UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 28, 1998

Commission file number 1-7349

BALL CORPORATION

State of Indiana 35-0160610

10 Longs Peak Drive, P.O. Box 5000
Broomfield, CO 80038-5000
303/469-3131

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

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

Class	Outstanding at June 28, 1998
Common Stock, without par value	30,495,627 shares

Ball Corporation and Subsidiaries
QUARTERLY REPORT ON FORM 10-Q
For the period ended June 28, 1998

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Ball Corporation and Subsidiaries
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF INCOME
(Millions of dollars except per share amounts)

	Three months ended		Six months ended	
	June 28, 1998	June 29, 1997	June 28, 1998	June 29, 1997
Net sales	$ 645.6	$ 643.7	$ 1,195.3	$ 1,123.5
Costs and expenses				
Cost of sales	568.8	572.8	1,060.0	1,004.4
General and administrative expenses	25.4	27.9	53.8	54.6
Selling and product development expenses	5.0	5.2	10.0	8.9
Relocation costs	4.0	--	10.3	--
Dispositions and other	--	(7.5)	--	(8.7)
Interest expense	13.4	15.4	26.1	25.3
	616.6	613.8	1,160.2	1,084.5
Income before taxes on income	29.0	29.9	35.1	39.0
Provision for taxes on income	(12.2)	(11.9)	(15.3)	(14.7)
Minority interests	1.4	2.3	4.0	3.9
Equity in earnings (losses) of affiliates	0.8	0.5	0.5	(0.4)
Net income	19.0	20.8	24.3	27.8
Preferred dividends, net of tax benefit	(0.7)	(0.7)	(1.4)	(1.4)
Earnings available to common shareholders	$ 18.3	$ 20.1	$ 22.9	$ 26.4
Earnings per share of common stock	$ 0.60	$ 0.67	$ 0.76	$ 0.87
Diluted earnings per share	$ 0.57	$ 0.63	$ 0.72	$ 0.83
Cash dividends declared per common share	$ 0.15	$ 0.15	$ 0.30	$ 0.30

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</TABLE>
See accompanying notes to unaudited condensed consolidated financial statements.

Ball Corporation and Subsidiaries
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
(Millions of dollars)

	June 28, 1998	December 31, 1997
ASSETS		
Current assets		
Cash and temporary investments	$ 68.4	$ 25.5
Accounts receivable, net	339.2	301.4
Inventories, net		
Raw materials and supplies	145.6	184.9
Work in process and finished goods	245.0	228.4
Deferred income tax benefits and prepaid expenses	56.6	57.9
Total current assets	854.8	798.1
Property, plant and equipment, at cost	1,546.0	1,556.1
Accumulated depreciation	(680.2)	(636.6)
	865.8	919.5
Investment in affiliates	75.6	74.5
Goodwill, net	212.8	194.8
Other assets	104.5	103.2
	$ 2,113.5	$ 2,090.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term debt and current portion of long-term debt	$ 430.4	$ 407.0
Accounts payable	270.7	258.6
Salaries and wages	61.5	78.3
Other current liabilities	94.0	93.9
Total current liabilities	856.6	837.8
Noncurrent liabilities		
Long-term debt	354.6	

		366.1
Deferred income taxes	62.2	60.5
Employee benefit obligations and other	143.4	139.8
Total noncurrent liabilities	560.2	566.4
Contingencies		
Minority interests	41.3	51.7
Shareholders' equity		
Series B ESOP Convertible Preferred Stock	59.4	59.9
Unearned compensation - ESOP	(33.6)	(37.0)
Preferred shareholder's equity	25.8	22.9
Common stock (issued 34,261,735 shares - 1998; 33,759,234 shares - 1997)	352.4	336.9
Retained earnings	416.1	402.3
Accumulated other comprehensive loss	(25.6)	(22.8)
Treasury stock, at cost (3,766,108 shares - 1998; 3,539,574 shares - 1997)	(113.3)	(105.1)
Common shareholders' equity	629.6	611.3
Total shareholders' equity	655.4	634.2
	$ 2,113.5	$ 2,090.1

</TABLE>

See accompanying notes to unaudited condensed consolidated financial statements.

Ball Corporation and Subsidiaries
UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS
(Millions of dollars)

<TABLE>
<CAPTION>

	Six months ended	
	June 28, 1998	June 29, 1997
<S>	<C>	<C>
Cash flows from operating activities		
Net income	$ 24.3	$ 27.8
Reconciliation of net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	65.9	

		54.4
Relocation costs	10.3	--
Other, net	(2.5)	(3.3)
Changes in working capital components, excluding effect of acquisition	(25.7)	(95.6)
Net cash provided by (used in) operating activities	72.3	(16.7)
Cash flows from investing activities		
Additions to property, plant and equipment	(37.7)	(59.4)
Investments in and advances to affiliates	(2.8)	(18.3)
Acquisition of M. C. Packaging, net of cash acquired	--	(156.3)
Proceeds from sale of equity investment	--	26.2
Net cash from company-owned life insurance	2.5	15.0
Other, net	(0.9)	6.5
Net cash used in investing activities	(38.9)	(186.3)
Cash flows from financing activities		
Net change in long-term debt	(24.3)	(24.6)
Net change in short-term debt	40.9	104.7
Common and preferred dividends	(12.0)	(11.8)
Net proceeds from issuance of common stock under various employee and shareholder plans	15.4	8.5
Acquisitions of treasury stock	(8.2)	(16.9)
Preferred stock retired	(0.5)	(0.8)
Other, net	(1.8)	2.6
Net cash provided by financing activities	9.5	61.7
Net increase (decrease) in cash	42.9	(141.3)
Cash and temporary investments:		
Beginning of period	25.5	169.2
End of period	$ 68.4	$ 27.9

</TABLE>

See accompanying notes to unaudited condensed consolidated financial statements.

Ball Corporation and Subsidiaries
June 28, 1998

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

General.

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

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

Reclassifications.
Certain prior year amounts have been reclassified in order to conform with the 1998 presentation.

New Accounting Standards.
Effective January 1, 1998, Ball adopted Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income," and SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information." See the note, "Shareholders' Equity" for information regarding SFAS No. 130. SFAS No. 131 establishes standards for reporting information about operating segments in annual financial statements and requires interim reporting of selected operating segments information effective, for Ball, in 1999.

SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits," standardizes disclosure requirements for pensions and other postretirement benefit plans and is effective for Ball in 1998. This statement does not affect the measurement or recognition of such plans.

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," establishes accounting and reporting standards for derivative instruments and is effective, for Ball, in 2000. The effect, if any, of adopting this standard has not yet been determined.

Statement of Position (SOP) No. 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use," establishes new accounting and reporting standards for the costs of computer software developed or obtained for internal use and is effective, for Ball, in 1999. The effect, if any, of adopting this standard has not yet been determined.

SOP No. 98-5, "Reporting on the Costs of Start-Up Activities," requires costs of start-up activities be expensed as incurred and is effective, for Ball, in 1999. The effect, if any, of adopting this standard has not yet been determined.

Acquisitions.
Reynolds Global Can Business
In April 1998, Ball and Reynolds Metals Company (Reynolds) signed a definitive agreement, under which Ball would acquire substantially all of Reynolds' global aluminum beverage container manufacturing business for a total purchase price of approximately $820 million. In June 1998, Ball and Reynolds stated that the agreement previously announced would not include Reynolds' 34.9 percent interest in Latas de Aluminio S.A. (Latasa), a South American beverage can manufacturer. As a result, the purchase price of $820 million in that agreement, which included Latasa, will be reduced to approximately $746 million.

Ball will acquire all of Reynolds' North American beverage can manufacturing assets, which consist largely of 16 plants in 12 states and Puerto Rico. Simultaneous with the transaction, the Company will refinance certain currently outstanding debt at favorable rates.

Difficulties in obtaining the third party consents and waivers necessary for the purchase of Latasa in a timely manner resulted in the decision to remove it from the main transaction. Reynolds intends to work with Latasa's other stockholders to agree upon and implement a process that will permit the sale of Reynolds' interest in Latasa in the near future. Ball continues to be interested in acquiring those shares.

Ball and Reynolds have agreed to discuss further the possible later acquisition by Ball of Reynolds' minority interest in a can manufacturing company in Saudi Arabia.

Relocation and Other.
In February 1998, Ball announced that it would relocate its corporate headquarters to an existing company-owned building in Broomfield, Colorado. The total cost of the headquarters relocation is estimated to be approximately $20 million ($12.2 million after tax or 40 cents per share). Generally accepted accounting principles do not permit financial statement recognition of certain

costs, such as employee relocation, until they are incurred. Therefore the Company recorded pretax charges of $6.3 million ($3.8 million after tax or 13 cents per share) and $4.0 million ($2.4 million after tax or eight cents per share) for costs paid or incurred in the first and second quarters of 1998, respectively, and to reflect the estimated net realizable values of certain properties and assets in Muncie, Indiana, the previous location of the corporate headquarters. It is anticipated that the remainder of the relocation costs will be recorded and paid largely in the second half of 1998.

Sale of Investment and Other.
The Company sold its equity investment in a technology business in the first half of 1997. The first and second quarters of 1997 included pretax gains of $1.2 million ($0.7 million after tax or two cents per share) and $10.5 million ($6.4 million after tax or 21 cents per share), respectively.

In the second quarter of 1997, the Company recorded a pretax charge of $3.0 million ($1.8 million after tax or six cents per share) to close a small PET container manufacturing plant in connection with the acquisition of certain PET container manufacturing assets.

Shareholders' Equity.
The Company adopted SFAS No. 130, "Reporting Comprehensive Income," effective January 1, 1998. In accordance with SFAS No. 130, the Company is required to report the changes in shareholders' equity from all sources during the period other than those resulting from investments by shareholders (i.e., issuance or repurchase of common shares and dividends). Although adoption of this standard has not resulted in any change to the historic basis of the determination of earnings or shareholders' equity, the comprehensive income components recorded under generally accepted accounting principles and previously included under the category, "retained earnings," are displayed as "accumulated other comprehensive loss," within the unaudited condensed consolidated balance sheet. The composition of accumulated other comprehensive loss at June 28, 1998 is primarily the cumulative adjustment for foreign currency translation and additional minimum pension liability.

Total comprehensive income for the three and six month periods of 1998 is $16.9 million and $21.5 million, respectively, and $21.7 million and $29.2 million, for the comparative periods of 1997, respectively. The difference between net income and comprehensive income for the three and six month periods of 1998 and 1997 is the adjustment for foreign currency translation.

Issued and outstanding shares of the Series B ESOP Convertible Preferred Stock were 1,616,667 shares at June 28, 1998, and 1,635,410 shares at December 31, 1997.

Earnings Per Share.
The following table provides additional information on the computation of earnings per share amounts:

<TABLE>
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	Three months ended		Six months ended	
(dollars in millions except per share amounts)	June 28, 1998	June 29, 1997	June 28, 1998	June 29, 1997
<S>	<C>	<C>	<C>	<C>
Earnings per Common Share				
Net income	$ 19.0	$ 20.8	$ 24.3	$ 27.8
Preferred dividends, net of tax benefit	(0.7)	(0.7)	(1.4)	(1.4)
Net earnings available to common shareholders	$ 18.3	$ 20.1	$ 22.9	$ 26.4
Weighted average common shares (000s)				

	30,322	30,212	30,264	30,328
Earnings per common share	$ 0.60	$ 0.67	$ 0.76	$ 0.87
Diluted Earnings per Share				
Net income	$ 19.0	$ 20.8	$ 24.3	$ 27.8
Adjustment for deemed ESOP cash contribution in lieu of the ESOP Preferred dividend	(0.5)	(0.5)	(1.1)	(1.0)
Adjusted net earnings available to common shareholders	$ 18.5	$ 20.3	$ 23.2	$ 26.8
Weighted average common shares (000s)	30,322	30,212	30,264	30,328
Effect of dilutive stock options	282	90	224	62
Common shares issuable upon conversion of the ESOP Preferred stock	1,869	1,911	1,879	1,924
Weighted average shares applicable to diluted earnings per share	32,473	32,213	32,367	32,314
Diluted earnings per share	$ 0.57	$ 0.63	$ 0.72	$ 0.83

</TABLE>

Subsequent Event.

On August 10, 1998, Ball completed its acquisition of the domestic beverage can business assets of Reynolds for approximately $746 million in cash.

Contingencies.

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

The Company was not in default of any loan agreement at June 28, 1998, and has met all payment obligations. M.C. Packaging was, however, in noncompliance with certain financial ratio provisions under a fixed term loan agreement, of which approximately $34 million was outstanding at quarter end. Effective August 4, 1998, the fixed term loan agreement was amended. The amendment resulted in a waiver of the previously reported covenant noncompliance issues.

The U.S. government is disputing the Company's claim to recoverability of reimbursed costs associated with Ball's Employee Stock Ownership Plan for fiscal years 1989 through 1995, as well as the corresponding prospective costs accrued after 1995. In October 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. For additional information regarding this matter, refer to the Company's latest annual report.

From time to time, the Company is subject to routine litigation incident to its business. Additionally, the U.S. Environmental Protection Agency has designated Ball as a potentially responsible party, along with numerous other companies, for the cleanup of several hazardous waste sites. 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.

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

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

ACQUISITION

In April 1998, Ball and Reynolds Metals Company (Reynolds) signed a definitive agreement, under which Ball would acquire substantially all of Reynolds' global aluminum beverage container manufacturing business for a total purchase price of approximately $820 million. In June 1998, Ball and Reynolds stated that the agreement previously announced would not include Reynolds' 34.9 percent interest in Latas de Aluminio S.A. (Latasa), a South American beverage can manufacturer. As a result, the purchase price of $820 million in that agreement, which included Latasa, will be reduced to approximately $746 million.

Ball will acquire all of Reynolds' North American beverage can manufacturing assets, which consist largely of 16 plants in 12 states and Puerto Rico. Simultaneous with the transaction, the Company will refinance certain currently outstanding debt at favorable rates.

Difficulties in obtaining the third party consents and waivers necessary for the purchase of Latasa in a timely manner resulted in the decision to remove it from the main transaction. Reynolds intends to work with Latasa's other stockholders to agree upon and implement a process that will permit the sale of Reynolds' interest in Latasa in the near future. Ball continues to be interested in acquiring those shares.

Ball and Reynolds have agreed to discuss further the possible later acquisition by Ball of Reynolds' minority interest in a can manufacturing company in Saudi Arabia.

RESULTS OF OPERATIONS

Consolidated Results

Consolidated net sales of $645.6 million for the second quarter of 1998 increased slightly compared to the second quarter of 1997. For the first six months of 1998, consolidated net sales were $1.2 billion, an increase of 6.4 percent over the same period for 1997. The increased sales reflect the increased volume from both the plastic and metal beverage container operations, partially offset by lower sales from the aerospace and technologies segment.

Net earnings available to common shareholders of $18.3 million, or 60 cents per share, for the second quarter of 1998 included a pretax charge of $4.0 million ($2.4 million after tax or eight cents per share) for the relocation of the Company's corporate office. Net earnings available to common shareholders of $20.1 million, or 67 cents per share for the second quarter of 1997 included a net after-tax gain of $5.4 million, or 18 cents per share, largely the result of the sale of an interest in a technology business and recognition of certain research and development tax credits. Excluding these, on a comparable basis, earnings from operations for the quarter rose from 49 cents per share in 1997 to 68 cents per share in 1998, an increase of 39 percent.

For the first half of 1998, earnings available to common shareholders were $22.9 million, or 76 cents per share, including an after-tax charge of $6.3 million, or 21 cents per share, for costs incurred in connection with the relocation of the corporate headquarters. In the first half of 1997, earnings were $26.4 million, or 87 cents per share, including a net after-tax gain of $7.8 million, or 25 cents per share, largely attributable to the sale of the interest in the technology business and to the tax credits.

In February 1998, Ball announced that it would relocate its corporate headquarters to an existing company-owned building in Broomfield, Colorado. The total cost of the headquarters relocation is estimated to be approximately $20 million ($12.2 million after tax or 40 cents per share). Generally accepted accounting principles do not permit financial statement recognition of certain costs, such as employee relocation, until they are incurred. Therefore the Company recorded pretax charges of $6.3 million ($3.8 million after tax or 13 cents per share) and $4.0 million ($2.4 million after tax or eight cents per share) for costs paid or incurred in the first and second quarters of 1998, respectively, and to reflect the estimated net realizable values of certain properties and assets in Muncie, Indiana, the previous location of the corporate headquarters. It is anticipated that the remainder of the relocation costs will be recorded and paid largely in the second half of 1998.

The Company sold its investment in a technology business in the first half of 1997. The first and second quarters of 1997 included pretax gains of $1.2

million ($0.7 million after tax or two cents per share) and $10.5 million ($6.4 million after tax or 21 cents per share), respectively.

In the second quarter of 1997, the Company recorded a pretax charge of $3.0 million ($1.8 million after tax or six cents per share) to close a small PET container manufacturing plant in connection with the acquisition of certain PET container manufacturing assets.

Interest and Taxes

Consolidated interest expense for the second quarter and the first half of 1998 was $13.4 million and $26.1 million, respectively, compared to $15.4 million and $25.3 million, for the same periods of 1997, respectively. The second quarter decrease is largely attributable to a decrease in the average level of short-term borrowings. Interest expense increased slightly for the six month period primarily resulting from higher 1998 interest rates, partially offset by a decrease in the average level of short-term borrowings outstanding.

Ball's consolidated effective income tax rate was 42.1 percent for the second quarter of 1998 compared to 39.8 percent for the 1997 second quarter. For the first half of 1998, the effective tax rate was 43.6 percent compared to 37.7 percent for 1997. The lower 1997 effective tax rates reflect a reduction in taxes attributable to creditable costs of U.S. research and development of $1.7 million (five cents per share) and $0.8 million (three cents per share) for the first and second quarters, respectively. Excluding the tax credits, the consolidated effective income tax rates for the second quarter and first half of 1997 would have been 42.5 percent and 43.9 percent, respectively.

Results of Equity Affiliates

Equity in earnings of affiliates for the second quarter of 1998 were $0.8 million compared to $0.5 million for the 1997 second quarter. For the six month periods, equity in earnings of affiliates were $0.5 million and a loss of $0.4 million for 1998 and 1997, respectively. Equity earnings in affiliates are largely attributable to equity investments in China, Thailand and Brazil. Since a change in Thailand's monetary policy in early July 1997, the Thai baht has depreciated significantly versus the U.S. dollar. Since the end of the first quarter, the Thai baht has strengthened against the U.S. dollar, such that the first quarter loss has been offset. However, the Thai baht remains volatile, and there can be no assurance that the current trend will continue. Results for 1997, include the effects of costs for start-up operations in Brazil, Thailand and China, as well as lower earnings from certain equity affiliates reflecting the market softness in China which continues in 1998.

Business Segments

Packaging

Packaging segment net sales were $562.0 million for the second quarter of 1998 compared to $540.3 million in the second quarter of 1997. Six month period net sales were $1,023.1 million and $922.3 million for 1998 and 1997, respectively. Segment operating earnings for the three month period of 1998 increased from 1997 largely as a result of improved earnings both within the North American metal beverage business and the plastic container operations. Segment operating earnings increased in the six month period of 1998 compared to the same period of 1997 as a result of improved earnings within the combined North American metal food and beverage container businesses and reduced operating losses within the plastic container business resulting from improved operating efficiencies, both partially offset by lower results within FTB packaging operations.

Within the packaging segment, sales in the combined North American metal container business increased 3.5 percent and 6.3 percent for the three and six month periods, respectively. The increase in sales resulted from higher shipments of metal beverage containers in both 1998 periods, which were partially offset by lower second quarter shipments within the metal food container business, due in large part, to reduced salmon can volumes. The lower metal food can shipments also resulted in lower second quarter operating earnings. However, year-to-date 1998 sales for the metal food can business remained at a higher level than the prior year due to the strong first quarter shipments. Operating earnings for the six month period in both the North American metal food and beverage container businesses increased compared to 1997, due in part to improved operating efficiencies and increased shipments.

Plastic container sales for the six months represented approximately nine percent of consolidated 1998 net sales compared to five percent in 1997. The 1998 second quarter plastic container operations were significantly improved over the same period in 1997. The business operated at a loss for the 1998 year-to-date period, though at a significantly reduced level from 1997. Costs associated with the start-up of new plants in Iowa and New Jersey contributed to the operating loss in 1997. Ball acquired certain manufacturing assets of Brunswick Container in early July 1997 and began supplying PET bottles to the Honickman Group of bottling companies under a multi-year contract.

Sales within Ball's FTB Packaging operations increased for the first half of 1998 compared to the same period of 1997. Sales during the 1998 second quarter decreased from the second quarter of 1997, while operating earnings increased from 1997. Year-to-date operating losses for 1998 continue to reflect the soft metal beverage container market in China, as well as lower pricing resulting from the current supply/demand imbalance in that area.

Aerospace and Technologies

Sales in the aerospace and technologies segment for the second quarter and six month periods of 1998 decreased to $83.6 million and $172.2 million, respectively, compared to $103.4 million and $201.2 million in 1997. The sales reduction from 1997 to 1998 reflects, in large part, reduced activity in connection with a classified program and the unusually strong demand in 1997 for certain telecommunications equipment and related products. Demand for those products in 1998 returned to more normal levels. Operating earnings also decreased in 1998 compared to 1997, reflecting both the effects of lower 1998 sales and a strong demand for certain higher margin telecommunications equipment in 1997, including one-time early delivery incentives earned. Backlog at the end of June 1998 was approximately $352 million compared to approximately $267 million at December 31, 1997, and $310 million at the end of the June 1997. Year-to-year comparisons of backlog are not necessarily indicative of the trend of future operations.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operations in 1998 of $72.3 million improved significantly compared to 1997, due in part to a reduction in the amount of cash used for normal seasonal working capital requirements and higher depreciation. Capital spending of $37.7 million in the first six months of 1998 is below depreciation of $60.6 million. Total 1998 capital spending is expected to be approximately $95 million.

Total debt was $785.0 million at June 28, 1998 compared to $773.1 million at December 31, 1997. Debt-to-total capitalization ratio was 53.0 percent at both June 28, 1998 and December 31, 1997.

In the U.S., the Company has committed revolving credit agreements totaling $320 million consisting of a five-year facility for $150 million and 364-day facilities for $170 million. Simultaneous with the Reynolds transaction, the Company will refinance certain currently outstanding debt at favorable rates. The Company has a Canadian dollar 364-day credit facility available for committed short-term funds of approximately $50 million at June 1998. At quarter end, approximately $14.3 million was outstanding related to this program. 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 $251 million at the end of the 1998 second quarter. At June 28, 1998, the Company has $162.5 million and $164.6 million outstanding under these facilities, respectively.

The Company has a receivable 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. Net funds received under this agreement and a similar agreement in the prior year totaled $65.9 million and $66.5 million as of June 28, 1998 and June 29, 1997, respectively. Fees related to this agreement for the three and six month periods of 1998 were $1.0 million and $1.9 million, respectively, and $0.9 million and $1.8 million for the same periods in 1997. These fees are a component of general and administrative expenses.

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., changing commodity prices of the materials used in the manufacture of its products, and changing capital markets. Where practicable, Ball attempts to reduce these risks and uncertainties.

The Company has recognized its share of exchange gains and losses primarily related to U.S. dollar denominated debt held by its 40 percent equity affiliate in Thailand. The Company also has U.S. dollar denominated debt in China, and in Brazil, through its 50 percent owned affiliate. 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 June 28, 1998, and has met all payment obligations. M.C. Packaging was, however, in noncompliance with certain financial ratio provisions under a fixed term loan agreement, of which approximately $34 million was outstanding at quarter end. Effective August 4, 1998, the fixed term loan agreement was amended. The amendment resulted in a waiver of the previously reported covenant noncompliance issues.

The U.S. government is disputing the company's claim to recoverability of reimbursed costs associated with Ball's Employee Stock Ownership Plan for fiscal years 1989 through 1995, as well as the corresponding prospective costs accrued after 1995. In October 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. For additional information regarding this matter, refer to the Company's latest annual report.

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

As is commonly known, there is a potential issue facing many companies today 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.

From time to time, the Company is subject to routine litigation incident to its business. Additionally, the U.S. Environmental Protection Agency has designated Ball as a potentially responsible party, along with numerous other companies, for the cleanup of several hazardous waste sites. 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.

FORWARD-LOOKING STATEMENTS

The Company has made or implied certain forward-looking statements in this report. These forward-looking statements represent the Company's goals and are based on certain assumptions and estimates regarding the worldwide economy, specific industry technological innovations, industry competitive activity, interest rates, capital expenditures, pricing, currency movements, product introductions, and the development of certain domestic and international markets. Some factors that could cause the Company's actual results or outcomes to differ materially from those discussed in the forward-looking statements include, but are not limited to, fluctuation in customer growth and demand; 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; and the ability to obtain adequate credit resources for foreseeable financing requirements of the Company's businesses; the inability of the Company to achieve year 2000 compliance; 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.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

There were no events required to be reported under Item 1 for the quarter ending June 28, 1998.

Item 2. Changes in securities

There were no events required to be reported under Item 2 for the quarter ending June 28, 1998.

Item 3. Defaults upon senior securities

There were no events required to be reported under Item 3 for the quarter ending June 28, 1998.

Item 4. Submission of matters to a vote of security holders

The Company held the Annual Meeting of Shareholders on April 22, 1998. Matters voted upon by proxy were: the election of three directors for three-year terms expiring in 2001; and, the ratification of the appointment of PricewaterhouseCoopers LLP as independent accountants for 1998. The results of the vote are as follows:

	For	Against/Withheld	Abstained/Broker Non-Vote
Election of directors for terms expiring in 2001:			
Frank A. Bracken	28,879,070	362,639	--
John F. Lehman	28,105,762	1,135,947	--
George A. Sissel	28,857,490	384,219	--
Appointment of PricewaterhouseCoopers LLP as independent accountants for 1998	28,564,244	117,412	96,453

Item 5. Other information

Shareholders should be advised that under Rule 14a-4(c)(1) that where a shareholder has not sought inclusion of a proposal in the Company's Proxy Statement, that if a shareholder fails to notify the Company at least forty-five (45) days prior to the month and day of mailing the prior year's Proxy Statement, then the management proxies would be allowed to use their discretionary voting authority, if such proposal is raised at the Annual Meeting, without any discussion of the matter in the Proxy Statement. The Company's prior year Proxy Statement was mailed on March 16, 1998. Therefore, any proposals must be received by the Company forty-five (45) days prior to that date, or by January 30, 1999.

Item 6. Exhibits and reports on Form 8-K

(a) Exhibits

27.1 Financial Data Schedule
99.1 Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995, as amended.

(b) Reports on Form 8-K

A Current Report on Form 8-K filed July 29, 1998, reporting under Item 5 an announcement by Ball Corporation and Reynolds Metals Company which stated that the Hart-Scott-Rodino waiting period regarding Ball's purchase of Reynolds' North American aluminum beverage can and end assets expired on July 21, 1998.

A Current Report on Form 8-K filed June 12, 1998, reporting under Item 5 an announcement by Ball Corporation and Reynolds Metals Company which stated that the previously announced agreements by which Ball will purchase substantially all of Reynolds' global beverage can business will not include Reynolds' 34.9 percent interest in Latas de Aluminio S.A, a South American beverage can manufacturer.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Ball Corporation
(Registrant)

By: /s/ R. David Hoover

R. David Hoover

Vice Chairman
and Chief Financial Officer

Date: August 12, 1998

Ball Corporation and Subsidiaries
QUARTERLY REPORT ON FORM 10-Q
June 28, 1998

EXHIBIT INDEX

Description	Exhibit
Financial Data Schedule (Filed herewith.)	EX-27.1
Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995, as amended. (Filed herewith.)	EX-99.1

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EXHIBIT 27.1

BALL CORPORATION
FINANCIAL DATA SCHEDULE

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED JUNE 28, 1998 AND THE UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS OF JUNE 28, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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Exhibit 99.1

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

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the Reform Act), Ball is hereby filing cautionary statements identifying important factors that could cause Ball's actual results to differ materially from those projected in forward-looking statements of Ball. Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements, and many of these statements are contained in Part I, Item 2, "Business.". The Reform Act defines forward-looking statements as statements that express or imply an expectation or belief and contain a projection, plan or assumption with regard to, among other things, future revenues, income, earnings per share 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. The inability of the Company to achieve year 2000 compliance.

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 obtain adequate credit resources for foreseeable financing requirements of the Company's businesses.