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, 1997

( ) 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

345 South High Street, P.O. Box 2407
Muncie, Indiana 47307-0407
Registrant's telephone number, including area code: (765) 747-6100

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	New York Stock Exchange, Inc. Chicago Stock Exchange, Inc. Pacific Exchange, Inc.

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

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

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

The aggregate market value of voting stock held by non-affiliates of the registrant was $984.2 million based upon the closing market price on March 2, 1998 (excluding Series B ESOP Convertible Preferred Stock of the registrant, which series is not publicly traded and which has an aggregate liquidation preference of $59.9 million).

Number of shares outstanding as of the latest practicable date.

Class	Outstanding at March 2, 1998
Common Stock, without par value	30,320,402

DOCUMENTS INCORPORATED BY REFERENCE

1. Annual Report to Shareholders for the year ended December 31, 1997, to the extent indicated in Parts I, II, and IV. Except as to information specifically incorporated, the 1997 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 16, 1998, to the extent indicated in Part III.

PART I

Item 1. Business

Ball Corporation is an Indiana corporation organized in 1880 and incorporated in 1922. Its principal executive offices are located at 345 South High Street, Muncie, Indiana 47305-2326. On February 4, 1998, Ball announced that it would relocate its corporate headquarters to an existing company-owned building in Broomfield, Colorado. This move is expected to be largely completed by the end of 1998. The terms "Ball" and the "Company" 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 1997 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 financial statements "Discontinued Operations," "Business Segment Information," "Dispositions and Other," "Acquisitions," and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Recent Business Developments

The Company took a number of actions during 1997 which have affected the core business, the most significant of which are summarized below. Further information regarding these actions and other actions over the last three years are found in the notes to the financial statements "Acquisitions," "Dispositions and Other," "Discontinued Operations," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" all within the 1997 Annual Report to Shareholders.

Acquisition of M.C. Packaging (Hong Kong) Limited

In early 1997, FTB Packaging Limited (FTB Packaging), a majority-owned subsidiary of Ball, acquired approximately 75 percent of M.C. Packaging (Hong Kong) Limited (M.C. Packaging), previously held by Lam Soon (Hong Kong) Limited and the general public for a total purchase price of approximately $179 million.

PET Container Business

In the third quarter of 1997, the Company acquired certain PET (polyethylene terephthalate) container assets from Brunswick Container Corporation. In connection with the acquisition, the Company completed construction and began operating a new plant in Delran, New Jersey, to supply a large East Coast filler of soft drinks and other customers, and closed small manufacturing facilities in Pennsylvania and Virginia.

Other Information Pertaining to the Business of the Company

The Company's businesses are comprised of two segments: packaging, and aerospace and technologies.

Packaging Segment

Ball's principal business is the manufacture and sale of rigid packaging products, containers and materials primarily for use in packaging food and beverage products and is reported within the packaging segment. Packaging products are sold in highly competitive markets, primarily based on price, service, and quality. The majority of the Company's packaging sales are made directly to relatively few major companies having leading market positions in packaged food and beverage businesses. Packaging segment sales to PepsiCo, Inc., and affiliates represented approximately 12 percent of consolidated 1997 net sales. Worldwide sales to all bottlers of Pepsi-Cola and Coca-Cola branded beverages comprised approximately 36 percent of consolidated net sales in 1997. Ball believes that its competitors exhibit similar customer concentrations.

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

Raw materials used by the Company's packaging businesses are generally available from several sources. Ball has secured what it considers to be adequate supplies of raw materials and is not experiencing any shortage. The Company's 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 subject to government allocation or excise taxes, the Company cannot predict the effects, if any, of such occurrences on its future operations.

Research and development efforts in these businesses 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 towards the development of new sizes and types of both metal and plastic beverage containers such as the innovative RheoformTM shaped metal beverage cans.

The operations and products within this segment are discussed below:

North American Metal Beverage Containers

Metal beverage containers and ends represent Ball's largest product line, accounting for approximately 46 percent of 1997 consolidated net sales. Decorated two-piece aluminum beverage cans are produced by seven manufacturing facilities in the U.S. and two facilities in Canada; ends are produced within two of the U.S. facilities. Metal beverage containers are sold primarily to brewers and fillers of carbonated soft drinks and other beverages under long-term supply or annual contracts. Sales volume of metal beverage cans and ends tends to be highest during the period between April and September.

The Company estimates that 17 percent of the total aluminum beverage cans shipped in the U.S. and Canada in 1997 were shipped by Ball. The Company estimates that its four larger competitors together represent substantially all of the remaining market.

The U.S. metal beverage container industry experienced demand growth at a compounded annual rate of approximately 2.8 percent during the last decade, with much of that growth in the soft drink market segment. In 1995 aluminum suppliers changed the pricing formula for aluminum can sheet to a price based on ingot plus conversion costs, in contrast to the prior practice of annually negotiated prices. As a result, the cost of aluminum can sheet increased significantly and was reflected in higher beverage can selling prices. It is believed that the soft drink industry responded by reducing its promotions of products packaged in aluminum containers in 1995, and, coupled with increased customer purchases in the fourth quarter of 1994 in anticipation of the higher can prices, resulted in lower can shipments for the industry by an estimated 5 percent. Shipments to the beer industry were also affected by the price increase, the accelerated shipments in 1994, and the predominant use of glass containers for introduction of new products. In 1997 and 1996, industry-wide shipments increased approximately 1.6 percent and 1.0 percent, respectively.

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

Beverage container industry production capacity in the U.S. and Canada has exceeded demand in the last several years, which has created a competitive environment. While aluminum can sheet costs are largely passed through to customers via formula pricing, it appears that pricing as well as quality and service will continue to be major competitive factors.

North American Metal Food Containers

Two-piece and three-piece steel food containers are manufactured in the U.S. and Canada and sold primarily to food processors in the Midwestern United States and Canada. In 1997 metal food container sales comprised approximately 20 percent of consolidated net sales. Sales volume of metal food containers tends to be highest from June through October as a result of seasonal vegetable packs.

Recent consolidations within the commercial food container industry have reduced the number of competitors. Currently, Ball has one principal competitor located in Canada and two primary competitors located in the U.S. metal food container market. Approximately 34 billion steel food cans are shipped in the U.S. and Canada each year, more than 4.7 billion, or approximately 14 percent, by Ball in 1997.

In the food container industry, manufacturing capacity in North America significantly exceeds market demand, resulting in a highly price-competitive market. During 1996, Ball completed the closure of three facilities, a facility in Pittsburgh, Pennsylvania, which provided metal coating and slitting services to the metal food and specialty products businesses, and food can manufacturing facilities in Columbus, Indiana and Red Deer, Alberta, Canada.

North American Plastic Containers

PET packaging is Ball's newest product line, with 1997 net sales of $153 million. A full-scale pilot line, research and development center in Smyrna, Georgia, was completed in 1995. During 1996 multi-line production plants in Chino, California, and Baldwinsville, New York, became operational. A fourth facility began full production in the first quarter of 1997 in Ames, Iowa. In connection with the acquisition of certain manufacturing assets from Brunswick Container Corporation, the Company began operating a new plant in Delran, New Jersey in the second half of 1997 and closed small manufacturing facilities in Pennsylvania and Virginia.

Demand for containers made of PET has increased in the beverage packaging market and is expected to increase in the food packaging market with improved technology and adequate supplies of PET resin. While PET beverage containers compete against both metal and glass, the historical increase in the PET market share has come primarily at the expense of glass containers. In 1994 the domestic plastic container market reached $5.5 billion, surpassing the size of the glass container market for the first time. The latest available projections for the year 2000 (based on estimated pounds of resin used) range from an increase of almost 55 percent to 90 percent compared to 1996.

Competition in this industry includes two national suppliers and several regional suppliers and self-manufacturers (primarily Coca-Cola). Price, service and quality are deciding competitive factors. Increasingly, the ability to produce customized, differentiated plastic containers is an important competitive factor.

Prior to 1996, the demand for PET resins in North America exceeded supply. However, the North American PET resin market experienced increased production levels in 1996 resulting in capacity exceeding demand. As a result, resin prices had decreased significantly during 1996 which was reflected in lower sales dollars, as lower resin prices were passed on to customers. In 1997, however, PET resin prices increased compared to 1996, and were largely passed on to customers.

Ball has secured long-term customer supply agreements, principally for carbonated beverage containers. Other products such as juice, water, liquor and food containers are key elements in expanding the business.

International Packaging Operations

As part of Ball's initiative to expand its presence internationally, in early 1997 the Company, through FTB Packaging, Ball's majority-owned subsidiary, acquired a controlling interest in M.C. Packaging. M.C. Packaging produces two-piece aluminum beverage containers, three-piece steel beverage and food containers, aerosol cans, plastic packaging, metal crowns and printed and coated metal.

With the acquisition of M.C. Packaging, FTB Packaging, is the largest beverage can manufacturer in China, supplying more than half of the two-piece aluminum beverage cans used in China. Capacity has grown rapidly in China, resulting in a supply/demand imbalance which is expected to be relatively short term. As per capita consumption in China is significantly lower than in more developed countries and per capita income in China is rising, there is significant potential for strong demand growth. In the interim, Ball has elected to delay start-up of two facilities originally expected to become operational in 1998.

FTB Packaging and M.C. Packaging operate more than 20 manufacturing ventures in China. The Beijing manufacturing facility is one of the most technologically advanced plants in China with the fastest line-speed capacity. FTB Packaging's 25 percent owned affiliate, Sanshui Jianlibao FTB Packaging Limited (Sanshui), is the largest can manufacturing facility in China in terms of production capacity. For more information on operations in China, see Item 2, Properties, and Exhibit 21.1, Subsidiary List.

The Company also provides manufacturing technology and assistance to numerous can manufacturers around the world. The Company also has a minority equity position in a joint venture that manufactures two-piece beverage cans in the Philippines. In 1995, the Company announced the formation of a joint venture with BBM Participacoes S.A. to produce two-piece aluminum cans and ends in Brazil. The Company and BBM Participacoes S.A. each own 50 percent of this venture. The affiliate in Brazil has a can plant which became operational in early 1997 and an end plant which became operational in late 1997. In early 1996, the Company announced a joint venture with Standard Can Company of Bangkok, Thailand, to build a two-piece can and end plant in Thailand. Ball and Standard Can each own 40 percent; the remaining interest is held by local investors. Ball's Thailand affiliate has a plant which became operational during the second quarter of 1997.

Aerospace and Technologies Segment

The aerospace and technologies segment consists of two divisions: the Aerospace Systems Division, and the Telecommunication Products Division. Sales in the aerospace and technologies segment accounted for approximately 17 percent of consolidated net sales in 1997.

The majority of the Company's aerospace business involves work under relatively short-term contracts (generally one to five years) for the National Aeronautics and Space Administration (NASA), the U.S. Department of Defense (DoD) and foreign governments. Contracts funded by the various agencies of the federal government represented approximately 87 percent of this segment's sales in 1997. Overall, competition within the aerospace business is expected to intensify. While the government budget for defense and NASA has exhibited a downward trend in recent years, management believes the NASA budget has stabilized and that within the Company's niche markets defense spending will increase. With the consolidation of the industry, competition for business will remain intense.

Aerospace Systems Division

A full-service aerospace and defense organization, the Aerospace Systems Division provides hardware, software and services to a wide range of U.S. and international customers, with an emphasis on space science, environment and Earth sciences, defense, manned missions and exploration.

Space systems include the design, manufacture and test of satellites, ground systems, launch vehicles and payloads (including integration) as well as satellite ground station control hardware and software. Electro-optics products for spacecraft guidance, control instruments and sensors and defense subsystems for surveillance, warning, target identification and attitude control in military and civilian space applications continue to be a niche market for the division.

Primary cryogenics products include cryogenic systems for reactant storage and sensor cooling devices such as closed-cycle mechanical refrigerators and open-cycle solid and liquid cryogens.

The division has gained prominence in the star trackers market as an industry leader in general-purpose stellar attitude sensors, producing a unique multi-mission, man-rated star tracker for the space shuttle. Fast-steering mirrors provide precise stabilization and pointing of optical lines of sight and offer potential commercial applications such as laser surgery and optical computing.

Additionally, this division 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 problems. These same skills developed for defense and aerospace programs are now being applied to transportation and environmental markets.

Among the 1997 highlights was the launch of the Ball-built Space Telescope Imaging Spectrograph and Near-infrared Camera and Multi-object Spectrometer for the February 1997 Hubble Space Telescope's second servicing mission. The GEOSAT Follow-on operational radar altimeter satellite was delivered in late 1997 for launch in early 1998. The division was also awarded a contract to design and develop the cryogenic telescope assembly for NASA's Space Infrared Telescope Facility. In addition the division received the first award under NASA's Rapid Spacecraft Acquisition contract for the QuikSCATTM spacecraft bus. Other major contracts include the Solar Array and Antenna Mechanism Lot 5, the Stratospheric Aerosol and Gas Experiment and the Advanced Camera for Surveys.

Telecommunication Products Division

This division develops and manufactures antenna, communication and video products and systems for space, aeronautical, land and marine applications for military and specialized civil markets.

Among the 1997 milestones was the completion of development of a new product called jeTVisionTM which provides live television to aircraft and which the Company plans to introduce in 1998.

Backlog

Backlog of the aerospace and technologies segment was approximately $267 million at December 31, 1997, and $337 million at December 31, 1996, and consists of the aggregate contract value of firm orders excluding amounts previously recognized as revenue. The 1997 backlog includes approximately $201 million which is expected to be billed during 1998, 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 $138 million at December 31, 1997. 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 which have standard termination provisions. The Government retains the right to terminate contracts at its convenience. However, if contracts are terminated, Ball is entitled to be reimbursed 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

The note, "Research and Development," of the 1997 Annual Report to Shareholders contains information on Company research and development activity and is incorporated herein by reference.

Environment

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 financial condition, results of operations, capital expenditures or competitive position of the Company.

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

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 1997 approximately 67 percent of aluminum beverage containers sold in the U.S. were recycled. Steel can recycling in 1996, the latest information available, was approximately 58 percent. In 1996, the most recent data available, approximately 34 percent of the PET soft drink containers, and approximately 26 percent of all PET containers, sold in the U.S. were recycled.

Employees

As of March 1998 the Company employed approximately 10,300 people worldwide.

Item 2. Properties

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

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

Ball Aerospace & Technologies Corp. offices are currently located in Broomfield, Colorado. The Colorado-based operations of this business operate from a variety of Company owned and leased facilities in Boulder, Broomfield and Westminster, Colorado, which together aggregate approximately 1,000,000 square feet of office, laboratory, research and development, engineering and test, and manufacturing space, including a leased research and development facility in Broomfield. Other aerospace and technologies operations are based in Dayton, Ohio; Warner Robins, Georgia; Albuquerque, New Mexico; and San Diego, California.

Information regarding the approximate size of the manufacturing locations for significant packaging operations which are owned by the Company, except where indicated otherwise, follows. Where certain locations include multiple facilities, the total approximate size for the location is noted. In addition to the manufacturing facilities, the Company leases warehousing space.

Plant Location	Approximate Floor Space in Square Feet
Metal packaging manufacturing facilities:	
North America	
Blytheville, Arkansas (leased)	8,000
Springdale, Arkansas	290,000
Richmond, British Columbia	204,000
Fairfield, California	148,000
Golden, Colorado	330,000
Tampa, Florida	139,000
Saratoga Springs, New York	283,000
Columbus, Ohio	170,000
Findlay, Ohio	450,000
Burlington, Ontario	309,000
Hamilton, Ontario	347,000
Whitby, Ontario	195,000

Baie d'Urfe, Quebec	117,000
Chestnut Hill, Tennessee	42,000
Conroe, Texas	284,000
Williamsburg, Virginia	260,000
Weirton, West Virginia (leased)	117,000
DeForest, Wisconsin	45,000
Asia	

Beijing, China	227,000
E-zhou, Hubei (Wuhan), China	183,000
Ningbo, China	81,000
Hong Kong, China	340,000
Panyu, China	133,000
Shenzhen, China	271,000
Tianjin, China	333,000
Xi'an, China	89,000
Zhuhai, China	84,000

Plant Location	Approximate Floor Space in Square Feet
Plastic packaging manufacturing facilities:	
North America	
Chino, California (leased)	228,000
Ames, Iowa	250,000
Delran, New Jersey (leased)	466,000
Baldwinsville, New York (leased)	240,000
Asia	

Hong Kong, China (leased)	55,000
Taicang, Jiangsu, China (leased)	63,000
Tianjin, China	52,000

In addition to the consolidated manufacturing facilities, the Company has minority ownership interests in packaging affiliates located in China, Brazil, Thailand, Taiwan and the Philippines.

Item 3. Legal Proceedings

As previously reported, the United States Environmental Protection Agency (EPA) considers the Company to be a Potentially Responsible Party (PRP) with respect to the Lowry Landfill (site) located east of Denver, Colorado. On June 12, 1992, the Company was served with a lawsuit filed by the City and County of Denver 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 the City and County of Denver (Denver), Chemical Waste Management, Inc., and Waste Management of Colorado, Inc., pursuant to which Denver, Chemical Waste Management, Inc., and Waste Management of Colorado, Inc. (collectively 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 of Chemical Waste Management, Inc., and Waste Management of Colorado, Inc. Waste and Denver 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 the present time, the Company believes that this matter will not have a material adverse effect on the financial condition of the Company.

As previously reported, the Company has been notified by Chrysler Corporation (Chrysler) that Chrysler, Ford Motor Company, and General Motors Corporation have been named in a lawsuit filed in the U.S. District Court in Reno, Nevada, by Jerome Lemelson, alleging infringement of three of his vision inspection system patents used by defendants. One or more of the vision inspection systems used by the defendants may have been supplied by the Company's former Industrial Systems Division (Division) or its predecessors. The suit seeks injunctive relief and unspecified damages. Chrysler has notified the Company that the Division may have indemnification responsibilities to Chrysler. The Company has responded to Chrysler that it appears at this time that the systems sold to Chrysler by the Company either were not covered by the identified patents or were sold to Chrysler before the patents were issued. On June 16, 1995, the Magistrate of the U.S. District Court has declared the patents of Lemelson unenforceable because of the long delays in prosecution. On April 28, 1997, the U.S. District Court Judge vacated the report and recommendation of the U.S. Magistrate and found that the patents were not invalid. On August 20, 1997, the U.S. Court of Appeals for the Federal Circuit denied Ford's petition for permission to appeal. Based on that information, the Company is unable to express an opinion as to the actual exposure of the Company for these matters.

As previously reported, in September 1992, the Company, as a fourth-party defendant, was served with a lawsuit filed by AlliedSignal and certain other fourth-party plaintiffs seeking the recovery of certain response costs and contribution under the Comprehensive Environmental Response, Compensation and Liability act of 1980, as amended (CERCLA) with respect to the alleged disposal by its Metal Decorating & Service Division of hazardous waste at the Cross Brothers Site in Kankakee, Illinois, during the years 1961 to 1980. Also in September 1992, the Company was sued by another defendant, Krueger Ringier, Inc. In October 1992 the Illinois Environmental Protection Agency filed an action to join the Company as a Defendant seeking to recover the State's costs in removing waste from the Cross Brothers Site. The Company denied the allegations of the complaints and continued to defend these matters. The Company and certain other companies have entered into a Consent Decree with the EPA pursuant to which the EPA received approximately $2.9 million dollars and provided the companies with contribution protection and a covenant not to sue. Ball's share of the settlement amount was $858,493.60. The Company has been indemnified for the settlement payment by Alltrista Corporation which owned the Metal Decorating & Service Division. The Court approved the Consent Decree on April 28, 1994. The Company and certain other companies have negotiated a settlement with the State of Illinois. Pursuant to the settlement, the group paid the State of Illinois $888,367 in settlement of the costs expended in the cleanup of the Cross Brothers Site. The Company's portion was $153,846, and the Company has been indemnified by Alltrista Corporation. Based upon the information available to the Company at this time, this matter has not had a material, adverse effect upon its financial condition. The Company believes this matter is now closed.

As previously reported, on April 24, 1992, the Company was notified by the Muncie Race Track Steering Committee that the Company, through its former Consumer Products Division and former Zinc Products Division, may be a PRP with respect to waste disposed at the Muncie Race Track Site located in Delaware County, Indiana. The Steering Committee requested that the Company pay two percent of the cleanup costs which are estimated at this time to be $10 million. The Company declined to participate in the PRP group because the Company's records do not indicate the Company contributed hazardous waste to the site. Based upon 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 financial condition of the Company.

On August 1, 1997, EPA sent notice of potential liability letters to 19 owners, operators, and waste generators concerning past activities at one or more of the four Rocky Flats parcels at the Rocky Flats Industrial Park site located in Jefferson County, Colorado. Based upon sampling at the site in 1996, EPA determined that additional site work would be required to determine the extent of contamination and the possible cleanup of the site. EPA requested the letter recipients conduct an engineering evaluation and cost analysis (EE/CA) of the site. Fourteen companies, including the Company, have agreed to undertake the study. EPA is also seeking reimbursement for approximately $1.5 million they have already spent at the site. On December 19, 1997, EPA issued an Administrative Order to conduct the EE/CA to 18 owners, operators, and generators associated with the site. The EPA alleges that the Company is the ninth largest generator of the thirteen generators issued Administrative Orders. The PRP group has undertaken the EE/CA at a cost of about $850,000 of which the Company has paid approximately $70,000. Based upon the information available at this time, the Company believes that this matter will not have a material adverse effect on the 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 have been 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 the other above-described PRPs, were notified by EPA that it was negotiating with the large volume PRPs another consent order for performance of a site environmental study as a prerequisite to possible long-term remediation. EPA and the large-volume PRPs have stated that a second de minimis buyout for settlement of liability for performance of all environmental studies and site remediation is being formulated and an offer to participate therein has been made to the Company. Certain other PRPs have agreed with the EPA to perform a groundwater study of the site. The Company's information at this time does not indicate that this matter will have a material, adverse effect upon its financial condition.

As previously reported, the Company has received information that it has been named a PRP with respect to the Solvents Recovery Site located in Southington, Connecticut. According to the information received by the Company, it is alleged that the Company contributed approximately .08816 percent of the waste contributed to the site on a volumetric basis. The Company is attempting to identify additional information regarding this matter. The Company has responded and has investigated the accuracy of the total volume alleged to be attributable to the Company. The Company joined the PRP group during 1993. In February 1995, the Company executed a trust agreement whereby certain contributions will be made to fund the administration of an ongoing work group. The group members finalized an Administrative Order on Consent For Removal Action and Remedial Investigation/Feasibility Study on February 6, 1997, pursuant to which the group members will perform a removal action and completion of a remedial investigation and feasibility study in connection with the site. Based on the information available to the Company at this time, the Company believes that this matter will not have a material, adverse effect on the financial condition of the Company.

As previously reported, 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 Ball-Foster Glass Container Co., L.L.C., and wholly owned by Saint-Gobain), received a general notification letter and information request from EPA, Region IX, notifying Ball Glass that it may have a potential liability as defined in Section 107(a) of 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. The Company received notice from the City of El Monte that, pursuant to a proposed city economic redevelopment plan, the City proposed to commence groundwater cleanup by a pump and treat remediation process. A PRP group organized and drafted a PRP group agreement, which Ball Glass executed. The PRP group retained an environmental engineering firm to critique the EPA studies and any proposed remediation.

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 group members to fund the remedial investigation. The interim allocation approach would require that any payment will be based upon contribution to pollution. The administrative consent order was executed by the group and EPA. The EPA also accepted the statement of work for the remedial investigation phase of the cleanup. The group retained an environmental engineering consulting firm to perform the remedial investigation. As required under the administrative consent order, the group submitted to the EPA all copies of all environmental studies conducted at the plant, the majority of which had already been furnished to the State of California. The EPA approved the work plan, project management plan, and the data management plan portions of the PRP group's proposed remedial investigation/feasibility study (RI/FS). The group is currently funding the RI/FS. The group has proposed a range of remedies. The cost of such remedies might range from minimal costs to $6,240,000 for deep groundwater remediation. The group has not made any final allocation.

Based on the information available to the Company at the present time, the Company is unable to express an opinion as to the actual exposure of the Company for this matter. However, Commercial Union, the Company's general liability insurer, is defending this governmental action and is paying the cost of defense including attorneys' fees.

As previously reported, 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 charge, and hearings on the matter were held before the Workers' Compensation Board of the State of New York. On January 14, 1997, the Administrative Law Judge filed his Memorandum of Decision finding in favor of the claimant. The Company has filed an appeal. Based upon the information available to the Company at this time, the Company believes that this matter will not have a material, adverse effect on the financial condition of the Company.

William Hallahan and his wife filed suit against certain manufacturers of solvents, coatings, and equipment, including Somerset Technologies 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 to William Hallahan. Based upon information available to the Company at this time, the Company believes that this matter will not have a material adverse effect on the financial condition of the Company.

On November 30, 1995, the U.S. Justice Department filed a lawsuit in the U.S. District Court for the Eastern District of Michigan on behalf of the United States of America against Erie Coatings and Chemicals, Inc., and certain other defendants, including the Company, seeking the reimbursement of approximately $1.3 million in costs. The lawsuit alleges that some 30 generators of hazardous waste, including the Company's metal container group, disposed of hazardous waste at the Erie Coatings and Chemicals, Inc., site located in Erie, Michigan. The United States and the defendants agreed to settle this matter for $900,000. A Consent Decree resolving the case was approved by the Court on August 11, 1997. The Company contributed $39,951.09 to settle the Company's alleged liability in this matter. The group continues to seek further contribution from other PRPs. This matter is now concluded with no material adverse effect on the Company.

On January 5, 1996, the Company was served with a lawsuit filed by an individual named Tangee E. Daniels, on behalf of herself and two minor children and four other plaintiffs, alleging that the Company's metal beverage container operations a/k/a Ball Corporation and over 50 other defendants disposed of certain hazardous waste at the hazardous waste disposal site operated by Gibraltar Chemical Resources, Inc., located in Winona, Smith County, Texas. The lawsuit also alleges that American Ecology Corp., America Ecology Management Corp., Mobley Environmental Services, Inc., John A. Mobley, James Mobley, Daniel Mobley, and Thomas Mobley were managers for Gibraltar and failed to appropriately manage the waste disposed of or treated at the Gibraltar site, resulting in release of hazardous substances into the environment. The plaintiffs allege that they have been denied the enjoyment of their property and have sustained personal and bodily injury and damages due to the release of hazardous waste and toxic substances into the environment caused by all the defendants. The plaintiffs allege numerous causes of action under state law and common law. Plaintiffs also seek to recover damages for past, present, and future medical treatment; mental and emotional anguish and trauma; loss of wages and earning capacity; and physical impairment, as well as punitive damages and prejudgment interest in unspecified amounts. Three other lawsuits have been filed against substantially the same defendants: Williams v. Akzo Nobel Chemicals, Inc. (dismissed but appealed), and Gibraltar Chemical Resources, Inc.; Steich v. Akzo et al. (voluntarily dismissed without prejudice); and Adams v. Akzo et al. Each lawsuit makes the same allegations that are made in the Daniel's suit and seeks the same damages. The Company is a party defendant in each lawsuit. The Company has denied the allegations of each complaint and intends to defend each matter. Based upon the limited information available to the Company at the present time, the Company is unable to express an opinion as to the actual exposure of the Company for these matters.

Item 4. Submission of Matters to Vote of Security Holders

There were no matters submitted to the security holders during the fourth quarter of 1997.

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 7,519 common shareholders of record on March 2, 1998.

Other information required by Item 5 appears under the caption, "Quarterly Stock Prices and Dividends," in the 1997 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, 1997, appearing in the section titled, "Five-Year Review of Selected Financial Data," of the 1997 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" of the 1997 Annual Report to Shareholders is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements and notes thereto of the 1997 Annual

Report to Shareholders, together with the report thereon of Price Waterhouse LLP, dated January 28, 1998, except as to the note, "Subsequent Event," which is as of February 4, 1998, 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, 1997 were as follows:

1. George A. Sissel, 61, Chairman and Chief Executive Officer, since January 1998; Chairman, President and Chief Executive Officer, 1996-1998; President and Chief Executive Officer, 1995-1996; Acting President and Chief Executive Officer, 1994-1995; Senior Vice President, Corporate Affairs; Corporate Secretary and General Counsel, 1993-1995; Senior Vice President, Corporate Secretary and General Counsel, 1987-1993; Vice President, Corporate Secretary and General Counsel, 1981-1987.

2. R. David Hoover, 52, Vice Chairman and Chief Financial Officer, since January 1998; Executive Vice President and Chief Financial Officer, 1997-1998; Executive Vice President, Chief Financial Officer and Treasurer, 1996-1997; Executive Vice President and Chief Financial Officer, 1995-1996; Senior Vice President and Chief Financial Officer, 1992-1995; Vice President and Treasurer, 1988-1992; Assistant Treasurer, 1987-1988; Vice President, Finance and Administration, Technical Products, 1985-1987; Vice President, Finance and Administration, Management Services Division, 1983-1985.

3. George A. Matsik, 58, President; Chief Operating Officer, Packaging Operations, since January 1998; Executive Vice President and Chief Operating Officer, Packaging Operations, 1997-1998; Chief Operating Officer, Packaging Operations, 1996-1997; President, International Packaging Operations, 1995-1996.

4. Donald C. Lewis, 55, Vice President, Assistant Corporate Secretary and General Counsel, since April 1997; General Counsel and Assistant Corporate Secretary, 1995-1997; Associate General Counsel, 1983-1995; Assistant General Counsel, 1980-1983; Senior Attorney, 1978-1980; General Attorney, 1974-1978.

5. Albert R. Schlesinger, 56, Vice President and Controller, since January 1987; Assistant Controller, 1976-1986.

6. Raymond J. Seabrook, 47, Vice President, Planning and Control, since April 1996; Vice President and Treasurer, 1992-1996; Senior Vice President and Chief Financial Officer, Ball Packaging Products Canada, Inc., 1988-1992.

7. Harold L. Sohn, 52, Vice President, Corporate Relations, since March 1993; Director, Industry Affairs, Packaging Products, 1988-1993.

8. David A. Westerlund, 47, Vice President, Administration, since January 1997; 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.

Other information required by Item 10 appearing under the caption, "Director Nominees and Continuing Directors," on pages 3 through 5 and under the caption, "Section 16(a) Beneficial Ownership Reporting Compliance" on page 15 of the Company's proxy statement filed pursuant to Regulation 14A dated March 16, 1998, is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 11 appearing under the caption, "Executive Compensation," on pages 7 through 13 of the Company's proxy statement filed pursuant to Regulation 14A dated March 16, 1998, is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by Item 12 appearing under the caption, "Voting Securities and Principal Shareholders," on pages 1 and 2 of the Company's proxy statement filed pursuant to Regulation 14A dated March 16, 1998, is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

The information required by Item 13 appearing under the caption, "Relationship with Independent Public Accountants and Certain Other Relationships and Related Transactions," on page 15 of the Company's proxy statement filed pursuant to Regulation 14A dated March 16, 1998, is incorporated herein by reference.

Part IV

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

(a) (1) Financial Statements:

The following documents included in the 1997 Annual Report to Shareholders are incorporated by reference in Part II, Item 8:

Consolidated statement of income (loss) - Years ended December 31, 1997, 1996 and 1995

Consolidated balance sheet - December 31, 1997 and 1996

Consolidated statement of cash flows - Years ended December 31, 1997, 1996 and 1995

Consolidated statement of changes in shareholders' equity - Years ended December 31, 1997, 1996 and 1995

Notes to consolidated financial statements

Report of independent accountants

(2) Financial Statement Schedules:

There were no financial statement schedules required under this item.

(3) Exhibits:

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

(b) Reports on Form 8-K:

The registrant filed or amended reports on Form 8-K as follows:

A current report on Form 8-K filed February 12, 1998, reporting under Item 5 an announcement that Ball will move its corporate headquarters from Muncie to the Denver/Boulder area in Colorado.

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/George A. Sissel
George A. Sissel, Chairman and Chief Executive Officer
March 31, 1998

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

(1) Principal Executive Officer:

/s/George A. Sissel	Chairman and Chief Executive Officer
George A. Sissel	March 31, 1998

(2) Principal Financial Accounting Officer:

/s/R. David Hoover	Vice Chairman and Chief Financial Officer
R. David Hoover	March 31, 1998

(3) Controller:

/s/Albert R. Schlesinger	Vice President and Controller
Albert R. Schlesinger	March 31, 1998

(4) A Majority of the Board of Directors:

/s/Frank A. Bracken	* Director
Frank A. Bracken	March 31, 1998
/s/Howard M. Dean	* Director
Howard M. Dean	March 31, 1998
/s/John T. Hackett	* Director
John T. Hackett	March 31, 1998
/s/R. David Hoover	* Director
R. David Hoover	March 31, 1998
/s/John F. Lehman	* Director
John F. Lehman	March 31, 1998
/s/George McFadden	* Director
George McFadden	March 31, 1998
/s/Ruel C. Mercure, Jr.	* Director
Ruel C. Mercure, Jr.	March 31, 1998
/s/Jan Nicholson	* Director
Jan Nicholson	March 31, 1998
/s/George A. Sissel	Chairman, Chief Executive * Officer and Director
George A. Sissel	March 31, 1998
/s/William P. Stiritz	* Director
William P. Stiritz	March 31, 1998

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

By: /s/George A. Sissel
George A. Sissel
As Attorney-in-Fact
March 31, 1998

Ball Corporation and Subsidiaries
Annual Report on Form 10-K
For the year ended December 31, 1997

Index to Exhibits

Exhibit Number	Description of Exhibit
3.(i)	Amended Articles of Incorporation as of November 26, 1990 (filed by incorporation by reference to the Current Report on Form 8-K dated November 30, 1990) filed December 13, 1990.
3.(ii)	Bylaws of Ball Corporation as amended January 25, 1994 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1993) filed March 29, 1994.
4.1	Ball Corporation and its subsidiaries have no long-term debt instruments in which the total amount of securities authorized under any instrument exceeds 10% of the total assets of the registrant and its subsidiaries on a consolidated basis. Ball Corporation hereby agrees to furnish a copy of any long-term debt instruments upon the request of the Commission.

4.2	Dividend distribution payable to shareholders of record on August 4, 2006, 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).
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.

Exhibit Number	Description of Exhibit
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 31, 1996) filed May 15, 1996.
10.8	Stock Purchase Agreement dated as of June 29, 1989, between Ball Corporation and Mellon Bank, N.A. (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 2, 1989) filed August 15, 1989.
10.9	Ball Corporation 1986 Deferred Compensation Plan for Directors, as amended October 27, 1987 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1990) filed April 1, 1991.
10.10	1991 Restricted Stock Plan for Nonemployee Directors of Ball Corporation (filed by incorporation by reference to the Form S-8 Registration Statement, No. 33-40199) filed April 26, 1991.
10.11	Ball Corporation Economic Value Added Incentive Compensation Plan dated January 1, 1994 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1994) filed March 29, 1995.
10.12	Ball Corporation 1997 Stock Incentive Plan (filed by incorporation by reference to the Form S-8 Registration Statement, No. 333-26361), filed May 1, 1997.
10.13	Agreement and Plan of Merger among Ball Corporation, Ball Sub Corp. and Heekin Can, Inc. dated as of December 1, 1992, and as amended as of December 28, 1992 (filed by incorporation by reference to the Registration Statement on Form S-4, No. 33-58516) filed February 19, 1993.

Exhibit Number	Description of Exhibit
10.14	Distribution Agreement between Ball Corporation and Alltrista

(filed by incorporation by reference to the Alltrista Corporation Form 8, Amendment No. 3 to Form 10, No. 0-21052, dated December 31, 1992) filed March 17, 1993.

10.15	1993 Stock Option Plan (filed by incorporation by reference to the Form S-8 Registration Statement, No. 33-61986) filed April 30, 1993.
10.16	Retirement Agreement dated June 17, 1994, between Delmont A. Davis and Ball Corporation (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994) filed August 17, 1994.
10.17	Ball-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.
10.18	Retention Agreement dated June 22, 1994, between Donovan B. Hicks and Ball Corporation (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994) filed August 17, 1994.
10.19	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.
10.20	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.
10.21	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.
10.22	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.
10.23	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.

Exhibit Number	Description of Exhibit
10.24	Part-Time Employment, Retirement and Consulting Services Agreement between Duane E. Emerson and Ball Corporation dated January 14, 1997. (Filed herewith.)
10.25	Agreement and General Release between David B. Sheldon and Ball Corporation dated February 7, 1997. (Filed herewith.)
10.26	Consulting Agreement between The Cygnus Enterprise Development Corp. (for which Donovan B. Hicks is managing partner) and Ball Corporation dated January 1, 1997. (Filed herewith.)
10.27	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.
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 1997 Annual Report to Shareholders). (Filed herewith.)
13.1	Ball Corporation 1997 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.

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.)
27.1	Financial Data Schedule for the year ended December 31, 1997. (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 13.1

1997 Annual Report

Consolidated Statement of Income (Loss)
Ball Corporation and Subsidiaries
<TABLE>
<CAPTION>

	Year ended December 31,		
(dollars in millions except per share amounts)	1997	1996	1995
<S>	<C>	<C>	<C>
Net sales	$2,388.5	$2,184.4	$2,045.8
Costs and expenses			
Cost of sales	2,121.2	2,007.3	1,836.6
General and administrative expenses	119.2	77.2	83.3
Selling and product development expenses	17.7	16.0	16.2
Dispositions and other	(9.0)	21.0	7.1
Interest expense	53.5	33.3	25.7
	2,302.6	2,154.8	1,968.9
Income from continuing operations before taxes on income	85.9	29.6	76.9
Provision for income tax expense	(32.0)	(7.2)	(26.4)
Minority interests	5.1	0.2	(1.6)
Equity in (losses) earnings of affiliates:			
EarthWatch	-	(12.3)	(1.3)
All other	(0.7)	2.8	4.3
Net income (loss) from:			
Continuing operations	58.3	13.1	51.9
Discontinued operations	-	11.1	(70.5)
Net income (loss)	58.3	24.2	(18.6)
Preferred dividends, net of tax benefit	(2.8)	(2.9)	(3.1)
Net earnings (loss) attributable to common shareholders	$ 55.5	$ 21.3	$ (21.7)
Net earnings (loss) per share of common stock:			
Continuing operations	$ 1.84	$ 0.34	$ 1.63
Discontinued operations	-	0.36	(2.35)

	$ 1.84	$ 0.70	$ (0.72)
Diluted earnings (loss) per share:			
Continuing operations	$ 1.74	$ 0.34	$ 1.54
Discontinued operations	-	0.34	(2.18)
	$ 1.74	$ 0.68	$ (0.64)

</TABLE>

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

Consolidated Balance Sheet
Ball Corporation and Subsidiaries
<TABLE>
<CAPTION>

	December 31,	
(dollars in millions)	1997	1996
<S>	<C>	<C>
Assets		
Current assets		
Cash and temporary investments	$ 25.5	$ 169.2
Accounts receivable, net	301.4	245.9
Inventories, net	413.3	302.0
Deferred income tax benefits and prepaid expenses	57.9	49.5
Total current assets	798.1	766.6
Property, plant and equipment, at cost		
Land	42.5	24.2
Buildings	330.5	264.8
Machinery and equipment	1,183.1	980.5
	1,556.1	1,269.5
Accumulated depreciation	(636.6)	(570.5)
	919.5	699.0
Other assets	372.5	235.2
	$2,090.1	$1,700.8
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt and current portion of long-term debt	$ 407.0	$ 175.2
Accounts payable	258.6	214.3
Salaries, wages and accrued employee benefits	78.3	64.2
Other current liabilities	93.9	57.3
Total current liabilities	837.8	511.0
Noncurrent liabilities		
Long-term debt	366.1	407.7
Deferred income taxes	60.5	34.7
Employee benefit obligations and other	139.8	136.0
Total noncurrent liabilities	566.4	578.4
Contingencies		
Minority interests	51.7	7.0
Shareholders' equity		
Series B ESOP Convertible Preferred Stock	59.9	61.7
Unearned compensation - ESOP	(37.0)	(44.0)
Preferred shareholder's equity	22.9	17.7
Common stock (33,759,234 shares issued - 1997; 32,976,708 shares issued - 1996)	336.9	315.2
Retained earnings	379.5	344.5
Treasury stock, at cost (3,539,574 shares - 1997; 2,458,483 shares - 1996)	(105.1)	(73.0)
Common shareholders' equity	611.3	586.7

Total shareholders' equity	634.2	604.4
	$2,090.1	$1,700.8

</TABLE>

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

Consolidated Statement of Cash Flows
Ball Corporation and Subsidiaries

<TABLE>
<CAPTION>

	Year ended December 31,		
(dollars in millions)	1997	1996	1995
<S>	<C>	<C>	<C>
Cash Flows from Operating Activities			
Net income from continuing operations	$ 58.3	$ 13.1	$ 51.9
Reconciliation of net income from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	117.5	93.5	78.7
Dispositions and other	(9.0)	21.0	7.1
Deferred taxes on income	17.1	12.4	6.7
Other	2.2	1.6	(1.6)
Working capital changes, excluding effects of acquisitions and dispositions:			
Accounts receivable	(15.5)	(62.4)	(27.1)
Inventories	(33.4)	3.2	(69.8)
Other current assets	(7.5)	15.5	(32.6)
Accounts payable	(2.1)	19.0	22.8
Other current liabilities	15.9	(32.6)	(3.2)
Net cash provided by operating activities	143.5	84.3	32.9
Cash Flows from Investing Activities			
Additions to property, plant and equipment	(97.7)	(196.1)	(178.9)
Acquisitions, net of cash acquired	(202.7)	-	-
Investments in and advances to affiliates, net	(11.2)	(27.7)	(55.2)
Company-owned life insurance, net	15.6	(10.3)	88.4
Net cash flows from:			
Discontinued operations	-	188.1	116.7
Proceeds from sale of other businesses, net	31.1	41.3	14.5
Other	14.0	(13.7)	17.8
Net cash (used in) provided by investing activities	(250.9)	(18.4)	3.3
Cash Flows from Financing Activities			
Increase in long-term borrowings	2.4	167.6	22.2
Principal payments of long-term debt	(76.9)	(66.6)	(79.9)
Net change in short-term borrowings	72.0	12.9	40.0
Common and preferred dividends	(22.9)	(22.8)	(23.0)
Proceeds from issuance of common stock under various employee and shareholder plans	21.7	21.4	32.5
Acquisitions of treasury stock	(32.1)	(10.3)	(27.6)
Other	(0.5)	(4.0)	(5.7)
Net cash (used in) provided by financing activities	(36.3)	98.2	(41.5)
Net (Decrease) Increase in Cash	(143.7)	164.1	(5.3)
Cash and temporary investments at beginning of year	169.2	5.1	10.4
Cash and Temporary Investments at End of Year	$ 25.5	$169.2	$ 5.1

</TABLE>

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

Consolidated Statement of Changes in Shareholders' Equity
Ball Corporation and Subsidiaries
<TABLE>
<CAPTION>

	Number of Shares (in thousands)			Year ended December 31, (dollars in millions)		
	1997	1996	1995	1997	1996	1995
Series B ESOP Convertible Preferred Stock						
Balance, beginning of year	1,681	1,787	1,828	$ 61.7	$ 65.6	$ 67.2
Shares retired	(46)	(106)	(41)	(1.8)	(3.9)	(1.6)
Balance, end of year	1,635	1,681	1,787	$ 59.9	$ 61.7	$ 65.6
Unearned Compensation - ESOP						
Balance, beginning of year				$(44.0)	$(50.4)	$(55.3)
Amortization				7.0	6.4	4.9
Balance, end of year				$(37.0)	$(44.0)	$(50.4)
Common Stock						
Balance, beginning of year	32,977	32,173	31,034	$315.2	$293.8	$261.3
Shares issued for stock options and other employee and shareholder stock plans less shares exchanged	782	804	1,139	21.7	21.4	32.5
Balance, end of year	33,759	32,977	32,173	$336.9	$315.2	$293.8
Retained Earnings						
Balance, beginning of year				$344.5	$336.4	$378.6
Net income (loss) for the year				58.3	24.2	(18.6)
Common dividends				(18.4)	(18.1)	(18.0)
Preferred dividends, net of tax benefit				(2.8)	(2.9)	(3.1)
Foreign currency translation adjustment				(2.6)	(0.5)	(1.4)
Change in additional minimum pension liability, net of tax				0.5	5.4	(1.1)
Balance, end of year				$379.5	$344.5	$336.4
Treasury Stock						
Balance, beginning of year	(2,458)	(2,058)	(1,167)	$ (73.0)	$(62.7)	$(35.1)
Shares reacquired	(1,082)	(400)	(891)	(32.1)	(10.3)	(27.6)
Balance, end of year	(3,540)	(2,458)	(2,058)	$(105.1)	$(73.0)	$(62.7)

</TABLE>

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

Notes to Consolidated Financial Statements
Ball Corporation and Subsidiaries

Significant Accounting Policies
Principles of Consolidation and Basis of Presentation
The consolidated financial statements include the accounts of Ball Corporation and majority-owned subsidiaries (collectively, Ball or the Company). Investments in 20 percent through 50 percent owned affiliated companies, and majority-owned affiliates where control is temporary, are included under the equity method where Ball exercises significant influence over operating and financial affairs. Otherwise, investments are included at cost. Differences between the carrying amounts of equity investments and the Company's interest in underlying net assets are amortized over periods benefited. Significant intercompany transactions are eliminated. The results of subsidiaries and equity affiliates in Asia and South America are reflected in the consolidated financial statements on a one month lag. There were no significant events which occurred subsequent to November 30, 1997, which were required to be reflected in the accompanying financial statements. Certain amounts for 1996 and 1995 have been reclassified to conform to the 1997 presentation.

In October 1996, the Company sold its 42 percent interest in Ball-Foster Glass Container Co., L.L.C. (Ball-Foster), a company formed in 1995, to Compagnie de Saint-Gobain (Saint-Gobain). With this sale, Ball no longer participates in the manufacture or sale of glass containers. Accordingly, the accompanying consolidated financial statements and notes segregate the financial effects of the glass business as discontinued operations. See the note, "Discontinued Operations," for more information regarding this transaction. Amounts included in the notes to consolidated financial statements pertain to continuing operations, except where otherwise noted.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Future events could affect these estimates.

Foreign Currency Translation
Foreign currency financial statements of foreign operations, where the local currency is the functional currency, are translated using period-end exchange rates for assets and liabilities and average exchange rates during each period for results of operations and cash flows.

Revenue Recognition
Sales and earnings are recognized primarily upon shipment of products, except in the case of long-term contracts within the aerospace and technologies segment for which revenue is recognized under the percentage-of-completion method. Certain of these contracts provide for fixed and incentive fees, which are recorded as they are earned or when incentive amounts become determinable. Provision for estimated contract losses, if any, is made in the period that such losses are determined.

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

Financial Instruments
Accrual accounting is applied for financial instruments classified as hedges. Costs of hedging instruments are deferred as a cost adjustment, or deferred and amortized as a yield adjustment, over the term of the hedging agreement. Gains and losses on early terminations of derivative financial instruments related to debt are deferred and amortized as yield adjustments. Deferred gains and losses related to exchange rate forwards are recognized as cost adjustments of the related purchase or sale transaction. If a financial instrument no longer qualifies as an effective hedge, the instrument is recorded at fair market value.

Inventories
Inventories are stated at the lower of cost or market. The cost for certain 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 for remaining inventories is determined using the first-in, first-out (FIFO) method.

Depreciation and Amortization
Depreciation is provided on the straight-line method in amounts sufficient to amortize the cost of the properties over their estimated useful lives (buildings - - 15 to 40 years; machinery and equipment - 5 to 10 years). Goodwill is

amortized over the periods benefited, 40 years. The Company evaluates long-lived assets, including goodwill and other intangibles, based on fair values or undiscounted cash flows whenever significant events or changes in circumstances occur which indicate the carrying amount may not be recoverable.

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.

Employee Stock Ownership Plan

Ball records the cost of its Employee Stock Ownership Plan (ESOP) using the shares allocated transitional method under which the annual pretax cost of the ESOP, including preferred dividends, approximates program funding. Compensation and interest components of ESOP cost are included in net income; preferred dividends, net of related tax benefits, are shown as a reduction from net income. Unearned compensation-ESOP recorded within the accompanying balance sheet is reduced as the principal of the guaranteed ESOP notes is amortized.

Earnings Per Share

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share," effective December 31, 1997. Under SFAS No. 128, Ball is required to present both earnings per common share and diluted earnings per share amounts. Earnings per common share are computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if the Series B ESOP Convertible Preferred Stock (ESOP Preferred) was converted into additional outstanding common shares and outstanding dilutive stock options were exercised. In the diluted computation, net earnings (loss) attributable to common shareholders are adjusted for additional ESOP contributions which would be required if the ESOP Preferred was converted to common shares and excludes the tax benefit of deductible common dividends upon the assumed conversion of the ESOP Preferred. Adoption of the new standard, which requires restatement of previously disclosed amounts, had no effect on previously disclosed earnings per common share amounts and had an insignificant effect on previously disclosed diluted earnings per share amounts.

In 1995, the assumed conversion of the ESOP Preferred and exercise of stock options resulted in a dilutive effect on continuing operations. Accordingly, the diluted weighted average share amounts are required to be used for discontinued operations, resulting in a lower total diluted loss per share than the total loss per common share.

New Accounting Pronouncements

SFAS No. 130, "Reporting Comprehensive Income," and SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," were issued in June 1997 and will be effective for the Company in 1998. SFAS No. 130 requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. Adoption of this standard will not affect the presentation of the traditional statement of income. SFAS No. 131 establishes standards for reporting information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas and major customers. The Company is evaluating this standard to determine the impact, if any, on its segment reporting.

Business Segment Information

The Company has two business segments: packaging, and aerospace and technologies.

Packaging

The packaging segment includes the businesses that manufacture metal and PET (polyethylene terephthalate) containers, primarily for use in beverage and food packaging. The Company's packaging operations are located in and serve North America (the U.S. and Canada) and Asia (primarily China). Packaging operations in Asia have increased as a result of the early 1997 acquisition of a controlling interest in M.C. Packaging (Hong Kong) Limited (M.C. Packaging). The results of that business are included within the packaging segment since its acquisition date. Ball also has investments in packaging companies in Brazil and Thailand which are accounted for under the equity method, and, accordingly, those results are not included in segment earnings or assets. See the notes, "Acquisitions" and "Dispositions and Other," for additional information regarding these and other transactions affecting segment results.

Aerospace and Technologies

The aerospace and technologies segment includes: the aerospace systems division, comprised of civil space systems, technology operations, defense systems, commercial space operations and systems engineering; and the telecommunication products division, comprised of advanced antenna and video systems and communication and video products. See the note, "Dispositions and Other," for information regarding transactions affecting segment results.

Major Customers
Packaging segment sales to PepsiCo, Inc., and affiliates represented approximately 12 percent of consolidated net sales in 1997 and 1996, and less than 10 percent of consolidated net sales in 1995. Sales to Anheuser-Busch Companies, Inc., represented less than 10 percent of consolidated net sales in 1997 and approximately 11 percent and 14 percent of consolidated net sales in 1996 and 1995, respectively. Sales to all bottlers of Pepsi-Cola and Coca-Cola branded beverages comprised approximately 36 percent of consolidated net sales in both 1997 and 1996 and 32 percent of consolidated net sales in 1995. Sales to various U.S. government agencies by the aerospace and technologies segment, either as a prime contractor or as a subcontractor, represented approximately 14 percent, 15 percent and 13 percent of consolidated net sales in 1997, 1996 and 1995, respectively.

<TABLE>
<CAPTION>

Summary of Business by Segment (dollars in millions)	1997	1996	1995
<S>	<C>	<C>	<C>
Net Sales			
Packaging	$1,989.8	$1,822.1	$1,730.0
Aerospace and technologies	398.7	362.3	315.8
Consolidated net sales	$2,388.5	$2,184.4	$2,045.8
Income			
Packaging	$ 108.3	$ 57.6	$ 95.6
Dispositions and other (1)	(3.0)	(21.0)	(10.9)
Total packaging	105.3	36.6	84.7
Aerospace and technologies	34.0	31.4	27.3
Dispositions and other (1)	-	-	3.8
Total aerospace and technologies	34.0	31.4	31.1
Consolidated operating earnings	139.3	68.0	115.8
Corporate undistributed expenses, net	(11.9)	(5.1)	(13.2)
Dispositions and other (1)	12.0	-	-
Total corporate	0.1	(5.1)	(13.2)
Interest expense	(53.5)	(33.3)	(25.7)
Consolidated income from continuing operations before taxes on income	$ 85.9	$ 29.6	$ 76.9
Assets Employed in Operations			
Packaging	$1,729.2	$1,198.7	$1,081.0
Aerospace and technologies	140.6	131.6	125.0
Assets employed in operations	1,869.8	1,330.3	1,206.0
Discontinued operations	-	-	200.8
Investments in affiliates (2)	74.5	80.9	84.5
Corporate (3)	145.8	289.6	122.7
Total assets	$2,090.1	$1,700.8	$1,614.0
Property, Plant and Equipment Additions			
Packaging	$ 75.7	$ 179.7	$ 163.3
Aerospace and technologies	18.6	15.1	13.9
Corporate	3.4	1.3	1.7
Total additions	$ 97.7	$ 196.1	$ 178.9
Depreciation and Amortization			
Packaging	$ 101.4	$ 78.9	$ 65.5
Aerospace and technologies	14.3	12.5	10.9
Corporate	1.8	2.1	2.3

Total depreciation and amortization	$ 117.5	$ 93.5	$ 78.7

<FN>

(1) Refer to the note, "Dispositions and Other."
(2) Refer to the note, "Other Assets."
(3) Corporate assets include cash and temporary investments, current deferred and prepaid income taxes, amounts related to employee benefit plans and corporate facilities and equipment.
</FN>
</TABLE>

Financial data segmented by geographic area is provided below.
<TABLE>
<CAPTION>

Summary of Business by Geographic Area (dollars in millions)	U.S.	Canada	Asia	Eliminations	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>
1997					
Net sales					
Sales to unaffiliated customers	$1,889.0	$267.7	$231.8	$ -	$2,388.5
Inter-area sales to affiliates	-	0.9	-	(0.9)	-
	1,889.0	268.6	231.8	(0.9)	2,388.5
Consolidated operating earnings (1)	122.4	11.1	6.2	(0.4)	139.3
Assets employed in operations	$1,049.8	$209.8	$618.8	$(8.6)	$1,869.8
1996					
Net sales					
Sales to unaffiliated customers	$1,826.3	$291.2	$66.9	$ -	$2,184.4
Inter-area sales to affiliates	-	0.5	-	(0.5)	-
	1,826.3	291.7	66.9	(0.5)	2,184.4
Consolidated operating earnings (1)	62.0	4.4	3.0	(1.4)	68.0
Assets employed in operations	$ 976.5	$217.9	$138.4	$ (2.5)	$1,330.3
1995					
Net sales					
Sales to unaffiliated customers	$1,685.7	$304.0	$ 56.1	$ -	$2,045.8
Inter-area sales to affiliates	-	0.3	-	(0.3)	-
	1,685.7	304.3	56.1	(0.3)	2,045.8
Consolidated operating earnings (1)	92.1	19.1	4.7	(0.1)	115.8
Assets employed in operations	$ 951.1	$198.2	$ 60.4	$ (3.7)	$1,206.0

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<FN>

(1) Refer to the note, "Dispositions and Other."
</FN>
</TABLE>

Acquisitions

M.C. Packaging (Hong Kong) Limited
In early 1997, Ball, through its majority-owned subsidiary, FTB Packaging Limited (FTB Packaging), acquired approximately 75 percent of M.C. Packaging (Hong Kong) Limited (M.C. Packaging), previously held by Lam Soon (Hong Kong) Limited and the general public for a total purchase price of approximately $179 million. M.C. Packaging produces two-piece aluminum beverage containers, three-piece steel beverage and food containers, aerosol cans, plastic packaging, metal crowns and printed and coated metal.

The acquisition has been accounted for as a purchase, with M.C. Packaging's results included in the Company's consolidated financial statements effective with the acquisition. The preliminary purchase price allocation included provisions for costs incurred in 1997, or expected to be incurred, for severance, relocation and other restructuring activities of approximately $7.3 million. In 1997, approximately $1.9 million was charged against these reserves, primarily related to employee termination costs. To the extent that the actual costs to complete these activities are different from the estimated amounts provided, the change will be reflected as an adjustment to goodwill. The excess of the purchase price over the net book value of assets acquired and liabilities assumed has been preliminarily assigned to long-term assets, including goodwill of $122.3 million, and is being amortized to expense over the periods benefited.

Following is a summary of the net assets acquired:

(dollars in millions)

Total assets, including cash of $18.8 million	$487.3
Less liabilities assumed:	
Current liabilities (other than debt)	63.3
Total debt	198.0
Other long-term liabilities and minority interests	47.2
Net assets acquired	$178.8

The following table illustrates the effects of the acquisition on a pro forma basis for the year ended 1996 as though it had occurred at January 1, 1996.

(dollars in millions except per share amounts)	1996 (2)
Net sales	$ 2,366.4
Net income	1.1
Net loss attributable to common shareholders	(1.8)
Loss per common share (1)	(0.06)

(1) The effect of assuming conversion of the ESOP Preferred shares would be anti-dilutive. Accordingly, the diluted loss per share is the same as the loss per common share.
(2) All amounts reflect continuing operations only.

The unaudited pro forma financial information is provided for informational purposes only and does not purport to be indicative of the future results or what the results of operations would have been had the acquisition been effected on January 1, 1996. In addition to increased interest expense related to incremental borrowings used to finance the acquisition and the amortization of goodwill, pro forma results include charges of $6.2 million after taxes and minority interests, or 20 cents per share, in connection with preacquisition inventory, accounts receivable and other items which management believes to be at abnormally high levels not anticipated in the future.

PET Container Assets
In the third quarter of 1997, the Company acquired certain PET container assets for a purchase price of approximately $42.7 million from Brunswick Container Corporation (Brunswick), including goodwill and other intangible assets of approximately $28.3 million. In connection with the acquisition, the Company

began operating a new plant in Delran, New Jersey, to supply a large East Coast bottler of soft drinks and other customers, and closed small manufacturing facilities in Pennsylvania and Virginia. See the note, "Dispositions and Other," for additional information regarding these plant closures.

Dispositions and Other

The following table summarizes the gains and losses in connection with dispositions and other charges included in the consolidated statement of income (loss) during the three years ended December 31, 1997.

<TABLE>
<CAPTION>

(dollars in millions except per share amounts)	Pretax Gain (Loss)	After tax Gain (Loss)	Earnings (Loss) per Common Share
<S>	<C>	<C>	<C>
1997 Items			
Sale of investment in Datum	$ 11.7	$ 7.1	$ 0.23
Plant closing	(3.0)	(1.8)	(0.06)
Disposition and write-down of equity investments	0.3	(0.3)	(0.01)
	$ 9.0	$ 5.0	$ 0.16
1996 Items			
Sale of U.S. aerosol business	$ (3.3)	$ (4.4)	$(0.14)
Plant closings and other	(17.7)	(11.0)	(0.37)
Write-down of investment in EarthWatch (1)	-	(9.3)	(0.31)
	$(21.0)	$(24.7)	$(0.82)
1995 Items			
Gain on sale of Efratom business	$ 11.8	$7.7	$ 0.25
Disposition of imaging business	(8.0)	(4.9)	(0.16)
Plant closings and other	(10.9)	(6.6)	(0.22)
	$ (7.1)	$ (3.8)	$(0.13)

<FN>

(1) Reflected in "equity in (losses) earnings of affiliates" in the accompanying consolidated statement of income (loss).
</FN>
</TABLE>

1997 Items

In the first half of 1997, the Company sold its interest in the common stock of Datum Inc. (Datum), for approximately $26.2 million, recording a pretax gain of $11.7 million. Ball acquired its interest in Datum in connection with the 1995 disposition of its Efratom time and frequency measurement devices business (see 1995 items). The Company owned approximately 32 percent of Datum. Ball's share of Datum's earnings under the equity method of accounting were $0.5 million and $0.3 million in 1997 and 1995, respectively, and a loss of $0.2 million in 1996.

In the second quarter of 1997, the Company recorded a pretax charge of $3.0 million to close a small PET container manufacturing plant in connection with the acquisition of certain PET container manufacturing assets. Operations ceased during that quarter. A second plant, acquired from Brunswick, was closed in early 1998.

In the fourth quarter of 1997, Ball disposed of or wrote down to estimated net realizable value certain equity investments, resulting in a net pretax gain of $0.3 million. The Company's equity in the net earnings of these affiliates was not significant in 1997, 1996 and 1995.

1996 Items

In the fourth quarter of 1996, Ball sold its U.S. aerosol container manufacturing business, with net assets of approximately $47.5 million, including $6.0 million of goodwill, for $44.3 million, comprised of cash and a $3.0 million note, recording a pretax loss of $3.3 million.

In late 1996, the Company closed a metal food container manufacturing facility and discontinued the manufacture of metal beverage containers at another facility. Ball recorded a pretax charge of $14.9 million consisting of $9.4 million to write down assets to net realizable value and $5.5 million for employee termination costs, benefits and other direct costs. In addition, in the first quarter of 1996, Ball recorded a charge of $2.8 million for employee termination costs, primarily related to the metal packaging business. Curtailment activities were substantially completed during 1997.

In 1994, the Company formed EarthWatch, Incorporated (EarthWatch), and in 1995 acquired WorldView, Inc., to commercialize certain proprietary technologies by serving the market for satellite-based remote sensing images of the Earth. Through December 31, 1995, the Company invested approximately $21 million in

EarthWatch. As of December 31, 1996, EarthWatch had experienced extended product development and deployment delays and expected to incur significant product development losses into the future, exceeding Ball's investment. Although Ball was a 49 percent equity owner of EarthWatch at year end 1996, and had contracted to design satellites for that company, the remaining carrying value of the investment was written to zero. Accordingly, Ball recorded a pretax charge of $15.0 million ($9.3 million after tax or 31 cents per share), in the fourth quarter of 1996 which is reflected as a part of equity in losses of affiliates. EarthWatch continued to incur losses throughout 1997. Ball has no commitments to provide further equity or debt financing to EarthWatch beyond its investment to date. Subject to certain conditions, Ball has agreed to produce satellites for Earth Watch. At year end 1997, Ball owned approximately 48 percent of the voting stock in EarthWatch.

1995 Items

During 1994, the Company concluded a study which explored strategic alternatives for the aerospace and technologies business. A decision was made to retain the core aerospace and technologies business, but to sell its Efratom business. Efratom was sold in March 1995 to Datum for cash of $15.0 million and approximately 1.3 million shares, or approximately 32 percent, of Datum common stock with a market value at the date of the sale of $14.0 million. Ball recorded a pretax gain of $11.8 million in connection with this sale.

In late 1995, the metal packaging business recorded a pretax charge of $10.9 million as a result of the curtailment of certain manufacturing capacity and write-down of certain unproductive manufacturing equipment to net realizable value. The charge included $7.5 million for asset write-downs to net realizable value and $3.4 million for employment termination costs, benefits and other direct costs. Curtailment activities were substantially completed during 1996.

In addition, a charge of $8.0 million was recorded in 1995 for costs associated with the 1993 decision to exit the visual image generating systems business. All significant business activities associated with the exit were completed in early 1997.

Subsequent Event

On February 4, 1998, Ball announced that it would relocate its corporate headquarters to an existing company-owned building in Broomfield, Colorado. In connection with the relocation, the Company expects to record in 1998 a charge estimated to be approximately $20 million pretax, primarily for employee related costs and the write-down of certain assets to net realizable values. This move is expected to be largely completed by the end of 1998.

Discontinued Operations

In September 1995, the Company sold substantially all of the assets of Ball Glass Container Corporation (Ball Glass), a wholly owned subsidiary of Ball, to Ball-Foster for approximately $323 million in cash. Concurrent with this transaction, the Company acquired a 42 percent interest in Ball-Foster for $180.6 million. The remaining 58 percent interest was acquired for $249.4 million by Saint-Gobain. Ball-Foster also acquired substantially all of the assets of Foster-Forbes, a unit of American National Can Company.

In October 1996, the Company sold its interest in Ball-Foster to Saint-Gobain for $190 million in cash and received an additional $15 million in cash in final settlement of the 1995 transaction. With the October 1996 sale, Ball no longer participates in the glass business.

The following table provides summary income statement data related to the discontinued glass business:

<TABLE>
<CAPTION>

(dollars in millions)	Year ended December 31, 1996	1995
<S>	<C>	<C>
Net sales	$ -	$545.9
Earnings attributable to previously consolidated Ball Glass operations before interest and taxes on income, excluding loss on sale	$ -	$ 30.5
Pretax gain (loss) on sale of Ball-Foster / Ball Glass	24.1	(111.1)
Ball's share of Ball-Foster's net loss	(7.6)	(2.3)
Adjustment of provisions to currently estimated requirements	11.0	-
Allocated interest expense	(5.5)	(12.1)
Provision for income tax (expense) benefit	(10.9)	27.5
Minority interest	-	(3.0)
Net income (loss) attributable to the glass business	$ 11.1	$(70.5)

</TABLE>

Interest expense allocated to the glass business was based on the average net assets of the glass business and Ball's weighted average interest rate for general borrowings. Debt specifically identified with the Company's other operations was excluded in determining the weighted average interest rate. The net loss attributable to discontinued operations in 1995 included allocated general and administrative expenses directly related to the glass business of approximately $5.7 million.

Accounts Receivable
Accounts receivable are net of an allowance for doubtful accounts of $12.2 million and $5.1 million at December 31, 1997 and 1996, respectively.

Sale of Trade Accounts Receivable
In December 1997, Ball Capital Corp., a wholly owned subsidiary of Ball, entered into a receivables sale agreement which provides for the ongoing, revolving sale of up to $75.0 million of a designated pool of trade accounts receivable of Ball's domestic packaging businesses. The current agreement expires in December 1998. Accounts receivable sold under this agreement and a similar agreement in the prior year totaled $65.9 million and $66.5 million at December 31, 1997 and 1996, respectively. Fees incurred in connection with the sale of accounts receivable in 1997, 1996 and 1995, and which are included in general and administrative expenses, totaled $4.0 million, $3.7 million and $4.3 million, respectively.

Accounts Receivable in Connection with Long-Term Contracts
Net accounts receivable under long-term contracts, due primarily from agencies of the U.S. government, were $63.7 million and $60.4 million at December 31, 1997 and 1996, respectively, and include unbilled amounts representing revenue earned but not yet billable of $28.0 million and $15.4 million, respectively. Approximately $9.3 million of unbilled receivables at December 31, 1997, is expected to be collected after one year.

Inventories
Inventories at December 31 consisted of the following:
<TABLE>
<CAPTION>

(dollars in millions)	1997	1996
<S>	<C>	<C>
Raw materials and supplies	$184.9	$ 95.7
Work in process and finished goods	228.4	206.3
	$413.3	$302.0

</TABLE>

Approximately 67 percent of total U.S. product inventories at December 31, 1997 and 1996, were valued using LIFO accounting. Inventories at December 31, 1997 and 1996, would have been $9.9 million and $10.1 million higher, respectively, than the reported amounts if the FIFO method, which approximates replacement cost, had been used for all inventories.

Other Assets
The composition of other assets at December 31 was as follows:
<TABLE>
<CAPTION>

(dollars in millions)	1997	1996
<S>	<C>	<C>
Investments in affiliates		
Packaging affiliates	$ 74.5	$ 66.8
Datum Inc.	-	14.1
Total investments in affiliates	74.5	80.9
Goodwill, net (1)	194.8	59.5
Net cash surrender value of company-owned life insurance	24.6	32.5
Other	78.6	62.3
	$372.5	$235.2

<FN>

(1) Net of accumulated amortization of $20.6 million and $16.3 million at December 31, 1997 and 1996, respectively.
</FN>
</TABLE>

Company-Owned Life Insurance
The Company has purchased insurance on the lives of certain employees. Premiums were approximately $6 million in each of 1997 and 1996 and $20 million in 1995. Amounts in the consolidated statement of cash flows represent net cash flows from this program, including policy loans of approximately $10 million in each of 1997 and 1996 and $113 million in 1995, and partial withdrawals of approximately $22 million in 1997. Legislation enacted in 1996 limits the amount

of interest on policy loans which can be deducted for federal income tax purposes. The limits affect insurance programs initiated after June 1986, and phase-in over a three-year period. As a result of the new legislation, the Company was unable to deduct certain amounts of its policy loan interest in 1996, resulting in higher income tax expense of approximately $1.5 million (five cents per share). As a result of actions taken by Ball in 1996, the new legislation did not have a significant impact on 1997 results.

Debt and Interest Costs
Short-term debt at December 31 consisted of the following:
<TABLE>
<CAPTION>

(dollars in millions)	1997 Outstanding	1997 Weighted Average Rate (1)	1996 Outstanding	1996 Weighted Average Rate (1)
<S>	<C>	<C>	<C>	<C>
U.S. bank facilities	$85.5	5.8%	$ -	5.5%
Canadian dollar commercial paper	40.9	3.4%	57.6	4.5%
Asian bank facilities (2)	181.9	7.0%	58.7	7.2%
	$308.3		$116.3	

<FN>

(1) Represents the weighted average interest rate on short-term borrowings for the year.
(2) Facilities for FTB Packaging and affiliates in U.S. ($130.2 million at year end 1997) and Asian currencies. Borrowings are without recourse to Ball Corporation.
</FN>
</TABLE>

Long-term debt at December 31 consisted of the following:
<TABLE>
<CAPTION>

(dollars in millions)	1997	1996
<S>	<C>	<C>
Notes Payable		
Private placements:		
6.29% to 6.82% serial installment notes (6.71% weighted average) due through 2008	$147.1	$150.0
8.09% to 8.75% serial installment notes (8.54% weighted average) due through 2012	90.6	101.4
8.20% to 8.57% serial notes (8.36% weighted average) due 1999 through 2000	60.0	60.0
10.00% serial note due 1998	20.0	35.0
9.66% serial note due 1998 (1)	-	20.0
Floating rate notes (6.56% to 7.63% at year end 1997) due through 2002 (2)	75.1	18.0
Industrial Development Revenue Bonds		
Floating rates (2.5% to 4.3% at year end 1997) due through 2011	31.5	32.2
Other	3.5	6.0
ESOP Debt Guarantee		
8.38% installment notes due through 1999	11.9	18.9
8.75% installment note due 1999 through 2001	25.1	25.1
	464.8	466.6
Less:		
Current portion of long-term debt	98.7	58.9
	$366.1	$407.7

<FN>

(1) This note was prepaid without penalty in 1997.
(2) U.S. dollar denominated notes issued by FTB Packaging and affiliates.
</FN>
</TABLE>

In the U.S., Ball had committed revolving credit agreements at December 31, 1997, totaling $280 million consisting of a five-year facility expiring July 2002 for $150 million and 364-day facilities for $130 million. The revolving credit agreements provide for various borrowing rates, including borrowing rates based on the London Interbank Offered Rate (LIBOR). The Canadian dollar commercial paper facility provides for committed short-term funds of approximately $84 million. The Company also has short-term uncommitted credit facilities in the U.S. of approximately $326 million, and, in Asia, FTB Packaging, including M.C. Packaging, had short-term uncommitted credit facilities of approximately $250 million at December 31, 1997. Ball pays a facility fee on the committed facilities.

In January 1996, the Company issued long-term, senior, unsecured notes to several insurance companies for $150 million with a weighted average interest rate of 6.71 percent and maturities from 1997 through 2008. Fixed-term debt in China at year end 1997 included approximately $57.2 million of floating rate notes issued by M.C. Packaging and its consolidated affiliates, and a floating rate note issued by FTB Packaging's Beijing affiliate. Maturities of all fixed long-term debt obligations outstanding at December 31, 1997, are $62.8 million, $59.2 million, $35.2 million and $19.5 million for the years ending December 31, 1999 through 2002, respectively.

FTB Packaging issues letters of credit in the ordinary course of business in connection with supplier arrangements and provides guarantees to secure bank financing for its affiliates. At year end, FTB Packaging, including M.C. Packaging, had outstanding letters of credit and guarantees of unconsolidated affiliate debt of approximately $14.1 million. Ball also issues letters of credit in the ordinary course of business to secure liabilities recorded in connection with the Company's deferred compensation program, industrial development revenue bonds and insurance arrangements, of which $72.5 million were outstanding at December 31, 1997. Ball Corporation also has provided a completion guarantee representing 50 percent of the $54 million of debt issued by the Company's Brazilian joint venture to fund the construction of the facilities. ESOP debt represents borrowings by the trust for the Ball-sponsored ESOP which have been irrevocably guaranteed by the Company.

The U.S. note agreements, bank credit agreement, ESOP debt guarantee and industrial development revenue bond agreements contain certain restrictions relating to dividends, investments, guarantees and other borrowings. Under the most restrictive covenant, approximately $166 million was available for payment of dividends and purchases of treasury stock at December 31, 1997.

The Company was not in default of any loan agreement at December 31, 1997, and has met all payment obligations. M.C. Packaging was, however, in noncompliance with certain financial ratio provisions, including interest coverage and current ratio, under a fixed term loan agreement of which $37.5 million was outstanding at year end. The lender granted M.C. Packaging an unspecified period to present a revised, comprehensive financing structure for its business. Management believes that M.C. Packaging has made significant progress towards concluding an alternative, longer term financing arrangement satisfactory to all parties and that although such an arrangement has substantially been concluded, a definitive agreement has not yet been executed. Management also believes that existing credit resources will be adequate to meet foreseeable financing requirements. Ball Corporation does not guarantee any debt obligations of M.C. Packaging.

A summary of total interest cost paid and accrued follows:

(dollars in millions)	1997	1996	1995
Interest costs	$57.9	$39.9	$29.2
Amounts capitalized	(4.4)	(6.6)	(3.5)
Interest expense	53.5	33.3	25.7
Interest paid during year (1)	$53.9	$37.3	$42.6

(1) Includes $5.5 million and $12.1 million for 1996 and 1995, respectively, allocated to discontinued operations.

Financial and Derivative Instruments and Risk Management

The Company is subject to various risks and uncertainties due to the competitive nature of the industries in which Ball participates, its operations in developing markets outside the U.S., changing commodity prices and changing capital markets.

Policies and Procedures

In the ordinary course of business, the Company employs established risk management policies and procedures to reduce its exposure to commodity price changes, changes in interest rates and fluctuations in foreign currencies. The Company's objective in managing its exposure to commodity price changes is to limit the impact of commodity price changes on earnings and cash flow through arrangements with suppliers and, at times, through the use of certain derivative instruments designated as hedges. The Company's objective in managing its exposure to interest rate changes is to limit the impact of interest rate changes on earnings and cash flow and to lower its overall borrowing costs. To achieve these objectives, the Company primarily uses interest rate swaps and options to manage the Company's mix of floating and fixed-rate debt. The Company's objective in managing its exposure to foreign currency fluctuations is to reduce cash flow and earnings volatility associated with foreign exchange rate changes. The Company generally does not use derivative instruments for trading purposes.

Interest Rate Risk

Interest rate instruments held by the Company at December 31, 1997 and 1996, included pay-floating and pay-fixed swaps and swaption contracts. Pay-fixed swaps effectively convert floating rate obligations to fixed rate instruments. Pay-floating swaps effectively convert fixed-rate obligations to variable rate instruments. The differential exchanged with counter parties between fixed rate and floating rate interest amounts are recorded as an adjustment to interest expense. Gains or losses arising from the termination of interest rate swaps, which have not been significant, are deferred and amortized over the original contract terms. If an interest rate swap would no longer qualify as an effective hedge, Ball records the instrument at fair market value and the financial impact is reflected in earnings. Swap agreements expire in one to eight years.

Interest rate swap agreements outstanding at December 31, 1997, had notional amounts of $145 million at a floating rate and $326 million at a fixed rate, or a net fixed-rate position of $181 million. At December 31, 1996, these agreements had notional amounts of $110 million at a floating rate and $81 million at fixed rate, or a net floating-rate position of $29 million. Floating rate agreements with notional amounts of $55 million and $50 million at December 31, 1997 and 1996, included an interest rate floor.

The related notional amounts of interest rate swaps and options serve as the basis for computing the cash flow under these agreements but do not represent the Company's exposure through its use of these instruments. Although these instruments involve varying degrees of credit and interest risk, the counter parties to the agreements involve financial institutions which are expected to perform fully under the terms of the agreements.

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 Ball would pay or receive upon termination of the contracts at December 31, 1997 and 1996, taking into account any unrealized gains or losses on open contracts.
<TABLE>
<CAPTION>

	1997		1996	
(dollars in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<S>	<C>	<C>	<C>	<C>
Long-term debt	$464.8	$484.2	$466.6	$463.5
Unrealized net loss on derivative contracts relating to debt	-	1.2	-	1.9

</TABLE>

Exchange Rate Risk

In 1997, the Company recognized its share of exchange losses, comprised primarily of the unrealized loss attributable to approximately $23 million of U.S. dollar denominated debt held by its 40 percent equity affiliate in Thailand. The charge of $3.2 million, or 11 cents per share, resulted from a change in monetary policy by the government of Thailand in early July 1997, to no longer peg the Thai baht to the U.S. dollar. Through November 30, 1997, the Thai baht depreciated significantly versus the U.S. dollar, and continues to be volatile. The Company also has U.S. dollar denominated debt in China (approximately $205 million included in Ball's consolidated balance sheet and approximately $45 million issued by equity affiliates at year end). The Company's 50 percent owned affiliate in Brazil had approximately $72 million of U.S. dollar denominated debt at year end. In addition, Ball has other U.S. dollar denominated assets and liabilities outside the U.S. which are subject to exchange rate fluctuations.

Leases

The Company leases warehousing and manufacturing space and certain manufacturing equipment, primarily within the packaging segment, and office space, primarily within its aerospace and technologies business. Under certain of these lease arrangements, Ball has the option to purchase the leased facilities and equipment for a total purchase price at the end of the lease term of approximately $96.3 million. If the Company elects not to purchase the equipment, and does not enter into a new lease arrangement, Ball has guaranteed the lessors a minimum residual value of approximately $77.2 million, and may incur other incremental costs to discontinue or relocate the business activities associated with these leased assets. These agreements contain certain restrictions relating to dividends, investments and borrowings consistent with the Company's bank credit agreements. Total noncancellable operating leases in effect at December 31, 1997, require rental payments of $29.2 million, $25.8 million, $20.9 million, $15.3 million and $2.7 million for the years 1998 through 2002, respectively, and $15.4 million for all years thereafter. Lease expense for all operating leases was $34.7 million, $28.9 million and $18.1 million in 1997, 1996 and 1995, respectively.

Taxes on Income

The amounts of income from continuing operations before income taxes by national jurisdiction follow:
<TABLE>

<CAPTION>

(dollars in millions)	1997	1996	1995
<S>	<C>	<C>	<C>
Domestic	$82.4	$17.9	$60.6
Foreign	3.5	11.7	16.3
	$85.9	$29.6	$76.9

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

(dollars in millions)	1997	1996	1995
Current			
U.S.	$9.3	$ (7.2)	$ 13.1
State and local	2.2	-	4.4
Foreign	3.4	2.0	2.2
Total current	14.9	(5.2)	19.7
Deferred			
U.S.	10.6	8.4	3.2
State and local	2.2	1.3	(0.3)
Foreign	4.3	2.7	3.8
Total deferred	17.1	12.4	6.7
Provision for income tax expense	$32.0	$ 7.2	$ 26.4

</TABLE>

The provision for income tax expense recorded within the consolidated statement of income (loss) differs from the amount of income tax expense determined by applying the U.S. statutory federal income tax rate to pretax income from continuing operations as a result of the following:
<TABLE>
<CAPTION>

(dollars in millions)	1997	1996	1995
<S>	<C>	<C>	<C>
Statutory U.S. federal income tax	$30.1	$ 10.3	$ 26.9
Increase (decrease) due to:			
Company-owned life insurance	(6.2)	(6.0)	(5.4)
Research and development tax credit	(2.5)	(6.0)	-
Tax effects of foreign operations	8.0	4.7	2.7
Basis difference on sale of assets	0.4	2.1	-
State and local income taxes, net	2.9	0.9	2.3
Other, net	(0.7)	1.2	(0.1)
Provision for income tax expense	$ 32.0	$ 7.2	$ 26.4
Effective income tax rate expressed as a percentage of pretax income from continuing operations	37.2%	24.3%	34.4%

</TABLE>

In connection with a routine examination of its federal income tax return, the Internal Revenue Service concurred with the Company's position on recognition of research and development tax credits. As a result, the Company received a refund in 1996 of a portion of prior years' tax payments. In 1997, the Company settled tax credit matters for years 1991 and 1992, and recorded an additional credit.

Provision is not 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.

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

(dollars in millions)	1997	1996
Deferred tax assets:		
Deferred compensation	$(21.8)	$ (21.4)
Accrued employee benefits	(34.8)	(36.0)
Estimated plant closure costs	(7.8)	(9.7)

Other	(37.4)	(39.5)
Total deferred tax assets	(101.8)	(106.6)
Deferred tax liabilities:		
Depreciation	99.8	90.9
Other	27.3	19.4
Total deferred tax liabilities	127.1	110.3
Net deferred tax liabilities	$ 25.3	$ 3.7

Net income tax payments were $4.2 million and $26.5 million for 1997 and 1995, respectively. In 1996, net income taxes refunded were $14.2 million.

Pension Benefits

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

The funded status of the plans at December 31 follows:

<TABLE>
<CAPTION>

	1997		1996	
(dollars in millions)	Assets Exceeded ABO	ABO Exceeded Assets	Assets Exceeded ABO	ABO Exceeded Assets
<S>	<C>	<C>	<C>	<C>
Vested benefit obligation	$226.3	$ 73.1	$187.0	$ 85.8
Nonvested benefit obligation	4.8	5.2	4.3	9.1
Accumulated benefit obligation (ABO)	231.1	78.3	191.3	94.9
Effect of projected future compensation	26.4	0.8	22.0	0.5
Projected benefit obligation (PBO)	257.5	79.1	213.3	95.4
Plan assets at fair value	294.9	69.4	238.7	79.8
Plan assets in excess of (less than) PBO	37.4	(9.7)	25.4	(15.6)
Unrecognized transitional asset	(9.8)	(0.2)	(12.7)	(0.7)
Unrecognized prior service cost	1.0	6.1	0.8	5.2
Unrecognized net loss (gain)	8.8	(1.9)	16.7	4.8
Additional minimum pension liability	-	(4.9)	-	(8.9)
Prepaid (accrued) pension cost	$ 37.4	$(10.6)	$ 30.2	$(15.2)

Actuarial assumptions used for plan calculations were:

Discount rate	7.50%	7.50%	8.00-8.25%	8.00-8.25%
Assumed rate of increase in future compensation	4.0%	6.0%	4.0%	6.0%
Expected long-term rates of return on assets	10.25-11.00%	10.25-10.50%	10.25-11.00%	10.25-10.50%

</TABLE>

The higher discount rate in 1996 pertains to Ball's Canadian pension plans. The additional minimum liability was partially offset by an intangible asset of approximately $2.0 million and $5.1 million in 1997 and 1996, respectively. The remainder, net of tax benefits, was recognized as a component of shareholders' equity.

The cost of pension benefits, including prior service cost, is recognized over the estimated service periods of employees, based upon respective pension plan benefit provisions. The composition of pension expense, excluding curtailments and settlements, follows:

<TABLE>
<CAPTION>

(dollars in millions)	1997	1996	1995
<S>	<C>	<C>	<C>
Service cost	$ 8.3	$ 7.9	$ 9.5
Interest cost on the PBO	24.1	27.4	31.5
Investment return on plan assets	(61.7)	(35.4)	(77.6)
Net amortization and deferral	27.8	1.7	42.3
Net periodic pension (credit) expense	(1.5)	1.6	5.7
Less net periodic pension expense of the glass business	-	-	(5.4)
Net periodic pension (credit) expense of continuing operations	(1.5)	1.6	0.3
Expense of defined contribution pension plans	0.6	0.7	0.8
Total pension (credit) expense of continuing operations	$ (0.9)	$ 2.3	$ 1.1

</TABLE>

Settlement and curtailment costs in 1996 included a pretax gain of $1.9 million in connection with the settlement of hourly glass pension liabilities with Ball-Foster, recorded as a part of discontinued operations, and a pretax loss of $3.3 million recorded in connection with the sale of the aerosol business. In 1995, a net curtailment loss of $18.6 million was included as part of the net loss on the 1995 Ball Glass transaction.

Other Postretirement and Postemployment Benefits

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

Postretirement Medical and Life Insurance Benefits

Postretirement health care benefits are provided to substantially all of Ball's U.S. and Canadian employees. 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 postretirement benefit plans.

The status of the Company's unfunded postretirement benefit obligation at December 31 follows:

<TABLE>
<CAPTION>

	1997			1996		
(dollars in millions)	U.S.	Canadian	Total	U.S.	Canadian	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Accumulated postretirement benefit obligation (APBO):						
Retirees	$35.5	$15.8	$51.3	$34.5	$15.3	$49.8

Fully eligible active plan participants	2.8	0.9	3.7	2.6	0.7	3.3
Other active plan participants	4.1	1.3	5.4	3.7	1.1	4.8
	42.4	18.0	60.4	40.8	17.1	57.9
Unrecognized prior service cost	(1.3)	0.6	(0.7)	(1.4)	0.7	(0.7)
Unrecognized net gain (loss)	6.4	(5.6)	0.8	8.2	(5.5)	2.7
Accrued postretirement benefit obligation	$47.5	$13.0	$60.5	$47.6	$12.3	$59.9
Assumptions used to measure the APBO were:						
Discount rate	7.50%	7.50%		8.00%	8.25%	
Health care cost trend rates:						
Canadian	-	10.00%		-	11.00%	
U.S. Pre-Medicare	8.00%	-		9.00%	-	
U.S. Post-Medicare	7.10%	-		7.50%	-	

</TABLE>

Curtailment and settlement gains amounting to $8.4 million in each of 1996 and 1995 in connection with the sale of the aerosol business and glass business, respectively, are reflected as a part of the respective transaction. The Company amortizes unrecognized actuarial gains and losses to expense over 10 years. Net periodic postretirement benefit cost, excluding curtailments and settlements, was comprised of the following components:

<TABLE>
<CAPTION>

(dollars in millions)	U.S.	Canadian	Total
<S>	<C>	<C>	<C>
1997			
Service cost	$0.4	$0.1	$0.5
Interest cost on APBO	3.1	1.3	4.4
Net amortization and deferral	(0.5)	0.4	(0.1)
Net periodic postretirement benefit cost of continuing operations	$3.0	$1.8	$4.8
1996			
Service cost	$0.7	$0.1	$0.8
Interest cost on APBO	3.5	1.4	4.9
Net amortization and deferral	(0.1)	-	(0.1)
Net periodic postretirement benefit cost of continuing operations	$4.1	$1.5	$5.6
1995			
Service cost	$1.0	$0.1	$1.1
Interest cost on APBO	4.1	1.3	5.4
Net amortization and deferral	(0.3)	-	(0.3)
Net periodic postretirement benefit cost	4.8	1.4	6.2
Less net periodic postretirement benefit cost of the glass business	(1.0)	-	(1.0)
Net periodic postretirement benefit cost of continuing operations	$3.8	$1.4	$5.2

</TABLE>

The health care cost trend rates used to calculate the APBO are assumed to decline to 5.0 percent after the year 2003. A one percentage point increase in these rates would increase the APBO by $2.9 million at December 31, 1997, and would not have significantly changed the service and interest components of net periodic postretirement benefit cost in 1997.

Other Benefit Plans

Effective January 1, 1996, substantially all employees within the Company's aerospace and technologies business who participate in Ball's 401(k) salary conversion plan receive a performance-based matching cash contribution of up to four percent of base salary. Ball recorded $4.1 million and $3.5 million in compensation expense in 1997 and 1996, respectively, related to this match. In addition, substantially all U.S. salaried employees and certain U.S. nonunion hourly employees who participate in Ball's 401(k) salary conversion plan automatically participate in the Company's ESOP. Cash contributions to the ESOP trust, including preferred dividends, are used to service the ESOP debt and were $10.6 million in each of 1997 and 1996 and $10.2 million in 1995. Interest paid by the ESOP trust for its borrowings was $3.6 million, $4.2 million and $4.7 million for 1997, 1996 and 1995, respectively.

Shareholders' Equity

At December 31, 1997, 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 and 2,100,000 authorized shares designated as Series B ESOP Convertible Preferred Stock (ESOP Preferred).

The ESOP Preferred has a stated value and liquidation preference of $36.75 per share and cumulative annual dividends of $2.76 per share. The ESOP Preferred shares are entitled to 1.3 votes per share and are voted with common shares as a single class upon matters submitted to a vote of Ball's shareholders. Each ESOP Preferred share has a guaranteed value of $36.75 and is convertible into 1.1552 shares of Ball Corporation common stock.

Under the Company's successor Shareholder Rights Plan, effective August 1997, 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, 1997, for future issuance under the employee stock purchase, stock option, dividend reinvestment and restricted stock plans, as well as to meet conversion requirements of the ESOP Preferred.

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. Company contributions for this plan were approximately $1.5 million in 1997 and $1.6 million in each of 1996 and 1995.

Stock Options

The Company has several stock option plans under which options to purchase shares of common stock have been granted to officers and key employees of Ball 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 ten years from date of grant. Tier A options are exercisable in four equal installments commencing one year from date of grant. Tier B options vest at the date of grant, and are exercisable after the Company's common stock price closes at or above $50 per share for ten consecutive days. The target stock price is adjusted based on a compounded annual growth rate of 7.5 percent for individuals retiring prior to the expiration of the options.

A summary of stock option activity for the years ended December 31 follows:

<TABLE>
<CAPTION>

	1997		1996		1995	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding at beginning of year	1,801,074	$27.222	1,403,822	$28.468	1,779,448	$26.534
Tier A options exercised	(219,750)	$26.002	(84,547)	$25.024	(495,405)	$25.046
Tier B options exercised	(20,000)	$24.375	-	-	-	-
Tier A options granted	306,000	$26.592	285,000	$24.375	295,700	$35.625
Tier B options granted	15,000	$25.625	307,000	$24.375	-	-
Tier A options canceled	(113,026)	$28.542	(110,201)	$29.490	(175,921)	$30.571
Tier B options canceled	(15,000)	$24.375	-	-	-	-
Outstanding at end of year	1,754,298	$27.223	1,801,074	$27.222	1,403,822	

		$28.468				
Exercisable at end of year	855,923	$28.120	923,449	$27.465	875,813	$26.522
Reserved for future grants	3,295,948		512,358		1,003,057	

</TABLE>

Additional information regarding options outstanding at December 31, 1997, follows:

<TABLE>
<CAPTION>

	Exercise Price Range			
	$22.76 - $24.42	$25.625 - $29.35	$32.00 - $38.50	Total
<S>	<C>	<C>	<C>	<C>
Number of options outstanding	720,530	706,241	327,527	1,754,298
Weighted average exercise price	$ 24.302	$ 26.947	$ 34.242	$ 27.223
Remaining contractual life	6.6 years	6.7 years	6.5 years	6.6 years
Number of shares exercisable	270,405	348,491	237,027	855,923
Weighted average exercise price	$ 24.182	$ 27.372	$ 33.714	$ 28.120

</TABLE>

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 1997 and 1996 have estimated weighted fair values, at the date of grant, of $7.06 per share and $8.67 per share, respectively. Under the same methodology, Tier B options granted during 1997 and 1996 have estimated fair values, at the date of grant, of $8.54 per share and $8.56 per share, respectively. 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:

	1997 Grants	1996 Grants
Expected dividend yield	2.33%	2.33%
Expected stock price volatility	23.32%	24.26%
Risk-free interest rate	6.75%	6.77%
Expected life of options	5.12 years	6.96 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 Ball had elected to recognize compensation based upon the calculated fair value of the options granted after 1994, pro forma net income and earnings per share would have been:

<TABLE>
<CAPTION>

	As reported		Pro forma	
(dollars in millions except per share amounts)	Net income (loss)	Per share	Net income (loss)	Per share
<S>	<C>	<C>	<C>	<C>
Year ended December 31, 1997	$ 58.3	$ 1.84	$ 57.0	$ 1.79
Year ended December 31, 1996	24.2	0.70	23.3	0.67
Year ended December 31, 1995	(18.6)	(0.72)	(19.1)	(0.74)

</TABLE>

Earnings per Share

The following table provides additional information on the computation of earnings per share amounts from continuing operations.

<TABLE>
<CAPTION>

	Year ended December 31,		
(dollars in millions except per share amounts)	1997	1996	1995
<S>	<C>	<C>	<C>
Earnings per Common Share			
Net income from continuing operations	$ 58.3	$ 13.1	$ 51.9
Preferred dividends, net of tax benefit	(2.8)	(2.9)	(3.1)

Income from continuing operations attributable to common shareholders	$ 55.5	$ 10.2	$ 48.8
Weighted average common shares (000s)	30,234	30,314	30,024
Earnings per common share	$1.84	$0.34	$1.63
Diluted Earnings per Share			
Net income from continuing operations	$ 58.3	$ 13.1	$ 51.9
Adjustments for deemed ESOP cash contribution in lieu of the ESOP Preferred dividend	(2.1)	(2.2)	(2.0)
Adjusted income from continuing operations attributable to common shareholders	$ 56.2	$ 10.9	$ 49.9
Weighted average common shares (000s)	30,234	30,314	30,024
Effect of dilutive securities:			
Dilutive effect of stock options	165	37	203
Common shares issuable upon conversion of the ESOP Preferred stock	1,912	1,984	2,085
Weighted average shares applicable to diluted earnings per share	32,311	32,335	32,312
Diluted earnings per share	$1.74	$0.34	$1.54

</TABLE>

Options outstanding during each of the three years which were anti-dilutive (i.e., the exercise price exceeded the average common stock price during the year) have been excluded from the computation of the diluted earnings per share. For 1997, approximately 328,000 options outstanding at year end were excluded from the computation. Of these options approximately 194,000 options had an exercise price of $35.625 and expire in 2005 and 128,000 options had an exercise price of $32.00 and expire in 2003. Options outstanding at December 31, 1996, which were excluded from the computation totaled approximately 565,000, comprised principally of 141,000 options with an exercise price of $29.35 expiring in 2002, 151,000 options with an exercise price of $32.00 expiring in 2003, and 219,000 options with an exercise price of $35.625 expiring in 2005. The remaining anti-dilutive options expire at various dates through 2004 and have a weighted average exercise price of $29.936 per share. For 1995, anti-dilutive options outstanding totaled approximately 256,000, comprised primarily of 242,000 options expiring in 2005 at an exercise price of $35.625.

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 amounted to $22.2 million, $18.1 million and $13.4 million for the years 1997, 1996 and 1995, respectively.

Contingencies

The U.S. government is disputing the Company's claim to recoverability (by means of allocation to government contracts) of reimbursed costs associated with Ball's ESOP for fiscal years 1989 through 1995, as well as the corresponding prospective costs accrued after 1995. The government will not reimburse the Company for disputed ESOP expenses incurred or accrued after 1995. A deferred payment agreement for the costs reimbursed through 1995 was entered into between the government and Ball. On October 10, 1995, the Company filed its complaint before the Armed Services Board of Contract Appeals (ASBCA) seeking final adjudication of this matter. Trial before the ASBCA was conducted in January 1997. While the outcome of the trial is not yet known, the Company's information at this time does not indicate that this matter will have a material, adverse effect upon financial condition, results of operations or competitive position of the Company.

From time to time, the Company is subject to routine litigation incidental 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. However, the Company's information at this time does not indicate that these matters will have a material, adverse effect upon financial condition, results of operations, capital expenditures or competitive position of the Company.

Quarterly Results of Operations (Unaudited)

1997 Quarterly Information

The first quarter included a pretax gain of $1.2 million ($0.7 million after tax or two cents per share) for shares of Datum sold in the first quarter. An additional pretax gain of $10.5 million ($6.4 million after tax or 21 cents per share) was recorded in the second quarter for the sale of the remaining Datum shares. The second quarter also included a $3.0 million pretax charge ($1.8 million after tax or six cents per share) for the closure of a small PET container manufacturing facility. The Company also recorded research and development tax credits in the first and second quarters of $1.7 million (five cents per share) and $0.8 million (three cents per share), respectively. In the fourth quarter, Ball disposed of or wrote down to estimated net realizable value certain equity investments resulting in a net pretax gain of $0.3 million. See the note, "Dispositions and Other," for additional information.

1996 Quarterly Information

Results included a first quarter charge of $2.8 million ($1.7 million after tax or six cents per share) for employee termination costs primarily within the metal packaging business.

As described in the note, "Taxes on Income," in 1996 Ball received a refund in connection with research and development tax credits attributable to prior years. Further, as a result of legislation enacted in the third quarter of 1996, Ball was required to exclude from deductible expenses a portion of the interest incurred in connection with its company-owned life insurance program, retroactive to January 1, 1996. The net effect of these tax matters was an increase in net income from continuing operations in the third quarter of $4.3 million (14 cents per share).

Fourth quarter charges of $18.2 million ($13.7 million after tax or 45 cents per share) included the loss on the sale of the aerosol business, provision for the closure of a metal food can manufacturing facility, and write-down to net realizable value of certain metal beverage container manufacturing equipment removed from service. In addition, the Company recorded an after-tax charge of $9.3 million (31 cents per share) in the fourth quarter related to Ball's investment in EarthWatch. See the note, "Dispositions and Other," for further information.

Discontinued operations included a 1996 fourth quarter pretax gain of $24.1 million ($13.2 million after tax or 43 cents per share) for the sale of the Company's investment in Ball-Foster. See the note, "Discontinued Operations," for further information.

<TABLE>
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(dollars in millions except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
<S>	<C>	<C>	<C>	<C>	<C>
1997					
Net sales	$479.8	$643.7	$690.2	$574.8	$2,388.5
Gross profit	48.2	70.9	85.0	63.2	267.3
Net income	7.0	20.8	22.7	7.8	58.3
Preferred dividends, net of tax benefit	(0.7)	(0.7)	(0.7)	(0.7)	(2.8)
Net earnings attributable to common shareholders	$ 6.3	$ 20.1	$ 22.0	$ 7.1	$ 55.5
Earnings per share of common stock	$ 0.21	$ 0.67	$ 0.73	$ 0.24	$1.84
Diluted earnings per share	$ 0.20	$ 0.63	$ 0.68	$ 0.23	$ 1.74
1996					
Net sales	$462.0	$600.1	$622.2	$500.1	$2,184.4
Gross profit	37.5	52.2	55.5	31.9	

					177.1
Net income (loss) from:					
Continuing operations	6.8	13.3	19.4	(26.4)	13.1
Discontinued operations	(1.3)	(1.5)	0.7	13.2	11.1
Net income (loss)	5.5	11.8	20.1	(13.2)	24.2
Preferred dividends, net of tax benefit	(0.8)	(0.7)	(0.7)	(0.7)	(2.9)
Net earnings (loss) attributable to common shareholders	$ 4.7	$ 11.1	$ 19.4	$ (13.9)	$ 21.3
Earnings (loss) per share of common stock:					
Continuing operations	$ 0.20	$ 0.42	$ 0.62	$ (0.89)	$ 0.34
Discontinued operations	(0.04)	(0.05)	0.02	0.43	0.36
	$ 0.16	$ 0.37	$ 0.64	$ (0.46)	$ 0.70
Diluted earnings (loss) per share:					
Continuing operations	$ 0.19	$ 0.40	$ 0.58	$ (0.89)	$ 0.34
Discontinued operations	(0.04)	(0.05)	0.02	0.43	0.34
	$ 0.15	$ 0.35	$ 0.60	$ (0.46)	$ 0.68

</TABLE>

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 in fourth quarter of 1996 is the same as the net loss per common share because the assumed exercise of stock options and conversion of the ESOP Preferred stock would have been antidilutive for continuing operations.

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 judgements and estimates.

In fulfilling its responsibility for the integrity of financial information, management maintains and relies upon a system of internal control which is designed 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 control and to maintain a climate in which such controls can be effective, management establishes and communicates appropriate written policies and procedures; carefully selects, trains and develops qualified personnel; maintains an organizational structure that provides clearly 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 financial reporting practices, internal controls and the preparation of the consolidated financial statements through its audit committee, which is composed entirely of outside directors. The audit committee meets periodically with representatives of management, Company internal audit and Price Waterhouse LLP to review the scope and results of audit work, the adequacy of internal controls and the quality of financial reporting. Price Waterhouse LLP and Company internal audit have direct access to the audit committee, and the opportunity to meet the committee without management present, to assure a free discussion of the results of their work and audit findings.

George A. Sissel	R. David Hoover
Chairman and Chief Executive Officer	Vice Chairman and Chief Financial Officer

Report of Independent Accountants
To the Board of Directors and Shareholders
Ball Corporation

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income (loss), of cash flows and of changes in shareholders' equity present fairly, in all material respects, the financial position of Ball Corporation and its subsidiaries at December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles. 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 generally accepted auditing standards which require that we plan and perform the audit 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 the opinion expressed above.

Price Waterhouse LLP
Indianapolis, Indiana
January 28, 1998, except as to the note, "Subsequent Event," which is as of February 4, 1998

Quarterly Stock Prices and Dividends

Quarterly prices for the company's common stock, as reported on the composite tape, and quarterly dividends in 1997 and 1996 were:

<TABLE>
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	1997 1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1996 1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
High	27 3/4	30 3/4	36 1/8	39	32 1/4	31 7/8	28 1/2	26 1/4
Low	23 3/4	25 1/4	29 3/16	31 3/16	25 3/4	26 7/8	23 1/4	23 1/8
Dividends	.15	.15	.15	.15	.15	.15	.15	.15

</TABLE>

Five-Year Review of Selected Financial Data
Ball Corporation and Subsidiaries
<TABLE>
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(dollars in millions except per share amounts)	1997	1996	1995	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>
Net sales	$2,388.5	$2,184.4	$2,045.8	$1,842.8	$1,735.1
Net income (loss) from:					
Continuing operations (1)	$58.3	$13.1	$51.9	$64.0	$3.2
Discontinued operations	-	11.1	(70.5)	9.0	(33.6)
Net income (loss) before cumulative effect of accounting changes	58.3	24.2	(18.6)	73.0	(30.4)
Cumulative effect of accounting changes, net of tax benefit	-	-	-	-	

					(34.7)
Net income (loss)	58.3	24.2	(18.6)	73.0	(65.1)
Preferred dividends, net of tax benefit	(2.8)	(2.9)	(3.1)	(3.2)	(3.2)
Net earnings (loss) attributable to common shareholders	$55.5	$21.3	$(21.7)	$69.8	$(68.3)
Return on average common shareholders' equity	9.3%	3.7%	(3.7)%	12.1%	(11.6)%
Per share of common stock:					
Earnings (loss) from: (2), (3)					
Continuing operations (1)	$1.84	$0.34	$1.63	$2.05	$ -
Discontinued operations	-	0.36	(2.35)	0.30	(1.17)
Earnings (loss) before cumulative effect of accounting changes	1.84	0.70	(0.72)	2.35	(1.17)
Cumulative effect of accounting changes, net of tax benefit	-	-	-	-	(1.21)
Earnings (loss)	$1.84	$0.70	$(0.72)	$2.35	$(2.38)
Cash dividends	0.60	0.60	0.60	0.60	1.24
Book value (4)	20.23	19.22	18.84	20.25	18.63
Market value	35 3/8	26 1/4	27 3/4	31 1/2	30 1/4
Annual return to common shareholders (5)	37.4%	(3.2)%	(10.2)%	6.4%	1.1%
Weighted average common shares outstanding (000s)	30,234	30,314	30,024	29,662	28,712
Diluted earnings (loss) per share: (3), (6)					
Earnings (loss) from:					
Continuing operations (1)	$1.74	$0.34	$1.54	$1.93	$ -
Discontinued operations	-	0.34	(2.18)	0.28	(1.17)
Earnings (loss) before cumulative effect of accounting changes	1.74	0.68	(0.64)	2.21	(1.17)
Cumulative effect of accounting changes, net of tax benefit	-	-	-	-	(1.21)
Earnings (loss)	$1.74	$0.68	$(0.64)	$2.21	$(2.38)
Diluted weighted average common shares outstanding (000s)	32,311	32,335	32,312	31,902	28,712
Property, plant and equipment additions	$97.7	$196.1	$178.9	$41.3	$89.1
Depreciation	110.0	88.1	75.5	75.5	70.0
Working capital	(39.7)	255.6	77.3	56.9	104.9
Current ratio	0.95	1.50	1.16	1.14	1.29
Total assets	$2,090.1	$1,700.8	$1,614.0	$1,631.9	$1,668.8
Total interest bearing debt and capital lease obligations (7)	773.1	582.9	475.4	493.7	637.2
Common shareholders' equity	611.3	586.7	567.5	604.8	548.6
Total capitalization (7)	1459.0	1,194.3	1,064.1	1,126.5	1,211.8
Debt-to-total capitalization (7)	53.0%	48.8%	44.7%	43.8%	52.6%

<FN>

(1) Includes the effect of a change in 1995 to the LIFO method of accounting of $17.1 million ($10.4 million after tax or 35 cents per share).
(2) Based on weighted average common shares outstanding.

(3) At December 31, 1997, the Company adopted Statement of Financial Accounting Standards No. 128, "Earnings per Share." As required, the Company has recomputed earnings per share consistent with that standard. There was no change to previously disclosed earnings per common share, and insignificant effects on diluted per share amounts.

(4) Based on common shares outstanding at end of year.

(5) Change in stock price plus dividend yield assuming reinvestment of dividends. Included in 1993 is the value of the distribution of one share of Alltrista Corporation common stock for four shares of Ball Corporation common stock of $4.25.

(6) In 1995, the assumed conversion of preferred stock and exercise of stock options resulted in a dilutive effect on continuing operations. Accordingly, the diluted loss per share amounts are required to be used for discontinued operations, resulting in a lower total loss per share than the loss per common share.

(7) Includes amounts attributed to discontinued operations.

</FN>
</TABLE>

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

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

Overview

Over the three-year reporting period, the Company has taken several actions which affect the comparability of the accompanying financial statements. Ball has significantly expanded its presence in international markets with the 1997 acquisition of M.C. Packaging (Hong Kong) Limited (M.C. Packaging), the construction of metal container plants in the People's Republic of China (China), and, through joint ventures, metal beverage container plants in Brazil and Thailand. Ball entered the polyethylene terephthalate (PET) plastic container market, beginning in 1995 with the construction of a pilot line and research and development center, and currently operates four multi-line manufacturing facilities. The Company also consolidated operations within its North American metal packaging business to reduce costs and increase efficiency, by closing or selling three food container operations and related facilities, including selling a U.S. aerosol can business; discontinuing the manufacture of metal beverage containers at one facility in Canada; and, eliminating certain administrative positions within these lines of business. Ball exited the glass container business and sold a time and frequency measurement device business.

On February 4, 1998, Ball announced that it would relocate its corporate headquarters to an existing company-owned building in Broomfield, Colorado. In connection with the relocation, the Company expects to record in 1998 a charge estimated to be approximately $20 million pretax, primarily for employee related costs and the write-down of certain assets to net realizable values. This move is expected to be largely completed by the end of 1998.

Acquisitions

During 1997, the Company acquired approximately 75 percent of M.C. Packaging through Ball's Hong Kong-based subsidiary, FTB Packaging Limited (FTB Packaging), for a total purchase price of approximately $179 million in cash. M.C. Packaging, with net sales of approximately $149 million included in Ball's 1997 consolidated results, operates 13 manufacturing facilities in China, including four equity affiliates. Products manufactured by M.C. Packaging include two-piece aluminum beverage containers, three-piece steel beverage and food containers, aerosol cans, plastic packaging, metal crowns and printed and coated metal. With this acquisition, Ball estimates that it supplies over 50 percent of the metal beverage containers used in China. The acquisition was accounted for as a purchase and the results of M.C. Packaging included within the packaging segment from the acquisition date in early 1997. The excess of the purchase price of approximately $122.3 million was determined based on preliminary fair values of assets acquired and liabilities assumed in the acquisition.

In the third quarter of 1997, Ball acquired certain PET container manufacturing assets from Brunswick Container Corporation (Brunswick) for cash of approximately $42.7 million. In connection with this acquisition, the Company obtained long-term agreements to supply a large East Coast bottler of soft drinks.

Dispositions and Other

Following is a summary of the financial effects of dispositions and other charges by business segment.

Packaging

In the second quarter of 1997, the Company recorded a pretax charge of $3.0 million ($1.8 million or six cents per share) for the closure of a small PET container manufacturing facility. In addition, in January 1998 the Company closed, as anticipated, a facility acquired as part of the 1997 acquisition and will be relocating certain equipment during 1998 from that facility to Ball's larger PET container facilities.

In October 1996, the Company sold net assets of approximately $47.5 million, including $6.0 million of goodwill, of a U.S. aerosol can manufacturing business for cash of $41.3 million and a $3.0 million note. In connection with this sale, the Company recognized a loss of $3.3 million ($4.4 million after tax, including the effect of non-deductible goodwill, or 14 cents per share). The aerosol business was included in consolidated results and within the packaging segment through the date of sale. Ball also recorded pretax charges of $17.7 million ($11.0 million after tax or 37 cents per share) and $10.9 million ($6.6 million after tax or 22 cents per share) in 1996 and 1995, respectively, in connection with actions to consolidate its metal packaging operations, including costs to close facilities, write-down assets to net realizable value and eliminate certain administrative positions within these businesses.

Aerospace and Technologies

In the first quarter of 1995, upon conclusion of a study by the Company to explore its strategic alternatives relative to its aerospace and technologies business, Ball sold its Efratom time and frequency devices business to Datum Inc. (Datum) for cash of $15.0 million and 1.3 million shares, or approximately 32 percent, of Datum common stock. The Company recorded a gain of $11.8 million ($7.7 million after tax or 25 cents per share) on this transaction. The 1995 gain was partially offset by a pretax charge of $8.0 million ($4.9 million after tax or 16 cents per share) for costs in connection with the decision to exit the visual image generating systems business in 1993.

Corporate

Corporate dispositions and other in 1997 include the sale of Ball's investment in Datum in the first half for cash of approximately $26.2 million, resulting in a pretax gain of $11.7 million ($7.1 million after tax or 23 cents per share). Ball's share of Datum's earnings under the equity method of accounting were $0.5 million and $0.3 million in 1997 and 1995, respectively, and a loss of $0.2 million in 1996.

In the fourth quarter of 1997, Ball disposed of or wrote down to estimated net realizable value certain equity investments, resulting in a net pretax gain of $0.3 million. The Company's equity in the net earnings of these affiliates was not significant in 1997, 1996 and 1995.

Other

In 1994, the Company formed EarthWatch, Incorporated (EarthWatch), and in 1995 acquired WorldView, Inc., to commercialize certain proprietary technologies by serving the market for satellite-based remote sensing images of the Earth. Through December 31, 1995, the Company invested approximately $21 million in EarthWatch. As of December 31, 1996, EarthWatch had experienced extended product development and deployment delays and expected to incur significant product development losses into the future, exceeding Ball's investment. Although Ball was a 49 percent equity owner of EarthWatch at year end 1996, and had contracted to design satellites for that company, the remaining carrying value of the investment was written to zero. Accordingly, Ball recorded a pretax charge of $15.0 million ($9.3 million after tax or 31 cents per share), in the fourth quarter of 1996 which is reflected as a part of equity in losses of affiliates. EarthWatch continued to incur losses throughout 1997. Ball has no commitments to provide further equity or debt financing to EarthWatch beyond its investment to date. Subject to certain conditions, Ball has agreed to produce satellites for EarthWatch. At year end 1997, Ball owned approximately 48 percent of the voting stock in EarthWatch.

In 1996, the Company sold its 42 percent interest in Ball-Foster Glass Container Co., L.L.C. (Ball-Foster), exiting the glass packaging business. Ball-Foster was formed in 1995 from the glass businesses acquired from Ball and Foster-Forbes, a division of American National Can Company. The financial effects of these transactions, as well as the results of the glass business, have been segregated in the accompanying financial statements as discontinued operations. See "Discontinued Operations" for additional information regarding these transactions.

Sales and Earnings

Consolidated net sales in 1997 increased more than nine percent to $2.4 billion compared to 1996. The increase reflects M.C. Packaging's sales since the acquisition, as well as increased sales of PET containers and from the aerospace and technologies segment. Consolidated net sales of $2.2 billion in 1996 increased 6.8 percent compared to 1995 net sales of $2.0 billion, reflecting sales of the Company's newly established PET container business, as well as increased sales in the metal packaging business and the aerospace and technologies segment.

Consolidated operating earnings increased to $139.3 million, compared to $68.0 million in 1996, reflecting improved results in both the packaging and the aerospace and technologies businesses. Consolidated operating earnings of $68.0 million in 1996 decreased 41.3 percent compared to 1995 earnings of $115.8 million. The decrease in 1996 reflects lower packaging segment earnings, including $21.0 million related to dispositions and other charges discussed above. Similar charges of $3.0 million and $7.1 million were recorded in 1997 and 1995, respectively.

Consolidated general and administrative expenses were $119.2 million, $77.2 million, and $83.3 million for 1997, 1996 and 1995, respectively. Lower consolidated general and administrative expenses in 1996 compared to 1997 were due, in large part, to lower incentive compensation expense based upon 1996 operating performance, coupled with higher income in 1996 from the temporary investment of proceeds from dispositions, including that of the glass business. Consolidated general and administrative expenses in 1997 include the operating costs of M.C. Packaging, which was acquired in 1997, as well as those costs attributable to other new facilities in China.

Corporate expenses were $11.9 million, $5.1 million and $13.2 million for 1997, 1996 and 1995, respectively. The lower corporate expenses in 1996 compared to 1997 and 1995 were due, in part, to income from short-term temporary investments, attributable to the proceeds from business dispositions, and lower operating costs, including incentive compensation.

Packaging Segment

Packaging segment sales were $2.0 billion, $1.8 billion and $1.7 billion for 1997, 1996 and 1995, respectively. Segment sales included net sales of metal containers of $1.8 billion in 1997, an increase of 2.9 percent compared to 1996 as a result of the acquisition of M.C. Packaging and the consolidation of that company's sales, partially offset by a decrease in sales of the Company's North American metal packaging businesses of approximately 5.8 percent. Ball's sales of PET containers in the U.S. increased to $153.0 million in 1997 from $56.3 million in 1996. The increase in packaging sales when comparing 1996 to 1995 was primarily attributable to those from the new PET container business, as well as a 6.0 percent increase in North American metal food container sales and increased sales within the international metal packaging businesses.

Segment earnings of $105.3 million in 1997 reflect improved operating results in all product lines compared to 1996. Segment earnings declined in 1996 to $36.6 million from $84.7 million in 1995. Excluding the effects of dispositions and other charges, segment earnings were $108.3 million, $57.6 million and $95.6 million for 1997, 1996 and 1995, respectively.

North American Metal Beverage Containers

Sales of Ball's North American metal beverage container business, which represented approximately 56 percent of segment sales in 1997, decreased approximately 5.7 percent in 1997 compared to 1996 and 6.0 percent compared to 1995. The decrease in 1997 sales compared to 1996 reflects the lower cost of aluminum can sheet, which is generally passed on through formula pricing to the customer, and a decrease of approximately 3.5 percent in 1997 shipments compared to 1996. The decrease in can shipments reflects the reduction in Ball's metal beverage capacity as a result of discontinuing manufacture at one Canadian facility and the full year effects of converting a U.S. metal beverage container line to two-piece food containers. In 1996, lower selling prices offset an 11 percent increase in can unit shipments. U.S. and Canadian industry shipments of metal beverage containers increased an estimated 1.6 percent in 1997 and slightly more than one percent in 1996. The Company estimates that its North American metal beverage container shipments, as a percentage of total U.S. and Canadian shipments for metal beverage containers, was approximately 17 percent in 1997 and 1996, and 16 percent in 1995.

Despite lower sales in 1997, earnings attributable to North American metal beverage containers improved, increasing 55 percent compared to 1996, and 3.6 percent compared to 1995, before dispositions and other charges of $8.1 million and $3.8 million in 1996 and 1995, respectively. The improvement in 1997 is largely attributable to the completion of project work begun in 1995 to convert to smaller diameter ends and to lightweight cans and ends, corresponding higher productivity and the impact of higher cost aluminum contracted for in 1995, which was not passed on to customers in 1996. The lower earnings for the North American metal beverage container business in 1996 compared to 1995 were due to the higher cost aluminum contracted for in late 1995 and lower aluminum scrap selling prices, both of which resulted in higher cost of sales. Production inefficiencies in early 1996 while converting to the smaller diameter end and implementing the use of a lower gauge metal also contributed to lower results.

North American Metal Food Containers

North American metal food container sales, which comprised approximately 24 percent of 1997 segment sales, declined approximately 5.9 percent in 1997 compared to 1996, which included $36.6 million of aerosol can sales. Excluding aerosol in 1996, can sales in this product line increased 1.3 percent in 1997, with lower shipments to salmon can customers offset by increased shipments to customers for other food products. Comparing 1996 to 1995, North American metal food container sales increased as a result of an 11 percent increase in the Company's shipments, as well as marginally improved pricing. The increase in 1996 shipments compared to 1995 reflects, in part, depressed shipments of vegetable and pet food cans in 1995. Ball estimates that its North American metal food container shipments were approximately 14 percent of total U.S. and Canadian metal food container shipments in 1997 and 1996, based on available industry information.

Operating earnings attributable to North American metal food containers, before dispositions and other charges, continue to improve with increases of 76 and 47 percent in 1997 and 1996, respectively. Dispositions and other charges related to North American metal food containers totaled $20.0 million in 1996 and 1995. The improvement in 1997 compared to 1996 was attributed in part to the closure of a higher-cost operating facility late in 1996, and to improved productivity and quality, reflected in a reduction in provisions for customer claims. The 1996 improvement in earnings was primarily due to the increased sales volumes.

North American PET Containers

The increase in the Company's sales of PET containers to $153.0 million in 1997 compared to $56.3 million in 1996 reflects the start-up of two manufacturing facilities in 1997, plus the additional sales from the new business acquired from Brunswick in the third quarter of 1997. However, sales in both 1997 and 1996 were below anticipated levels. In 1997, continued promotion of metal cans by major soft drink companies and lower than forecasted sales by other customers were reflected in the lower than expected sales. Sales in 1996 were affected in part by lower resin prices and lower than expected requirements of a key customer.

Although the PET container business continued to operate at a loss in 1997, the loss was substantially lower than that incurred in 1996. PET resin prices increased during 1997, and the increases were, in large part, passed on to customers. Recruiting and training costs, and under-utilized labor during the start-up of the new facilities in all years, contributed to the operating losses. Production efficiencies in the plants which started up operations prior to 1997 improved, but were negatively affected by the lower sales volumes.

International Packaging Operations

Sales within the international packaging businesses in 1997 were comprised of the consolidated sales of FTB Packaging, including M.C. Packaging for approximately 11 months of 1997, and revenues from technical services to licensees. Excluding sales of M.C. Packaging, sales in 1997 increased nearly 24 percent in 1997 compared to 1996 due to the inclusion of a full year's sales of two new metal beverage container facilities. Sales within China have been negatively affected by a soft metal beverage container market combined with lower pricing resulting from current industry over capacity. The current supply/demand imbalance in the industry is expected to be relatively short term as per capita consumption in China, substantially below the U.S. and other more developed countries, increases. In the interim, Ball has elected to delay start-up of two facilities originally expected to become operational in 1998. The Chinese market also has been affected by turmoil in the Asian financial markets which has resulted in a decrease in exports of Company products from China to other Asian countries. Earnings from consolidated international operations in 1997 reflect the impact of consolidating M.C. Packaging and lower pricing. In comparing 1996 to 1995, earnings were lower in 1996, due, in part, to start-up operating costs from three new manufacturing facilities in China.

Aerospace and Technologies Segment

Aerospace and technologies segment operating results in 1995 included a pretax gain of $11.8 million on the sale of the Efratom business, and a charge of $8.0 million to exit the visual image generating business. In the following discussion of aerospace and technologies segment results, the effect of these dispositions and other charges is excluded to facilitate comparison.

Segment sales were $398.7 million, $362.3 million and $315.8 million for 1997, 1996 and 1995, respectively, representing annual increases of 10.0 percent and 14.7 percent for 1997 and 1996, respectively. Segment operating earnings were $34.0 million, $31.4 million and $27.3 million in 1997, 1996 and 1995, respectively, representing annual increases of 8.3 percent and 15.0 percent for 1997 and 1996, respectively.

Sales and earnings for 1997 increased compared to 1996 in both the aerospace systems division and telecommunications products division. The higher sales and earnings in aerospace systems reflect growth in three programs, as well as the start-up of three new programs and award fees for the successful 1997 launch of second generation replacement instruments for the Hubble Space Telescope. Within telecommunications, earnings increased significantly, in part due to a one-time early delivery incentive earned related to one contract, and increased fixed cost coverage related to the increased production volume. Comparing 1996 and 1995, the increase in earnings is primarily attributable to the increase in sales, partially offset by costs related to one now completed fixed price contract.

Sales to the U.S. government, either as a prime contractor or as a subcontractor, represented approximately 87 percent, 91 percent and 86 percent of segment sales in 1997, 1996 and 1995, respectively. Within aerospace systems, industry trends have not changed significantly, with a declining budget for the Department of Defense and a flat NASA budget. However, there is a growing worldwide market for commercial space activities, in which Ball believes there are significant international opportunities in which the Company could participate. Consolidation in the industry continues so that competition for business remains intense. Backlog for the aerospace and technologies segment at December 31, 1997 and 1996, was approximately $267 million and $337 million, respectively. Year-to-year comparisons of backlog are not necessarily indicative of the trend of future operations.

Interest and Taxes

Interest expense for continuing operations increased to $53.5 million in 1997, compared to $33.3 million in 1996 and $25.7 million in 1995. Interest capitalized amounted to $4.4 million, $6.6 million and $3.5 million for 1997, 1996 and 1995, respectively, and, interest expense allocated to discontinued operations for 1996 and 1995 was $5.5 million and $12.1 million, respectively. The increase in total interest cost in 1997 compared to 1996 was primarily a result of the acquisition and consolidation of M.C. Packaging. The increase in 1996 compared to 1995 reflects the higher levels of borrowing for the first nine months of 1996, including the issue of $150 million in fixed-rate term debt, partially offset by generally lower interest rates on interest-sensitive borrowings.

Ball's consolidated effective income tax rate was 37.2 percent in 1997, compared to 24.3 percent in 1996 and 34.4 percent in 1995. The lower rate for 1996 compared to 1997 and 1995 was primarily attributable to the effect of a 1996 refund for tax credits recognized by the Company after the Internal Revenue Service concurred with Ball's position regarding creditable cost of research and development. In 1997, Ball recorded an additional tax credit upon settlement for years 1991 and 1992, although lower than that recorded in 1996. The benefit of the 1996 tax credits was partially offset by the effect of a tax/book investment basis difference related to the sale of the aerosol business and approximately $1.5 million due to a change in tax legislation which limited the amount of deductible interest on policy loans. As a result of actions taken by the Company, this new legislation did not, nor is it expected to, have a significant impact on 1997 results and beyond.

Results of Equity Affiliates

Equity in losses of affiliates of $0.7 million in 1997 included charges of $3.2 million after tax (11 cents per share) for the Company's share of primarily unrealized currency exchange losses incurred by its 40 percent owned Thai venture. As a result of a change in the monetary policy by the government of Thailand in early July 1997, the Thai baht depreciated significantly versus the U.S. dollar. The unrealized exchange loss was largely a result of the U.S. dollar denominated debt held by the Thai company. See, "Other," for additional discussion of Ball's foreign currency exposure. In addition to the Thai exchange loss, Ball's share of its equity affiliates' results reflect the impact of the soft market in China for metal beverage containers. The manufacturing facilities of the Company's Thai venture and the 50-percent owned Brazilian venture both began production in 1997, and have experienced good manufacturing performance.

Equity in losses of affiliates in 1996 of $9.5 million included a charge of $15.0 million ($9.3 million after tax or 31 cents per share) to write to zero the Company's investment in EarthWatch. In addition, the Company's share of EarthWatch's operating losses were $3.0 million and $1.3 million in 1996 and 1995, respectively. Ball's share of the net earnings from other equity affiliates were $2.8 million and $4.3 million in 1996 and 1995, respectively, and were primarily from Ball's Pacific Rim equity affiliates. In 1996, start-up operating costs associated with new investments in Brazil and Thailand reduced earnings.

Earnings from Continuing Operations

Net income from continuing operations was $58.3 million, $13.1 million and $51.9 million in 1997, 1996 and 1995, respectively. The increase in 1997 compared to 1996 was due to improved operating results, including aggregate net after-tax gains of $5.0 million, or 16 cents per share, for the sale of certain investments, net of plant closing costs and investment write-downs. The decrease in 1996 compared to 1995 was due to lower operating results, including aggregate net after-tax charges of $20.4 million, or 68 cents per share, for plant closures, asset write-downs (including EarthWatch), employee termination costs, tax matters and the sale of the aerosol business. Net income from continuing operations in 1995 included aggregate after-tax charges of $3.8 million for dispositions, plant closures and asset write-downs. Earnings per share from continuing operations were $1.84, 34 cents and $1.63, in 1997, 1996 and 1995, respectively.

Discontinued Operations

In October 1996, the Company sold its 42 percent investment in Ball-Foster Glass Container Co., L.L.C. (Ball-Foster) to Compagnie de Saint Gobain (Saint-Gobain) for $190 million in cash, exiting the glass packaging business. Ball-Foster was formed in September 1995 with Saint-Gobain, acquiring the assets of Ball Glass Container Corporation (Ball Glass), a wholly owned subsidiary of Ball, for approximately $338 million in cash, and those of Foster-Forbes. Concurrent with the sale of Ball Glass to Ball-Foster, Ball acquired its 42 percent investment in Ball-Foster for $180.6 million in cash. The financial effects of these transactions, as well as the results of the glass business, have been segregated in the accompanying financial statements as discontinued operations.

Earnings from discontinued operations in 1996 of $11.1 million, or 36 cents per share, were comprised primarily of the net gain of $24.1 million ($13.2 million after tax or 43 cents per share) resulting from the sale of Ball's remaining interest in Ball-Foster. The loss of $111.1 million ($76.7 million after tax or $2.55 per share) resulting from the sale of the Ball Glass assets to Ball-Foster was included as a part of 1995 results from discontinued operations.

Financial Position, Liquidity and Capital Resources

Cash flow from continuing operations in 1997 increased to $143.5 million compared to $84.3 million in 1996 and $32.9 million in 1995. The increase in 1997 resulted primarily from the improved operating results within North America and a reduction in the cash used for working capital. In 1996, cash used for working capital was $52.6 million lower than in 1995, more than offsetting the effects of lower operating results. At December 31, 1997, working capital (excluding cash and debt) was $341.8 million, an increase of $80.2 million compared to $261.6 million at the 1996 year end, due largely to the acquisition and consolidation of M.C. Packaging.

Capital expenditures were $97.7 million, $196.1 million and $178.9 million in 1997, 1996 and 1995, respectively. Spending in 1997, 1996 and 1995 included approximately $16 million, $75 million and $70 million, respectively, for Ball's PET container business. Spending in 1997 also included amounts to complete the two new metal packaging plants in China, as well as spending within M.C. Packaging. Capital expenditures in 1996 and 1995 include the conversion of metal beverage plant equipment to meet industry specifications for smaller diameter ends. Other capital projects in 1996 included the conversion of a metal beverage container line to the manufacture of two-piece metal food containers and a technology upgrade related to the manufacture of salmon cans in Canada. Other spending in 1995 included productivity improvement programs in several of the metal packaging facilities.

Investments in and advances to affiliates were $11.2 million, $27.7 million and $55.2 million for 1997, 1996 and 1995, respectively. Investments in 1997 included $6.5 million for a ten percent indirect ownership in a new can venture in Russia, plus additional investments in Brazil and Thailand, net of approximately $7.6 million of cash received from equity affiliates. Spending in 1996 included investments in Brazil and Thailand for construction of metal beverage container facilities. Investments in 1995 include $20.9 million for EarthWatch and approximately $31 million primarily for new majority-owned metal container plants in China.

In 1998 total capital spending and investments are anticipated to be approximately $100 million, which is below forecasted depreciation levels. In addition, as has been publicly announced, the Company is currently in negotiations with Reynolds Metals Company to purchase certain of its metal beverage container manufacturing assets.

Premiums on company-owned life insurance were approximately $6 million in each of 1997 and 1996 and $20 million in 1995. Amounts in the consolidated statement of cash flows represent net cash flows from this program, including policy loans of approximately $10 million in each of 1997 and 1996 and $113 million in 1995, and partial withdrawals from the cash value of the policies of approximately $22 million in 1997. Legislation enacted in 1996 limits the amount of interest on policy loans which can be deducted for federal income tax purposes. The limits affect insurance programs initiated after June 1986, and phase-in over a three-year period. As a result of the new legislation, the provision for taxes on income for 1996 increased by approximately $1.5 million (five cents per share). As a result of actions taken by Ball in 1996, the new legislation did not have a significant impact on 1997 results, nor is further significant impact expected.

Debt at December 31, 1997, increased $190.2 million to $773.1 million from $582.9 million at year end 1996, while cash and temporary investments decreased from $169.2 million at year end 1996 to $25.5 million at December 31, 1997. The increase in debt, and decrease in cash, was due primarily to the acquisition of M.C. Packaging, including the consolidation of M.C. Packaging's debt. Consolidated debt-to-total capitalization increased to 53.0 percent at December 31, 1997, from 48.8 percent at year end 1996.

In January 1996 Ball issued long-term, senior, unsecured notes with a weighted average interest rate of 6.71 percent to several insurance companies for an aggregate amount of $150 million to secure lower cost, fixed-rate financing.

In the U.S., Ball had committed revolving credit agreements at December 31, 1997, totaling $280 million consisting of a five-year facility expiring July 2002 for $150 million and 364-day facilities for $130 million. The revolving credit agreements provide for various borrowing rates, including borrowing rates based on the London Interbank Offered Rate (LIBOR). The Canadian dollar commercial paper facility provides for committed short-term funds of approximately $84 million. The Company also has short-term uncommitted credit facilities in the U.S. of approximately $326 million, and, in Asia, FTB Packaging, including M.C. Packaging, had short-term uncommitted credit facilities of approximately $250 million at December 31, 1997.

Cash dividends paid on common stock in 1997, 1996 and 1995 were 60 cents per share each year.

New Accounting Pronouncements

Statements of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income," and SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," were issued in June 1997 and will be effective for the Company in 1998. SFAS No. 130 requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. Adoption of this standard will not affect the presentation of the traditional statement of income. SFAS No. 131 establishes standards for reporting information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas and major customers. The Company is evaluating this standard to determine the impact, if any, on its segment reporting.

Other

Ball 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 the Company participates, its operations in developing markets outside the U.S., volatile costs of commodity materials used in the manufacture of its products and changing capital markets. Where practicable, Ball attempts to reduce these risks and uncertainties.

As mentioned earlier, in 1997, the Company recognized its share of exchange losses, comprised primarily of the unrealized loss attributable to approximately $23 million of U.S. dollar denominated debt held by its 40 percent equity affiliate in Thailand. The charge of $3.2 million, or 11 cents per share, resulted from a change in monetary policy by the government of Thailand in early July 1997, to no longer peg the Thai baht to the U.S. dollar. Through November 30, 1997, the Thai baht depreciated significantly versus the U.S. dollar, and continues to be volatile. The Company also has U.S. dollar denominated debt in China (approximately $205 million included in Ball's consolidated balance sheet and approximately $45 million issued by equity affiliates at year end). The Company's 50 percent owned affiliate in Brazil had approximately $72 million of U.S. dollar denominated debt at year end. In addition, Ball has other U.S. dollar denominated assets and liabilities outside the U.S. which are subject to exchange rate fluctuations.

The Company was not in default of any loan agreement at December 31, 1997, and has met all payment obligations. M.C. Packaging was, however, in noncompliance with certain financial ratio provisions, including interest coverage and current ratio, under a fixed term loan agreement of which $37.5 million was outstanding at year end. The lender granted M.C. Packaging an unspecified period to present a revised, comprehensive financing structure for its business. Management believes that M.C. Packaging has made significant progress towards concluding an alternative, longer term financing arrangement satisfactory to all parties and that although such an arrangement has substantially been concluded, a definitive agreement has not yet been executed. Management also believes that existing credit resources will be adequate to meet forseeable financing requirements. Ball Corporation does not guarantee any debt obligations of M.C. Packaging.

The U.S. government is disputing the Company's claim to recoverability (by means of allocation to government contracts) of reimbursed costs associated with Ball's Employee Stock Ownership Plan (ESOP) for fiscal years 1989 through 1995, as well as the corresponding prospective costs accrued after 1995. The government will not reimburse the Company for disputed ESOP expenses incurred or accrued after 1995. A deferred payment agreement for the costs reimbursed through 1996 was entered into between the government and Ball. On October 10, 1995, the Company filed its complaint before the Armed Services Board of Contract Appeals (ASBCA) seeking final adjudication of this matter. Trial before the ASBCA was conducted in January 1997. While the outcome of the trial is not yet known, the Company's information at this time does not indicate that this matter will have a material, adverse effect upon financial condition, results of operations or competitive position of the Company.

From time to time, the Company is subject to routine litigation incidental 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. However, the Company's information at this time does not indicate that these matters will have a material, adverse effect upon financial condition, results of operations, capital expenditures or competitive position of the Company.

As is commonly known, there is a potential issue facing companies regarding the ability of information systems to accommodate the year 2000. Ball is evaluating its information systems and believes that all critical systems can, or will be able to, accommodate the coming century, without material adverse effect on the Company's financial condition, results of operations, capital spending or competitive position.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements, and 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 certain forward-looking statements in this annual report relating to market growth, increases in market shares, total shareholder return, improved earnings, positive cash flow, technology upgrades and international market expansion, among others. These forward-looking statements represent the Company's goals and are based on certain assumptions and estimates regarding the worldwide economy, specific industry technological innovations, industry competitive activity, interest rates, capital expenditures, pricing, currency movements, product introductions, and the development of certain domestic and international markets. Some factors that could cause the Company's actual results or outcomes to differ materially from those discussed in the forward-looking statements include, but are not limited to, fluctuation in customer growth and demand; the weather; fuel costs and availability; regulatory action; federal and state legislation; interest rates; labor strikes; maintenance and capital expenditures; local economic conditions; the authorization and control over the availability of government contracts and the nature and continuation of those contracts and related services provided thereunder; the success or lack of success of the satellite launches and business of EarthWatch; the devaluation of international currencies; the ability to refinance M.C. Packaging and to obtain adequate credit resources for foreseeable financing requirements of the Company's businesses; and, the ability of the Company to acquire other businesses. If the Company's assumptions and estimates are incorrect, or if it is unable to achieve its goals, then the Company's actual performance could vary materially from those goals expressed or implied in the forward-looking statements.

Exhibit 21.1

SUBSIDIARY LIST (1)
Ball Corporation and Subsidiaries

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

<TABLE>
<CAPTION>

Name	State or Country of Incorporation or Organization	Percentage Ownership (2)
<S>	<C>	<C>
Ball Capital Corp.	Colorado	100%
Ball Packaging Corp.	Colorado	100%
Ball Asia Pacific Limited	Colorado	100%
Ball Plastic Container Corp.	Colorado	100%
Ball Metal Food Container Corp.	Delaware	100%
Ball Metal Beverage Container Corp.	Colorado	100%
Ball Metal Packaging Sales Corp.	Colorado	100%
Ball Aerospace & Technologies Corp.	Delaware	100%
Ball Aerospace - (Australia), Pty Ltd.	Australia	100%
Ball Systems Technology Limited	United Kingdom	100%
Ball Technology Services Corporation	California	100%
Ball Packaging Products Canada, Inc.	Canada	100%
FTB Packaging Limited	Hong Kong	98%
Beijing FTB Packaging Limited.	China	83%
FTB Tooling & Engineering Ltd.	Hong Kong	98%
Fully Tech Industrial Ltd.	Hong Kong	68%
Greater China Trading Ltd.	Cayman Islands	98%
Hubei FTB Packaging Limited	China	78%
Ningbo FTB Can Company Limited.	China	73%
Xi'an Kunlun FTB Packaging Limited	China	59%
Zhuhai FTB Packaging Limited	China	63%
FTB Ningbo Investment Limited	Hong Kong	98%
M.C. Packaging (Hong Kong) Limited	Hong Kong	73%
MCP Beverage Packaging Limited	Hong Kong	73%
MCP Industries Limited	Hong Kong	73%
Plasco Limited	Hong Kong	51%
Hainan M.C. Packaging Limited	China	66%
Hangzhou M.C. Packaging Company Limited	China	37%
Panyu MCP Industries Limited	China	66%
Shenzhen M.C. Packaging Limited	China	44%
Tianjin M.C. Packaging Limited	China	59%
Hemei Containers (Tianjin) Co. Ltd.	China	49%
Suzhou M.C. Beverage Packaging Co. Ltd.	China	40%
Tianjin MCP Cap Manufacture Company Limited	China	59%
Tianjin MCP Industries Limited	China	59%
Zhongfu (Taicang) Plastic Products Co. Ltd.	China	51%
GPT Global Packaging Technology AB	Sweden	100%

</TABLE>

The following is a list of affiliates of Ball Corporation included in the financial statements on the basis of equity accounting:

<TABLE>
<CAPTION>

Name	State or Country of Incorporation or Organization	Percentage Ownership (2)
<S>	<C>	<C>
EarthWatch Incorporated	Colorado	48%
San Miguel Yamamura Ball Corp.	Philippines	6%
Lam Soon-Ball Yamamura	Taiwan	8%
Latapack-Ball Embalagens Ltda.	Brazil	50%
Centrotampa Embalagens Ltda.	Brazil	50%
Thai Beverage Can Ltd.	Thailand	40%

The following are owned indirectly through FTB Packaging Limited:

Sanshui Jianlibao FTB Packaging Limited	China	34%
Zhongshan Yedao Drinks Limited	China	25%
Norinco-MCP (Hong Kong) Limited	Hong Kong	22%
Guangzhou M.C. Packaging Limited	China	15%
Maoming Norinco MCP Company Limited	China	16%
Qindao M.C. Packaging Limited	China	29%
Richmond Systempak Limited	Hong Kong	24%
Shenzhen Norinco-MCP Company Limited	China	22%

Beijing Shente Container Co. Ltd.	China	16%

<FN>

(1) In accordance with Regulation S-K, Item 601(b)(22)(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(v).

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

</FN>

</TABLE>

Exhibit 23.1

Consent of Independent Accountants

We hereby consent to the incorporation by reference in each Prospectus constituting part of each Post-Effective Amendment No. 1 on Form S-3 to Form S-16 Registration Statement (Registration Nos. 2-62247 and 2-65638) and in each Prospectus constituting part of each Form S-3 Registration Statement or Post-Effective Amendment (Registration Nos. 33-3027, 33-16674, 33-19035, 33-40196 and 33-58741) and in each Form S-8 Registration Statement or Post-Effective Amendment (Registration Nos. 33-21506, 33-40199, 33-37548, 33-28064, 33-15639, 33-61986, 33-51121, 333-26361 and 333-32393) of Ball Corporation of our report dated January 28, 1998, except as to the note, "Subsequent Event," which is as of February 4, 1998 in the 1997 Annual Report to Shareholders which is incorporated by reference in the Annual Report on Form 10-K.

/s/ PRICE WATERHOUSE LLP

Indianapolis, Indiana

March 31, 1998

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, Albert R. Schlesinger, and George A. Sissel, 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 in 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 31, 1998

/s/ R. David Hoover		/s/ Frank A. Bracken	
R. David Hoover	Officer	Frank A. Bracken	Director
/s/ Albert R. Schlesinger		/s/ Howard M. Dean	
Albert R. Schlesinger	Officer	Howard M. Dean	Director
/s/ George A. Sissel		/s/ John T. Hackett	
George A. Sissel	Officer	John T. Hackett	Director
		/s/ R. David Hoover	
		R. David Hoover	Director
		/s/ John F. Lehman	
		John F. Lehman	Director
		/s/ George McFadden	
		George McFadden	Director
		/s/ Ruel C. Mercure, Jr.	
		Ruel C. Mercure, J	Director
		/s/ Jan Nicholson	
		Jan Nicholson	Director
		/s/ George A. Sissel	
		George A. Sissel	Director
		/s/ William P. Stiritz	
		William P. Stiritz	Director

<TABLE> <S> <C>

<ARTICLE> 5
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Exhibit 27.1

BALL CORPORATION
FINANCIAL DATA SCHEDULE

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1997 AND THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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</TABLE>

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. Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements, and many of these statements are contained in Part I, Item 1, "Business," and incorporated by reference in Item 7. The Reform Act defines forward-looking statements as statements that express an expectation or belief and contain a projection, plan or assumption with regard to, among other things, future revenues, income, earnings per share or capital structure. Such statements of future events or performance involve estimates, assumptions, and uncertainties and are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause Ball's actual results to differ materially from those contained in forward-looking statements made by or on behalf of Ball.

Some important factors that could cause Ball's actual results or outcomes to differ materially from those discussed in the forward-looking statements include, but are not limited to, fluctuation in customer growth and demand, weather, fuel costs and availability, regulatory action, Federal and State legislation, interest rates, labor strikes, maintenance and capital expenditures and local economic conditions. In addition, Ball's ability to have available an appropriate amount of production capacity in a timely manner can significantly impact Ball's financial performance. The timing of deregulation and competition, product development and introductions and technology changes are also important potential factors. Other important factors include the following:

Difficulties in obtaining raw materials, supplies, power and natural resources needed for the production of metal and plastic containers as well as telecommunications and aerospace products could affect Ball's ability to ship containers and telecommunications and aerospace products.

The pricing of raw materials, supplies, power and natural resources needed for the production of metal and plastic containers as well as telecommunications and aerospace products, pricing and ability to sell scrap associated with the production of metal containers and the effect of changes in the cost of warehousing the Company's products could adversely affect the Company's financial performance.

Technological or market acceptance issues regarding the business of EarthWatch, performance failures and related contracts or subcontracts, the success or lack of success of the satellite launches and business of EarthWatch, the failure of EarthWatch to receive additional financing needed for EarthWatch to continue to make payments, or any events which would require the Company to provide additional financial support for EarthWatch Incorporated.

The inability to achieve technological advances in the Company's businesses.

Cancellation or termination of government contracts for the U.S. Government, other customers or other government contractors.

The effects of, and changes in, laws, regulations, other activities of governments (including political situations and inflationary economies), agencies and similar organizations, including, but not limited to, those effecting frequency, use and availability of metal and plastic containers, the authorization and control over the availability of government contracts and the nature and continuation of those contracts and the related services provided thereunder, the use of remote sensing data and changes in domestic and international tax laws could negatively impact the Company's financial performance.

The effects of changes in the Company's organization or in the compensation and/or benefit plans; any changes in agreements regarding investments or joint ventures in which the Company has an investment; the ability of the Company to acquire other businesses; the amount, type or cost of the Company's financing and changes to that financing, could adversely impact Ball's financial performance.

Risks involved in purchasing and selling products and services and receiving payments in currencies other than the U.S. dollar. The devaluation of international currencies and the ability to refinance M.C. Packaging and to obtain adequate credit resources for foreseeable financing requirements of the Company's businesses.