 million after-tax reduction of 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.

Foreign Currency 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 European euro, British pound, Canadian dollar and Chinese renminbi. We face currency exposures in our global operations as a result of maintaining U.S. dollar debt and payables in 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.

Considering the company's derivative financial instruments outstanding at December 31, 2002, and the currency exposures, a hypothetical 10 percent reduction in foreign currency exchange rates compared to the U.S. dollar could have an estimated $24 million after-tax reduction of net earnings over a one-year period if the company is unable to pass along these increases to its customers. Actual changes in market prices or rates may differ from hypothetical changes.

Common Share Repurchase Program

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. Under this agreement, we purchased 736,800 shares in January 2002 an average price of $33.58 per share; 313,400 shares in April 2002 at an average price of $38.95 per share; 195,600 shares in July 2002 at an average price of $45.49 per share and 189,900 shares in December 2002 at an average price of $45.67 per share.

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 company produces satellites and space instrumentation for, among others, NASA and the scientific community. The company also produces navigation and cryogenic equipment that are standard equipment on every space shuttle mission. At this time, the company anticipates minimal effect on its results from the loss of the space shuttle Columbia on February 1, 2003.

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 which are made as of the end of the time frame covered by this report. These forward-looking statements represent the company's goals and could vary materially from those expressed or implied. From time-to-time we also provide oral or written forward-looking statements in other materials we release to the public. As time passes, the relevance and accuracy of forward-looking statements may change. 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, particularly during the months when the demand for metal beverage beer and soft drink cans is heaviest; 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; fruit, 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, particularly resin, steel and aluminum and the ability or inability to include or pass on to customers changes in raw material costs; 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 or federal and state legislation including mandated corporate governance and financial reporting laws; the German mandatory deposit or other restrictive packaging legislation such as recycling laws; increases in interest rates, particularly on floating rate debt of the company; labor strikes; increases in various employee benefits and labor costs, specifically pension, medical and health care costs incurred in the countries in which Ball has operations; rates of return projected and earned on assets of the company's defined benefit retirement plans; boycotts; litigation; antitrust, intellectual property, consumer and other issues; maintenance and capital expenditures; goodwill impairment; the effect of LIFO accounting on earnings; changes in generally accepted accounting principles or their interpretation; local economic conditions; the authorization, funding and availability of government contracts and the nature and continuation of those contracts and related services provided thereunder; technical uncertainty associated with performance of aerospace and technologies segment contracts; the ability to promptly invoice and collect accounts receivable from customers, particularly from governmental agencies; international business and market risks such as the devaluation of international currencies; pricing and ability or inability to sell scrap associated with the production of metal containers; international business risks (including foreign exchange rates) in the United States, Europe and particularly in developing countries such as China and Brazil; foreign exchange rate of the U.S. dollar against the European euro, British pound, Polish zloty, Hong Kong dollar, Canadian dollar, Chinese renminbi and Brazilian real; terrorist activity or war that disrupts the company's production, supply, or pricing of raw materials used in the production of the company's goods and services, including increased energy costs, 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 and the integration activities associated therewith, including the integration and operation of the business of Schmalbach-Lubeca GmbH, now known as Ball Packaging Europe. 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. The company does not intend to publicly update forward-looking statements except as it deems necessary at quarterly or annual earnings reports. You are advised, however, to consult any further disclosures we make on related subjects in our 10-Q, 8-K and 10-K reports to the Securities and Exchange Commission.

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 controls 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
President and Chief Executive Officer

Raymond J. Seabrook
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, 2002, and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002, 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.

As discussed in Note 12 to the consolidated financial statements, the company changed the measurement date for determining the fair value of pension plan assets and plan obligations from September 30 to December 31.

PricewaterhouseCoopers LLP
Denver, Colorado
January 21, 2003

Consolidated Statements of Earnings
Ball Corporation and Subsidiaries

	Years ended December 31,		
($ in millions, except per share amounts)	2002	2001	2000
Net sales	**$ 3,858.9**	**$ 3,686.1**	**$ 3,664.7**
Costs and expenses			
Cost of sales (excluding depreciation and amortization)	3,230.4	3,142.2	3,067.1
Depreciation and amortization (Notes 7 and 8)	149.2	152.5	159.1
Business consolidation costs and other (Note 4)	(2.3)	271.2	76.4
Selling and administrative	165.9	135.6	138.9
Receivable securitization fees and other (Note 5)	4.7	10.0	14.1
	3,547.9	3,711.5	3,455.6
Earnings (loss) before interest and taxes	**311.0**	**(25.4)**	**209.1**
Interest expense (Note 9)	75.6	88.3	95.2
Earnings (loss) before taxes	235.4	(113.7)	113.9
Tax provision (Note 11)	(83.9)	9.7	(42.8)
Minority interests	(1.5)	0.8	1.0
Equity in results of affiliates	9.3	4.0	(3.9)
Earnings (loss) before extraordinary item	159.3	(99.2)	68.2
Extraordinary loss from early debt extinguishment, net of tax	(3.2)	-	-
Net earnings (loss)	156.1	(99.2)	68.2
Preferred dividends, net of tax	-	(2.0)	(2.6)
Earnings (loss) attributable to common shareholders	**$ 156.1**	**$ (101.2)**	**$ 65.6**

Basic earnings (loss) per share (Note 14)			
Basic earnings (loss) per share before extraordinary item	$ 2.83	$ (1.85)(a)	$ 1.13(a)
Extraordinary loss from early debt extinguishment, net of tax	(0.06)	-	-
Basic earnings (loss) per share	$ 2.77	$ (1.85)(a)	$ 1.13(a)
Diluted earnings (loss) per share (Note 14)			
Diluted earnings (loss) per share before extraordinary item	$ 2.77	$ (1.85)(a)	$ 1.07(a)
Extraordinary loss from early debt extinguishment, net of tax	(0.06)	-	-
Diluted earnings (loss) per share	$ 2.71	$ (1.85)(a)	$ 1.07(a)

(a) Per share amounts have been retroactively restated for the two-for-one stock split discussed in Note 13.

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

Consolidated Balance Sheets
Ball Corporation and Subsidiaries

($ in millions)	December 31, 2002	2001
Assets		
Current assets		
Cash and cash equivalents	$ 259.2	$ 83.1
Receivables, net (Note 5)	345.9	172.0
Inventories, net (Note 6)	552.5	449.3
Deferred taxes and prepaid expenses (Note 11)	66.9	89.1
Total current assets	1,224.5	793.5
Property, plant and equipment, net (Note 7)	1,445.9	904.4
Goodwill (Notes 3, 4 and 8)	1,148.1	357.8
Other assets (Notes 3, 4 and 8)	313.9	257.9
Total Assets	$ 4,132.4	$ 2,313.6
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt and current portion of long-term debt (Note 9)	$ 127.0	$ 115.0
Accounts payable	439.6	258.5
Accrued employee costs	147.1	91.0
Income taxes payable	54.1	-
Other current liabilities	301.1	110.2
Total current liabilities	1,068.9	574.7
Long-term debt (Note 9)	1,854.0	949.1
Employee benefit obligations (Note 12)	646.5	235.0
Deferred taxes and other liabilities (Note 11)	64.5	41.0
Total liabilities	3,633.9	1,799.8
Contingencies (Note 18)		
Minority interests	5.6	9.7
Shareholders' Equity (Note 13)		
Common stock (77,200,656 shares issued - 2002; 75,707,774 shares issued - 2001) *(a)*	514.5	478.9
Retained earnings	562.0	410.0
Accumulated other comprehensive loss	(138.3)	(43.7)
Treasury stock, at cost (20,455,296 shares - 2002; 17,890,596 shares - 2001) *(a)*	(445.3)	(341.1)
Total shareholders' equity	492.9	504.1
Total Liabilities and Shareholders' Equity	$ 4,132.4	$ 2,313.6

(a) Share amounts at December 31, 2001, have been retroactively restated for the two-for-one stock split discussed in Note 13.

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

Consolidated Statements of Cash Flows
Ball Corporation and Subsidiaries

($ in millions)	Years ended December 31, 2002	2001	2000
Cash Flows from Operating Activities			
Net earnings (loss)	$ 156.1	$ (99.2)	$ 68.2
Noncash charges to net earnings:			
Depreciation and amortization	149.2	152.5	159.1
Business consolidation costs and other, net of related equity and minority interest effects	2.1	268.7	81.3
Extraordinary loss from early debt extinguishment	5.2	-	-
Deferred taxes	30.7	2.5	9.8
Contributions to defined benefit plans	(56.4)	(57.8)	(22.7)
Other, net	13.1	11.2	10.9
Working capital changes, excluding effects of acquisitions:			
Receivables	35.2	33.9	(9.8)
Inventories	12.4	155.8	(73.8)
Accounts payable	37.8	(71.8)	(12.5)
Accrued salaries and wages	37.9	(37.9)	15.1
Income taxes payable	35.1	(12.1)	9.3
Other, net	(6.1)	(25.0)	(58.4)
Net cash provided by operating activities	452.3	320.8	176.5
Cash Flows from Investing Activities			
Additions to property, plant and equipment	(158.4)	(68.5)	(98.7)
Business acquisitions (Note 3)	(813.8)	(27.4)	-
Acquisitions of previously leased assets	(43.1)	(50.5)	-
Incentive loan receipts and other, net	(5.9)	23.5	46.2
Net cash used in investing activities	(1,021.2)	(122.9)	(52.5)
Cash Flows from Financing Activities			
Long-term borrowings	1,300.5	-	-
Repayments of long-term borrowings	(440.4)	(52.0)	(50.9)
Change in short-term borrowings	(1.3)	(10.3)	2.9
Debt issuance costs	(28.1)	-	-
Common and preferred dividends	(20.4)	(20.4)	(21.6)
Proceeds from issuance of common stock under various employee and shareholder plans	35.0	32.1	30.7
Acquisitions of treasury stock	(104.1)	(85.9)	(91.6)
Other, net	0.2	(3.9)	(3.7)
Net cash provided by (used in) financing activities	741.4	(140.4)	(134.2)
Effect of exchange rate changes on cash	3.6	-	-
Net Change in Cash and Cash Equivalents	176.1	57.5	(10.2)
Cash and Cash Equivalents - Beginning of Year	83.1	25.6	35.8
Cash and Cash Equivalents - End of Year	$ 259.2	$ 83.1	$ 25.6

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)* 2002	2001	2000	Years ended December 31, *($ in millions)* 2002	2001	2000
Series B ESOP Convertible Preferred Stock						
Balance, beginning of year	-	1,454	1,530	$ -	$ 53.4	$ 56.2
Shares converted or retired	-	(1,454)	(76)	-	(53.4)	(2.8)
Balance, end of year	-	-	1,454	$ -	$ -	$ 53.4
Unearned Compensation - ESOP						
Balance, beginning of year				$ -	$(10.6)	$ (20.5)
Amortization				-	10.6	9.9
Balance, end of year				$ -	$ -	$ (10.6)

Common Stock *(a)*						
Balance, beginning of year	75,708	73,546	71,700	$ 478.9	$ 443.9	$ 413.0
Shares issued for stock options and other employee and shareholder stock plans less shares exchanged, and other	1,493	2,162	1,846	35.6	35.0	30.9
Balance, end of year	77,201	75,708	73,546	$ 514.5	$ 478.9	$ 443.9
Retained Earnings						
Balance, beginning of year				$ 410.0	$ 529.3	$ 481.2
Net earnings (loss)				156.1	(99.2)	68.2
Common dividends				(20.4)	(16.5)	(17.5)
Tax benefit from option exercises				16.3	-	-
Preferred dividends, net of tax				-	(2.0)	(2.6)
ESOP/treasury stock conversion				-	(1.6)	-
Balance, end of year				$ 562.0	$ 410.0	$ 529.3
Treasury Stock *(a)*						
Balance, beginning of year	(17,890)	(17,448)	(12,066)	$(341.1)	$(303.9)	$(212.3)
Shares reacquired	(2,565)	(3,566)	(5,382)	(104.2)	(85.9)	(91.6)
ESOP/treasury stock conversion	-	3,124	-	-	48.7	-
Balance, end of year	(20,455)	(17,890)	(17,448)	$(445.3)	$(341.1)	$(303.9)

(a) Share amounts in 2001 and 2000 have been retroactively restated for the two-for-one stock split discussed in Note 13.

($ in millions)	Years ended December 31,					
	2002		2001		2000	
	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		$ (43.7)		$ (29.7)		$ (26.7)
Net earnings (loss)	$ 156.1		$ (99.2)		$ 68.2	
Foreign currency translation adjustment	7.0		(2.1)		(3.2)	
Minimum pension liability adjustment, net of tax	(99.2)		(3.8)		0.2	
Effective financial derivatives (Note 15)	(2.4)		(8.1)		-	
Other comprehensive loss	(94.6)	(94.6)	(14.0)	(14.0)	(3.0)	(3.0)
Comprehensive earnings (loss)	61.5		$(113.2)		$ 65.2	
Balance, end of year		$(138.3)		$ (43.7)		$ (29.7)

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

Notes to Consolidated Financial Statements

Ball Corporation and Subsidiaries

1. Significant and Critical Accounting Policies

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of Ball Corporation and its controlled subsidiaries (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. 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.

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 segments are recognized when delivery has occurred and title has transferred, there is persuasive evidence of an agreement or arrangement, the price is fixed and determinable, and collection is reasonably assured. 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.

Cash Equivalents
Cash equivalents have original maturities of 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.

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 items affect earnings.

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 and amortization is provided using the straight-line method in amounts sufficient to amortize the cost of the assets over their estimated useful lives (buildings and improvements - 15 to 40 years; machinery and equipment - 5 to 15 years; other intangible assets - approximately 7.5 years, weighted average). 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 is no longer amortized. The company evaluates long-lived assets, including goodwill and other intangible asset.s, in accordance with the guidelines of SFAS No. 142 and SFAS No. 144 (discussed further in the "New Accounting Pronouncements" section).

Deferred financing costs are amortized over the terms of the related facilities and the associated expense is reported as part of interest expense.

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, capital 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.

Stock-Based Compensation
Ball has a variety of restricted stock and stock option plans. With the exception of the company's deposit share program, which is accounted for as a variable plan and is discussed in Note 13, the compensation cost associated with restricted stock grants is calculated using the fair value at the date of grant and amortized over the restriction period. Expense related to stock options is calculated using the intrinsic value method under the guidelines of Accounting Principles Board (APB) Opinion No. 25, and is therefore not included in the consolidated statements of earnings. Ball's earnings as reported include after-tax stock-based compensation of $4.2 million, $2.4 million and $1 million for the years ended December 31, 2002, 2001 and 2000, respectively. If the fair value based method had been used, after-tax stock-based compensation would have been $8 million, $6 million and $3.6 million for the same three periods, respectively. Further details regarding the expense calculated under the fair value based method are provided in Note 13.

New Accounting Pronouncements
In December 2002 the Financial Accounting Standards Board (FASB) issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure, an Amendment of FASB Statement No. 123." SFAS No. 148 amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition

the statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. This statement became effective for Ball at the end of 2002. The company is not adopting the voluntary accounting changes of SFAS No. 123. See Note 13 for the required disclosures under SFAS Nos. 123 and 148.

In May 2002 the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, amendment of FASB Statement No. 13, and Technical Corrections as of April 2002." This statement affects Ball primarily in its rescission of SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt," which required all such gains and losses be reported as extraordinary items. Under SFAS No. 145, these items are to be reported as extraordinary items only if they meet the requirements established under APB Opinion No. 30. This statement is not effective for Ball until 2003 but will require that amounts previously reported as extraordinary items be reevaluated in accordance with APB No. 30 and reclassified as appropriate. In 2002 Ball recognized a $3.2 million after-tax charge for early debt extinguishment. In 2003 this charge will be reclassified for comparative purposes under the guidelines of SFAS No. 145 to reflect $5.2 million more interest expense and a $2 million lower provision for income taxes in the fourth quarter than was reported in 2002.

In June 2002 the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," which is effective for Ball in 2003 on a prospective basis. The statement supersedes Emerging Issues Task Force (EITF) Issue No. 94-3 and revises the definition of the incurrence and timing of a liability associated with an exit or disposal activity not related to a newly acquired entity. This statement had no impact on our consolidated financial statements.

In August 2001 the 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." Ball adopted this statement effective January 1, 2002; there was no impact upon adoption.

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 are no longer amortized but are tested periodically for impairment. Resulting write-downs, if any, are recognized in the statement of earnings. The adoption of this statement on January 1, 2002, did not result in any impairment charges. The cessation of goodwill amortization in 2002 increased net earnings by $9.1 million (16 cents per diluted share) compared to 2001 net earnings.

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.

The EITF reached a consensus 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 were reflected in 2000 for comparative purposes.

2. Business Segment Information

Ball's operations are organized along its product lines and, subsequent to the acquisition of a European beverage can manufacturing business in December 2002, include three segments - North American packaging, international packaging and aerospace and technologies. We have investments in all three segments that are accounted for under the equity method, and, accordingly, those results are not included in segment earnings or assets. Reclassifications have been made to prior-year segment information for comparative purposes. 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.

North American Packaging

North American packaging consists of operations in the U.S. and Canada, which manufacture metal and PET (polyethylene terephthalate) plastic containers, primarily for use in beverage and food packaging.

International Packaging

International packaging, with operations in several countries in Europe and the PRC, includes the manufacture and sale of metal beverage container products in Europe and Asia, as well as plastic containers in Asia.

Aerospace and Technologies

Aerospace and technologies includes defense systems, civil space systems and commercial space operations.

Major Customers

Packaging sales to Miller Brewing Company represented approximately 15 percent of net sales in 2002, 16 percent in 2001 and 15 percent in 2000. Sales to PepsiCo, Inc., and affiliates represented approximately 11 percent, 13 percent and 14 percent of consolidated net sales in 2002, 2001 and 2000, respectively. Sales to the Coca-Cola Company and affiliates represented 8 percent of consolidated net sales in 2002, 7 percent in 2001 and 11 percent in 2000. Sales to all bottlers of Pepsi-Cola and Coca-Cola branded beverages comprised approximately 32 percent of consolidated net sales in 2002, 31 percent in 2001 and 35 percent in 2000. Sales to various U.S. government agencies by the aerospace and technologies segment, either as a prime contractor or as a subcontractor, represented approximately 12 percent of consolidated net sales in 2002, 10 percent in 2001 and 9 percent in 2000.

Financial data segmented by geographic area are provided below.

Summary of Net Sales by Geographic Area

($ in millions)	U.S.	Other *(a)*	Consolidated
2002	**$ 3,473.2**	**$ 385.7**	**$ 3,858.9**
2001	3,264.3	421.8	3,686.1
2000	3,195.9	468.8	3,664.7

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

($ in millions)	U.S.	Germany	PRC	Other *(c)*	Consolidated
2002	**$ 1,717.7**	**$ 1,017.0**	**$ 119.3**	**$ 53.9**	**$ 2,907.9**
2001	1,351.9	-	123.0	45.2	1,520.1
2000	1,565.5	-	301.8	(186.8)	1,680.5

(a) *Includes the company's net sales in the PRC, Canada and European countries, none of which was 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 and certain European countries, none of which was significant, intercompany eliminations and other.*

Summary of Business by Segment

($ in millions)	2002	2001	2000
Net Sales			
North American metal beverage	$2,254.8	$2,186.3	$2,255.3
North American metal food	625.5	625.3	576.4
North American plastic containers	355.2	292.7	265.7
Total North American packaging	3,235.5	3,104.3	3,097.4
Europe metal beverage (Note 3)	11.1	-	-
Asia metal beverage and plastic containers	121.1	162.9	204.3
Total international packaging	132.2	162.9	204.3
Aerospace and technologies	491.2	418.9	363.0
Consolidated net sales	$3,858.9	$3,686.1	$3,664.7
Consolidated Earnings			
North American packaging	$ 297.2	$ 247.3	$ 280.4
Business consolidation costs and other (Note 4)	(2.3)	(24.7)	(40.3)
Total North American packaging	294.9	222.6	240.1
International packaging	4.1	(6.0)	$ (2.0)
Business consolidation costs and other (Note 4)	5.1	(232.7)	(43.1)
Total international packaging	9.2	(238.7)	(45.1)
Aerospace and technologies	39.4	31.5	29.0
Business consolidation costs and other (Note 4)	(0.5)	(13.8)	7.0
Total aerospace and technologies	38.9	17.7	36.0
Segment earnings before interest and taxes	343.0	1.6	231.0
Corporate undistributed expenses	(32.0)	(27.0)	(21.9)
Earnings (loss) before interest and taxes	311.0	(25.4)	209.1
Interest expense	(75.6)	(88.3)	(95.2)
Provision for taxes	(83.9)	9.7	(42.8)
Minority interests	(1.5)	0.8	1.0
Equity in net results of affiliates	9.3	4.0	(3.9)
Consolidated earnings (loss) before extraordinary item	$ 159.3	$ (99.2)	$ 68.2
Depreciation and Amortization			
North American packaging	$ 124.9	$ 124.6	$ 125.2
International packaging	9.9	13.5	18.7
Aerospace and technologies	12.3	12.4	13.0
Segment depreciation and amortization	147.1	150.5	156.9
Corporate	2.1	2.0	2.2
Consolidated depreciation and amortization	$ 149.2	$ 152.5	$ 159.1
Total Assets			
North American packaging	$2,023.0	$1,666.6	$1,862.1
International packaging	2,025.9	213.5	455.3
Aerospace and technologies	248.5	179.8	211.6
Segment assets	4,297.4	2,059.9	2,529.0
Corporate assets net of eliminations	(165.0)	253.7	120.8
Consolidated assets	$4,132.4	$2,313.6	$2,649.8
Investments in Equity Affiliates			
North American packaging	$ 5.2	$ 0.2	$ 0.2
International packaging	59.7	53.5	65.4
Aerospace and technologies	13.4	15.1	15.6
Consolidated investments in equity affiliates	$ 78.3	$ 68.8	$ 81.2
Property, Plant and Equipment Additions			
North American packaging	$ 126.5	$ 50.4	$ 79.0

International packaging	6.2	3.1	6.9
Aerospace and technologies	17.0	11.8	12.0
Segment property, plant and equipment additions	149.7	65.3	97.9
Corporate	8.7	3.2	0.8
Consolidated property, plant and equipment additions	$ 158.4	$ 68.5	$ 98.7

3. Acquisitions

Schmalbach-Lubeca

On December 19, 2002, Ball acquired 100 percent of the outstanding shares of Schmalbach-Lubeca GmbH (a European beverage can manufacturer) for an initial cash purchase price of €922.3 million (approximately $948 million), plus acquisition costs of $11.6 million, refinancing costs of $28.1 million and the assumption of approximately $20 million of debt and approximately $11 million of unencumbered cash. The company also assumed approximately $300 million of ongoing pension liabilities. In addition, at closing Ball acquired approximately €131 million of cash and assumed a €131 million withholding tax liability, which was subsequently paid in January 2003.

The final acquisition price will be reduced by a working capital adjustment estimated to be $23.9 million. The acquisition has been accounted for as a purchase, and accordingly, its results have been included in our consolidated financial statements effective from December 19, 2002.

With this acquisition, now known as Ball Packaging Europe, we expanded our presence in the global beverage container market, enhanced our customer base and gained entry into the growing European market.

Ball Packaging Europe and its operations consist of 10 beverage can plants and two beverage can end plants, a technical center in Bonn, Germany, and an office in Ratingen, Germany. Of the 12 plants, four are located in Germany, four in the United Kingdom, two in France and one each in the Netherlands and Poland.

Following is a summary of the net assets acquired using preliminary fair values. The valuation of certain assets and liabilities by management and third-party experts is still in process and therefore, the actual fair values may vary from the preliminary estimates.

($ in millions)	
Cash	$ 145.4
Property, plant and equipment	487.5
Goodwill	774.3
Other intangible assets	52.0
Other assets, primarily current	310.1
Pension liabilities assumed	(300.0)
Other liabilities assumed	(510.1)
Net assets acquired	959.2
Estimated working capital adjustment	(23.9)
	$ 935.3

Ball Packaging Europe's customer relationships were identified as a valuable intangible asset by an independent valuation firm and assigned a fair value of €50.6 million (approximately $52 million). This intangible asset is being amortized over seven years based on the valuation firm's estimates. Goodwill related to Ball Packaging Europe is included in the international packaging segment. Both goodwill and the intangible asset are nondeductible under European local country corporate tax laws but will generally be deductible in computing earnings and profits for U.S. tax purposes.

The following unaudited pro forma consolidated results of operations have been prepared as if the acquisition had occurred as of January 1 in each of the periods presented. The pro forma results are not necessarily indicative of the actual results that would have occurred had the acquisition been in effect for the periods presented, nor are they necessarily indicative of the results that may be obtained in the future.

	Year Ended December 31,	
($ in millions)	2002	2001
Net sales	$ 4,910.3	$ 4,540.8
Net earnings (loss) before extraordinary item	233.9	(61.9)
Net earnings (loss)	230.7	(61.9)
Net earnings (loss) attributable to common shareholders	230.7	(63.9)
Basic earnings (loss) per share	4.10	(1.16)
Diluted earnings (loss) per share	4.01	(1.16)

Pro forma adjustments primarily include the after-tax effect of increased interest expense related to incremental borrowings used to finance the acquisition. The adjustments also include the after-tax effects of amortization of the customer relationship intangible asset and decreased depreciation expense on plant and equipment based on extended useful lives partially offset by increased fair values.

Subsequent increases or decreases in actual costs during the allocation period, if any, associated with Ball's acquisition of Schmalbach-Lubeca GmbH will be reflected in goodwill.

Wis-Pak Plastics

On December 28, 2001, Ball acquired substantially all of the assets of Wis-Pak Plastics, Inc. (Wis-Pak) for approximately $27 million. Additional payments of up to $10 million in total, plus interest, are contingent upon the future performance of the acquired business through 2006. Approximately $2.5 million of these contingent payments, including interest, were payable at the end of 2002 and are reflected as an increase in goodwill in the consolidated balance sheet. 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 North American packaging segment's financial statements. The company closed one of the two acquired plants during 2002; the after-tax cash costs associated with this closure were approximately $1 million and were substantially paid by the end of 2002.

4. Business Consolidation Costs and Other

2002

In December 2002 Ball announced it would relocate its plastics office and research and development facility from Atlanta, Georgia, to Colorado. In connection with the relocation, a pretax charge of $1.6 million ($1 million after tax) was recorded in the fourth quarter of 2002, including $0.8 million for employee benefit costs and $0.8 million for decommissioning costs and the impairment of leasehold improvements related to a leased facility. Minimal costs were incurred during 2002. The office relocation is expected to be completed in 2003 and the R&D facility by the end of 2004. Also in the fourth quarter of 2002, we recorded a $2.5 million after-tax charge to write off an unrecoverable equity investment in an aerospace company.

These charges were offset by recording $6.4 million of income ($4 million after tax) related to various other restructuring activities initiated in prior years (as described below). Income of $5.9 million was recorded related to the 2001 China and North America restructuring activities, primarily the result of cash proceeds on asset dispositions and accounts receivable previously deemed uncollectible and employee benefit and severance accruals no longer required as exit activities near conclusion. Income of $2 million was recorded related to the 2001 aerospace charge as a result of exit costs no longer required due to the sale of one of the exited product lines. The above was somewhat offset by a net charge of $1.5 million to further write down to net realizable value certain assets remaining for sale and additional severance costs for 2000 and 1998 restructuring activities. The increase in net earnings related to all of the above 2002 actions was $2.3 million ($0.5 million after tax).

2001

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 relocating production equipment in China that will facilitate the closure of a second plant in 2003 and complete the restructuring plan. 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 costs 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 unsaleable, 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.

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 unsaleable, 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. These actions were completed during the fourth quarter of 2002.

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 2001 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.

This charge was offset in part by recording $7.2 million of income ($4.5 million after tax), primarily due to original estimates related to the June 2001 charge exceeding net actual costs as activities were concluded.

Severance and other benefit costs related to the above actions in the PRC and the U.S. are associated with 1,592 former employees, primarily manufacturing and administrative personnel.

The following table summarizes the 2002 activity related to the 2001 restructuring and plant closing costs:

($ in millions)	Fixed Assets/ Spare Parts	Pension/ Employee Costs	Other Assets/Costs	Total
Balance at December 31, 2001	$ -	$ 8.7	$ 16.6	$ 25.3
Charge (income) in fourth quarter 2002:				
North America packaging	(0.8)	-	-	(0.8)
PRC	0.1	(1.4)	(3.8)	(5.1)
Aerospace and technologies	-	-	(2.0)	(2.0)
Net charge/reversal	(0.7)	(1.4)	(5.8)	(7.9)
Payments	-	(4.0)	(5.7)	(9.7)
Transfers to assets to reflect estimated realizable values	0.7	-	3.8	4.5
Transfers to liabilities	-	-	(2.2)	(2.2)
Balance at December 31, 2002	$ -	$ 3.3	$ 6.7	$ 10.0

2000

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 $3.3 million at December 31, 2002. The remaining accrued employee severance and other exit costs at December 31, 2002, were approximately $1.6 million including an additional provision in 2002.

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.

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.

Subsequent changes to the estimated costs of the 2002, 2001 and 2000 business consolidation activities, if any, will be included in current-period earnings.

5. Accounts Receivable

Accounts receivable are net of an allowance for doubtful accounts of $13.6 million at December 31, 2002, and $13.5 million at December 31, 2001.

A trade accounts receivable securitization agreement provides for the ongoing, revolving sale of a designated pool of trade accounts receivable of Ball's U.S. packaging operations. In June 2002 the designated pool of receivables was increased to provide for sales of up to $178.5 million from the previous amount of $125 million. Net funds received from the sale of the accounts receivable totaled $122.5 million at December 31, 2002 and 2001, and are reflected as a reduction in accounts receivable in the consolidated balance sheets. Fees incurred in connection with the sale of accounts receivable, which were progressively lower over the three-year period presented due to decreases in interest rates, totaled $3 million in 2002, $5.5 million in 2001 and $8.4 million in 2000.

Ball Packaging Europe sells a portion of its trade accounts receivable as part of an asset backed securitization program, which does not qualify as off-balance sheet financing under the provisions of SFAS No. 140. As a result, the receivables sold under this program are included in trade accounts receivable and the related liability is included in short-term debt on the balance sheet. Net funds received from the sale of the accounts receivable under this program totaled $20.9 million at December 31, 2002.

Net accounts receivable under long-term contracts, due primarily from agencies of the U.S. government, were $86.3 million and $60.7 million at December 31, 2002 and 2001, respectively, and include unbilled amounts representing revenue earned but contractually not yet billable of $30.8 million and $19.9 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, 2002, was approximately 14 months. Approximately $3.7 million of unbilled receivables at December 31, 2002, 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

($ in millions)	December 31, 2002	December 31, 2001
Raw materials and supplies	$ 183.0	$ 148.9
Work in process and finished goods	369.5	300.4
	$ 552.5	$ 449.3

Approximately 32 percent and 40 percent of total inventories at December 31, 2002 and 2001, respectively, were valued using the LIFO method of accounting. The percentage decreased at the end of 2002 from 2001 levels due to the acquisition of Ball Packaging Europe which values its inventories on a FIFO basis. Inventories at December 31, 2002 and 2001 would have been $2.4 million lower and $3.5 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

($ in millions)	December 31, 2002	December 31, 2001
Land	$ 69.9	$ 49.5
Buildings	609.5	456.8
Machinery and equipment	1,847.9	1,398.5
	2,527.3	1,904.8
Accumulated depreciation	(1,081.4)	(1,000.4)
	$1,445.9	$ 904.4

Depreciation expense amounted to $145.3 million, $137.9 million and $142.2 million for the years ended December 31, 2002, 2001 and 2000, respectively. The increase in property, plant and equipment during 2002 included $495.7 million related to the Ball Packaging Europe acquisition (discussed in Note 3) and $43.1 million for the acquisition of previously leased assets.

8. Goodwill and Other Assets

($ in millions)	December 31, 2002	December 31, 2001
Goodwill (net of accumulated amortization of $70.1 and $69.8 at December 31, 2002, and 2001, respectively)	$1,148.1	$ 357.8
Investments in affiliates	78.3	68.8
Prepaid pension	88.9	112.8
Other intangibles (net of accumulated amortization of $16.6 and $12.7 at December 31, 2002 and 2001, respectively)	65.6	11.1
Other	81.1	65.2
Other assets	313.9	257.9
	$1,462.0	$ 615.7

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Total amortization expense amounted to $3.9 million, $14.6 million and $16.9 million for the years ended December 31, 2002, 2001 and 2000, respectively, of which $10.7 million and $12.6 million related to the amortization of goodwill in 2001 and 2000, respectively. Based on intangible assets and foreign exchange rates as of December 31, 2002, total annual intangible asset amortization expense is expected to be $11.1 million in 2003, $9.6 million in 2004 and $8.6 million in each of the three years thereafter. The increase in goodwill and other intangibles is primarily related to the acquisition of Ball Packaging Europe discussed in Note 3.

In accordance with SFAS No. 142, which Ball adopted on January 1, 2002, goodwill is no longer amortized but rather tested periodically for impairment. There was no impairment of goodwill in 2002. The following table summarizes the pro forma earnings and per share impact if goodwill had not been amortized during 2001 and 2000:

($ in millions, except per share amounts)	2002	2001	2000
Net earnings (loss) as reported	$ 156.1	$ (99.2)	$ 68.2
Add back goodwill amortization, net of tax	-	9.1	10.7
Pro forma net earnings (loss)	$ 156.1	$ (90.1)	$ 78.9
Basic earnings per share:			
Basic earnings (loss) per share as reported	$ 2.77	$ (1.85)	$ 1.13
Add back goodwill amortization, net of tax	-	0.17	0.18
Pro forma basic earnings (loss) per share	$ 2.77	$ (1.68)	$ 1.31
Diluted earnings per share:			
Diluted earnings (loss) per share as reported	$ 2.71	$ (1.85)	$ 1.07
Add back goodwill amortization, net of tax	-	0.15	0.17
Pro forma diluted earnings (loss) per share	$ 2.71	$ (1.70)	$ 1.24

9. Debt and Interest Costs

Short-term debt includes non-recourse Asian bank facilities of which $47.1 million and $48 million were outstanding at December 31, 2002 and 2001, respectively. The weighted average interest rate of the outstanding short-term facilities was 4.7 percent at December 31, 2002, and 5.7 percent at December 31, 2001. Also included in 2002 was $20.9 million of debt associated with Ball Packaging Europe's accounts receivable securitization program with a year-end weighted average interest rate of 3.5 percent.

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

($ in millions)	2002	2001
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
6.875% Senior Notes due December 2012	300.0	-
Senior Credit Facilities		
Term Loan A, Euro denominated due December 2007 (5.25%)	126.0	-
Term Loan A, British sterling denominated due December 2007 (6.30%)	127.2	-
Term Loan B, Euro denominated due December 2009 (5.75%)	308.7	-
Term Loan B, U.S. dollar denominated due December 2009 (3.66%)	350.0	-
Multi-currency revolver, U.S. dollar equivalent (4.825% weighted average at year end)	100.3	-
Term Loan A due August 2004 (2.8125%)	-	245.0
Term Loan B due March 2006 (3.8125%)	-	194.0
Industrial Development Revenue Bonds		
Floating rates due through 2011 (2002 - 1.60%; 2001 - 1.70%)	27.1	27.1
Other	23.7	-
	1,913.0	1,016.1
Less: Current portion of long-term debt	(59.0)	(67.0)
	$1,854.0	$ 949.1

In connection with the acquisition of Ball Packaging Europe on December 19, 2002, Ball refinanced $389 million of its existing debt and, as a result, recorded an after-tax extraordinary charge for the early extinguishment of debt of $3.2 million (6 cents per diluted share).

Ball has offered to exchange the new 6.875% notes with the terms of the new notes being substantially identical in all respects (including principal amount, interest rate, maturity, ranking and covenant restrictions) to the terms of the notes for which they will be exchanged except that the new notes will be registered under the Securities Act of 1933, as amended.

The new senior credit facilities bear interest at variable rates and are comprised of the following: (1) $250 million Term Loan A, denominated in euros and/or British pounds, due in installments through December 2007; (2) $300 million Term Loan B, denominated in euros, due in installments through December 2009; (3) $350 million Term Loan B, denominated in U.S. dollars, due in installments through December 2009; (4) a multi-currency long-term revolving credit facility which provides the company with up to the equivalent of $415 million and (5) a Canadian long-term revolving credit facility which provides the company with up to the equivalent of $35 million. Both revolving credit facilities expire in 2007. At December 31, 2002, approximately $309 million was available under the revolving credit facilities.

Financing costs of $28.1 million were incurred with the placement of the new senior credit facilities and senior notes. These costs are included in other assets on the consolidated balance sheet and are being amortized to earnings on a straight-line basis over the remaining lives of the related facilities.

The company's previous senior credit facilities bore interest at variable rates and were 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 $575 million revolving credit facility, comprised of a $125 million, 364-day annually renewable

facility which expired in August 2002 and a $450 million long-term committed facility expiring in August 2004; and (4) a $50 million long-term committed Canadian facility which expired in November 2002.

Ball's subsidiary and its consolidated affiliates in the PRC had short-term uncommitted credit facilities of approximately $80 million, of which $47.1 million was outstanding at December 31, 2002.

Maturities of all fixed long-term debt obligations outstanding at December 31, 2002, are $59 million, $62 million, $66.9 million, $363 million and $166 million for the years ending December 31, 2003 through 2007, respectively, and $1,196.1 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 $41.2 million and $28.6 million were outstanding at December 31, 2002 and 2001, respectively.

The company was not in default of any loan agreement at December 31, 2002, 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)	2002	2001	2000
Interest costs	$ 78.0	$ 89.7	$ 98.5
Amounts capitalized	(2.4)	(1.4)	(3.3)
Interest expense	$ 75.6	$ 88.3	$ 95.2
Interest paid during the year	$ 74.3	$ 89.0	$ 96.8

Subsidiary Guarantees of Debt

The senior notes, senior subordinated notes and senior credit facilities 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 facilities are secured by: (1) a pledge of 100 percent of the stock owned by the company in its material 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. The following is condensed, consolidating financial information for the company, segregating the guarantor subsidiaries and non-guarantor subsidiaries, as of December 31, 2002 and 2001, and for the years ended December 31, 2002, 2001 and 2000 (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, 2002				
	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
ASSETS					
Current assets					
Cash and temporary investments	$ 47.6	$ 0.3	$ 211.3	$ -	$ 259.2
Accounts receivable, net	0.8	155.3	189.8	-	345.9
Inventories, net	-	362.1	190.4	-	552.5
Deferred income tax benefits and prepaid expenses	247.3	137.4	1.6	(319.4)	66.9
Total current assets	295.7	655.1	593.1	(319.4)	1,224.5
Property, plant and equipment, at cost	33.4	1,749.9	744.0	-	2,527.3
Accumulated depreciation	(15.0)	(945.2)	(121.2)	-	(1,081.4)
	18.4	804.7	622.8	-	1,445.9
Investment in subsidiaries	1,736.9	380.8	9.8	(2,127.5)	-
Investment in affiliates	5.8	18.6	53.9	-	78.3
Goodwill, net	-	319.9	828.2	-	1,148.1
Other assets	38.5	112.1	85.0	-	235.6
	$ 2,095.3	$ 2,291.2	$ 2,192.8	$ (2,446.9)	$ 4,132.4
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term debt and current portion of long-term debt	$ 3.5	$ -	$ 123.5	$ -	$ 127.0
Accounts payable	9.9	252.3	177.4	-	439.6
Accrued employee costs	15.5	109.3	22.3	-	147.1
Income taxes payable	-	307.9	65.6	(319.4)	54.1
Other current liabilities	49.1	35.2	216.8	-	301.1
Total current liabilities	78.0	704.7	605.6	(319.4)	1,068.9
Long-term debt	1,317.9	10.1	526.0	-	1,854.0
Intercompany borrowings	112.3	390.5	196.1	(698.9)	-
Employee benefit obligations	121.8	173.8	350.9	-	646.5
Deferred income taxes and other	(27.6)	(1.3)	93.4	-	64.5
Total liabilities	1,602.4	1,277.8	1,772.0	(1,018.3)	3,633.9

Contingencies					
Minority interests	-	-	5.6	-	5.6
Shareholders' equity					
Convertible preferred stock	-	-	179.6	(179.6)	-
Preferred shareholders' equity	-	-	179.6	(179.6)	-
Common stock	514.5	724.6	563.2	(1,287.8)	514.5
Retained earnings	562.0	364.9	(293.6)	(71.3)	562.0
Accumulated other comprehensive loss	(138.3)	(76.1)	(34.0)	110.1	(138.3)
Treasury stock, at cost	(445.3)	-	-	-	(445.3)
Common shareholders' equity	492.9	1,013.4	235.6	(1,249.0)	492.9
Total shareholders' equity	492.9	1,013.4	415.2	(1,428.6)	492.9
	$ 2,095.3	$ 2,291.2	$ 2,192.8	$ (2,446.9)	$ 4,132.4

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
Accrued employee costs	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	147.1	68.5	19.4	-	235.0
Deferred income taxes and other	(22.8)	26.9	36.9	-	41.0
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 STATEMENT OF EARNINGS

For the Year Ended December 31, 2002

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	$ -	$ 3,726.7	$ 366.2	$ (234.0)	$ 3,858.9
Costs and expenses					
Cost of sales (excluding depreciation and amortization)	-	3,150.2	314.2	(234.0)	3,230.4
Depreciation and amortization	2.1	128.8	18.3	-	149.2
Business consolidation costs and other	-	0.6	(2.9)	-	(2.3)
Selling and administrative	29.5	115.4	21.0	-	165.9
Receivable securitization fees and other	-	4.6	0.1	-	4.7
Interest expense	51.2	14.4	10.0	-	75.6
Equity in earnings of subsidiaries	(168.2)	-	-	168.2	-
Corporate allocations	(61.4)	61.4	-	-	-
	(146.8)	3,475.4	360.7	(65.8)	3,623.5
Earnings (loss) before taxes	146.8	251.3	5.5	(168.2)	235.4
Provision for taxes	12.7	(95.8)	(0.8)	-	(83.9)
Minority interests	-	-	(1.5)	-	(1.5)
Equity in earnings (losses) of affiliates	(0.2)	1.6	7.9	-	9.3
Net earnings (loss) before extraordinary item	159.3	157.1	11.1	(168.2)	159.3
Extraordinary loss from early debt extinguishment, net of tax	(3.2)	-	-	-	(3.2)
Net earnings (loss)	$ 156.1	$ 157.1	$ 11.1	$ (168.2)	$ 156.1

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 other	-	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)	-
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 other	-	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 CASH FLOWS

For the Year Ended December 31, 2002

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Cash flows from operating activities					
Net earnings (loss)	$ 156.1	$ 157.1	$ 11.1	$ (168.2)	$ 156.1
Noncash charges to net earnings:					
Depreciation and amortization	2.1	128.8	18.3	-	149.2
Business consolidation costs, net of related equity and minority interest effects	-	0.6	1.5	-	2.1
Extraordinary loss from early debt extinguishment	5.2	-	-	-	5.2
Deferred income taxes	16.5	15.4	(1.2)	-	30.7
Contributions to defined benefit plans	-	(54.2)	(2.2)	-	(56.4)
Equity earnings of subsidiaries	(168.2)	-	-	168.2	-
Other, net	20.5	(1.0)	(6.4)	-	13.1
Changes in working capital components	2.9	116.3	33.1	-	152.3
Net cash (used in) provided by operating activities	35.1	363.0	54.2	-	452.3
Cash flows from investing activities					
Additions to property, plant and equipment	(8.7)	(140.6)	(9.1)	-	(158.4)
Business acquisitions	-	(813.8)	-	-	(813.8)
Acquisitions of previously leased assets	-	(43.1)	-	-	(43.1)
Investments in and advances to affiliates	(232.6)	613.9	(381.3)	-	-
Other, net	(2.2)	20.5	(24.2)	-	(5.9)
Net cash provided by (used in) investing activities	(243.5)	(363.1)	(414.6)	-	(1,021.2)
Cash flows from financing activities					
Long-term borrowings	748.4	-	552.1	-	1,300.5
Repayments of long-term borrowings	(439.1)	-	(1.3)	-	(440.4)
Change in short-term borrowings	-	-	(1.3)	-	(1.3)
Debt issuance costs	(16.5)	-	(11.6)	-	(28.1)
Common and preferred dividends	(20.4)	-	-	-	(20.4)
Proceeds from issuance of common stock under various employee and shareholder plans	35.0	-	-	-	35.0
Acquisitions of treasury stock	(104.1)	-	-	-	(104.1)
Other, net	-	-	0.2	-	0.2
Net cash (used in) provided by financing activities	203.3	-	538.1	-	741.4
Effect of exchange rate changes on cash	-	-	3.6	-	3.6

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net change in cash and temporary investments	(5.1)	(0.1)	181.3	-	176.1
Cash and temporary investments - beginning of year	52.7	0.4	30.0	-	83.1
Cash and temporary investments - end of year	$ 47.6	$ 0.3	$ 211.3	$ -	$ 259.2

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
Contributions to defined benefit plans	(4.1)	(52.0)	(1.7)	-	(57.8)
Equity earnings of subsidiaries	106.6	-	-	(106.6)	-
Other, net	14.5	(3.0)	(0.3)	-	11.2
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
Contributions to defined benefit plans	-	(19.1)	(3.6)	-	(22.7)
Equity earnings of subsidiaries	(90.8)	-	-	90.8	-
Other, net	10.4	(1.9)	2.4	-	10.9
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 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

10. Leases

The company leases warehousing and manufacturing space and certain equipment, primarily within the packaging segments, and office space, primarily within the aerospace and technologies segment. We previously leased manufacturing equipment under leases which qualified as operating leases for book purposes and capital leases for tax purposes, commonly known as synthetic leases. Under the terms of these agreements, we had the option to purchase the leased facilities and equipment at the end of the lease term, or if we elected not to do so, to compensate the lessors for the difference between a guaranteed minimum residual value and the fair market value of the assets, if less. During 2001 we purchased some of these leased assets for a total of $50.5 million and during 2002 we purchased all of the remaining assets for $43.1 million.

Total noncancellable operating leases in effect at December 31, 2002, require rental payments of $33.9 million, $27.9 million, $19.6 million, $11.7 million and $7 million for the years 2003 through 2007, respectively, and $9.1 million combined for all years thereafter. Lease expense for all operating leases was $50.7 million, $58.1 million and $63.4 million in 2002, 2001 and 2000, respectively.

11. Taxes on Income

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

($ in millions)	2002	2001	2000
U.S.	$ 229.6	$ 112.8	$ 144.0
Foreign	5.8	(226.5)	(30.1)
	$ 235.4	$ (113.7)	$ 113.9

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

($ in millions)	2002	2001	2000
Current			
U.S.	$ 49.1	$ (5.3)	$ 28.5
State and local	7.1	(7.7)	0.9
Foreign	2.1	0.8	3.6
Total current	58.3	(12.2)	33.0
Deferred			
U.S.	23.4	(8.2)	12.8
State and local	3.4	6.9	2.5
Foreign	(1.2)	3.8	(5.5)

Total deferred	25.6	2.5	9.8
Provision for income taxes	$ 83.9	$ (9.7)	$ 42.8

The 2001 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 2004 and beyond.

The income tax provision recorded within the consolidated statements of earnings differs from the provision determined by applying the U.S. statutory tax rate to pretax earnings as a result of the following:

($ in millions)	2002	2001	2000
Statutory U.S. federal income tax	$ 82.4	$ (39.8)	$ 39.8
Increase (decrease) due to:			
Company-owned life insurance	(2.5)	(2.9)	(3.1)
Research and development tax credits	(1.3)	(1.3)	(3.1)
Foreign operations and royalty income	(0.2)	1.0	3.2
U.S. tax effects of China restructuring and nondeductible goodwill	-	28.6	1.3
State and local taxes, net	7.0	2.8	1.9
Other, net	(1.5)	1.9	2.8
Provision for taxes	$ 83.9	$ (9.7)	$ 42.8
Effective tax rate expressed as a percentage of pretax earnings	35.6%	(8.6)%	37.6%

At December 31, 2002, the company had capital loss carryforwards, expiring in 2004, of $20.5 million with a related tax benefit of $8 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 $16.2 million, $0.2 million and $28.8 million for 2002, 2001 and 2000, respectively.

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

($ in millions)	2002	2001
Deferred tax assets:		
Deferred compensation	$ (43.5)	$ (37.8)
Accrued employee benefits	(62.1)	(62.1)
Plant closure costs	(43.7)	(49.3)
Alternative minimum tax credits	(34.0)	(34.0)
Accrued pensions	(26.7)	-
Other	(44.0)	(33.6)
Total deferred tax assets	(254.0)	(216.8)
Deferred tax liabilities:		
Depreciation	237.5	149.7
Accrued pensions	-	31.4
Other	33.2	28.3
Total deferred tax liabilities	270.7	209.4
Net deferred tax (asset) liability	$ 16.7	$ (7.4)

The net change in deferred taxes during 2002 is primarily attributable to the inclusion of deferred taxes related to the acquisition of Ball Packaging Europe, net of the deferred tax component of the additional minimum pension liability adjustment.

At December 31, 2002, Ball Packaging Europe and subsidiaries had net operating loss carryforwards, with no expiration date, of $47 million with a related tax benefit of $17 million. That benefit has been offset by a valuation allowance of $10 million due to the uncertainty of ultimate realization. Any future tax benefit related to these net operating loss carryforwards will be recognized as a reduction in goodwill.

12. Pension and Other Postemployment Benefits

The company's pension plans cover substantially all U.S., Canadian and European employees meeting certain eligibility requirements. The defined benefit plans for salaried employees, as well as those for hourly employees in Germany and the United Kingdom, 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 North American hourly employees provide benefits based on fixed rates for each year of service. The German plans are not funded but the company maintains book reserves that are generally tax deductible. With the exception of the German plans, our policy is to fund the plans on a current basis to the extent deductible under existing tax laws and regulations and in amounts at least 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 postretirement health care and life insurance 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 noncontributory. Ball has no commitments to increase benefits provided by any of the postemployment benefit plans.

An analysis of the change in benefit accruals for 2002 and 2001 follows:

($ in millions)	Pension Benefits 2002	Pension Benefits 2001	Other Postemployment Benefits 2002	Other Postemployment Benefits 2001
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 510.4	$ 455.7	$ 111.3	$ 99.4
Service cost	16.1	13.1	1.8	2.4
Interest cost	37.8	34.4	8.2	7.6
Benefits paid	(37.6)	(29.0)	(10.0)	(5.1)
Net actuarial (gain) loss	90.0	25.5	23.8	7.9
Acquisition of Ball Packaging Europe	357.0	-	-	-
Other, net	7.2	10.7	0.2	(0.9)
Benefit obligation at end of year	980.9	510.4	135.3	111.3
Change in plan assets:				
Fair value of assets at prior measurement date	415.9	466.7	-	-
Actual return on plan assets	1.9	(44.4)	-	-
Employer contributions	89.1	26.9	10.0	5.1
Benefits paid	(37.6)	(29.0)	(10.0)	(5.1)
Acquisition of Ball Packaging Europe	57.4	-	-	-
Other, net	0.7	(4.3)	-	-
Fair value of assets at the measurement date	527.4	415.9	-	-
Additional contributions	-	32.2	-	1.3
Funded status	(453.5)	(62.3)	(135.3)	(110.0)
Unrecognized net actuarial loss (gain)	264.8	130.5	20.7	(3.2)
Unrecognized prior service cost	31.3	28.0	3.3	3.6
Prepaid (accrued) benefit cost	$ (157.4)	$ 96.2	$ (111.3)	$ (109.6)

Amounts recognized in the balance sheet consist of:

($ in millions)	Pension Benefits 2002	Pension Benefits 2001	Other Postemployment Benefits 2002	Other Postemployment Benefits 2001
Prepaid benefit cost	$ 57.7	$ 105.7	$ -	$ -
Accrued benefit liability	(417.6)	(31.5)	(111.3)	(109.6)
Intangible asset	31.2	13.2	-	-
Deferred tax benefit associated with other comprehensive loss	66.5	3.2	-	-
Accumulated other comprehensive loss, net of tax effect	104.8	5.6	-	-
Net amount recognized	$ (157.4)	$ 96.2	$ (111.3)	$(109.6)

Components of net periodic benefit cost were:

($ in millions)	Pension Benefits 2002	Pension Benefits 2001	Pension Benefits 2000	Other Postemployment Benefits 2002	Other Postemployment Benefits 2001	Other Postemployment Benefits 2000
Service cost	$ 16.1	$ 13.1	$ 12.4	$ 1.8	$ 2.4	$ 1.9
Interest cost	37.8	34.4	32.0	8.3	7.6	7.6
Expected return on plan assets	(46.7)	(45.1)	(42.3)	-	-	-
Amortization of prior service cost	2.8	1.4	1.4	0.3	0.4	0.3
Amortization of transition asset	-	(0.6)	(3.1)	-	-	-
Curtailment loss	0.2	0.4	7.9	-	-	-
Recognized net actuarial loss (gain)	0.8	0.4	0.7	0.2	(0.9)	(0.7)
Net periodic benefit cost	11.0	4.0	9.0	10.6	9.5	9.1
Expense of defined contribution plans	7.6	0.6	0.7	-	-	-
Net periodic benefit cost	$ 18.6	$ 4.6	$ 9.7	$ 10.6	$ 9.5	$ 9.1

Weighted average assumptions for the North American plans at the measurement date were:

	Pension Benefits 2002	Pension Benefits 2001	Pension Benefits 2000	Other Postemployment Benefits 2002	Other Postemployment Benefits 2001	Other Postemployment Benefits 2000

Discount rate	6.71%	7.39%	7.84%	6.72%	7.43%	7.85%
Rate of compensation increase	3.34%	3.30%	3.30%	N/A	N/A	N/A
Expected long-term rates of return on assets	8.86%	9.62%	9.81%	N/A	N/A	N/A

Weighted average assumptions for the European plans included a discount rate of 5.5 percent; salary increases between 3.25 percent and 4 percent; pension increases between 2 percent and 2.5 percent; and an expected long-term rate of return on assets in the United Kingdom of 7 percent.

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. For the North American plans, the market related value of plan assets used to calculate expected return was $501.6 million at December 31, 2002, $479.8 million at September 30, 2001, and $433.9 million at September 30, 2000. For the United Kingdom plan, the market related value of plan assets was equal to the fair market value of plan assets at December 31, 2002.

During 2002 the measurement date for determining the fair value of plan assets and obligations was changed from September 30 to December 31 for several reasons: (1) December 31 better reflects the company's financial position at year end; (2) the European plans have historically had a December 31 measurement date; and (3) reliable trustee information is now available in a more timely manner. The change in measurement date was not significant to Ball's net earnings but resulted in a $41 million reduction of the required minimum pension liability adjustment, including the effect of a fourth quarter contribution of $37 million, which brought one of the company's defined benefit plans into a fully funded status. 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.

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 $796.1 million, $730.9 million and $363.6 million, respectively, as of December 31, 2002.

For the U.S. health care plans at December 31, 2002, a 9 percent health care cost trend rate was used for pre-65 and post-65 benefits, and trend rates were assumed to decrease by one-half of one percent per year until 2011 when they reach 5 percent and remain level thereafter. For the Canadian plans, a 6 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 $3.7 million.

Other Benefit Plans

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 and $11.5 million in 2000. Interest paid by the ESOP trust for its borrowings was $0.7 million and $1.7 million for 2001 and 2000, 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. The expense associated with the company match amounted to $7 million for the year ended December 31, 2002.

In addition, 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 contributed $4.8 million and $1.9 million of additional compensation related to this program for the years 2002 and 2000, respectively.

13. Shareholders' Equity

At December 31, 2002, 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.

On January 23, 2002, the company's board of directors declared a two-for-one split of our stock 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 prior to the split related to earnings, options and outstanding shares have been retroactively restated as if the split had occurred as of January 1, 2000.

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 were 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 $1.9 million in 2002, $1.8 million in 2001 and $1.9 million in 2000.

Accumulated Other Comprehensive Loss

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

($ in millions)	Foreign Currency Translation	Minimum Pension Liability (net of tax)	Effective Financial Derivatives(a)	Accumulated Other Comprehensive Loss
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)
2002 change	7.0	(99.2)	(2.4)	(94.6)
December 31, 2002	$ (22.9)	$ (104.9)	$ (10.5)	$ (138.3)

(a) Please refer to Note 15 for a discussion of the company's use of derivative financial instruments.

The minimum pension liability component of other comprehensive loss increased significantly in 2002 due to poor stock market performance causing lower than expected pension plan assets and the use of a lower discount rate in the determination of benefit obligations (presented in further detail in Note 12). The change in the minimum pension liability is presented net of related tax benefit of $63.3 million, $2.1 million and $1.4 million for the years ended December 31, 2002, 2001 and 2000, 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.

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. In general, participants have until March 2003 to acquire shares in order to receive the matching restricted shares grants. Also, in general, 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. As of December 31, 2002, there were a total of 586,643 shares available for grant under this program, of which 478,877 have been granted. 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 company recorded $6 million and $1.3 million of expense in connection with this program in 2002 and 2001, respectively. The increase in 2002 compared to 2001 is the result of the timing of the share grants as well as the higher price of Ball stock.

The company also granted 260,000 shares of restricted stock to certain management employees during 1998 at a price of $17.50 per share. By December 31, 2001, all restrictions on these shares had lapsed 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):

	2002		2001		2000	
	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	3,783,538	$19.252	4,308,510	$17.297	3,853,590	$17.329
Tier A options exercised	(864,670)	18.521	(1,186,986)	15.513	(184,584)	13.352
Tier B options exercised	(161,000)	12.188	(215,000)	12.188	-	-
Tier A options granted	559,350	47.490	976,684	21.960	760,750	16.531
Tier A options canceled	(108,471)	24.000	(99,670)	20.857	(121,246)	19.506
Outstanding at end of year	3,208,747	24.565	3,783,538	19.252	4,308,510	17.297
Exercisable at end of year	1,581,302	19.033	1,951,746	17.567	2,516,980	15.863
Reserved for future grants	1,647,279		2,315,876		3,566,978	

Additional information regarding options outstanding at December 31, 2002, follows:

	Exercise Price Range			
	$12.188-$17.969	$21.225-$27.563	$47.490	Total
Number of options outstanding	1,382,517	1,278,730	547,500	3,208,747
Weighted average exercise price	$16.780	$23.168	$47.490	$24.565
Weighted average remaining contractual life	5.76 years	7.46 years	9.32 years	7.04 years
Number of shares exercisable	1,089,263	492,039	-	1,581,302
Weighted average exercise price	$16.847	$23.873	-	$19.033

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 2002, 2001 and 2000 have estimated weighted average fair values at the date of grant of $16.57,

$7.80 per share and $6.08 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:

	2002 Grants	2001 Grants	2000 Grants
Expected dividend yield	0.70%	0.91%	1.30%
Expected stock price volatility	34.92%	33.75%	32.43%
Risk-free interest rate	4.57%	4.84%	6.36%
Expected life of options	4.75 years	5.25 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:

($ in millions, except per share amounts)	Years ended December 31, 2002	2001	2000
As reported:			
Stock-based compensation cost, net of tax	$ 4.2	$ 2.4	$ 1.0
Net earnings (loss)	156.1	(99.2)	68.2
Basic earnings (loss) per share	2.77	(1.85)	1.13
Diluted earnings (loss) per share	2.71	(1.85)	1.07
Pro forma results:			
Stock-based compensation cost, net of tax	$ 8.0	$ 6.0	$ 3.6
Net earnings (loss)	152.3	(102.8)	65.6
Basic earnings (loss) per share	2.71	(1.92)	1.09
Diluted earnings (loss) per share	2.64	(1.92)	1.03

14. 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 13.

($ in millions, except per share amounts)	Years ended December 31, 2002	2001	2000
Basic Earnings per Share			
Earnings (loss) before extraordinary item	$ 159.3	$ (99.2)	$ 68.2
Extraordinary loss from early debt extinguishment, net of tax	(3.2)	-	-
Net earnings (loss)	156.1	(99.2)	68.2
Preferred dividends, net of tax	-	(2.0)	(2.6)
Earnings (loss) attributable to common shareholders	$ 156.1	$ (101.2)	$ 65.6
Weighted average common shares *(000s)*	56,317	54,880	58,080
Basic earnings per share:			
Earnings (loss) before extraordinary item	$ 2.83	$ (1.85)	$ 1.13
Extraordinary loss from early debt extinguishment, net of tax	(0.06)	-	-
Basic earnings (loss) per share	$ 2.77	$ (1.85)	$ 1.13
Diluted Earnings per Share			
Earnings (loss) before extraordinary item	$ 159.3	$ (99.2)	$ 68.2
Extraordinary loss from early debt extinguishment, net of tax	(3.2)	-	-
Net earnings (loss)	156.1	(99.2)	68.2
Adjustments for deemed ESOP cash contribution in lieu of the ESOP Preferred dividend	-	(1.4)	(2.0)
Adjusted earnings (loss) attributable to common shareholders	$ 156.1	$ (100.6)	$ 66.2
Weighted average common shares *(000s)*	56,317	54,880	58,080
Effect of dilutive securities:			
Dilutive effect of stock options and restricted shares	1,221	896	512
Common shares issuable upon conversion of the ESOP Preferred stock	-	3,082	3,442
Weighted average shares applicable to diluted earnings per share	57,538	58,858	62,034
Diluted earnings per share:			
Earnings (loss) per share before extraordinary item	$ 2.77	$ (1.85)	$ 1.07
Extraordinary loss from early debt extinguishment, net of tax	(0.06)	-	-
Diluted earnings (loss) per share	$ 2.71	$ (1.85)	$ 1.07

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	2002	2001	2000
$ 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
47.490	2012	459,750	-	-
Various	Various	-	-	71,892
Total		459,750	403,470	2,062,868

15. 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. Although the instruments utilized involve varying degrees of credit and interest risk, the counter parties to the agreements are financial institutions, which are expected to perform fully under the terms of the agreements.

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, 2002, the company had aluminum forward contracts with notional amounts of $321 million hedging its aluminum purchase contracts. These forward contract agreements expire in less than one year and up to two years. Included in shareholders' equity at December 31, 2002, within accumulated other comprehensive loss, is a net loss of $10 million associated with these contracts, $9 million of which is expected to be recognized in the consolidated statement of earnings during 2003 and will be offset by higher revenue from customer fixed price sales contracts. At December 31, 2001, the company had aluminum forward contracts with notional amounts of $249 million hedging the aluminum in the aluminum purchase contracts.

The company's equity joint ventures also had aluminum forward contracts with notional amounts of $25 million and $29 million hedging aluminum purchase contracts at December 31, 2002 and 2001, respectively. The forward contract agreements at December 31, 2002, expire at various times within one year.

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. 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, 2002, included pay-floating and pay-fixed interest rate swaps and interest rate caps. Pay-fixed swaps effectively convert variable rate obligations to fixed rate instruments. Pay-floating swaps effectively convert fixed-rate obligations to variable rate instruments. Swap agreements expire at various times up to four years.

Interest rate swap agreements outstanding at December 31, 2002, had notional amounts of $75 million at a floating rate and $185 million at a fixed rate, or a net fixed position of $110 million. Approximately $0.2 million of net loss associated with these contracts is included in other accumulated comprehensive loss at December 31, 2002. Of this amount approximately $0.7 million is expected to be recognized in the consolidated statement of earnings during 2003. The company also had an interest rate cap on Eurolibor interest rates with a notional amount of €50 million. The fair value was not material at December 31, 2002. At December 31, 2001, the agreements 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.

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, 2002 and 2001, taking into account any unrealized gains and losses on open contracts.

	2002		2001	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 1,913.0	$ 1,943.4	$ 1,016.1	$ 1,042.2
Unrealized net loss on derivative contracts relating to debt	-	(1.7)	-	(6.1)

Foreign Currency 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 euro, British pound, Canadian dollar and Chinese renminbi. We face currency exposures in our global operations as a result of maintaining U.S. dollar debt and payables in foreign countries. We use forward contracts to manage our foreign currency exposures and, as a result, gains and losses on these derivative positions offset, in part, the impact of currency fluctuations on the existing assets and liabilities. Contracts outstanding at December 31, 2002, expire in less than one year and their fair value was not significant.

Common Share Repurchase Program

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, 2002, there were put option contracts outstanding for 100,000 shares at an average price of $46.50 per share. During 2002 we received $0.7 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. Under this agreement, we purchased 736,800 shares in January 2002 an average price of $33.58 per share; 313,400 shares in April 2002 at an average price of $38.95 per share; 195,600 shares in July 2002 at an average price of $45.49 per share and 189,900 shares in December 2002 at an average price of $45.67 per share. No commitments to purchase shares existed at December 31, 2002.

16. 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.

2002 Quarterly Information

The fourth quarter of 2002 included income of $2.3 million related to business consolidation activities and an after-tax extraordinary loss from the early extinguishment of debt of $3.2 million. Other than these two items, fluctuations in sales and earnings for the quarters in 2002 reflected the normal seasonality of the business as well as the number of days in each fiscal quarter.

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 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. This charge was partially offset by a $7.2 million ($4 million after tax) reversal of the second quarter 2001 charge, primarily due to original estimates exceeding actual net costs as activities were concluded.

($ in millions except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2002					
Net sales	$ 875.9	$ 1,034.2	$ 1,038.6	$ 910.2	$ 3,858.9
Gross profit *(a)*	97.3	137.0	138.4	118.2	490.9
Earnings before extraordinary item	27.5	49.9	50.0	31.9	159.3
Extraordinary loss from early debt extinguishment, net of tax	-	-	-	(3.2)	(3.2)
Net earnings	$ 27.5	$ 49.9	$ 50.0	$ 28.7	$ 156.1
Basic earnings per share:					
Earnings before extraordinary item	$ 0.49	$ 0.89	$ 0.89	$ 0.57	$ 2.83
Extraordinary loss from early debt extinguishment, net of tax	-	-	-	(0.06)	(0.06)
Basic earnings per share	$ 0.49	$ 0.89	$ 0.89	$ 0.51	$ 2.77
Diluted earnings per share:					
Earnings before extraordinary item	$ 0.48	$ 0.87	$ 0.87	$ 0.56	$ 2.77
Extraordinary loss from early debt extinguishment, net of tax	-	-	-	(0.06)	(0.06)
Diluted earnings per share	$ 0.48	$ 0.87	$ 0.87	$ 0.50	$ 2.71
2001					
Net sales	$ 850.0	$ 992.6	$ 1,000.5	$ 843.0	$ 3,686.1
Gross profit *(a)*	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 *(b)*	$ 0.33	$ (2.96)	$ 0.65	$ 0.14	$ (1.85)
Diluted earnings (loss) per share *(b)*	$ 0.31	$ (2.96)	$ 0.61	$ 0.14	$ (1.85)

(a) Gross profit is shown after depreciation and amortization of $137.6 million and $130.8 million for the years ended December 31, 2002 and 2001, respectively.
(b) Amounts have been retroactively restated for the two-for-one stock split discussed in Note 13.

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 quarter of 2001 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.

17. 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, the majority of which is included in cost of sales, amounted to $18.8 million, $14.9 million and $14.4 million for the years 2002, 2001 and 2000, respectively. The majority of these costs were incurred in the company's aerospace and technologies segment.

18. 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.

The company produces satellites and space instrumentation for, among others, NASA and the scientific community. The company also produces navigation and cryogenic equipment that are standard equipment on every space shuttle mission. At this time, the company anticipates minimal effect on its results from the loss of the space shuttle Columbia on February 1, 2003.

Our operations in Germany are subject to packaging legislation that exempts one-way containers from a mandatory deposit fee as long as returnable containers maintain at least a 72 percent market share. After the market share dropped below this mandated level, regulators imposed a mandatory deposit fee on cans and other non-refillable containers effective January 1, 2003, although an effective container return system is not expected to be in place until October 2003, at the earliest. It is too soon to determine the long-term impact the deposit fee will have on sales in Germany, but in the interim, we temporarily reduced production at our German plants in response to lower demand.

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

($ in millions, except per share amounts)	2002	2001	2000	1999	1998
Net sales	$3,858.9	$3,686.1	$3,664.7	$3,707.2	$2,995.7
Earnings (loss) before extraordinary item and cumulative effect of accounting change *(1)*	159.3	(99.2)	68.2	104.2	32.0
Early debt extinguishment costs, net of tax	(3.2)	-	-	-	(12.1)
Cumulative effect of accounting change, net of tax	-	-	-	-	(3.3)
Net earnings (loss) *(1)*	156.1	(99.2)	68.2	104.2	16.6
Preferred dividends, net of tax	-	(2.0)	(2.6)	(2.7)	(2.8)
Earnings (loss) attributable to common shareholders *(1)*	$ 156.1	$ (101.2)	$ 65.6	$ 101.5	$ 13.8
Return on average common shareholders' equity	31.3%	(17.7)%	10.1%	16.2%	2.3%
Basic earnings per share: *(1)(2)*					
Earnings (loss) before extraordinary item and cumulative effect of accounting change	$ 2.83	$ (1.85)	$ 1.13	$ 1.68	$ 0.48
Early debt extinguishment costs, net of tax	(0.06)	-	-	-	(0.20)
Cumulative effect of accounting change, net of tax	-	-	-	-	(0.05)
Basic earnings (loss) per share	$ 2.77	$ (1.85)	$ 1.13	$ 1.68	$ 0.23
Weighted average common shares outstanding *(000s) (2)*	56,317	54,880	58,080	60,340	60,776
Diluted earnings per share: *(1)(2)*					
Earnings (loss) before extraordinary item and cumulative effect of accounting change	$ 2.77	$ (1.85)	$ 1.07	$ 1.58	$ 0.46
Early debt extinguishment costs, net of tax	(0.06)	-	-	-	(0.19)
Cumulative effect of accounting change, net of tax	-	-	-	-	(0.05)
Diluted earnings (loss) per share	$ 2.71	$ (1.85)	$ 1.07	$ 1.58	$ 0.22
Diluted weighted average common shares outstanding *(000s) (2)*	57,538	58,858	62,034	64,900	65,184
Property, plant and equipment additions	$ 158.4	$ 68.5	$ 98.7	$ 107.0	$ 84.2
Depreciation and amortization	$ 149.2	$ 152.5	$ 159.1	$ 162.9	$ 145.0
Total assets	$4,132.4	$2,313.6	$2,649.8	$2,732.1	$2,854.8
Total interest bearing debt and capital					

lease obligations	$1,981.0	$1,064.1	$1,137.3	$1,196.7	$1,356.6
Common shareholders' equity	$ 492.9	$ 504.1	$ 639.6	$ 655.2	$ 594.6
Capitalization *(3)*	$2,220.3	$1,494.8	$1,808.7	$1,871.5	$1,969.2
Net debt to capitalization *(3)*	77.5%	65.6%	60.6%	60.9%	66.0%
Cash dividends *(2)*	$ 0.36	$ 0.30	$ 0.30	$ 0.30	$ 0.30
Book value *(2)*	$ 8.69	$ 8.72	$ 11.40	$ 10.99	$ 9.76
Market value *(2)*	$ 51.19	$ 35.35	23.03	19.69	$ 22.88
Annual return to common shareholders *(4)*	46.0%	55.3%	19.2%	(12.7)%	31.4%
Working capital	$ 155.6	$ 218.8	$ 310.2	$ 225.7	$ 198.0
Current ratio	1.15	1.38	1.47	1.34	1.29

(1) Includes business consolidation costs and other items affecting comparability of pretax income of $2.3 million in 2002 and pretax expense of $271.2 million, $76.4 million and $73.9 million in 2001, 2000 and 1998, respectively.
(2) Amounts have been retroactively restated for a two-for-one stock split, which was effective on February 22, 2002.
(3) Capitalization is defined as the total of net debt, minority interests and shareholders' equity. Net debt is total debt less cash and cash equivalents.
(4) 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, and quarterly dividends in 2002 and 2001 were:

	2002				2001			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
High	$ 48.05	$ 51.89	$ 54.40	$ 53.09	$ 24.41	$ 25.58	$ 30.60	$ 36.06
Low	32.60	38.85	32.82	44.88	19.04	21.05	23.03	27.63
Dividends per share	0.09	0.09	0.09	0.09	0.075	0.075	0.075	0.075

Amounts have been retroactivity restated for a two-for-one stock split, which was effective on February 22, 2002.

Exhibit 18.2

January 21, 2003

Board of Directors
Ball Corporation
10 Longs Peak Drive
Broomfield, CO 80021

Dear Directors:

We are providing this letter to you for inclusion as an exhibit to your Form 10-K filing pursuant to Item 601 of Regulation S-K.

We have audited the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2002 and issued our report thereon dated January 21, 2003. Note 12 to the financial statements describes a change in accounting principle from a measurement date of September 30 used for determining the fair value of pension plan assets and plan obligations for balance sheet recognition, and for determining plan cost in the following year to a measurement date of December 31. It should be understood that the preferability of one acceptable method of accounting over another for the measurement date used for determining the fair value of pension plan assets and plan obligations for balance sheet recognition, and for determining plan cost in the following year has not been addressed in any authoritative accounting literature, and in expressing our concurrence below we have relied on management's determination that this change in accounting principle is preferable. Based on our reading of management's stated reasons and justification for this change in accounting principle in the Form 10-K, and our discussions with management as to their judgment about the relevant business planning factors relating to the change, we concur with management that such change represents, in the Company's circumstances, the adoption of a preferable accounting principle in conformity with Accounting Principles Board Opinion No. 20.

Very truly yours,

/s/PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

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 Metal Packaging Sales Corp.	Colorado	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 Asia Pacific Holdings Limited	Hong Kong	97%
Ball Asia Pacific Limited	Hong Kong	97%
Beijing FTB Packaging Limited	PRC	97%
Hemei Containers (Tianjin) Co. Ltd.	PRC	67%
Hubei FTB Packaging Limited	PRC	87%
Shenzhen M.C. Packaging Limited	PRC	97%
Zhongfu (Taicang) Plastics Products Co. Ltd.	PRC	67%
Ball Pan-European Holdings, Inc.	Delaware	100%
Ball Holdings, S.a.r.l.	Luxembourg	100%
Ball European Holdings, S.a.r.l.	Luxembourg	100%
Ball (Luxembourg) Finance, S.a.r.l.	Luxembourg	100%
Ball (UK) Holdings, Ltd.	England	100%
Ball Europe Ltd.	England	100%
Ball Company Ltd.	England	100%
Continental Can UK Holding Company Ltd.	England	100%
Continental Can Company Ltd.	England	100%
Ball (Germany) Verwaltungs GmbH (f/k/a/ LAGO Vierte GmbH)	Germany	100%
Ball (Germany) GmbH & Co. KG	Germany	100%
Ball (Germany) Acquisition GmbH	Germany	100%
Schmalbach-Lubeca, GmbH	Germany	100%
Schmalbach-Lubeca DC GmbH	Germany	100%
Schmalbach-Lubeca Getränkedosen GmbH	Germany	100%
Schmalbach-Lubeca Unterstützungskasse GmbH	Germany	100%
Schmalbach-Lubeca South East Europe d.o.o.	Yugoslavia	100%
Continental Can Handelsgesellschaft mbH	Austria	100%
Continental Can Polska Sp.z.o.o.	Poland	100%
Ball (France) Holdings, SAS	France	100%
Ball (France) Investment Holdings, SAS	France	100%
Continental Can France SAS	France	100%
Continental Can La Ciotat SAS	France	100%
Ball Investment Holdings S.a.r.l.	Luxembourg	100%
Ball (The Netherlands) Holdings, BV	Netherlands	100%
Schmalbach-Lubeca Nederland BV	Netherlands	100%
Continental Can Benelux BV	Netherlands	100%
Continental Can Trading Sp.z.o.o.	Poland	100%
Ball Aerospace & Technologies Corp.	Delaware	100%
Ball Solutions Group	Australia	100%
Ball Products Solutions PTY LTD	Australia	100%
Ball Services Solutions PTY LTD	Australia	100%
Ball Systems Solutions PTY LTD	Australia	100%
Ball Advanced Imaging and Management Solutions PTY LTD	Australia	100%
Ball AIMS (Malaysia) SDN BHD	Malaysia	100%
Ball Technology Services Corporation	California	100%
Ball North America, Inc.	Canada	100%
Ball Packaging Products Canada Corp.	Canada	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%
Vexcel Corporation	Colorado	50%
DigitalGlobe, Inc.	Delaware	6%
Latapack-Ball Embalagens Ltda.	Brazil	50%
Jambalaya S.A.	Uruguay	50%
Sanshui Jianlibao FTB Packaging Limited (owned indirectly through Ball Asia Pacific Holdings Limited)	PRC	34%
Lam Soon-Ball Yamamura	Taiwan	8%
Thai Beverage Can Ltd.	Thailand	7%

(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 Amendment No. 1 to the Registration Statements on Form S-3 to Form S-16 (Registration Nos. 2-62247 and 2-65638) and in each Registration Statement on Form S-3 (Registration Nos. 33-3027, 33-16674, 33-19035, 33-40196 and 33-58741) and in each Registration Statement on Form S-8 (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 21, 2003 relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Denver, Colorado
March 27, 2003

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 27, 2003

/s/ R. David Hoover
R. David Hoover — Officer

/s/ Raymond J. Seabrook
Raymond J. Seabrook — Officer

/s/ Douglas K. Bradford
Douglas K. Bradford — Officer

/s/ Frank A. Bracken
Frank A. Bracken — Director

/s/ Howard M. Dean
Howard M. Dean — Director

/s/ Hanno C. Fiedler
Hanno C. Fiedler — Director

/s/ John T. Hackett
John T. Hackett — Director

/s/ R. David Hoover
R. David Hoover — Chairman of the Board and Director

/s/ John F. Lehman
John F. Lehman — Director

/s/ Jan Nicholson
Jan Nicholson — Director

/s/ George A. Sissel
George A. Sissel — Director

/s/ Theodore M. Solso
Theodore M. Solso — 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 are contained in Part I, Item 1, "Business." As time passes, the relevance and accuracy of forward-looking statements may change. The company currently does not intend to update any particular forward-looking statement except, as it deems necessary at quarterly or annual release of earnings. You are advised, however, to consult any further disclosures Ball makes on related subjects in our 10-Q, 8-K and 10-K reports to the Securities and Exchange Commission. 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 and consumer growth and demand, particularly during the months when the demand for metal beverage beer and soft drink cans is heaviest; loss of major customers; manufacturing overcapacity or under capacity; lack of productivity improvement or production cost reductions; weather; fruit, vegetable and fishing yields; interest rates, particularly on the floating rate debt of the company; labor strikes and work stoppages; boycotts; litigation; antitrust, intellectual property, consumer and other issues; level of 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.

- Regulatory action or federal, state, local or foreign laws, including restrictive packaging legislation such as recycling laws or the German mandatory deposit legislation.

- Regulatory action or laws including those related to corporate governance and financial reporting, regulations and standards, including changes in generally accepted accounting principles or their interpretation.

- 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 cost and increased cost 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 warehousing the company's products; and increases in various employee benefits and labor costs, including pension, medical and health care costs incurred in the countries in which Ball has operations; and rates of return projected and earned on assets of the company's defined retirement plans.

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

- International business and market risks (including foreign exchange rates), particularly in the United States, Europe, and in foreign developing countries such as China and Brazil; 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; exchange controls; national or regional labor strikes or work stoppages; and terrorist activity or war.

- Foreign exchange rate of the U.S. dollar against the European euro, British pound, Polish zloty, Hong Kong dollar, Canadian dollar, Chinese renminbi and Brazilian real.

- Terrorist activity or war that disrupts the company's production or supply, or availability and cost 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, including the integration and operation of the business of Schmalbach-Lubeca AG, now known as Ball Packaging Europe.

- 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; and 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; goodwill impairment; and the effect of LIFO accounting on earnings.
- Fluctuation in the fiscal and monetary policy established by the U.S. government.