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, 1998

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________________ to ________________
Commission File Number 1-7349

Ball Corporation
State of Indiana 35-0160610

10 Longs Peak Drive, P.O. Box 5000
Broomfield, Colorado 80021-2510
Registrant's telephone number, including area code: (303) 469-3131

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

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

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

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

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

The aggregate market value of voting stock held by non-affiliates of the registrant was $1,244.9 million based upon the closing market price on March 1, 1999 (excluding Series B ESOP Convertible Preferred Stock of the registrant, which series is not publicly traded and which has an aggregate liquidation preference of $57.2 million).

Number of shares outstanding as of the latest practicable date.

Class	Outstanding at March 1, 1999
Common Stock, without par value	30,224,047

DOCUMENTS INCORPORATED BY REFERENCE

1. Annual Report to Shareholders for the year ended December 31, 1998, to the extent indicated in Parts I, II, and IV. Except as to information specifically incorporated, the 1998 Annual Report to Shareholders is not to be deemed filed as part of this Form 10-K Annual Report.

2. Proxy statement filed with the Commission dated March 15, 1999, 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 10 Longs Peak Drive, Broomfield, Colorado 80021-2510. 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 1998 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," "Headquarters Relocation, Plant Closures, Dispositions and Other Costs," "Acquisitions," and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Recent Business Developments

On August 10, 1998, Ball acquired substantially all the assets and assumed certain liabilities of the North American beverage can manufacturing business of Reynolds Metals Company (Acquisition). In connection with the Acquisition, the Company is developing plans for manufacturing integration, including capacity consolidations and other cost saving measures, and announced during the fourth quarter its intent to close two of the acquired plants during early 1999. Also during 1998, Ball relocated its corporate headquarters to an existing company-owned building in Colorado.

Other Information Pertaining to the Business of the Company

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

Packaging Segment

Ball's principal business is the manufacture and sale of rigid packaging products, primarily for beverages and foods. Packaging products are sold in highly competitive markets, primarily based on quality, service, and price. The majority of the Company's packaging sales are made directly to relatively few major companies having leading market positions in packaged beverage and food businesses. Packaging segment sales to PepsiCo, Inc., and affiliates, and Coca-Cola and affiliates, represented approximately 15 percent and 10 percent, respectively, of consolidated 1998 net sales. Worldwide sales to all bottlers of Pepsi-Cola and Coca-Cola branded beverages, including licensee members which utilize consolidated purchasing groups, comprised approximately 40 percent of consolidated net sales in 1998. 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, labor and the costs of certain raw materials, such as aluminum, steel and plastic resin.

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 shortages. 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 halted due to external factors, including Year 2000 noncompliance by suppliers, the Company cannot predict the effects, if any, of such occurrences on its future operations.

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

North American Metal Beverage Containers

On August 10, 1998, Ball acquired substantially all the assets and assumed certain liabilities of the North American beverage can manufacturing business of Reynolds Metals Company (Acquisition). With the Acquisition, Ball expanded its product line to include specialty cans and became the largest metal beverage can producer in North America with an estimated annual production capacity of 36 billion cans.

Metal beverage containers and ends represent Ball's largest product line, accounting for approximately 55 percent of 1998 consolidated net sales. After closing two of the acquired plants in early 1999, decorated two-piece aluminum beverage cans are currently being produced at 19 manufacturing facilities in the U.S., two facilities in Canada and one in Puerto Rico; ends are produced within five of the U.S. facilities. Metal beverage containers are sold primarily to fillers of carbonated soft drinks, beer and other beverages under long-term supply or annual contracts. Sales volumes of metal beverage cans and ends tends to be highest during the period between April and September.

The Company estimates that its North American metal beverage container shipments would have been approximately 34 percent (on a pro forma basis assuming the inclusion of shipments from the acquired plants for a full year) of total U.S.

and Canadian shipments for metal beverage containers. The Company estimates that its three largest competitors together represent substantially all of the remaining market.

The U.S. metal beverage container industry experienced demand growth at an average rate of approximately 1.5 percent since 1990. During this same period, the soft drink segment added over 16 billion units while the beer segment lost approximately six billion units (largely to glass packaging). In 1998 and 1997, industry-wide shipments increased approximately 2.2 percent and 1.6 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 exceeds demand, which creates a competitive environment. Ball began consolidation of can and end manufacturing capacity into fewer, more efficient facilities with the closure of two of the recently acquired plants in early 1999. The Company is developing plans for further integration, including capacity consolidations and other cost saving measures.

The aluminum beverage can continues to compete aggressively with other packaging materials in the beer and soft drink markets. The glass bottle has shown resilience in the packaged beer market while soft drink market use of the PET bottle has grown.

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 1998 metal food container sales comprised approximately 17 percent of consolidated net sales. Sales volumes of metal food containers tend to be highest from June through October as a result of seasonal vegetable and salmon packs.

Recent consolidations within the commercial metal food container industry have reduced the number of competitors. Currently, Ball has one principal competitor in Canada and two primary competitors in the U.S. metal food container market. Approximately 35 billion steel food cans were shipped in the U.S. and Canada in 1998, of which more than 4.8 billion, or approximately 14 percent, were shipped by Ball.

In the metal food container industry, manufacturing capacity in North America significantly exceeds market demand, resulting in a highly competitive market. During 1996, Ball closed three facilities in North America.

North American Plastic Containers

Polyethylene terephthalate (PET) packaging is Ball's newest product line, with 1998 net sales of approximately $219 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 third 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 and through new market introductions. In 1994 the domestic plastic container market reached $5.5 billion in sales, surpassing the size of the glass container market for the first time. The latest projections available indicate that the growth in the PET market over the next two years is expected to be between 10 and 15 percent.

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.

During the early 1990s, PET resin usage grew to the point that in 1995 the demand for PET resins in North America exceeded supply. However, the expansion of the global PET resin market since 1995 has resulted in resin prices decreasing significantly since that time. These lower prices have been passed on to the customer, resulting in lower sales price per unit.

Ball has secured long-term customer supply agreements, principally for carbonated beverage and water containers. Other products such as juice and beer containers are potential candidates for expanding the business.

International Packaging Operations

As part of Ball's initiative to expand its presence internationally, in early 1997 the Company acquired a controlling interest in M.C. Packaging (Hong Kong) Limited (M. C. Packaging) through Ball's majority-owned subsidiary, FTB Packaging Limited (FTB 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 the People's Republic of China (PRC), supplying approximately half of the two-piece aluminum beverage cans used in the PRC. Capacity has grown rapidly in the PRC, resulting in a supply/demand imbalance. Additionally, uncertainty in the Asian financial markets has resulted in a decrease in exports of Company products from Hong Kong to other Asian countries. As per capita consumption in the PRC is significantly lower than in more developed countries and per capita income in the PRC is rising, there is significant potential for strong demand growth. In the interim, however, Ball has elected to delay the start-up of two facilities originally expected to become operational in 1998 and to close, in the early part of 1999, two of its plants located in the PRC and remove from service certain manufacturing equipment at a third plant.

FTB Packaging and M.C. Packaging combined operate more than 20 manufacturing ventures in the PRC. The Beijing manufacturing facility is one of the most technologically advanced plants in the PRC with the fastest line-speed capacity in that country. FTB Packaging's 35 percent owned affiliate, Sanshui Jianlibao FTB Packaging Limited, is the largest can manufacturing facility in the PRC in terms of production capacity. For more information on operations in the PRC, see Item 2, Properties, and Exhibit 21.1, Subsidiary List.

The Company has a minority equity position in a joint venture that manufactures two-piece beverage cans in the Philippines. It is also a 50 percent equity owner of a joint venture with BBM Participacoes S.A. to produce two-piece aluminum cans and ends in Brazil. The affiliate in Brazil has a can plant which became operational in early 1997 and an end plant which became operational in late 1997. Ball also participates in joint ventures in Thailand, Russia and Taiwan. The Company also provides manufacturing technology and assistance to numerous can manufacturers around the world.

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 13 percent of consolidated net sales in 1998.

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 90 percent of this segment's sales in 1998. Within aerospace systems, industry trends have not changed significantly, with Department of Defense and NASA budgets remaining relatively flat. However, there is a growing worldwide market for commercial space activities, and Ball believes there are significant international opportunities in which the Company could participate. With the continuing consolidation of the industry, competition for business will remain strong.

Aerospace Systems

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 markets.

Among the 1998 highlights was the launch of the Ball-built GEOSAT Follow-On operational radar altimeter satellite in February. Ball Aerospace and COM DEV International, Ltd. of Canada formed Laser Communications International (LCI) to develop laser communication terminals for satellite communication systems. The Ball-built NICMOS instrument aboard the Hubble Space Telescope revealed the faintest galaxies ever seen and possibly the farthest known objects in the universe. Work was completed on the QuickSCAT spacecraft, NASA's first Rapid Spacecraft Acquisition award and Ball's first commercial spacecraft product. The division was awarded three separate Earth Science missions from NASA to build hardware to study clouds, aerosols and volcanic ash and their effects on the Earth's dynamic systems. The division received its ISO 9001 certification in December.

Telecommunication Products

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 1998 milestones was the introduction of a new product called jeTVision, which enables airplane passengers to view the same real-time television programming available in their homes. The Wireless Communications Products unit unveiled its new eXsite family of PCS Base Station Antennas for polarization diversity applications. The Wireless Communications Products unit is a provider of high-performance antennas for cellular, PCS, wireless local loop and mobile satellite services.

Backlog

Backlog of the aerospace and technologies segment was approximately $296 million at December 31, 1998, and $267 million at December 31, 1997, and consists of the aggregate contract value of firm orders, excluding amounts previously recognized as revenue. The 1998 backlog includes approximately $194 million which is expected to be billed during 1999, 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 $144 million at December 31, 1998. 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 "Research and Development" note in the 1998 Annual Report to Shareholders contains information on Company research and development activity and is incorporated herein by reference.

Environment

Aluminum, steel and PET containers are recyclable, and significant amounts of used containers are being recycled and diverted from the solid waste stream. Using the most recent data available, in 1997 approximately 67 percent of aluminum containers and 61 percent of steel cans sold in the U.S. were recycled. In 1997, again the most recent data available, approximately 25 percent of the PET soft drink containers, and approximately 24 percent of all plastic containers, sold in the U.S. were recycled.

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

Employees

At the end of February 1999, the Company employed approximately 12,100 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 located in Broomfield, Colorado. The offices for metal packaging operations are in Westminster, Colorado. Also located in Westminster is the Edmund F. Ball Technical Center, which serves as a research and development facility, primarily for the metal packaging operations. The offices, pilot line and research and development center for the plastic container business are located in Smyrna, Georgia.

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

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

Plant Location	Approximate Floor Space in Square Feet
Metal packaging manufacturing facilities:	
North America	
Blytheville, Arkansas (leased)	29,000
Springdale, Arkansas	290,000
Richmond, British Columbia	194,000
Fairfield, California	340,000
Torrance, California	265,000
Golden, Colorado	500,000
Tampa, Florida	512,000
Moultrie, Georgia	152,000
Kapolei, Hawaii	132,000
Monticello, Indiana	356,000
Kansas City, Missouri	225,000
Saratoga Springs, New York	153,000
Wallkill, NY	314,000
Reidsville, North Carolina	287,000
Salisbury, North Carolina	162,000
Columbus, Ohio	167,000
Findlay, Ohio	733,000
Burlington, Ontario	308,000
Hamilton, Ontario	360,000
Whitby, Ontario	200,000
Guayama, Puerto Rico	225,000
Baie d'Urfe, Quebec	211,000
Chestnut Hill, Tennessee	300,000
Conroe, Texas	180,000
Fort Worth, Texas	161,000
Bristol, Virginia	241,000
Williamsburg, Virginia	400,000
Seattle, Washington	166,000
Weirton, West Virginia (leased)	85,000
DeForest, Wisconsin	45,000
Milwaukee, Wisconsin	161,000

Asia	
Beijing, PRC	272,000
E-zhou, Hubei (Wuhan), PRC	193,000
Hong Kong, PRC	453,000
Panyu, PRC	207,000
Shenzhen, PRC	271,000
Tianjin, PRC	318,000
Xi'an, PRC	251,000
Zhuhai, PRC	180,000

Plant Location	Approximate Floor Space in Square Feet
Plastic packaging manufacturing facilities:	
North America	
Chino, California (leased)	240,000
Ames, Iowa (leased)	250,000
Delran, New Jersey (leased)	450,000
Baldwinsville, New York (leased)	240,000
Asia	
Hong Kong, PRC (leased)	46,000
Taicang, Jiangsu, PRC (leased)	126,000
Tianjin, PRC	42,000
Tianjin, PRC (leased)	5,000

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

Item 3. Legal Proceedings

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

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

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

As previously reported, the Company has been notified by Chrysler Corporation (Chrysler) that Chrysler, Ford Motor Company (Ford), 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 it predecessors. The suit sought injunctive relief and unspecified damages. Chrysler notified the Company that the Division may have indemnification responsibilities to Chrysler. The Company responded to Chrysler that it appeared at that 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 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. On August 20, 1997, the U.S. Court of Appeals for the Federal

Circuit denied Ford's petition for permission to appeal. The Company believes that the issues in this case have been settled and that this case is now concluded. In addition, under an agreement in connection with the spin-off of Alltrista Corporation from Ball in 1993, Alltrista has agreed to indemnify Ball for liabilities arising from this matter. Based on this information, the Company believes that this case and the Company's alleged indirect involvement as a machine vision inspection system supplier to Chrysler will not result in any material adverse effect upon the financial condition of the Company.

As previously reported, on April 24, 1992, the Company was notified by the Muncie Race Track Steering Committee (Steering Committee) that the Company, through its former Consumer Products Division and former Zinc Products Division, may be a PRP with respect to waste disposal at the Muncie Race Track Site located in Delaware County, Indiana. The Steering Committee alleges that the Company was a contributor to the site. 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.

As previously reported, on August 1, 1997, the 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, the EPA determined that additional site work would be required to determine the extent of contamination and the possible cleanup of the site. The EPA requested the 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. The EPA is also seeking reimbursement for approximately $1.5 million which it has spent at the site. On December 19, 1997, the 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 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.

As previously reported, the Company was notified on June 19, 1989, that the EPA has designated the Company and numerous other companies as PRPs responsible for the cleanup of certain hazardous wastes that were released at the Spectron, Inc., site located in Elkton, Maryland. In December 1989, the Company, along with other companies whose alleged hazardous waste contributions to the Spectron, Inc., site were considered to be de minimis, entered into a settlement agreement with the EPA for cleanup costs incurred in connection with the removal action of aboveground site areas. By a letter dated September 29, 1995, the Company along with other above-described PRPs, were notified by the EPA that it was negotiating with the large volume PRPs another consent order for performance of a site environmental study as a prerequisite to long-term remediation. The EPA and the large-volume PRPs 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. The Company has joined with a group of de minimis PRPs to negotiate a reduction (i.e., a lower price per gallon assessment) in the proposed de minimis settlement offer. 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 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 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.

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 the EPA, Region IX, notifying Ball Glass that it may have a potential liability as defined in Section 107(a) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) with respect to the San Gabriel Valley areas 1-4 Superfund Sites located in Los Angeles County, California. The EPA requested certain information from Ball Glass, and Ball Glass responded. 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 PRP group members to fund the remedial investigation. The interim allocation approach requires that any payment will be based upon contribution to pollution. Ball's interim allocation is 5.79%. The administrative consent order was executed by the PRP group and the EPA. The EPA also accepted the statement of work for the remedial investigation phase of the cleanup. The PRP group retained an environmental engineering consulting firm to perform the remedial investigation. As required under the administrative consent order, the group submitted to the EPA copies of all environmental studies conducted at the plant, the majority of which had already been furnished to the State of California. The EPA then approved the work plan, project management plan, and the data management plan portions of the PRP group's proposed remedial investigation/feasibility study (RI/FS). The group funded the RI/FS. The environmental consulting firm retained by the PRP group submitted to the EPA its Feasibility Study Technical Memorandum 1 concerning the site. Five potential remedial action plans were identified in the study ranging from no action to an extensive groundwater remediation project for both shallow and deep aquifers. The cost of such remedies range from minimal costs for no action to between $10.5 to 25 million for the three groundwater pump and treat options proposed. The PRP group is negotiating with the EPA over the remedy selections for the Record of Decision and has formed an allocation committee for making final allocation of remediation costs between group members. The EPA has informally told the PRP group that it will likely choose the most extensive of the proposed remedies for incorporation into the Record of Decision. The PRP group believes the selection of such a remedy is premature in that the PRP group is still evaluating additional remedial options. The PRP group is commencing the final allocation process but 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 at the Company's metal beverage 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. The testimony was concluded in April 1996. On January 14, 1997, the Administrative Law Judge (ALJ) filed his Memorandum of Decision finding in favor of the claimant. The decision was appealed, and the Workers' Compensation Board remanded the case back to the ALJ for further findings. The ALJ entered a decision against the Company on January 8, 1998, as corrected on February 2, 1998 and February 4, 1998. The Company appealed all of the decisions to the Appeals Bureau of the Workers' Compensation Board on February 6, 1998. Based on the information available to the Company at this time, the Company believes that this matter will not result in any material adverse effect upon the financial condition of the Company.

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

As previously reported, on January 5, 1996, an individual named Tangee E. Daniels, on behalf of herself and two minor children and four other plaintiffs, served the Company with a lawsuit filed in the 193rd Judicial District Court of Dallas County, Texas. The suit alleges that the Company's metal beverage container operations 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., American 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. On May 4, 1998, the plaintiffs in the Daniels lawsuit filed for an involuntary dismissal of their complaint without prejudice. Three other lawsuits have been filed against substantially the same defendants: Williams v. Akzo Nobel Chemicals, Inc. (filed on January 2, 1996 in the District Court of Smith County, Texas, dismissed but appealed); and Steich v. Akzo et al., (filed March 4, 1996 in the 241st Judicial District Court of Smith County, Texas, voluntarily dismissed without prejudice); and Adams v. Akzo et al (filed August 30, 1996 in the 236th Judicial District Court of Tarrant County, Texas). The Company is a party defendant in each lawsuit. The Company has denied the allegations of each complaint and is defending each matter. 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 these matters.

As previously reported, on September 21, 1998, the Daiei, Inc., (Daiei), a Japanese corporation, with its principal place of business in Tokyo, Japan, sued the Company in U.S. District Court, Southern District of Indiana, Evansville Division. Daiei alleges it is engaged in the retail sale of consumer goods and food products at stores throughout Japan. Daiei alleges that it purchased defective beer cans filled with beer from Evansville Brewing Company, Inc. (EBC) between April 5, 1995, and July 20, 1995. Daiei further alleges that the metal containers were defectively assembled and sealed by EBC at its production facility in Evansville, Indiana, upon a machine which was inspected by representatives of Ball. Daiei further alleges that Ball breached its warranty to provide metal containers that performed in a commercially reasonable manner, and that Ball's representatives were negligent in the repair of the sealing equipment owned by EBC. Daiei seeks damages for the lost containers and product in the amount of approximately $6.0 million. The Company has retained counsel and is defending this case. Based upon the information available to the Company at the present time, the Company does not believe that this matter will have a material adverse effect upon the financial condition of the Company.

Item 4. Submission of Matters to Vote of Security Holders

There were no matters submitted to the security holders during the fourth quarter of 1998.

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 6,923 common shareholders of record on March 1, 1999.

Other information required by Item 5 appears under the caption, "Quarterly Stock Prices and Dividends," in the 1998 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, 1998, appearing in the section titled, "Five-Year Review of Selected Financial Data," of the 1998 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 1998 Annual Report to Shareholders is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The information required by Item 7A appears under the caption, "Financial and Derivative Instruments and Risk Managment," within the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the 1998 Annual Report to Shareholders, which is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements and notes thereto of the 1998 Annual Report to Shareholders, together with the report thereon of PricewaterhouseCoopers LLP, dated January 27, 1999, included in the 1998 Annual Report to Shareholders, are incorporated herein by reference.

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

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

Part III

Item 10. Directors and Executive Officers of the Registrant

The executive officers of the Company as of December 31, 1998 were as follows:

1. George A. Sissel, 62, 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, 53, 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, 59, 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, 56, Vice President and General Counsel, since April 1998; Vice President, Assistant Corporate Secretary and General Counsel, 1997-1998; General Counsel and Assistant Corporate Secretary, 1995-1997; Associate General Counsel and Assistant Corporate Secretary, 1990-1995; Associate General Counsel, 1983-1990; Assistant General Counsel, 1980-1983; Senior Attorney, 1978-1980; General Attorney, 1974-1978.

5. Albert R. Schlesinger, 57, Vice President and Controller, since January 1987; Assistant Controller, 1976-1986.

6. Raymond J. Seabrook, 47, Senior Vice President, Finance, since April 1998; Vice President, Planning and Control, 1996-1998; Vice President and Treasurer, 1992-1996; Senior Vice President and Chief Financial Officer, Ball Packaging Products Canada, Inc., 1988-1992.

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

8. David A. Westerlund, 48, Senior Vice President, Administration, since April 1998; Vice President, Administration, 1997-1998; Vice President, Human Resources, 1994-1997; Senior Director, Corporate Human Resources, July 1994-December 1994; Vice President, Human Resources and Administration, Ball Glass Container Corporation, 1988-1994; Vice President, Human Resources, Ball-InCon Glass Packaging Corp., 1987-1988.

Other information required by Item 10 appearing under the caption, "Director Nominees and Continuing Directors," on pages 3 through 5 and under the caption, "Section 16(a) Beneficial Ownership Reporting Compliance" on page 15 of the Company's proxy statement filed pursuant to Regulation 14A dated March 15, 1999, is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 11 appearing under the caption, "Executive Compensation," on pages 7 through 13 of the Company's proxy statement filed pursuant to Regulation 14A dated March 15, 1999, is incorporated herein by reference. Additionally, the Merger Related, Special Incentive Plan for Operating Executives was created, in part, to incentivize the successful integration of the Reynolds Metals Company can division into the Ball Corporation Metal Beverage Operations. The Plan provides for certain cash incentive payments if certain performance criteria are met over a 39-month period beginning October 1, 1998. Payments over the 39 months at target performance under this Plan should approximate $7 million. No named executive officer participates in any cash incentive payment under the Plan.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by Item 12 appearing under the caption, "Voting Securities and Principal Shareholders," on pages 1 and 2 of the Company's proxy statement filed pursuant to Regulation 14A dated March 15, 1999, 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 15, 1999, 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 1998 Annual Report to Shareholders are incorporated by reference in Part II, Item 8:

Consolidated statement of income - Years ended December 31, 1998, 1997 and 1996

Consolidated balance sheet - December 31, 1998 and 1997

Consolidated statement of cash flows - Years ended December 31, 1998, 1997 and 1996

Consolidated statement of changes in shareholders' equity and comprehensive income (loss) - Years ended December 31, 1998, 1997 and 1996

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 was filed December 17, 1998, reporting under Item 5 of Regulation S-X an announcement by Ball Corporation of its intent to close two metal beverage can plants in the U.S. and two in the People's Republic of China.

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 29, 1999

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 29, 1999

(2) Principal Financial Accounting Officer:

/s/R. David Hoover	Vice Chairman and Chief Financial Officer

R. David Hoover	March 29, 1999

(3) Controller:

/s/Albert R. Schlesinger	Vice President and Controller
Albert R. Schlesinger	March 29, 1999

(4) A Majority of the Board of Directors:

/s/Frank A. Bracken	*	Director
Frank A. Bracken		March 29, 1999
/s/Howard M. Dean	*	Director
Howard M. Dean		March 29, 1999
/s/John T. Hackett	*	Director
John T. Hackett		March 29, 1999
/s/R. David Hoover	*	Director
R. David Hoover		March 29, 1999
/s/John F. Lehman	*	Director
John F. Lehman		March 29, 1999
/s/George McFadden	*	Director
George McFadden		March 29, 1999
/s/Ruel C. Mercure, Jr.	*	Director
Ruel C. Mercure, Jr.		March 29, 1999
/s/Jan Nicholson	*	Director
Jan Nicholson		March 29, 1999
/s/George A. Sissel	*	Chairman, Chief Executive Officer and Director
George A. Sissel		March 29, 1999
/s/William P. Stiritz	*	Director
William P. Stiritz		March 29, 1999

*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 29, 1999

Ball Corporation and Subsidiaries
Annual Report on Form 10-K
For the year ended December 31, 1998

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 September 26, 1998. (Filed herewith.)
4.1(a)	Senior Note Indenture, dated August 10, 1998, among Ball

Corporation, certain subsidiary guarantors of Ball Corporation and The Bank of New York, as Senior Note Trustee (filed by incorporation by reference to the Current Report on Form 8-K dated August 10, 1998) filed August 25, 1998.

4.1(b)	Senior Registration Rights Agreement, dated August 10, 1998, among Ball Corporation, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, BancAmerica Robertson Stephens, First Chicago Capital Markets, Inc. and certain subsidiary guarantors of Ball Corporation (filed by incorporation by reference to the Current Report on Form 8-K dated August 10, 1998) filed August 25, 1998.
4.2(a)	Senior Subordinated Note Indenture, dated August 10, 1998, among Ball Corporation, certain subsidiary guarantors of Ball Corporation and The Bank of New York, as Senior Subordinated Note Trustee (filed by incorporation by reference to the Current Report on Form 8-K dated August 10, 1998) filed August 25, 1998.
4.2(b)	Senior Subordinated Registration Rights Agreement, dated August 10, 1998, among Ball Corporation, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, BancAmerica Robertson Stephens, First Chicago Capital Markets, Inc. and certain subsidiary guarantors of Ball Corporation (filed by incorporation by reference to the Current Report on Form 8-K dated August 10, 1998) filed August 25, 1998.
4.3	Dividend distribution payable to shareholders of record on August 4, 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 22 , 1996) filed May 15, 1996.
10.8	Stock Purchase Agreement dated as of June 29, 1989, between Ball Corporation and Mellon Bank, N.A. (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 2, 1989) filed August 15, 1989.

10.9	Ball Corporation 1986 Deferred Compensation Plan for Directors, as amended October 27, 1987 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1990) filed April 1, 1991.
10.10	1991 Restricted Stock Plan for Nonemployee Directors of Ball Corporation (filed by incorporation by reference to the Form S-8 Registration Statement, No. 33-40199) filed April 26, 1991.
10.11	Ball Corporation Economic Value Added Incentive Compensation Plan dated January 1, 1994 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1994) filed March 29, 1995.
10.12	Ball Corporation 1997 Stock Incentive Plan (filed by incorporation by reference to the Form S-8 Registration Statement, No. 333-26361), filed May 1, 1997.
10.13	Agreement and Plan of Merger among Ball Corporation, Ball Sub Corp. and Heekin Can, Inc. dated as of December 1, 1992, and as amended as of December 28, 1992 (filed by incorporation by reference to the Registration Statement on Form S-4, No. 33-58516) filed February 19, 1993.
10.14	Distribution Agreement between Ball Corporation and Alltrista (filed by incorporation by reference to the Alltrista Corporation Form 8, Amendment No. 3 to Form 10, No. 0-21052, dated December 31, 1992) filed March 17, 1993.
10.15	1993 Stock Option Plan (filed by incorporation by reference to the Form S-8 Registration Statement, No. 33-61986) filed April 30, 1993.

Exhibit Number	Description of Exhibit
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.
10.22a	Ball Corporation Merger Related, Special Incentive Plan for Operating Executives which provides for Stock Option grants in which the five named executive officers participate and which grants are referred to in the Executive Compensation section in the Ball Corporation Proxy Statement dated March 15, 1999. (The form of the option grants is filed herewith).
10.22b	Ball Corporation Merger Related, Special Incentive Plan for Operating Executives which provides for Restricted Stock grant in which the five named executive officers participate and which grants are referred to in the Executive Compensation section of the Ball Corporation Proxy Statement dated March 15, 1999. (The form of the restricted grants is filed herewith.)
10.22c	Ball Corporation Merger Related Special Incentive Plan for Operating Executives which provides for certain cash incentive payments based upon the attainment of certain performance

	criteria. This plan is referred to in Item 11, the Executive Compensation section of this Form 10-K. (The form of the plan is filed herewith.)
10.23	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.

Exhibit Number	Description of Exhibit
10.24	Foster Ball, L.L.C. (since renamed Ball-Foster Glass Container Co., L.L.C.) Amended and Restated Limited Liability Company Agreement dated June 26, 1995, among Saint-Gobain Holdings I Corp., BG Holdings I, Inc. and BG Holdings II, Inc. (filed by incorporation by reference to the Current Report on Form 8-K dated September 15, 1995) filed September 29, 1995.
10.25	Asset Purchase Agreement dated August 10, 1998, among Ball Corporation and its Ball Metal Beverage Container Corp. and Reynolds Metals Company (filed by incorporation by reference to the Current Report on Form 8-K dated August 10, 1998) filed August 25, 1998.
10.26	Part-Time Employment, Retirement and Consulting Services Agreement between Duane E. Emerson and Ball Corporation dated January 14, 1997 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1998) filed March 31, 1998.
10.27	Agreement and General Release between David B. Sheldon and Ball Corporation dated February 7, 1997 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1998) filed March 31, 1998.
10.28	Consulting Agreement between The Cygnus Enterprise Development Corp. (for which Donovan B. Hicks is managing partner) and Ball Corporation dated January 1, 1997 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1998) filed March 31, 1998.
10.29	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 1998 Annual Report to Shareholders). (Filed herewith.)
12.1	Statement re: Computation of Ratio of Earnings to Fixed Charges. (Filed herewith.)
13.1	Ball Corporation 1998 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.

Exhibit Number	Description of Exhibit
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, 1998. (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 3.ii

Bylaws
of
Ball Corporation
(As of December 9, 1998)

Article One

Capital Stock

Section A. Classes of Stock. The capital stock of the corporation shall consist of shares of such kinds and classes, with such designations and such relative rights, preferences, qualifications, limitations and restrictions, including voting rights, and for such consideration as shall be stated in or determined in accordance with the Amended Articles of Incorporation and any amendment or amendments thereof, or the Indiana Business Corporation Law. Consistent with the Indiana Business Corporation Law, capital stock of the corporation owned by the corporation may be referred to and accounted for as treasury stock.

Section B. Certificates for Shares. All share certificates shall be consecutively numbered as issued and shall be signed by the chairman and the corporate secretary or assistant corporate secretary of the corporation.

Section C. Transfer of Shares. The shares of the capital stock of the corporation shall be transferred only on the books of the corporation by the holder thereof, or by his attorney, upon the surrender and cancellation of the stock certificate, whereupon a new certificate shall be issued to the transferee. The transfer and assignment of such shares of stock shall be subject to the laws of the State of Indiana. The board of directors shall have the right to appoint and employ one or more stock registrars and/or transfer agents in the State of Indiana or in any other state.

Section D. Control Share Acquisition Statute Inapplicable. Chapter 42 of the Indiana Business Corporation Law (IC 23-1-42) shall not apply to control share acquisitions of shares of the corporation.

Article Two

Shareholders

Section A. Annual Meetings. The regular annual meeting of the shareholders of the corporation shall be held on the fourth Wednesday in April of each year, or on such other date within a reasonable interval after the close of the corporation's last fiscal year as may be designated from time to time by the board of directors, for the election of the directors of the corporation, and for the transaction of such other business as is authorized or required to be transacted by the shareholders.

Section B. Special Meetings. Special meetings of the shareholders may be called by the chairman of the board or by the board of directors or as otherwise may be required by law.

Section C. Time and Place of Meetings. All meetings of the shareholders shall be held at the principal office of the corporation or at such other place within or without the State of Indiana and at such time as may be designated from time to time by the board of directors.

Article Three

Directors

Section A. Number and Terms of Office. The business of the corporation shall be controlled and managed in accordance with the Indiana Business Corporation Law by a board of ten directors, divided into classes as provided in the Amended Articles of Incorporation.

Section B. Eligibility. No person shall be eligible for election or reelection as a director after having attained the age of seventy prior to or on the day of election or reelection. A director who attains the age of seventy during his term of office shall be eligible to serve only until the annual meeting of shareholders of the corporation next following such director's seventieth birthday.

Section C. Regular Meetings. The regular annual meeting of the board of directors shall be held immediately after the adjournment of each annual meeting of the shareholders. Regular quarterly meetings of the board of directors shall be held on the fourth Wednesday of January, July, and October of each year, or on such other date as may be designated from time to time by the board of directors.

Section D. Special Meetings. Special meetings of the board of directors may be called at any time by the chairman of the board or by the board, by giving to each director an oral or written notice setting the time, place and purpose of holding such meetings.

Section E. Time and Place of Meetings. All meetings of the board of directors shall be held at the principal office of the corporation, or at such other place within or without the State of Indiana and at such time as may be designated from time to time by the board of directors.

Section F. Notices. Any notice, of meetings or otherwise, which is given or is required to be given to any director may be in the form of oral notice.

Section G. Committees. The board of directors is expressly authorized to create committees and appoint members of the board of directors to serve on them, as follows:

(1) Temporary and standing committees, including an executive committee, and the respective chairmen thereof, may be appointed by the board of directors, from time to time. The board of directors may invest such committees with such powers and limit the authority of such committees as it may see fit, subject to conditions as it may prescribe. The executive committee shall consist of three or more members of the board. All other committees shall consist of one or more members of the board. All committees so appointed shall keep regular minutes of the transactions of their meetings, shall cause them to be recorded in books kept for that purpose in the office of the corporation, and shall report the same to the board of directors at its next meeting. Within its area of responsibility, each committee shall have and exercise all of the authority of the board of directors, except as limited by the board of directors or by law, and shall have the power to authorize the execution of an affixation of the seal of the corporation to all papers or documents which may require it.

(2) Neither the designation of any of the foregoing committees or the delegation thereto of authority shall operate to relieve the board of directors, or any member thereof, of any responsibility imposed by law.

Section H. Loans to Directors. Except as consistent with the Indiana Business Corporation Law, the corporation shall not lend money to or guarantee the obligation of any director of the corporation.

Article Four

Officers

Section A. Election and Term of Office. The officers of the corporation shall be elected by the board of directors at the regular annual meeting of the board, unless the board shall otherwise determine, and shall consist of a chairman of the board of directors, if so designated as an officer by the board, a president, one or more vice presidents (any one or more of whom may be designated "corporate," "group," or other functionally described vice president), a corporate secretary, a treasurer, and, if so elected by the board, may include a vice-chairman of the board of directors and one or more assistant secretaries and assistant treasurers. The board of directors shall, from time to time, designate either the chairman of the board of directors, the president or, if elected, the vice-chairman of the board of directors, as the chief executive officer of the corporation, who shall have general supervision of the affairs of the corporation. The board of directors may, from time to time, designate a chief operating officer and a chief financial officer from among the officers of the corporation. Each officer shall continue in office until his successor shall have been duly elected and qualified or until removed in the manner hereinafter provided. Vacancies occasioned by any cause in any one or more of such offices may be filled for the unexpired portion of the term by the board of directors at any regular or special meeting of the board.

Section B. Chairman of the Board. The chairman of the board shall be chosen from among the directors and shall preside at all meetings of the board of directors and shareholders. He shall confer from time to time with members of the board and the officers of the corporation and shall perform such other duties as may be assigned to him by the board. Except where by law the signature of the president is required, the chairman of the board shall possess the same power as the president to sign all certificates, contracts, and other instruments of the corporation which may be authorized by the board of directors. During the absence or disability of the president, if the president has been designated chief executive officer, the chairman of the board shall act as the chief executive officer of the corporation and shall exercise all the powers and discharge all the duties of the president.

Section C. Vice-Chairman of the Board. The vice-chairman of the board, if elected, shall be chosen from among the directors and shall, in the absence of the chairman of the board, preside at all meetings of the shareholders and directors. He shall have and exercise the powers and duties of the chairman of the board in the event of the chairman's absence or inability to act or during a vacancy in the office of chairman of the board. He shall possess the same power as the chairman to sign all certificates, contracts, and other instruments of the corporation which may be authorized by the board of directors. He shall also have such other duties and responsibilities as shall be assigned to him by the board of directors or chairman.

Section D. The President. The president and his duties shall be subject to the control of the board of directors and, if the chairman of the board has been designated chief executive officer, to the control of the chairman of the board. The president shall have the power to sign and execute all deeds, mortgages, bonds, contracts, and other instruments of the corporation as authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly designated by the board of directors or by these bylaws to some other officer, official or agent of the corporation. The president shall perform all duties incident to the office of president and such other duties as are properly required of him by the bylaws. During the absence or disability of the chairman of the board and the vice-chairman of the board, the president shall exercise all the powers and discharge all the duties of the chairman of the board.

Section E. The Vice Presidents. The vice presidents shall possess the same power as the president to sign all certificates, contracts, and other instruments of the corporation which may be authorized by the board of directors, except where by law the signature of the president is required. All vice presidents shall perform such duties as may from time to time be assigned to them by the board of directors, the chairman of the board, and the president. In the event of the absence or disability of the president, and at the request of the chairman of the board, or in his absence or disability, at the request of the vice-chairman of the board, or in his absence or disability at the request of the board of directors, the vice presidents in the order designated by the chairman of the board, or in his absence or disability by the vice-chairman of the board, or in his absence or disability by the board of directors, shall perform all of the duties of the president, and when so acting they shall have all of the powers of and be subject to the restrictions upon the president and shall act as a member of, or as a chairman of, any standing or special committee of which the president is a member or chairman by designation or ex officio.

Section F. The Corporate Secretary. The corporate secretary of the corporation shall:

(1) Keep the minutes of the meetings of the shareholders and the board of directors in books provided for that purpose.

(2) See that all notices are duly given in accordance with the provisions of these bylaws and as required by law.

(3) Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws.

(4) Keep a register of the post office address of each shareholder, which shall be furnished to the corporate secretary at his request by such shareholder, and make all proper changes in such register, retaining and filing his authority for all such entries.

(5) See that the books, reports, statements, certificates and all other documents and records required by law are properly kept, filed, and authenticated.

(6) In general, perform all duties incident to the office of corporate secretary and such other duties as may from time to time be assigned to him by the board of directors.

(7) In case of absence or disability of the corporate secretary, the assistant secretaries, in the order designated by the chief executive officer, shall perform the duties of corporate secretary.

Section G. The Treasurer. The treasurer of the corporation shall:

(1) Give bond for the faithful discharge of his duties if required by the board of directors.

(2) Have the charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these bylaws.

(3) At all reasonable times, exhibit his books of account and records, and cause to be exhibited the books of account and records of any corporation a majority of whose stock is owned by the corporation, to any of the directors of the corporation upon application during business hours at the office of this corporation or such other corporation where such books and records are kept.

(4) Render a statement of the conditions of the finances of the corporation at all regular meetings of the board of directors, and a full financial report at the annual meeting of the shareholders, if called upon so to do.

(5) Receive and give receipts for monies due and payable to the corporation

from any source whatsoever.

(6) In general, perform all of the duties incident to the office of treasurer and such other duties as may from time to time be assigned to him by the board of directors.

(7) In case of absence or disability of the treasurer, the assistant treasurers, in the order designated by the chief executive officer, shall perform the duties of treasurer.

(8) All acts affecting the treasurer's duties and responsibilities shall be subject to the review and approval of the corporation's chief financial officer.

Article Five

Corporate Seal

The corporate seal of the corporation shall be a round, metal disc with the words "Ball Corporation" around the outer margin thereof, and the words "Corporate Seal," in the center thereof, so mounted that it may be used to impress words in raised letters upon paper.

Article Six

Amendment

These bylaws may be altered, added to, amended, or repealed by the board of directors of the corporation at any regular or special meeting thereof.

Exhibit 12.1

Ratio of Earnings to Fixed Charges
Ball Corporation and Subsidiaries

(dollars in millions)	1998	1997	1996	1995	1994
Income from continuing operations before taxes on income	$ 27.3	$ 85.9	$ 29.6	$ 76.9	$ 95.9
Plus:					
Interest expensed and capitalized	80.9	57.9	45.4	41.3	43.2
Interest expense within rent	15.4	12.7	9.1	5.6	11.6
Amortization of capitalized interest	2.1	2.6	2.1	1.9	1.9
Distributed income of equity investees	2.5	6.9	-	0.4	0.7
Less:					
Interest capitalized	(2.3)	(4.4)	(6.6)	(3.5)	(2.2)
Adjusted earnings	125.9	161.6	79.6	122.6	151.1
Fixed charges	96.3	70.6	54.5	46.9	54.8
Ratio of earnings to fixed charges	1.3x	2.3x	1.5x	2.6x	2.8x

Exhibit 10.22a

PERSONAL & CONFIDENTIAL

RE: Option to purchase ______ Non-Qualified Stock Option shares of Ball Corporation Common Stock at $35.00 per share, being 100 percent of the fair market value on the effective date of September 23, 1998.

Dear _____:

It is my pleasure to inform you that the Human Resources Committee of the Board of Directors of Ball Corporation has granted you the referenced stock option as a "special" grant issued under the Ball Corporation 1997 Stock Incentive Plan (the "Plan"). These options become exercisable after stock trading prices have reached increasing "indexing" levels. This grant, with its indexing feature, signals to our investors the commitment of Ball Corporation and its management to shareholder value creation.

Except as enumerated below, this special stock option grant encompasses the same features as Ball's routine stock option grants, including a ten-year term.

Your special option, however, unlike routine options, becomes exercisable in full five years from the date of grant, except to the extent that all or a portion of the shares shall have become exercisable earlier. The options may become exercisable earlier than five years from the date of grant, as soon as, but not until, the following requirements regarding Ball's Common Stock trading prices are met:

When the Ball stock price reaches an index price of $45 per share, 50 percent of your special option shares will become exercisable. When the Ball stock price reaches an index price of $52 per share, another 25 percent of your special option shares will become exercisable. When the Ball stock price reaches an index price of $60 per share, the remaining 25 percent of your special option shares will become exercisable. The index price will be achieved when the Corporation's stock has closed for ten consecutive trading days on the New York Stock Exchange Composite listing at or above $45, $52, or $60 per share, respectively. Once the appropriate index price requirements have been met, your option will be exercisable at $35.00 per share. During the first five years from the date of grant, you may not exercise any portion of your special option shares except for the portion for which an index price requirement has been met.

In the event of a change in control of the Corporation (as defined in the Plan), any special stock options which remain outstanding at the time of such change in control shall become immediately exercisable in full without regard to the years that have elapsed from the date of grant and regardless of whether any indexing levels have been achieved.

If your employment with Ball Corporation terminates for any reason, except as noted below, during the 39-month period from October 1, 1998, to December 31, 2001, the number of special option shares granted to you will be reduced ratably. The option shares for which the indexing level has been achieved plus the option shares remaining after your ratable reduction will be considered as earned by you. The ratable reduction shall be calculated only on those shares for which the indexing level has not been achieved. The basis of reduction will be the total number of shares for which the indexing level has not been achieved, multiplied by the total number of full months served during the above-referenced period divided by 39. If you are retirement eligible when your employment with the Corporation terminates, the shares earned as of the date of your retirement will continue to become exercisable, to the extent not already exercisable, according to the terms specified above, and your special option grant will remain active until the expiration date of September 23, 2008.

If you are terminated during the 39-month period above for "Cause" or if your employment with the Corporation terminates for any reason (except death or disability) before you are retirement eligible, the shares not already exercisable as of your termination date are forfeited on the date of termination. In these events you may, but only within the 30-day period immediately following such termination of employment, exercise your special option shares to the extent you were entitled to exercise at the date of your termination.

If you die or become disabled while still an active employee of the Corporation, the shares ratably earned as of the date of your death or disability will continue to become exercisable according to the terms specified above, and may be exercised during that period by the person or persons to whom your rights pass by will or by the applicable laws of descent and distribution.

In no event may your special option shares be exercised after the expiration date of September 23, 2008.

When you exercise your option, you must pay the Corporation an amount equal to the exercise price of the option multiplied by the number of shares you wish to acquire. The exercise price of the option may be satisfied by a personal check or with shares of Ball Corporation Common Stock which you already own. You must also at that time pay the Corporation for any taxes it is obligated to withhold upon your exercise of the Non-Qualified option shares, either by personal check or through share retention.

The Plan and Prospectus set forth all terms and conditions which control this option, except for the unique features which are described in the points above. Please execute this option agreement by signing both copies of this letter. Return one copy to the Corporate Secretary's Department in the envelope provided. By doing so, you acknowledge receipt of your option and your agreement to abide by the terms and conditions of the Plan. Be sure to keep your copy of the special stock option agreement along with the enclosed Plan and Prospectus. Please refer to the Prospectus for a discussion of the tax consequences of exercising an option. You should consult your own tax advisor regarding your individual situation.

These special stock options reflect our Board's commitment to incentivize the Corporation's senior management to deliver significant returns to our shareholders in the form of stock price appreciation.

Congratulations on your selection and for accepting the challenge represented by this special stock option award.

Sincerely,

ACKNOWLEDGED AND ACCEPTED:

Employee: ----------------------------

Address: ----------------------------

Date: ----------------------------

Exhibit 10.22b

Dear ________:

Effective September 23, 1998, you were awarded _______ restricted shares of Ball Corporation Common Stock under the terms of the Corporation's 1997 Stock Incentive Plan. We have instructed our transfer agent, First Chicago Trust Company of New York, to issue restricted certificates in your name representing these shares. The certificates will be mailed to the Corporate Secretary's Department and will be held in the vault at Corporate Headquarters until the restrictions lapse, at which time certificates for unrestricted shares will be issued and mailed to you. You will receive quarterly an amount equal to the quarterly dividends, and you will be able to vote the shares at the annual shareholders' meetings.

This restricted stock award reflects our Board's commitment to incentivize the Corporation's senior management to deliver significant returns to our shareholders in the form of stock price appreciation.

Lapse of Restrictions Based on Performance

The restrictions will lapse in full seven years from the date of the award. The restrictions may lapse earlier than seven years from the date of the award based on achievement of performance goals for the Ball Corporation Metal Beverage Container Operations as outlined below:

Performance Goals
<TABLE>
<CAPTION>

	15-Month Performance Period Ending December 31, 1999		27-Month Performance Period Ending December 31, 2000		39-Month Performance Period Ending December 31, 2001	
Performance Measure	Threshold	Target	Threshold	Target	Threshold	Target
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Cumulative EBIT						
Cumulative Cash Flow						

</TABLE>

Depending upon actual performance for each of the Performance Periods above, restrictions may lapse at the end of each Performance Period as follows:

Percentage of Shares Released Based on
Performance During Performance Periods
<TABLE>
<CAPTION>

	15-Month Performance Period Ending December 31, 1999 Performance Level		27-Month Performance Period Ending December 31, 2000 Performance Level		39-Month Performance Period Ending December 31, 2001 Performance Level	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Percent of Shares Released	Threshold	Target	Threshold	Target	Threshold	Target

Based upon Cumulative EBIT	zero to	13%	zero to	32.5%*	zero to	65%*
Based upon Cumulative Cash Flow	zero to	7%	zero to	17.5%*	zero to	35%*

</TABLE>

*Minus the number of shares, if any, previously released pursuant to this award.

For each Performance Period, if actual performance under each measure is greater than Threshold Performance, but is less than Target Performance, restrictions shall lapse and restricted shares shall be released pursuant to the table above determined on a straight line interpolation between Threshold Performance and Target Performance levels.

Three Performance Periods Defined:

The term "Performance Period' means the Fifteen-Month Performance Period, the Twenty Seven-Month Performance Period, or the Thirty Nine-Month Performance Period, as applicable and as follows:

The term "Fifteen-Month Performance Period" means the period that begins on October 1, 1998, and ends on December 31, 1999.

The term "Twenty Seven-Month Performance Period" means the period that begins on October 1, 1998, and ends on December 31, 2000.

The term "Thirty Nine-Month Performance Period" means the period that begins on October 1, 1998, and ends on December 31, 2001.

Cumulative EBIT and Cash Flow Defined.

"Cumulative EBIT" means, with respect to any Performance Period, the cumulative revenues of the Corporation's Metal Beverage Container operations for such Performance Period minus the cumulative expenses of the Corporation's Metal Beverage Container operations for such Performance Period (including, without limitation, expenses for this Agreement and any other similar or dissimilar compensation arrangement), excluding interest expense and provisions for taxes based on income and without giving effect to any extraordinary gains or losses, or gains or losses from sales of assets other than inventory sold in the ordinary course of business, all as determined in accordance with generally accepted accounting principles and as included in the audited financial statements of the Corporation and its consolidated subsidiaries for such Performance Period.

"Cumulative Cash Flow" means, with respect to any Performance Period, Cumulative EBIT for such Performance Period with the following additions and deductions: a) add an amount equal to the cumulative charges for depreciation and amortization of the Corporation's Metal Beverage Container operations for such Performance Period, and b) add an amount equal to the cumulative decreases in year-end working capital of the Corporation's Metal Beverage Container operations in such Performance Period, and c) deduct an amount equal to the cumulative capital expenditures of the Corporation's Metal Beverage Container operations for such Performance Period, and d) deduct an amount equal to the cumulative increases in year-end working capital of the Corporation's Metal Beverage Container operations in such Performance Period, all as determined in accordance with generally accepted accounting principles and as included in the audited financial statements of the Corporation and its consolidated subsidiaries for such Performance Period. For purposes of b. and d. above, working capital means current assets minus current liabilities, and any increase or decrease in year-end working capital shall be measured from the most recent previous December 31, except that any increase or decrease in such working capital during the period ending December 31, 1998, shall be measured from September 30, 1998.

Termination of Employment

If your employment with Ball Corporation terminates for any reason, except as noted below, during the 39-month Performance Period from October 1, 1998, to December 31, 2001, the number of restricted shares awarded to you will be reduced ratably. The basis of reduction will be the total number of restricted shares multiplied by the total number of full months served during the above-referenced Performance Period divided by 39. If you are retirement eligible when your employment with the Corporation terminates, the restricted shares ratably earned as of the date of your retirement will continue to have restrictions lapse according to the terms specified above so long as you do not compete with Ball Corporation by accepting employment with Crown Cork and Seal, American National Can or Metal Container Corporation. In the event that you do compete as outlined above, your rights to the shares that are still subject to restrictions as of the date you commence such employment or consultancy shall terminate on such commencement without payment of consideration by the Corporation.

If you are terminated from employment during the 39-month Performance Period for "Cause" or if your employment with the Corporation terminates for any reason (except death or disability) before you are retirement eligible, your rights to the shares still subject to restrictions as of your termination date shall terminate without payment of consideration by the Corporation.

If you die or become disabled while still an active employee of the Corporation, the shares ratably earned as of the date of your death or disability will continue to have restrictions lapse according to the terms specified above, and rights pass to those shares by will or by the applicable laws of descent and distribution.

Congratulations on your selection and for accepting the challenge represented by this restricted stock award.

Sincerely,

Exhibit 10.22c

Memorandum

- ---

SUBJECT: Merger Related, Special Incentive Plan for Operating Executives

I am pleased to advise you that you have been selected to participate in the Merger Related, Special Incentive Plan for Operating Executives ("Plan"). This program is available only to selected executives and senior managers who are in a position to impact significantly the successful integration of the Reynolds Metals Company can division into our Metal Beverage Operations, or to enhance and sustain the success of our other business units while the integration efforts proceed.

The terms of the Plan are as follows:

1. (a) Payment Contingent. Except as provided otherwise by paragraph 4 below, this Plan will pay you an amount of money determined in accordance with the provisions of paragraph 2 below, if (and only if) (i) the Company's Metal Beverage Container Operations exceeds the Threshold EBIT Goal or the Threshold Cash Flow Goal for a Performance Period (as such terms are defined in paragraphs 1(b) and 1(c) below), and (ii) you are continuously employed full time by the Company from the effective date of this Plan, October 1, 1998, until the close of such Performance Period in your current position or another position eligible for inclusion in this Plan. If the Company's Metal Beverage Container Operations exceeds the Threshold EBIT Goal or the Threshold Cash Flow Goal for none of the Performance Periods, or if you are not continuously employed full time by the Company as provided above from October 1, 1998, until the close of a Performance Period for which the Company's Metal Beverage Container Operations exceeds the Threshold EBIT Goal or the Threshold Cash Flow Goal, you will not be paid any amount of money pursuant to this Plan, unless paragraph 4 below expressly provides otherwise.

(b) Performance Periods Defined.

(i) The term "Performance Period" means the Fifteen Month Performance Period, the Twenty-Seven Month Performance Period, or the Thirty-Nine Month Performance Period as hereafter defined;

(ii) The term "Fifteen Month Performance Period" means the period that begins on October 1, 1998, and that ends on December 31, 1999;

(iii) The term "Twenty-Seven Month Performance Period" means the period that begins on October 1, 1998, and that ends on December 31, 2000; and

(iv) The term "Thirty-Nine Month Performance Period" means the period that begins on October 1, 1998, and that ends on December 31, 2001.

(c) Cumulative EBIT and Cash Flow Defined.

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

(ii) "Cumulative Cash Flow" means, with respect to any Performance Period, Cumulative EBIT for such Performance Period as defined in paragraph 1(c)(i) above with the following additions and deductions: (a) add an amount equal to the cumulative charges for depreciation and amortization of the Company's Metal Beverage Container Operations for such Performance Period, (b) add an amount equal to the cumulative decreases in working capital of the Company's Metal Beverage Container Operations in such Performance Period, (c) deduct an amount equal to the cumulative capital expenditures (including cash rationalization costs) of the Company's Metal Beverage Container Operations for such Performance Period, and (d) deduct an amount equal to the cumulative increases in working capital of the Company's Metal Beverage Container Operations in such Performance Period, all as determined in accordance with generally accepted accounting principles and as included in the audited financial statements of the Company and its consolidated subsidiaries for such Performance Period. For purposes of (b) and (d) above, any increase or decrease in working capital shall be measured from September 30, 1998 to the end of the Performance Period.

2. Special Incentive Plan Award Opportunity and Performance Goals

(a) For the Thirty-Nine Month Performance Period your award opportunity

("Special Incentive Factor") is [__________] of your average annual base salary earned in calendar years 1999, 2000, and 2001. Actual awards (including interim awards) under this Plan may range from zero to 150% of your Special Incentive Factor and are based on achievement of performance goals for the Company's Metal Beverage Container Operations as outlined below:

Cumulative Performance Goals

<TABLE>
<CAPTION>

	15-Month Performance Period Ending December 31, 1999			27-Month Performance Period Ending December 31, 2000			39-Month Performance Period Ending December 31, 2001		
Performance Measure	Threshold	Target	Maximum	Threshold	Target	Maximum	Threshold	Target	Maximum
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Cumulative EBIT									
Cumulative Cash Flow									

</TABLE>

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

Percentage of Special Incentive Factor Awarded Based on
Actual Cumulative Performance During Performance Periods

<TABLE>
<CAPTION>

	15-Month Performance Period Ending December 31, 1999 Performance Level			27-Month Performance Period Ending December 31, 2000 Performance Level			39-Month Performance Period Ending December 31, 2001 Performance Level		
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Percent of Special Incentive Factor Awarded	Threshold	Target	Maximum	Threshold	Target	Maximum	Threshold	Target	Maximum
Based upon Cumulative EBIT	zero to	13% to	19.5%	zero to	32.5%* to	48.75%*	zero to	65%* to	97.5%*
Based upon Cumulative Cash Flow	zero to	7% to	10.5%	zero to	17.5%* to	26.25%*	zero to	35%* to	52.5%*

</TABLE>

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

For each Performance Period, if actual performance under each measure is greater than Threshold Performance, but is less than Target Performance, awards shall be calculated pursuant to the table above, determined on a straight line interpolation between Threshold Performance and Target Performance levels. For each Performance Period, if actual performance under each measure is greater than Target Performance, but is less than Maximum Performance, awards shall be calculated pursuant to the table above, determined on a straight line interpolation between Target Performance and Maximum Performance levels.

Payment of amounts earned under this Plan with respect to any Performance Period shall take place on or before March 15 of the calendar year next following the close of such Performance Period.

3. Payment Contingent on Continued Service with the Company. Except to the extent otherwise expressly provided by paragraph 4, in order to be eligible to receive an award under this Plan, you must be employed full time by of the Company from October 1, 1998, until the close of the Performance Period in respect of which the payment is to be made. If your full-time employment by of the Company terminates for any reason before the close of the Performance Period in respect of which a payment is to be made pursuant to any of the preceding paragraph, then, except to the extent otherwise expressly provided by paragraph 4 below, upon such termination of employment you shall relinquish any right to be paid any money that would otherwise thereafter be paid to you pursuant to this Plan in respect of such Performance Period.

4. Exception for Certain Terminations of Service during Performance Period. If, before the close of the Thirty-Nine Month Performance Period, you cease to be continuously employed full time by of the Company by reason of early or normal retirement, as defined in the Company's Pension Plan for Salaried Employees, or for any other reason (including, but not limited to, by reason of your being transferred to a position not eligible for inclusion in this Plan) except (a) cause, or (b) your voluntary termination of employment, then, the Company will pay you (or your Beneficiary, in the case of your death) the amount of money which would have been paid to you pursuant to paragraph 2 if your full-time employment and participation in the Plan had continued until the close of the Thirty-Nine Month Performance Period, multiplied by a fraction the numerator of which shall be the number of full months of continuous full-time employment that you actually served during the Thirty-Nine Month Performance Period, and the denominator of which shall be 39 months. Any money payable pursuant to the preceding sentence shall be paid at the same time, on the same terms, and subject to the same conditions that would have applied if your full-time employment and participation in the Plan had continued until the close of the Thirty-Nine Month Performance Period.

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

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

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

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

Exhibit 13.1

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

(dollars in millions except per share amounts)	Year ended December 31, 1998	1997	1996
<S>	<C>	<C>	<C>
Net sales	$2,896.4	$2,388.5	$2,184.4
Costs and expenses			
Cost of sales (excluding depreciation and amortization)	2,425.5	2,015.6	1,926.0
Selling and administrative expenses	136.5	125.0	81.0
Depreciation and amortization	154.6	117.5	93.5
Headquarters relocation, plant closures, dispositions and other costs	73.9	(9.0)	21.0
Interest expense	78.6	53.5	33.3
	2,869.1	2,302.6	2,154.8
Income from continuing operations before taxes on income	27.3	85.9	29.6
Provision for income tax expense	(8.8)	(32.0)	(7.2)
Minority interests	7.9	5.1	0.2
Equity in earnings (losses) of affiliates	5.6	(0.7)	(9.5)
Net income before extraordinary item and accounting change from:			
Continuing operations	32.0	58.3	13.1
Discontinued operations	--	--	11.1
Net income before extraordinary item and accounting change	32.0	58.3	24.2
Extraordinary loss from early debt extinguishment, net of tax benefit	(12.1)	--	--
Cumulative effect of change in accounting for start-up costs, net of tax benefit	(3.3)	--	--
Net income	16.6	58.3	24.2
Preferred dividends, net of tax benefit	(2.8)	(2.8)	(2.9)
Net earnings attributable to common shareholders	$ 13.8	$ 55.5	$ 21.3
Net earnings per common share before extraordinary item and accounting change from:			
Continuing operations	$ 0.96	$ 1.84	$ 0.34
Discontinued operations	--	--	0.36
Net earnings per common share before extraordinary item and accounting change	0.96	1.84	0.70
Extraordinary loss from early debt extinguishment, net of tax benefit	(0.40)	--	--
Cumulative effect of change in accounting for start-up costs, net of tax benefit	(0.11)	--	--
Earnings per common share	$ 0.45	$ 1.84	$ 0.70
Diluted earnings per share before extraordinary item and accounting change from:			

Continuing operations	$ 0.91	$ 1.74	$ 0.34
Discontinued operations	--	--	0.34
Net income before extraordinary item and accounting change	0.91	1.74	0.68
Extraordinary loss from early debt extinguishment, net of tax benefit	(0.37)	--	--
Cumulative effect of change in accounting for start-up costs, net of tax benefit	(0.10)	--	--
Diluted earnings per share	$ 0.44	$ 1.74	$ 0.68

</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)	1998	1997
<S>	<C>	<C>
Assets		
Current assets		
Cash and temporary investments	$ 34.0	$ 25.5
Accounts receivable, net	273.5	301.4
Inventories, net	483.8	413.3
Deferred income tax benefits and prepaid expenses	94.3	57.9
Total current assets	885.6	798.1
Property, plant and equipment, net	1,174.4	919.5
Goodwill and other assets	794.8	372.5
	$2,854.8	$2,090.1
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt and current portion of long-term debt	$ 126.8	$ 407.0
Accounts payable	350.3	258.6
Salaries, wages and accrued employee benefits	97.1	78.3
Other current liabilities	113.4	93.9
Total current liabilities	687.6	837.8
Long-term debt	1,229.8	366.1
Employee benefit obligations, deferred income taxes and other noncurrent liabilities	290.7	200.3
Total noncurrent liabilities	1,520.5	566.4
Contingencies		
Minority interests	24.4	51.7
Shareholders' equity		
Series B ESOP Convertible Preferred Stock	57.2	59.9
Unearned compensation - ESOP	(29.5)	(37.0)
Preferred shareholder's equity	27.7	22.9
Common stock (34,859,636 shares issued - 1998; 33,759,234 shares issued - 1997)	368.4	336.9
Retained earnings	397.9	402.3
Accumulated other comprehensive loss	(31.7)	(22.8)
Treasury stock, at cost (4,404,758 shares - 1998; 3,539,574 shares - 1997)	(140.0)	(105.1)
Common shareholders' equity	594.6	611.3
Total shareholders' equity	622.3	634.2

	$2,854.8	$2,090.1

</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)	1998	1997	1996
<S>	<C>	<C>	<C>
Cash Flows from Operating Activities			
Net income from continuing operations	$ 16.6	$ 58.3	$ 13.1
Reconciliation of net income from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	154.6	117.5	93.5
Headquarters relocation, plant closures, dispositions and other costs	60.9	(9.0)	21.0
Extraordinary loss from early debt extinguishment	19.9	--	--
Other	(24.4)	19.3	14.0
Working capital changes, excluding effects of acquisitions and dispositions:			
Accounts receivable	93.9	(15.5)	(62.4)
Inventories	27.7	(33.4)	3.2
Accounts payable	54.7	(2.1)	19.0
Other, net	(16.8)	8.4	(17.1)
Net cash provided by operating activities	387.1	143.5	84.3
Cash Flows from Investing Activities			
Additions to property, plant and equipment	(84.2)	(97.7)	(196.1)
Acquisition of Reynolds' beverage can manufacturing net assets, including a $39.0 million incentive loan, transaction and other costs	(838.4)	--	--
Other acquisitions, net of cash acquired	--	(202.7)	--
Investments in and advances to affiliates, net	(2.2)	(11.2)	(27.7)
Net cash flows from:			
Discontinued operations	--	--	188.1
Proceeds from sale of other businesses, net	--	31.1	41.3
Other	9.7	29.6	(24.0)
Net cash used in investing activities	(915.1)	(250.9)	(18.4)
Cash Flows from Financing Activities			
Increase in long-term borrowings	1,310.4	2.4	167.6
Principal payments of long-term borrowings	(487.8)	(76.9)	(66.6)
Debt issuance costs	(28.9)	--	--
Debt prepayment costs	(17.5)	--	--
Net change in short-term borrowings	(203.3)	72.0	12.9
Common and preferred dividends	(22.7)	(22.9)	(22.8)
Proceeds from issuance of common stock under various employee and shareholder plans	31.5	21.7	21.4
Acquisitions of treasury stock	(34.9)	(32.1)	(10.3)
Other	(10.3)	(0.5)	(4.0)
Net cash provided by (used in) financing activities	536.5	(36.3)	98.2
Net Increase (Decrease) in Cash	8.5	(143.7)	164.1
Cash and temporary investments at beginning of year	25.5	169.2	5.1
Cash and Temporary Investments at End of Year	$ 34.0	$ 25.5	$ 169.2

</TABLE>
The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income Ball Corporation and Subsidiaries

<TABLE>
<CAPTION>

	Number of Shares (in thousands)			Year ended December 31, (dollars in millions)		
	1998	1997	1996	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Series B ESOP Convertible Preferred Stock						
Balance, beginning of year	1,635	1,681	1,787	$ 59.9	$ 61.7	$ 65.6
Shares retired	(48)	(46)	(106)	(2.7)	(1.8)	(3.9)
Balance, end of year	1,587	1,635	1,681	$ 57.2	$ 59.9	$ 61.7
Unearned Compensation - ESOP						
Balance, beginning of year				$(37.0)	$(44.0)	$(50.4)
Amortization				7.5	7.0	6.4
Balance, end of year				$(29.5)	$(37.0)	$(44.0)
Common Stock						
Balance, beginning of year	33,759	32,977	32,173	$336.9	$315.2	$293.8
Shares issued for stock options and other employee and shareholder stock plans less shares exchanged	1,101	782	804	31.5	21.7	21.4
Balance, end of year	34,860	33,759	32,977	$368.4	$336.9	$315.2
Retained Earnings						
Balance, beginning of year				$402.3	$365.2	$362.0
Net income for the year				16.6	58.3	24.2
Common dividends				(18.2)	(18.4)	(18.1)
Preferred dividends, net of tax benefit				(2.8)	(2.8)	(2.9)
Balance, end of year				$397.9	$402.3	$365.2
Treasury Stock						
Balance, beginning of year	(3,540)	(2,458)	(2,058)	$ (105.1)	$(73.0)	$(62.7)
Shares reacquired	(865)	(1,082)	(400)	(34.9)	(32.1)	(10.3)
Balance, end of year	(4,405)	(3,540)	(2,458)	$(140.0)	$(105.1)	$(73.0)

</TABLE>
<TABLE>
<CAPTION>

	As of and for the Year Ended December 31,		
(dollars in millions)	1998	1997	1996

<S>	<C> Comprehensive Income	<C> Accumulated Other Comprehensive Loss	<C> Comprehensive Income	<C> Accumulated Other Comprehensive Loss	<C> Comprehensive Income	<C> Accumulated Other Comprehensive Loss
Comprehensive Income (Loss)						
Balance, beginning of year		$ (22.8)		$ (20.7)		$ (25.6)
Net income for the year	$ 16.6		$ 58.3		$ 24.2	
Foreign currency translation adjustment	(7.7)		(2.6)		(0.5)	
Minimum pension liability adjustment, net of tax	(1.2)		0.5		5.4	
Other comprehensive income (loss)	(8.9)	(8.9)	(2.1)	(2.1)	4.9	4.9
Comprehensive income	$ 7.7		$ 56.2		$ 29.1	
Balance, end of year		$ (31.7)		$ (22.8)		$ (20.7)

</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 its controlled affiliates in which it holds a majority equity position (collectively, Ball or the Company). Investments in 20 percent through 50 percent owned affiliated companies 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.

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.

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

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. Translation gains and losses are reported as a component of common shareholders' equity.

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, up to 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 recorded within the accompanying balance sheet and related to the ESOP is reduced as the principal of the guaranteed ESOP notes is amortized.

Earnings Per Share
Earnings per common share are computed by dividing the net earnings 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 attributable to common shareholders are adjusted for additional ESOP contributions which would be required if the ESOP Preferred was converted to common shares and exclude the tax benefit of deductible common dividends upon the assumed conversion of the ESOP Preferred.

New Accounting Pronouncements
Effective January 1, 1998, Ball adopted Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income." See the "Shareholders' Equity" note for information regarding SFAS No. 130. The company also adopted SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," and SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits," in 1998. See the "Business Segment Information" note for information regarding SFAS No. 131 and the "Pension and Other Postretirement and Postemployment Benefits" note for information regarding SFAS No. 132.

During the fourth quarter of 1998, Ball adopted Statement of Position (SOP) No. 98-5, "Reporting on the Costs of Start-Up Activities," in advance of its required 1999 implementation date. SOP No. 98-5 requires that costs of start-up activities and organizational costs, as defined, be expensed as incurred. In accordance with this statement, the Company recorded an after-tax charge to earnings of approximately $3.3 million (11 cents per share), retroactive to January 1, 1998, representing the cumulative effect of this change in accounting on prior years.

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," essentially requires all derivatives to be recorded on the balance sheet at fair value and establishes new accounting practices for hedge instruments. The statement will be effective for Ball in 2000. The effect, if any, of adopting this standard has not yet been determined.

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.

Business Segment Information

The Company adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," during the fourth quarter of 1998. SFAS No. 131 establishes standards for reporting information about operating segments in annual financial statements and requires 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. Ball's operations are organized along its product lines and include two segments - the packaging segment and the aerospace and technologies segment.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Prior year segment information has been restated to conform to the requirements of SFAS No. 131.

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 consolidated packaging operations are located in and serve North America (the U.S. and Canada) and Asia, primarily the People's Republic of China (PRC). Packaging operations in the U.S. have increased as a result of the August 1998 acquisition of the North American beverage can manufacturing business of Reynolds Metals Company. Operations in Asia have also 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 both businesses are included within the packaging segment since their acquisition dates. 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 "Acquisitions" and "Headquarters Relocation, Plant Closures, Dispositions and Other Costs" notes 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 "Headquarters Relocation, Plant Closures, Dispositions and Other Costs" note for information regarding transactions affecting segment results.

<TABLE>
<CAPTION>

Summary of Business by Segment
(dollars in millions)

<S>	<C> 1998	<C> 1997	<C> 1996
Net Sales			
Packaging	$2,533.8	$1,989.8	$1,822.1
Aerospace and technologies	362.6	398.7	362.3
Consolidated net sales	$2,896.4	$2,388.5	$2,184.4
Earnings before interest and taxes			
Packaging	$ 164.7	$ 108.3	$ 57.6
Plant closures, dispositions and other costs (1)	(56.2)	(3.0)	(21.0)
Total packaging	108.5	105.3	36.6
Aerospace and technologies	30.4	34.0	31.4
Segment earnings before interest and taxes	138.9	139.3	68.0
Headquarters relocation costs	(17.7)	--	--

Corporate undistributed expenses, net	(15.3)	(11.9)	(5.1)
Dispositions and other (1)	--	12.0	--
Earnings from continuing operations before interest and taxes	105.9	139.4	62.9
Interest expense	(78.6)	(53.5)	(33.3)
Provision for income tax expense	(8.8)	(32.0)	(7.2)
Minority interests	7.9	5.1	0.2
Equity in earnings (losses) of affiliates	5.6	(0.7)	(9.5)
Consolidated net income from continuing operations before extraordinary item and accounting change	$ 32.0	$ 58.3	$ 13.1
Depreciation and Amortization			
Packaging	$ 135.4	$ 101.4	$ 78.9
Aerospace and technologies	15.0	14.3	12.5
Segment depreciation and amortization	150.4	115.7	91.4
Corporate	4.2	1.8	2.1
Consolidated depreciation and amortization	$ 154.6	$ 117.5	$ 93.5
Net Investment			
Packaging	$1,164.3	$ 1,088.5	$ 863.2
Aerospace and technologies	143.5	126.6	99.8
Segment net investment	1,307.8	1,215.1	963.0
Corporate net investment and eliminations	(685.5)	(580.9)	(358.6)
Consolidated net investment	$ 622.3	$ 634.2	$ 604.4
Investments in Equity Affiliates			
Packaging	$ 80.9	$ 74.5	$ 66.9
Aerospace and technologies	--	--	--
Segment investments in equity affiliates	80.9	74.5	66.9
Corporate	--	--	14.0
Consolidated investments in equity affiliates	$ 80.9	$ 74.5	$ 80.9
Property, Plant and Equipment Additions			
Packaging	$ 63.7	$ 75.7	$ 179.7
Aerospace and technologies	17.2	18.6	15.1
Segment property, plant and equipment additions	80.9	94.3	194.8
Corporate	3.3	3.4	1.3
Consolidated property, plant and equipment additions	$ 84.2	$ 97.7	$ 196.1

</TABLE>
(1) Refer to the "Headquarters Relocation, Plant Closures, Dispositions and Other Costs" note.

Financial data segmented by geographic area is provided below.

Summary of Net Sales by Geographic Area
<TABLE>
<CAPTION>

(dollars in millions)	U.S.	Other (1)	Consolidated
<S>	<C>	<C>	<C>
1998	$ 2,449.5	$ 446.9	$ 2,896.4
1997	1,888.9	499.6	2,388.5
1996	1,826.3	358.1	2,184.4

</TABLE>
(1) Includes the Company's net sales in the PRC and Canada, intercompany eliminations and other.

Summary of Long-lived Assets by Geographic Area
<TABLE>
<CAPTION>

(dollars in millions)	U.S.	PRC	Other (1)	Consolidated
<S>	<C>	<C>	<C>	<C>
1998	$ 1,763.2	$ 369.3	$ (163.3)	$ 1,969.2
1997	972.4	465.5	(145.9)	1,292.0
1996	792.7	108.6	32.9	934.2

</TABLE>

(1) Includes the Company's long-lived assets in Canada, intercompany eliminations and other.

Major Customers

Packaging segment sales to PepsiCo, Inc., and affiliates represented approximately 15 percent of consolidated net sales in 1998 and 12 percent of consolidated net sales in 1997 and 1996. Sales to Coca-Cola and affiliates represented 10 percent of consolidated net sales in 1998 and less than 10 percent in 1997 and 1996. Sales to Anheuser-Busch Companies, Inc., represented less than 10 percent of consolidated net sales in 1998 and 1997 and approximately 11 percent of consolidated net sales in 1996. Sales to all bottlers of Pepsi-Cola and Coca-Cola branded beverages comprised approximately 40 percent of consolidated net sales in 1998 and 36 percent of consolidated net sales in both 1997 and 1996. Sales to various U.S. government agencies by the aerospace and technologies segment, either as a prime contractor or as a subcontractor, represented approximately 11 percent, 14 percent and 15 percent of consolidated net sales in 1998, 1997 and 1996, respectively.

Acquisitions

Metal Beverage Container Manufacturing Business

On August 10, 1998, Ball acquired substantially all the assets and assumed certain liabilities of the North American beverage can manufacturing business of Reynolds Metals Company (Acquisition) for approximately $745.4 million costs, before a refundable incentive loan of $39.0 million, a preliminary working capital adjustment of an additional $40.1 million and transaction costs. The acquisition has been accounted for as a purchase, with its results included in the Company's consolidated financial statements effective with the acquisition.

The assets acquired consisted largely of 16 plants in 12 states and Puerto Rico, as well as a headquarters facility in Richmond, Virginia. During the fourth quarter of 1998, the Company closed the Richmond facility and consolidated the headquarters operations at the Company's offices near Denver, Colorado. In addition, the Company announced that it intends to close two of the acquired plants during the first quarter of 1999 and is developing plans for further integration, including capacity consolidations and other cost saving measures. As a result, the Company has initially provided $56.8 million in the opening balance sheet as an estimate of the related costs of integration and consolidation. Upon finalization of the plan, which is expected within 1999, adjustments to the estimated costs, if any, will be reflected as a change in goodwill.

As a part of the acquired asset valuation and purchase price allocation process, approximately $388.4 million has been preliminarily assigned to goodwill.

Following is a summary of the net assets acquired:

(dollars in millions)

Total assets	$ 971.8
Less liabilities assumed:	
Current liabilities	70.4
Long-term liabilities	115.9
Net assets acquired	785.5
Incentive loan	39.0
Transaction costs	13.9
Total consideration	$ 838.4

The following unaudited pro forma consolidated results of operations have been prepared as if the Acquisition had occurred as of January 1, 1997. The pro forma results are not necessarily indicative of the actual results that would have occurred had the Acquisition been in effect for the periods presented, nor are they necessarily indicative of the results that may be obtained in the future:

<TABLE>
<CAPTION>

	Year ended December 31,	
(dollars in millions except per share amounts)	1998	1997
<S>	<C>	<C>
Net sales	$ 3,667.9	$ 3,581.2
Net income	30.2	45.7
Net earnings attributable to common shareholders	27.4	42.9
Earnings per common share, including accounting change	0.90	1.42
Diluted earnings per share, including accounting change	0.84	1.35

</TABLE>

Pro forma adjustments include increased interest expense related to incremental borrowings used to finance the Acquisition, the amortization of goodwill, decreased depreciation expense on plant and equipment based on extended useful lives partially offset by increased fair values, and the elimination of the extraordinary loss on early debt extinguishment. Pro forma results exclude anticipated synergies.

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, previously held by Lam Soon (Hong Kong) Limited and the general public, for approximately $179.7 million. M.C. Packaging manufactures 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 purchase price allocation included provisions for costs incurred in 1997 and 1998 for severance, relocation and other integration and consolidation activities of approximately $2.0 million. As a part of the acquired asset valuation and purchase price allocation process, approximately $132.6 million has been assigned to goodwill.

Following is a summary of the net assets acquired:

(dollars in millions)	
Total assets, including cash of $18.8 million	$ 470.3
Less liabilities assumed:	
Current liabilities (other than debt)	56.9
Total debt	198.0
Other long-term liabilities and minority interests	35.7
Net assets acquired	$ 179.7

The following unaudited pro forma consolidated results of operations have been prepared as if the acquisition of M.C. Packaging had occurred as of January 1, 1996. The pro forma results are not necessarily indicative of the actual results that would have occurred had the acquisition been in effect for the period presented, nor are they necessarily indicative of the results that may be obtained in the future:

(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.

In addition to increased interest expense related to incremental borrowings used to finance the acquisition and the amortization of goodwill, pro forma results include preacquisition charges of $6.2 million (20 cents per share), after taxes and minority interests, in connection with preacquisition inventory, accounts receivable and other items which management believed were at abnormally high levels not anticipated in the future.

During 1998, FTB Packaging purchased substantially all of the remaining direct and indirect minority interests in M.C. Packaging.

PET Container Assets

In the third quarter of 1997, the Company acquired certain PET container assets for approximately $42.7 million from Brunswick Container Corporation, 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 "Headquarters Relocation, Plant Closures, Dispositions and Other Costs" note for additional information regarding these plant closures.

Headquarters Relocation, Plant Closures, Dispositions and Other Costs

The following table summarizes the transaction gains and losses in connection with the headquarters relocation, plant closures, dispositions and other charges included in the consolidated statement of income.

(dollars in millions except per share amounts)	Pretax Gain (Loss)

1998	
Headquarters relocation	$(17.7)
Plant closings and other costs	(56.2)
	$(73.9)

1997	
Sale of investment in Datum	$ 11.7
Plant closing	(3.0)
Disposition and write-down of equity investments	0.3
	$ 9.0

1996	
Sale of U.S. aerosol business	$ (3.3)
Plant closings and other	(17.7)
	$(21.0)

1998

In February 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 recorded a charge in 1998 of $17.7 million ($10.8 million after tax or 36 cents per share), primarily for employee-related costs which were substantially paid by the end of the year.

In December 1998, the Company announced its intention to close, in the early part of 1999, two of its plants located in the PRC and remove from service manufacturing equipment at a third plant. The actions are being taken to address current industry over capacity and uncertainty in the Asian financial markets which has resulted in a decrease in exports of Company products from Hong Kong to other Asian countries.

The Company's preliminary estimates include a $52.0 million largely non-cash charge to write down equipment, goodwill and other assets to net realizable values and $4.2 million of other costs. Fair value of the assets was determined based on management estimates. Further adjustments, if any, to the preliminary estimates will be reflected as an adjustment to current period earnings. The total after-tax effect of the estimated plant closings and other costs was a loss of $31.4 million ($1.03 per share).

1997

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. 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.

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 and 1996.

The net after-tax effect of the 1997 transactions was a gain of $5.0 million (16 cents per share).

1996

In the fourth quarter of 1996, Ball sold its U.S. aerosol container manufacturing business, with net assets of approximately $47.6 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 have been completed.

In 1994, the Company formed EarthWatch, Incorporated (EarthWatch), which 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. During 1996, EarthWatch was reincorporated in Delaware as EarthWatch Incorporated (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 through 1998. Ball has no commitments to provide further equity or debt financing to EarthWatch beyond its investment to date, but continues to assess its options with respect to EarthWatch. Ball Aerospace & Technologies Corp. has agreed to produce satellites and instruments for EarthWatch.

The after-tax effect of the 1996 transactions was a loss of $24.7 million (82 cents per share).

Discontinued Operations

In September 1995, the Company sold substantially all of the assets of Ball Glass Container Corporation, 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. The net income attributable to the business was reported as discontinued operations in 1996 and included interest expense of $5.5 million. With the October 1996 sale, Ball no longer participates in the glass packaging business.

Accounts Receivable

Accounts receivable are net of an allowance for doubtful accounts of $15.7 million and $12.2 million at December 31, 1998 and 1997, respectively.

Sale of Trade Accounts Receivable

A receivables sales agreement provides for the ongoing, revolving sale of a designated pool of trade accounts receivable of Ball's U.S. packaging businesses. In December 1998, the designated pool of receivables was increased to provide for sales of up to $125 million from the previous amount of $75 million. Net funds received from the sale of the accounts receivable totaled $122.5 million and $65.9 million at December 31, 1998 and 1997, respectively. Fees incurred in connection with the sale of accounts receivable, which are included in selling and administrative expenses, totaled $4.0 million in each of 1998 and 1997 and $3.7 million in 1996.

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 $76.1 million and $63.7 million at December 31, 1998 and 1997, respectively, and include unbilled amounts representing revenue earned but not yet billable of $44.2 million and $28.0 million, respectively. Approximately $10 million of unbilled receivables at December 31, 1998, is expected to be collected after one year.

Inventories

Inventories at December 31 consisted of the following:

(dollars in millions)	1998	1997
Raw materials and supplies	$131.2	$184.9
Work in process and finished goods	352.6	228.4
	$483.8	$413.3

Approximately 39 percent and 37 percent of total inventories at December 31, 1998 and 1997, respectively, were valued using LIFO accounting. Inventories at December 31, 1998 and 1997, would have been $2.6 million and $9.9 million higher, respectively, than the reported amounts if the FIFO method, which approximates replacement cost, had been used for all inventories.

Property, Plant and Equipment

Property, plant and equipment at December 31 consisted of the following:

(dollars in millions)	1998	1997
Land	$ 62.2	$ 42.5
Buildings	410.5	330.5
Machinery and equipment	1,410.2	1,183.1
	1,882.9	1,556.1
Accumulated depreciation	(708.5)	(636.6)
	$ 1,174.4	$ 919.5

Goodwill and Other Assets
The composition of other assets at December 31 was as follows:

(dollars in millions)	1998	1997
Goodwill (1)	$ 555.9	$ 194.8
Investments in affiliates	80.9	74.5
Other	158.0	103.2
	$ 794.8	$ 372.5

(1) Goodwill is net of accumulated amortization of $28.9 million and $20.6 million at December 31, 1998 and 1997, respectively.

Company-Owned Life Insurance
The Company has purchased insurance on the lives of certain employees. Premiums were approximately $6 million in each of three years ended December 31, 1998, 1997 and 1996. Amounts in the consolidated statement of cash flows represent net cash flows from this program, including policy loans of approximately $11 million in 1998 and $10 million in each of 1997 and 1996 and partial withdrawals of approximately $9 million in 1998 and $22 million in 1997.

Debt and Interest Costs
Short-term debt at December 31 consisted of the following:
<TABLE>
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	1998		1997	
(dollars in millions)	Outstanding	Weighted Average Rate	Outstanding	Weighted Average Rate
<S>	<C>	<C>	<C>	<C>
U.S. bank facilities	$ --	--	$ 85.5	5.8%
Canadian dollar commercial paper	--	--	40.9	3.4%
Asian bank facilities (1)	70.6	7.4%	181.9	7.0%
	$ 70.6		$308.3	

</TABLE>
(1) Facilities for FTB Packaging and affiliates in U.S. and Asian currencies. Borrowings are without recourse to Ball Corporation.

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

(dollars in millions)	1998	1997
<S>	<C>	<C>
Notes Payable		
7.75% Senior Notes due August 2006	$ 300.0	$ --
8.25% Senior Subordinated Notes due August 2008	250.0	--
Senior Credit Facility:		
Term Loan A (7.188% at year end) due August 2004	350.0	--
Term Loan B (7.563% at year end) due March 2006	200.0	--
Revolving credit facility (7.188% weighted average at year end)	80.0	--
Private placements:		
6.29% to 6.82% serial installment notes (6.71% weighted average in 1997) due through 2008	--	147.1
8.09% to 8.75% serial installment notes (8.54% weighted average in 1997) due through 2012	--	90.6
8.20% to 8.57% serial notes (8.36% weighted average in 1997) due 1999 through 2000	--	60.0
10.00% serial note due 1998	--	20.0
Floating rate notes (6.25% to 7.56% at year end 1998) due through 2002 (1)	48.2	75.1
Industrial Development Revenue Bonds		
Floating rates (4.1% to 4.3% at year end 1998) due through 2011	27.1	31.5
ESOP Debt Guarantee		
9.23% installment notes due through 1999 (8.38% in 1997)	4.4	11.9
9.60% installment note due 1999 through 2001 (8.75% in 1997)	25.1	25.1
Other	1.2	3.5
	1,286.0	464.8
Less: Current portion of long-term debt	56.2	98.7

$1,229.8	$ 366.1

</TABLE>
(1) U.S. dollar denominated notes issued by FTB Packaging and subsidiaries.

In connection with the Acquisition in 1998, the Company refinanced approximately $521.9 million of its existing debt and, as a result, recorded an after-tax extraordinary charge from the early extinguishment of debt of approximately $12.1 million (40 cents per share). The Acquisition and the refinancing, including related costs, were financed with a placement of $300.0 million in 7.75% Senior Notes, $250.0 million in 8.25% Senior Subordinated Notes and approximately $808.2 million from a Senior Credit Facility.

The Senior Notes, which are due August 1, 2006, are unsecured, rank senior to the Company's subordinated debt and are guaranteed on a senior basis by certain of the Company's domestic subsidiaries. The Senior Subordinated Notes, which are due August 1, 2008, also are unsecured, rank subordinate to existing and future senior debt of the Company and are guaranteed by certain of the Company's domestic subsidiaries.

The Company offered to exchange the Senior Notes and Senior Subordinated Notes. The offer expired on January 27, 1999, at which time all of the notes had been exchanged. The terms of the new notes are substantially identical in all respects (including principal amount, interest rate, maturity, ranking and covenant restrictions) to the terms of the notes for which they were exchanged except that the new notes are registered under the Securities Act of 1933, as amended, and therefore are not subject to certain restrictions on transfer except as described in the Prospectus for the Exchange Offer. The note agreements provide that if the new notes are assigned investment grade ratings and the Company is not in default, certain covenant restrictions will be suspended.

The Senior Credit Facility is comprised of three separate facilities, two term loans and a revolving credit facility. The first term loan (Term Loan A) provided the Company with $350.0 million and matures in August 2004. The second term loan (Term Loan B) provided the Company with $200.0 million and matures in March 2006. Both term loans are payable in quarterly installments beginning in March 1999. The revolving credit facility provides the Company with up to $650.0 million, of which $150.0 million is available for a period of 364 days, renewable for another 364 days from the current termination date at the option of the Company and participating lenders. The remainder matures in August 2004. The Senior Credit Facility bears interest at variable rates, is guaranteed by certain of the Company's domestic subsidiaries, and contains certain covenants and restrictions including, among other things, restrictions on the incurrence of additional indebtedness and the payment of dividends. Ball pays a facility fee on the committed facilities. In addition, all amounts outstanding under the Senior Credit Facility are secured by (1) a pledge of 100 percent of the stock owned by the Company of its direct and indirect majority-owned domestic subsidiaries and (2) a pledge of 65 percent of the stock owned by the Company of certain foreign subsidiaries.

In Asia, FTB Packaging, including M.C. Packaging, had short-term uncommitted credit facilities of approximately $198 million, of which $70.6 million was outstanding at December 31, 1998.

Fixed-term debt in the PRC at year end 1998 included approximately $48.2 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, 1998, are $56.2 million, $61.0 million, $73.4 million, $70.6 million and $87.0 million for the years ending December 31, 1999 through 2003, respectively, and $937.8 million thereafter.

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 $14.2 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 $70.8 million were outstanding at December 31, 1998. Ball also has provided a completion guarantee representing 50 percent of the $50.8 million of debt issued by the Company's Brazilian joint venture to fund the construction of 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.

The Company was not in default of any loan agreement at December 31, 1998, and has met all payment obligations. However, Latapack-Ball Embalagens Ltda. (Latapack-Ball), the Company's 50 percent owned equity affiliate in Brazil, was in noncompliance with certain financial ratio provisions, including current ratio, under a fixed term loan agreement of which $50.8 million was outstanding at year end. Latapack-Ball has requested a waiver from the lender in respect of the noncompliance.
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A summary of total interest cost paid and accrued follows:

(dollars in millions)	1998	1997	1996
Interest costs	$ 80.9	$ 57.9	$ 39.9
Amounts capitalized	(2.3)	(4.4)	(6.6)
Interest expense	$ 78.6	$ 53.5	$ 33.3
Interest paid during the year (1)	$ 63.3	$ 53.9	$ 37.3

(1) Includes $5.5 million for 1996 allocated to discontinued operations.

Subsidiary Guarantees of Debt
The Senior Notes and the Senior Subordinated Notes issued in conjunction with the Reynolds acquisition are guaranteed by certain of the Company's domestic, wholly owned subsidiaries on a full, unconditional, and joint and several basis. The following is summarized condensed consolidating financial information for the Company, segregating the guarantor subsidiaries and non-guarantor subsidiaries, as of December 31, 1998 and 1997 and for the years ended December 31, 1998, 1997 and 1996 (in millions of dollars).

CONSOLIDATED BALANCE SHEET

	December 31, 1998				
	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
ASSETS					
Current assets					
Cash and temporary investments	$ 11.6	$ 0.5	$ 21.9	$ -	$ 34.0
Accounts receivable, net	3.5	194.1	75.9	-	273.5
Inventories, net	-	382.5	101.3	-	483.8
Deferred income tax benefits and prepaid expenses	(2.0)	76.9	19.4	-	94.3
Total current assets	13.1	654.0	218.5	-	885.6
Property, plant and equipment, at cost	35.5	1,471.5	375.9	-	1,882.9
Accumulated depreciation	(19.8)	(606.0)	(82.7)	-	(708.5)
	15.7	865.5	293.2	-	1,174.4
Investment in subsidiaries	1,241.2	0.7	4.8	(1,246.7)	-
Investment in affiliates	5.8	2.2	72.9	-	80.9
Goodwill, net	-	431.1	124.8	-	555.9
Other assets	97.1	42.5	18.4	-	158.0
	$ 1,372.9	$ 1,996.0	$ 732.6	$ (1,246.7)	$ 2,854.8
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term debt and current portion of long-term debt	$ 31.1	$ -	$ 95.7	$ -	$ 126.8
Accounts payable	48.3	251.2	50.8	-	350.3
Salaries and wages	14.1	75.1	7.9	-	97.1
Other current liabilities	(50.7)	121.7	42.4	-	113.4
Total current liabilities	42.8	448.0	196.8	-	687.6
Long-term debt	1,195.4	10.5	23.9	-	1,229.8
Intercompany borrowings	(596.6)	477.3	119.3	-	-
Employee benefit obligations, deferred income taxes and other	109.0	126.5	55.2	-	290.7
Total noncurrent liabilities	707.8	614.3	198.4	-	1,520.5
Contingencies					
Minority interests	-	-	24.4	-	24.4
Shareholders' equity					
Series B ESOP Convertible Preferred Stock	57.2	-	-	-	57.2
Convertible preferred stock	-	-	174.6	(174.6)	-
Unearned compensation - ESOP	(29.5)	-	-	-	(29.5)

Preferred shareholders' equity	27.7	-	174.6	(174.6)	27.7
Common stock (34,859,636 shares issued)	368.4	821.7	187.9	(1,009.6)	368.4
Retained earnings	397.9	114.3	(24.5)	(89.8)	397.9
Accumulated other comprehensive loss	(31.7)	(2.3)	(25.0)	27.3	(31.7)
Treasury stock, at cost (4,404,758 shares)	(140.0)	-	-	-	(140.0)
Common shareholders' equity	594.6	933.7	138.4	(1,072.1)	594.6
Total shareholders' equity	622.3	933.7	313.0	(1,246.7)	622.3
	$ 1,372.9	$ 1,996.0	$ 732.6	$ (1,246.7)	$ 2,854.8

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CONSOLIDATED BALANCE SHEET

December 31, 1997

<S>	Ball Corporation <C>	Guarantor Subsidiaries <C>	Non-Guarantor Subsidiaries <C>	Eliminating Adjustments <C>	Consolidated Total <C>
ASSETS					
Current assets					
Cash and temporary investments	$ 4.2	$ 0.5	$ 20.8	$ -	$ 25.5
Accounts receivable, net	2.8	191.5	107.1	-	301.4
Inventories, net	-	274.6	138.7	-	413.3
Deferred income tax benefits and prepaid expenses	(22.0)	62.9	17.0	-	57.9
Total current assets	(15.0)	529.5	283.6	-	798.1
Property, plant and equipment, at cost	36.6	1,049.6	469.9	-	1,556.1
Accumulated depreciation	(21.7)	(525.3)	(89.6)	-	(636.6)
	14.9	524.3	380.3	-	919.5
Investment in subsidiaries	1,094.0	-	-	(1,094.0)	-
Investment in affiliates	5.1	-	69.4	-	74.5
Goodwill, net	-	50.0	144.8	-	194.8
Other assets	53.4	34.4	15.4	-	103.2
	$ 1,152.4	$ 1,138.2	$ 893.5	$ (1,094.0)	$ 2,090.1
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term debt and current portion of long-term debt	$ 93.4	$ 39.1	$ 274.5	$ -	$ 407.0
Accounts payable	7.1	179.4	72.1	-	258.6
Salaries and wages	16.1	55.2	7.0	-	78.3
Other current liabilities	(39.2)	85.4	47.7	-	93.9
Total current liabilities	77.4	359.1	401.3	-	837.8
Long-term debt	46.5	294.1	25.5	-	366.1
Intercompany borrowings	302.7	(364.2)	61.5	-	-
Employee benefit obligations, deferred income taxes and other	91.6	52.4	56.3	-	200.3
Total noncurrent liabilities	440.8	(17.7)	143.3	-	566.4
Contingencies					
Minority interests	-	-	51.7	-	51.7
Shareholders' equity					
Series B ESOP Convertible Preferred Stock	59.9	-	-	-	59.9
Convertible preferred stock	-	-	94.3	(94.3)	-
Unearned compensation - ESOP	(37.0)	-	-	-	(37.0)
Preferred shareholders' equity	22.9	-	94.3	(94.3)	22.9
Common stock (33,759,234 shares issued)	336.9	756.1	188.0	(944.1)	336.9
Retained earnings	402.3	41.4	33.3	(74.7)	402.3

Accumulated other comprehensive loss	(22.8)	(0.7)	(18.4)	19.1	(22.8)
Treasury stock, at cost (3,539,574 shares)	(105.1)	-	-	-	(105.1)
Common shareholders' equity	611.3	796.8	202.9	(999.7)	611.3
Total shareholders' equity	634.2	796.8	297.2	(1,094.0)	634.2
	$ 1,152.4	$ 1,138.2	$ 893.5	$ (1,094.0)	$ 2,090.1

</TABLE>
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CONSOLIDATED STATEMENT OF INCOME

For the Year Ended December 31, 1998

<S>	<C> Ball Corporation	<C> Guarantor Subsidiaries	<C> Non-Guarantor Subsidiaries	<C> Eliminating Adjustments	<C> Consolidated Total
Net sales	$ -	$ 2,685.6	$ 451.1	$ (240.3)	$ 2,896.4
Costs and expenses					
Cost of sales (excluding depreciation and amortization)	-	2,287.4	378.4	(240.3)	2,425.5
Selling and administrative expenses	14.3	92.9	29.3	-	136.5
Depreciation and amortization	4.2	118.2	32.2	-	154.6
Relocation, plant closures and other costs	17.7	-	56.2	-	73.9
Interest expense	52.7	8.3	17.6	-	78.6
Equity in earnings of subsidiaries	(15.1)	-	-	15.1	-
Corporate allocations	(45.3)	45.3	-	-	-
	28.5	2,552.1	513.7	(225.2)	2,869.1
Income (loss) before taxes on income	(28.5)	133.5	(62.6)	(15.1)	27.3
Provision for taxes on income	47.0	(47.9)	(7.9)	-	(8.8)
Minority interests	-	-	7.9	-	7.9
Equity in earnings (losses) of affiliates	(0.7)	-	6.3	-	5.6
Net income (loss) before extraordinary item and accounting change	17.8	85.6	(56.3)	(15.1)	32.0
Extraordinary loss from early debt extinguishment, net of tax benefit	(1.2)	(10.9)	-	-	(12.1)
Cumulative effect of change in accounting, net of tax benefit	-	(1.8)	(1.5)	-	(3.3)
Net income (loss)	16.6	72.9	(57.8)	(15.1)	16.6
Preferred dividends, net of tax benefit	(2.8)	-	-	-	(2.8)
Earnings (loss) attributable to common shareholders	$ 13.8	$ 72.9	$ (57.8)	$ (15.1)	$ 13.8

</TABLE>
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CONSOLIDATED STATEMENT OF INCOME

For the Year Ended December 31, 1997

<S>	<C> Ball Corporation	<C> Guarantor Subsidiaries	<C> Non-Guarantor Subsidiaries	<C> Eliminating Adjustments	<C> Consolidated Total
Net sales	$ -	$ 2,156.7	$ 503.2	$ (271.4)	$ 2,388.5
Costs and expenses					
Cost of sales (excluding depreciation and amortization)	-	1,866.6	420.4	(271.4)	2,015.6
Selling and administrative expenses	0.2	97.4	27.4	-	125.0
Depreciation and amortization	1.2	86.3	30.0	-	117.5
Net gain on dispositions	4.1	(13.1)	-	-	(9.0)
Interest expense	32.7	(1.5)	22.3	-	53.5
Equity in earnings of subsidiaries	(62.8)	-	-	62.8	-
Corporate allocations	(25.6)	25.6	-	-	-
	(50.2)	2,061.3	500.1	(208.6)	2,302.6
Income (loss) before taxes on income	50.2	95.4	3.1	(62.8)	85.9
Provision for taxes on income	7.9	(31.5)	(8.4)	-	(32.0)
Minority interests	-	-	5.1	-	5.1
Equity in earnings (losses) of affiliates	0.2	1.3	(2.2)	-	(0.7)

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net income (loss)	58.3	65.2	(2.4)	(62.8)	58.3
Preferred dividends, net of tax benefit	(2.8)	-	-	-	(2.8)
Earnings (loss) attributable to common shareholders	$ 55.5	$ 65.2	$ (2.4)	$ (62.8)	$ 55.5

</TABLE>
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CONSOLIDATED STATEMENT OF INCOME

For the Year Ended December 31, 1996

<S>	Ball Corporation <C>	Guarantor Subsidiaries <C>	Non-Guarantor Subsidiaries <C>	Eliminating Adjustments <C>	Consolidated Total <C>
Net sales	$ -	$ 2,117.4	$ 365.9	$ (298.9)	$ 2,184.4
Costs and expenses					
Cost of sales (excluding depreciation and amortization)	-	1,903.3	321.6	(298.9)	1,926.0
Selling and administrative expenses	(12.1)	84.1	9.0	-	81.0
Depreciation and amortization	5.3	75.5	12.7	-	93.5
Net gain on dispositions	0.1	13.3	7.6	-	21.0
Interest expense	24.4	1.5	7.4	-	33.3
Equity in earnings of subsidiaries	(5.9)	-	-	5.9	-
Corporate allocations	(21.9)	21.9	-	-	-
	(10.1)	2,099.6	358.3	(293.0)	2,154.8
Income (loss) before taxes on income	10.1	17.8	7.6	(5.9)	29.6
Provision for taxes on income	3.0	(5.4)	(4.8)	-	(7.2)
Minority interests	-	-	0.2	-	0.2
Equity in earnings (losses) of affiliates	-	(11.8)	2.3	-	(9.5)
Net income (loss) from:					
Continuing operations	13.1	0.6	5.3	(5.9)	13.1
Discontinued operations	11.1	12.2	-	(12.2)	11.1
Net income (loss)	24.2	12.8	5.3	(18.1)	24.2
Preferred dividends, net of tax benefit	(2.9)	-	-	-	(2.9)
Earnings (loss) attributable to common shareholders	$ 21.3	$ 12.8	$ 5.3	$ (18.1)	$ 21.3

</TABLE>
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CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 1998

<S>	Ball Corporation <C>	Guarantor Subsidiaries <C>	Non-Guarantor Subsidiaries <C>	Eliminating Adjustments <C>	Consolidated Total <C>
Cash flows from operating activities					
Net income (loss)	$ 16.6	$ 72.9	$ (57.8)	$ (15.1)	$ 16.6
Reconciliation of net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	4.2	118.2	32.2	-	154.6
Relocation and plant closure and related costs	4.7	-	56.2	-	60.9
Extraordinary loss from early debt extinguishment	2.0	17.9	-	-	19.9
Equity earnings of subsidiaries	(15.1)	-	-	15.1	-
Other, net	(18.6)	7.0	(12.8)	-	(24.4)
Changes in working capital components, excluding effect of acquisitions	25.0	119.6	14.9	-	159.5
Net cash provided by (used in) operating activities	18.8	335.6	32.7	-	387.1
Cash flows from investing activities					
Additions to property, plant and					

equipment	(3.3)	(68.7)	(12.2)	-	(84.2)
Acquisitions, net of cash acquired	(15.5)	(822.9)	-	-	(838.4)
Investments in and advances to affiliates, net	(948.2)	895.3	50.7	-	(2.2)
Intercompany capital contributions and transactions	(75.5)	-	75.5	-	-
Other, net	(5.0)	2.7	12.0	-	9.7
Net cash provided by (used in) investing activities	(1,047.5)	6.4	126.0	-	(915.1)
Cash flows from financing activities					
Increase in long-term borrowings	1,310.0	0.4	-		1,310.4
Principal payments on long-term borrowings	(130.3)	(323.2)	(34.3)	-	(487.8)
Debt issuance costs	(28.9)	-	-		(28.9)
Debt prepayment costs	-	(17.5)	-		(17.5)
Net change in short-term debt	(85.5)	-	(117.8)	-	(203.3)
Common and preferred dividends	(22.7)	-	-	-	(22.7)
Net proceeds from issuance of common stock under various employee and shareholder plans	31.5	-	-	-	31.5
Acquisitions of treasury stock	(34.9)	-	-	-	(34.9)
Other, net	(3.1)	(1.7)	(5.5)	-	(10.3)
Net cash provided by (used in) financing activities	1,036.1	(342.0)	(157.6)	-	536.5
Net increase (decrease) in cash	7.4	-	1.1	-	8.5
Cash and temporary investments:					
Beginning of period	4.2	0.5	20.8	-	25.5
End of period	$ 11.6	$ 0.5	$ 21.9	$ -	$ 34.0

</TABLE>
<TABLE>
<CAPTION>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 1997

	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
<S>	<C>	<C>	<C>	<C>	<C>
Cash flows from operating activities					
Net income (loss)	$ 58.3	$ 65.2	$ (2.4)	$ (62.8)	$ 58.3
Reconciliation of net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	1.2	86.3	30.0	-	117.5
Dispositions and other	4.1	(13.1)	-	-	(9.0)
Equity earnings of subsidiaries	(62.8)	-	-	62.8	-
Other, net	(0.7)	19.0	1.0	-	19.3
Changes in working capital components, excluding effect of acquisitions	20.3	(60.2)	(2.7)	-	(42.6)
Net cash provided by (used in) operating activities	20.4	97.2	25.9	-	143.5
Cash flows from investing activities					
Additions to property, plant and equipment	(2.3)	(62.0)	(33.4)	-	(97.7)
Acquisitions, net of cash acquired	-	(42.7)	(160.0)	-	(202.7)
Investments in and advances to affiliates, net	0.7	-	(11.9)	-	(11.2)
Intercompany capital contributions and transactions	(252.4)	37.2	215.2	-	-
Proceeds from sale of other businesses, net	-	31.1	-	-	31.1
Other, net	27.8	(10.7)	12.5	-	29.6
Net cash provided by (used in) investing activities	(226.2)	(47.1)	22.4	-	(250.9)
Cash flows from financing activities					
Net change in long-term debt	(0.8)	(50.0)	(23.7)	-	(74.5)
Net change in short-term debt	85.5	-	(13.5)	-	72.0

Common and preferred dividends	(22.9)	-	-	-	(22.9)
Net proceeds from issuance of common stock under various employee and shareholder plans	21.7	-	-	-	21.7
Acquisitions of treasury stock	(32.1)	-	-	-	(32.1)
Other, net	(1.0)	(0.1)	0.6	-	(0.5)
Net cash provided by (used in) financing activities	50.4	(50.1)	(36.6)	-	(36.3)
Net increase (decrease) in cash	155.4	-	11.7	-	(143.7)
Cash and temporary investments:					
Beginning of period	159.6	0.5	9.1	-	169.2
End of period	$ 4.2	$ 0.5	$ 20.8	$ -	$ 25.5

</TABLE>
<TABLE>
<CAPTION>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 1996

<S>	Ball Corporation <C>	Guarantor Subsidiaries <C>	Non-Guarantor Subsidiaries <C>	Eliminating Adjustments <C>	Consolidated Total <C>
Cash flows from operating activities					
Net income (loss) from continuing operations	$ 13.1	$ 0.6	$ 5.3	$ (5.9)	$ 13.1
Reconciliation of net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	5.3	75.5	12.7	-	93.5
Dispositions and other	0.1	13.3	7.6	-	21.0
Equity earnings of subsidiaries	(5.9)	-	-	5.9	-
Other, net	14.0	(0.9)	0.9	-	14.0
Changes in working capital components, excluding effect of acquisitions	(5.4)	(38.6)	(13.3)	-	(57.3)
Net cash provided by (used in) operating activities	21.2	49.9	13.2	-	84.3
Cash flows from investing activities					
Additions to property, plant and equipment	(7.9)	(146.6)	(41.6)	-	(196.1)
Investments in and advances to affiliates, net	(4.0)	(1.1)	(22.6)	-	(27.7)
Intercompany capital contributions and transactions	215.5	(235.6)	20.1	-	-
Net cash flows from discontinued operations	-	188.1	-	-	188.1
Proceeds from sale of other businesses, net	-	41.3	-	-	41.3
Other, net	(10.4)	(4.6)	(9.0)	-	(24.0)
Net cash provided by (used in) investing activities	193.2	(158.5)	(53.1)	-	(18.4)
Cash flows from financing activities					
Net change in long-term debt	(21.0)	108.2	13.8	-	101.0
Net change in short-term debt	(21.7)	-	34.6	-	12.9
Common and preferred dividends	(22.8)	-	-	-	(22.8)
Net proceeds from issuance of common stock under various employee and shareholder plans	21.4	-	-	-	21.4
Acquisitions of treasury stock	(10.3)	-	-	-	(10.3)
Other, net	(3.3)	(0.7)	-	-	(4.0)
Net cash provided by (used in) financing activities	(57.7)	107.5	48.4	-	98.2
Net increase (decrease) in cash	156.7	(1.1)	8.5	-	164.1
Cash and temporary investments:					
Beginning of period	2.9	1.6	0.6	-	5.1
End of period	$ 159.6	$ 0.5	$ 9.1	$ -	$ 169.2

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</TABLE>

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, collars and options to manage the Company's mix of floating and fixed-rate debt between a minimum and maximum percentage, which is set by policy. The Company's objective in managing its exposure to foreign currency fluctuations is to protect foreign cash flow and reduce earnings volatility associated with foreign exchange rate changes.

Unrealized losses on forward contracts under these agreements are recorded in the balance sheet as other current liabilities. Realized gains/losses from hedges are classified in the income statement consistent with accounting treatment of the item being hedged. The Company accrues the differential for interest rate swaps to be paid or received under these agreements as adjustments to interest expense over the lives of the swaps. Gains and losses upon the early termination of swap agreements are deferred in long-term liabilities and amortized as an adjustment to interest expense over the remaining term of the agreement.

Interest Rate Risk
Interest rate instruments held by the Company at December 31, 1998 and 1997, included pay-floating, pay-fixed interest rate swaps, interest rate collars and swaption contracts. Pay-fixed swaps effectively convert floating rate obligations to fixed rate instruments. Pay-floating swaps effectively convert fixed-rate obligations to variable rate instruments. Swap agreements expire in one to eight years.

Interest rate swap agreements outstanding at December 31, 1998, had notional amounts of $10 million at a floating rate and $528 million at a fixed rate, or a net fixed position of $518 million. At December 31, 1997, these agreements 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. Floating rate agreements with notional amounts of $55 million at December 31, 1997, included an interest rate floor. The Company also entered into an interest rate collar agreement in 1998 with a notional amount of $100 million.

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, 1998 and 1997, taking into account any unrealized gains and losses on open contracts.
<TABLE>
<CAPTION>

	1998		1997	
(dollars in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<S>	<C>	<C>	<C>	<C>
Long-term debt	$1,286.0	$1,280.1	$ 464.8	$484.2
Unrealized net loss on derivative contracts relating to debt	--	1.5	--	1.2

</TABLE>
Exchange Rate Risk
The Company's foreign currency risk exposure results from fluctuating currency exchange rates, primarily the strengthening of the U.S. dollar against the Hong Kong dollar, Canadian dollar, Chinese renminbi, Thai baht and Brazilian real. The Company faces currency exposure that arises from translating the results of its global operations and maintaining U.S. dollar debt and payables. The Company uses forward contracts to manage its foreign currency exposures and, as a

result, gains and losses on these derivative positions offset, in part, the impact of currency fluctuations on the existing assets and liabilities. At December 31, 1998, the notional amount of the Company's foreign exchange risk management contracts, net of notional amounts of contracts with counterparties against which the Company has the legal right of offset, was $100 million. The fair value of these contracts as of December 31, 1998 was $(4.5) million.

In January 1999, the Brazilian government changed its monetary policy, causing the Brazilian real to devalue. At that time, the Company did not expect that the after-tax effect of the currency devaluation would have a significant impact on the Company's consolidated earnings. However, the Brazilian real continues to be volatile and actual results may differ based on future events.

In early July 1997, the government of Thailand changed its monetary policy to no longer peg the Thai baht to the U.S. dollar. As a result, the Company recorded a loss of $3.2 million, or 11 cents per share, 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.

Leases

The Company leases warehousing and manufacturing space and certain manufacturing equipment, primarily within the packaging segment, and office space, primarily within the aerospace and technologies segment. Under certain of these lease arrangements, 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 facilities and 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. Total noncancellable operating leases in effect at December 31, 1998, require rental payments of $34.1 million, $28.4 million, $20.6 million, $5.5 million and $2.3 million for the years 1999 through 2003, respectively, and $9.0 million for all years thereafter. Lease expense for all operating leases was $38.5 million, $34.7 million and $28.9 million in 1998, 1997 and 1996, respectively.

Taxes on Income

The amounts of income (losses) from continuing operations before income taxes by national jurisdiction follow:

<TABLE>
<CAPTION>

(dollars in millions)	1998	1997	1996
<S>	<C>	<C>	<C>
U.S.	$ 89.6	$ 82.4	$ 17.9
Foreign	(62.3)	3.5	11.7
	$ 27.3	$ 85.9	$ 29.6

</TABLE>

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

<TABLE>
<CAPTION>

(dollars in millions)	1998	1997	1996
<S>	<C>	<C>	<C>
Current			
U.S.	$ 7.6	$ 9.3	$ (7.2)
State and local	2.8	2.2	--
Foreign	6.0	3.4	2.0
Total current	16.4	14.9	(5.2)
Deferred			
U.S.	(8.1)	10.6	8.4
State and local	(1.6)	2.2	1.3
Foreign	2.1	4.3	2.7
Total deferred	(7.6)	17.1	12.4
Provision for income tax expense	$ 8.8	$ 32.0	$ 7.2

</TABLE>

The provision for income tax expense recorded within the consolidated statement of income 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)	1998	1997	1996
<S>	<C>	<C>	<C>
Statutory U.S. federal income tax	$ 9.6	$ 30.1	$ 10.3

Increase (decrease) due to:			
Company-owned life insurance	(5.2)	(6.2)	(6.0)
Research and development tax credits	(2.9)	(2.5)	(6.0)
Tax effects of foreign operations	9.4	8.0	4.7
Basis difference on sale of assets	--	0.4	2.1
State and local income taxes, net	0.8	2.9	0.9
Other, net	(2.9)	(0.7)	1.2
Provision for income tax expense	$ 8.8	$ 32.0	$ 7.2
Effective income tax rate expressed as a percentage of pretax income from continuing operations	32.2%	37.2%	24.3%

</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 1998 and 1997, the Company settled tax credit matters for years 1991 through 1995, and recorded additional credits.

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 and liabilities at December 31 were:

(dollars in millions)	1998	1997
Deferred tax assets:		
Deferred compensation	$ (23.7)	$ (21.8)
Accrued employee benefits	(58.0)	(34.8)
Plant closure costs	(37.6)	(7.8)
Other	(58.0)	(37.4)
Total deferred tax assets	(177.3)	(101.8)
Deferred tax liabilities:		
Depreciation	114.9	99.8
Other	20.6	27.3
Total deferred tax liabilities	135.5	127.1
Net deferred tax (asset) liability	$ (41.8)	$ 25.3

Net income tax payments were $20.5 million and $4.2 million for 1998 and 1997, respectively. In 1996, net income taxes refunded were $14.2 million.

Pension and Other Postretirement and Postemployment Benefits

The Company's noncontributory pension plans cover substantially all U.S. and Canadian employees meeting certain eligibility requirements. The defined benefit plans for salaried employees provide pension benefits based on employee compensation and years of service. In addition, the plan covering salaried employees in Canada includes a defined contribution feature. Plans for hourly employees provide benefits based on fixed rates for each year of service. 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 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.

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.

An analysis of the change in benefit accruals for 1998 and 1997 follows:

<TABLE>

<CAPTION>

(dollars in millions)	Pension Benefits 1998	Pension Benefits 1997	Other Postretirement Benefits 1998	Other Postretirement Benefits 1997
<S>	<C>	<C>		
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 336.6	$ 308.7	$ 60.4	$ 57.9
Service cost	10.5	8.3	1.0	0.5
Interest cost	26.1	24.1	4.9	4.4
Benefits paid	(20.8)	(19.9)	(3.0)	(3.9)
Net actuarial loss (gain)	29.1	16.3	(1.9)	2.1
Business combinations or acquisitions	42.7	--	31.4	--
Other, net	(2.1)	(0.9)	(1.1)	(0.6)
Benefit obligation at end of year	422.1	336.6	91.7	60.4
Change in plan assets:				
Fair value of assets at beginning of year	364.3	318.5	--	--
Actual return on plan assets	51.6	61.7	--	--
Employer contributions	13.7	6.6	2.9	3.8
Benefits paid	(20.8)	(19.9)	(3.0)	(3.9)
Business combinations or acquisitions	14.6	--	--	--
Other, net	(4.2)	(2.6)	0.1	0.1
Fair value of assets at end of year	419.2	364.3	--	--
Funded status	(2.9)	27.7	(91.7)	(60.4)
Unrecognized net actuarial loss (gain)	18.0	6.9	(2.8)	(0.8)
Unrecognized prior service cost	8.3	7.1	0.7	0.7
Unrecognized transition asset	(6.7)	(10.0)	--	--
Prepaid (accrued) benefit cost	$ 16.7	$ 31.7	$ (93.8)	$ (60.5)

Amounts recognized in the balance sheet consist of:

(dollars in millions)	Pension Benefits 1998	Pension Benefits 1997	Other Benefits 1998	Other Benefits 1997
Prepaid benefit cost	$ 46.4	$ 37.4	$ --	$ --
Accrued benefit liability	(40.8)	(10.6)	(93.8)	(60.5)
Intangible asset	6.6	2.0	--	--
Accumulated other comprehensive income	4.5	2.9	--	--
Net amount recognized	$ 16.7	$ 31.7	$ (93.8)	$ (60.5)

</TABLE>
Components of net periodic benefit cost were:
<TABLE>
<CAPTION>

(dollars in millions)	Pension Benefits 1998	Pension Benefits 1997	Pension Benefits 1996	Other Postretirement Benefits 1998	Other Postretirement Benefits 1997	Other Postretirement Benefits 1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Service Cost	$ 10.5	$ 8.3	$ 7.9	$ 1.0	$ 0.5	$ 0.8
Interest Cost	26.1	24.1	27.4	4.9	4.4	4.9
Expected return on plan assets	(35.5)	(32.4)	(33.5)	--	--	--
Amortization of prior service cost	1.1	0.9	0.8	--	--	--
Amortization of transition asset	(3.2)	(3.2)	(3.2)	--	--	--
Recognized net actuarial loss (gain)	1.3	0.8	2.2	(0.3)	(0.1)	(0.1)
Net periodic benefit cost	0.3	(1.5)	1.6	5.6	4.8	5.6
Expense of defined contribution plans	0.6	0.6	0.7	--	--	--
Net periodic benefit cost	$ 0.9	$ (0.9)	$ 2.3	$ 5.6	$ 4.8	$ 5.6

</TABLE>

Weighted-average assumptions at December 31 were:
<TABLE>
<CAPTION>

	Pension Benefits 1998	1997	1996	Other Postretirement Benefits 1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Discount rate	7.00%	7.50%	8.05%	7.00%	7.50%	8.07%
Rate of compensation increase	3.33%	4.00%	4.00%	N/A	N/A	N/A
Expected long-term rates of return on assets	10.79%	10.79%	10.75%	N/A	N/A	N/A

</TABLE>

For measurement purposes at December 31, 1998, the U.S. and Canadian plans utilized net health trend rates of 7 percent and 8.5 percent, respectively, for pre-65 benefits and 6.7 percent and 8.5 percent, respectively, for post-65 benefits for 1999. Trend rates for U.S. plans were assumed to decrease to 4.5 percent by 2001 for pre-65 benefits and by 2003 for post-65 benefits and remain at this level in subsequent years. Trend rates for Canadian plans for pre-65 and post-65 benefits were assumed to decrease to 3.5 percent by 2004 and remain at this level in subsequent years.

For pension plans, the net actuarial loss (gain) in excess of a 10 percent corridor, the prior service cost and the transition asset are being amortized on a straight-line basis from the date recognized over the average remaining service period of active participants at the date established on a straight-line basis. For other postretirement benefits, the 10 percent corridor on actuarial gains and losses is not used and the amortization of gains and losses is over 10 years.

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $133.3 million, $132.0 million and $92.1 million, respectively, as of December 31, 1998.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. A one percentage point change in assumed health care cost trend rates would increase or decrease the total of service and interest cost by approximately $0.2 million and the postretirement benefit obligation by approximately $2.0 million.

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

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.

Other Benefit Plans

Effective January 1, 1996, substantially all employees within the Company's aerospace and technologies segment who participate in Ball's 401(k) salary conversion plan receive a performance-based matching cash contribution of up to four percent of base salary. Ball recorded $1.6 million, $4.1 million and $3.5 million in compensation expense in 1998, 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 through an employer matching contribution. Cash contributions to the ESOP trust, including preferred dividends, are used to service the ESOP debt and were $10.7 million in 1998 and $10.6 million in each of 1997 and 1996. Interest paid by the ESOP trust for its borrowings was $3.3 million, $3.6 million and $4.2 million for 1998, 1997 and 1996, respectively.

Shareholders' Equity

At December 31, 1998, 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, 1998, 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 toward the purchase of the Company's common stock. Company contributions for this plan were approximately $1.6 million in 1998, $1.5 million in 1997 and $1.6 million in 1996.

Accumulated Other Comprehensive Loss

Effective January 1, 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income," which requires the Company 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 other 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 balance sheet. The composition of accumulated other comprehensive loss is as follows:

(dollars in millions)

	Foreign Currency Translation	Minimum Pension Liability	Accumulated Other Comprehensive Loss
December 31, 1995	$ (17.8)	$ (7.8)	$ (25.6)
1996 Change	(0.5)	5.4	4.9
December 31, 1996	(18.3)	(2.4)	(20.7)
1997 Change	(2.6)	0.5	(2.1)
December 31, 1997	(20.9)	(1.9)	(22.8)
1998 Change	(7.7)	(1.2)	(8.9)
December 31, 1998	$ (28.6)	$ (3.1)	$ (31.7)

The minimum pension liability component of other comprehensive income (loss) is presented net of related tax expense (benefit) of $(0.4) million, $0.4 million and $3.6 million for the years ended December 31, 1998, 1997 and 1996, respectively. No tax benefit has been provided on the foreign currency translation loss component for any period as the undistributed earnings of the Company's foreign investments will continue to be reinvested.

Stock Options and Restricted Shares

The Company has several stock option plans under which options to purchase shares of common stock have been granted to officers and key employees 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 10 years from date of grant. Tier A options are exercisable in four equal installments commencing one year from date of grant, with the exception of certain Tier A options granted in 1998, which become exercisable after the Company's common stock price reaches specified prices for 10 consecutive days, or at the end of five years, whichever comes first. Tier B options vest at the date of grant, and are exercisable after the Company's common stock price closes at or above a target price of $50 per share for 10 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.

The Company also granted 130,000 shares of restricted stock to certain management employees during 1998. Restrictions on these shares lapse in phases based on the Company achieving certain standards of performance or at the end of seven years, whichever comes first.

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

<TABLE>
<CAPTION>

	1998		1997		1996	
	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	1,754,298	$27.223	1,801,074	$27.222	1,403,822	$28.468
Tier A options exercised	(332,594)	26.981	(219,750)	26.002	(84,547)	25.024
Tier B options exercised	(38,000)	24.375	(20,000)	24.375	--	--
Tier A options granted	822,300	36.738	306,000	26.592	285,000	24.375
Tier B options granted	--	--	15,000	25.625	307,000	24.375
Tier A options canceled	(42,608)	29.378	(113,026)	28.542	(110,201)	29.490
Tier B options canceled	--	--	(15,000)	24.375	--	--
Outstanding at end of year	2,163,396	30.884	1,754,298	27.223	1,801,074	27.222
Exercisable at end of year	743,671	28.555	855,923	28.120	923,449	27.465
Reserved for future grants	2,360,056		3,295,948		512,358	

</TABLE>
Additional information regarding options outstanding at December 31, 1998, follows:
<TABLE>
<CAPTION>

	Exercise Price Range			
	$23.99 - $26.375	$26.625 - $35.00	$35.625 - $44.313	Total
<S>	<C>	<C>	<C>	<C>
Number of options outstanding	728,830	824,269	610,297	2,163,396
Weighted average exercise price	$ 24.847	$ 31.317	$ 37.509	$ 30.884
Weighted average remaining contractual life	6.0 years	7.9 years	8.5 years	7.5 years
Number of shares exercisable	363,330	251,394	128,947	743,671
Weighted average exercise price	$ 25.245	$ 29.682	$ 35.683	$ 28.555

</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 1998, 1997 and 1996 have estimated weighted average fair values, at the date of grant, of $10.73 per share, $7.06 per share and $8.67 per share, respectively. Under the same methodology, Tier B options granted during 1997 and 1996 have estimated weighted average 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:
<TABLE>
<CAPTION>

	1998 Grants	1997 Grants	1996 Grants
<S>	<C>	<C>	<C>
Expected dividend yield	1.31%	2.33%	2.33%
Expected stock price volatility	25.34%	23.32%	24.26%
Risk-free interest rate	5.21%	6.75%	6.77%
Expected life of options	5.3 years	5.12 years	6.96 years

</TABLE>
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 basic earnings per share would have been:
<TABLE>
<CAPTION>

(dollars in millions except per share amounts)	As reported		Pro forma	
	Net income	Per share	Net income	Per share
<S>	<C>	<C>	<C>	<C>
Year ended December 31, 1998	$ 16.6	$ 0.45	$ 14.3	$ 0.38
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

</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)	1998	1997	1996
<S>	<C>	<C>	<C>
Earnings per Common Share			

Net income from continuing operations before extraordinary item and accounting change	$ 32.0	$ 58.3	$ 13.1
Extraordinary loss from early debt extinguishment, net of tax benefit	(12.1)	--	--
Cumulative effect of change in accounting for start-up costs, net of tax benefit	(3.3)	--	--
Net income from continuing operations	16.6	58.3	13.1
Preferred dividends, net of tax benefit	(2.8)	(2.8)	(2.9)
Income from continuing operations attributable to common shareholders	$ 13.8	$ 55.5	$ 10.2
Weighted average common shares (000s)	30,388	30,234	30,314
Net earnings per common share:			
Net income before extraordinary item and accounting change	$ 0.96	$ 1.84	$ 0.34
Extraordinary loss, net of tax benefit	(0.40)	--	--
Cumulative effect of accounting change, net of tax benefit	(0.11)	--	--
Earnings per common share	$ 0.45	$ 1.84	$ 0.34
Diluted Earnings per Share			
Net income from continuing operations before extraordinary item and accounting change	$ 32.0	$ 58.3	$ 13.1
Extraordinary loss from early debt extinguishment, net of tax benefit	(12.1)	--	--
Cumulative effect of change in accounting for start-up costs, net of tax benefit	(3.3)	--	--
Net income from continuing operations	16.6	58.3	13.1
Adjustments for deemed ESOP cash contribution in lieu of the ESOP Preferred dividend	(2.1)	(2.1)	(2.2)
Adjusted income from continuing operations attributable to common shareholders	$ 14.5	$ 56.2	$ 10.9
Weighted average common shares (000s)	30,388	30,234	30,314
Effect of dilutive securities:			
Dilutive effect of stock options	338	165	37
Common shares issuable upon conversion of the ESOP Preferred stock	1,866	1,912	1,984
Weighted average shares applicable to diluted earnings per share	32,592	32,311	32,335
Diluted earnings per share:			
Net income before extraordinary item and accounting change	$ 0.91	$ 1.74	$ 0.34
Extraordinary loss, net of tax benefit	(0.37)	--	--
Cumulative effect of accounting change, net of tax benefit	(0.10)	--	--
Diluted earnings per share	$ 0.44	$ 1.74	$ 0.34

</TABLE>

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

<TABLE>
<CAPTION>

Exercise Price	Expiration	1998	1997	1996
<S>	<C>	<C>	<C>	<C>
$ 29.350	2002	--	--	141,000
32.000	2003	--	128,000	151,000
35.625	2005	--	194,000	219,000
44.313	2008	120,000	--	--
		120,000	322,000	511,000
Other		4,000	6,000	54,000
Total		124,000	328,000	565,000

</TABLE>

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 $23.7 million, $22.2 million and $18.1 million for the years 1998, 1997 and 1996, respectively.

Contingencies

The Company is subject to various risks and uncertainties in the ordinary course of business due, in part, to the competitive nature of the industries in which 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 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. Since that time, the Defense Contract Audit Agency (DCAA) has issued a Draft Audit Report disallowing a portion of the Company's ESOP costs for 1994 through 1997 on the asserted basis that the Company's dividend contributions to the ESOP do not constitute allowable deferred compensation. The Draft Audit Report takes the position that the disallowance is not covered by the pending decision by the ASBCA. While the outcome of the trial or the audit 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)

1998 Quarterly Information

In the first quarter, Ball announced that it would relocate its corporate headquarters to Broomfield, Colorado. The relocation resulted in total charges of $17.7 million which were recorded over the course of the year. The Company acquired certain assets of the North American beverage can manufacturing business of Reynolds Metals Company during the third quarter, which significantly increased its metal beverage container operations in the U.S. In connection with the Acquisition, the Company refinanced approximately $521.9 million of its debt and, as a result, recorded an after-tax extraordinary loss from early debt extinguishment of approximately $12.1 million (40 cents per share). In the fourth quarter, Ball announced its intention to close two of the acquired plants as well as two plants in the PRC. In connection with the PRC plant closures and related costs, the Company recorded a pre-tax charge of approximately $56.2 million ($31.4 million after tax or $1.03 per share). The closure of the acquired plants is being accounted for as part of the Acquisition without a charge to earnings. Also during the fourth quarter, Ball adopted SOP No. 98-5, "Reporting on the Costs of Start-Up Activities," in advance of its required 1999 implementation date and, as a result, recorded an after-tax charge to earnings of approximately $3.3 million (11 cents per share), retroactive to January 1, 1998, representing the cumulative effect on prior years of this change in accounting.

1997 Quarterly Information

The first quarter included a 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 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 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 "Headquarters Relocation, Plant Closures, Dispositions and Other Costs" note for additional information.

(dollars in millions except per share amounts)

<TABLE>

<CAPTION>

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
<S>	<C>	<C>	<C>	<C>	<C>
1998					
Net sales	$ 549.7	$ 645.6	$ 859.2	$ 841.9	$2,896.4
Gross profit(1)	58.5	76.8	101.9	97.0	334.2
Net income (loss) before extraordinary item and accounting change	5.5	19.2	25.2	(17.9)	32.0
Extraordinary loss from early debt extinguishment, net of tax benefit	--	--	(12.1)	--	(12.1)
Cumulative effect of change in accounting for start-up costs, net of tax benefit	(3.3)	--	--	--	(3.3)
Net income (loss)	2.2	19.2	13.1	(17.9)	16.6
Preferred dividends, net of tax benefit	(0.7)	(0.7)	(0.7)	(0.7)	(2.8)
Net earnings (loss) attributable to common shareholders	$ 1.5	$ 18.5	$ 12.4	$ (18.6)	$ 13.8
Net earnings (loss) per common share:					
Net income (loss) before extraordinary item and accounting change	$ 0.16	$ 0.61	$ 0.80	$ (0.61)	$ 0.96
Extraordinary loss from early debt extinguishment, net of tax benefit	--	--	(0.40)	--	(0.40)
Cumulative effect of change in accounting, net of tax benefit	(0.11)	--	--	--	(0.11)
Earnings (loss) per common share	$ 0.05	$ 0.61	$ 0.40	$ (0.61)	$ 0.45
Diluted earnings (loss) per share:					
Net income (loss) before extraordinary item and accounting change	$ 0.15	$ 0.58	$ 0.75	$ (0.61)	$ 0.91
Extraordinary loss from early debt extinguishment, net of tax benefit	--	--	(0.37)	--	(0.37)
Cumulative effect of change in accounting, net of tax benefit	(0.10)	--	--	--	(0.10)
Diluted earnings (loss) per share	$ 0.05	$ 0.58	$ 0.38	$ (0.61)	$ 0.44
1997					
Net sales	$ 479.8	$ 643.7	$ 690.2	$ 574.8	$2,388.5
Gross profit(1)	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

</TABLE>

(1) Gross profit is shown after depreciation and amortization of $136.7 million and $105.6 million for the years ended December 31, 1998 and 1997, respectively.

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 the fourth quarter of 1998 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 judgments and estimates.

In fulfilling its responsibility for the integrity of financial information, management maintains and relies upon a system of internal control which is designated to provide reasonable assurance that assets are safeguarded from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and that transactions are properly recorded to permit the preparation of reliable financial statements in all material respects. To assure the continuing effectiveness of the system of internal 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 PricewaterhouseCoopers LLP to review the scope and results of audit work, the adequacy of internal controls and the quality of financial reporting. PricewaterhouseCoopers 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, of cash flows, of changes in shareholders' equity and comprehensive income present fairly, in all material respects, the financial position of Ball Corporation and its subsidiaries at December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in the Significant Accounting Policies note to the financial statements, the Company adopted in 1998 Statement of Position 98-5, "Reporting on the Costs of Start-up Activities."

PricewaterhouseCoopers LLP
Indianapolis, Indiana
January 27, 1999

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
Ball significantly increased its metal beverage container operations in the U.S. in 1998 when it acquired substantially all of the assets of the North American beverage container operations of Reynolds Metals Company. In connection with the acquisition, the Company refinanced the majority of its outstanding debt, which resulted in an extraordinary charge for the early extinguishment of debt. As part of Ball's comprehensive program to improve profits, cash flows and operating efficiencies, the Company announced that it intends to close two of the acquired plants as well as two plants in the PRC. Also during 1998, the Company relocated its corporate headquarters to an existing company-owned building in Colorado.

International operations were expanded with the 1997 acquisition of M.C. Packaging (Hong Kong) Limited (M.C. Packaging), the construction of metal container plants in the PRC, and, through joint ventures, investments in metal beverage container plants in Brazil and Thailand. Ball entered the polyethylene terephthalate (PET) plastic container business, beginning in 1995 with the construction of a pilot line and research and development center, and currently operates four multi-line manufacturing facilities. During 1997 and 1996, the Company consolidated operations within its North American metal packaging business to reduce costs and increase efficiency, permanently discontinuing manufacturing operations at three food container facilities and a Canadian metal beverage container manufacturing facility and by eliminating certain administrative positions within these lines of business. Ball also exited the glass container business and sold a time and frequency measurement device business and a U.S. aerosol can manufacturing business.

Acquisitions

On August 10, 1998, Ball acquired substantially all the assets and assumed certain liabilities of the North American beverage can manufacturing business of Reynolds Metals Company (Acquisition) for approximately $745.4 million, before a refundable incentive loan of $39.0 million, a preliminary working capital adjustment of an additional $40.1 million and transaction costs. With the Acquisition, Ball became the largest metal beverage can producer in North America with an estimated annual production capacity of 36 billion cans.

The assets acquired consisted largely of 16 plants in 12 states and Puerto Rico, as well as a headquarters facility in Richmond, Virginia. During the fourth quarter of 1998, the Company closed the Richmond facility and consolidated the headquarters operations at the Company's offices near Denver, Colorado. In addition, the Company announced that it intends to close two of the acquired plants during the first quarter of 1999 and that it is developing plans for further integration, including capacity consolidations and other cost saving measures. As a result, the Company has initially provided $56.8 million in the opening balance sheet as an estimate of the related costs of integration and consolidation. Upon finalization of the plan, which is expected within 1999, adjustments to the estimated costs, if any, will be reflected as a change in goodwill. As a part of the acquired asset valuation and purchase price allocation process, approximately $388.4 million has been preliminarily assigned to goodwill.

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 approximately $179.7 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 the PRC. During 1998, FTB Packaging purchased substantially all of the remaining direct and indirect minority interests in M.C. Packaging. M.C. Packaging manufactures 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 the PRC. The acquisition was accounted for as a purchase and the results of M.C. Packaging are included within the packaging segment from the acquisition date in early 1997. As a part of the acquired asset valuation and purchase price allocation process, approximately $132.6 million has been assigned to goodwill.

In the third quarter of 1997, Ball acquired certain PET container manufacturing assets from Brunswick Container Corporation 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 Transactions

In connection with the announcement in December 1998 to close two plants and take other actions in the PRC, the Company recorded a pre-tax charge of $56.2 million($31.4 million after tax or $1.03 per share) as a preliminary estimate of the related costs. Also during 1998, the Company relocated its corporate headquarters to an existing company-owned building in Broomfield, Colorado, resulting in a pre-tax charge of $17.7 million ($10.8 million after tax or 36 cents per share).

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) for the closure of a small PET container manufacturing facility.

In October 1996, the Company sold the net assets 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 a pretax charge of $17.7 million ($11.0 million after tax or 37 cents per share) in 1996 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 this segment.

Ball sold its equity investment in Datum Inc. (Datum), a time and frequency measurement device business, in the first half of 1997 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 in 1997 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 and 1996.

In 1994, the Company formed EarthWatch, Incorporated (EarthWatch), which 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. During 1996, EarthWatch was reincorporated in Delaware as EarthWatch Incorporated (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 through 1998. Ball has no commitments to provide further equity or debt financing to EarthWatch beyond its investment to date, but continues to assess its options with respect to EarthWatch. Ball Aerospace & Technologies Corp. has agreed to produce satellites and instruments for 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.

Consolidated Sales and Earnings

Ball's operations are organized along its product lines and include two segments - - the packaging segment and the aerospace and technologies segment. The following table summarizes the results of these two segments:

<TABLE>
<CAPTION>

(dollars in millions)	1998	1997	1996
<S>	<C>	<C>	<C>
Net Sales			
North American Metal Beverage	$1,603.2	$1,106.9	$1,173.5
North American Metal Food	486.2	481.6	512.0
Plastics	219.1	153.0	56.3
International	225.3	248.3	80.3
Total packaging	2,533.8	1,989.8	1,822.1
Aerospace and technologies	362.6	398.7	362.3
Consolidated net sales	$2,896.4	$2,388.5	$2,184.4
Operating Earnings			
Packaging	$ 164.7	$ 108.3	$ 57.6
Plant closures, dispositions and other costs	(56.2)	(3.0)	(21.0)
Total packaging	108.5	105.3	36.6
Aerospace and technologies	30.4	34.0	31.4
Consolidated operating earnings	$ 138.9	$ 139.3	$ 68.0

</TABLE>

Packaging Segment

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 the PRC). Packaging operations in the U.S. have increased as a result of the plants acquired in 1998. Operations in Asia have also increased as a result of the early 1997 acquisition of a controlling interest in M.C. Packaging.

North American Metal Beverage Containers

Sales for Ball's North American metal beverage container business, which represented approximately 63 percent of segment sales in 1998, increased significantly in comparison to 1997 and 1996. Excluding the effects of the additional sales from the acquired plants, the increase over 1997 was approximately 6.5 percent reflecting new customer commitments and strong soft drink industry demand. Sales in 1997 decreased approximately 5.7 percent compared to 1996 due partially to the lower cost of aluminum can sheet, which was passed on to the customer through formula pricing, combined with a decrease of approximately 3.5 percent in 1997 shipments compared to 1996. The decrease in can shipments in 1997 reflected the reduction in Ball's metal beverage container capacity as a result of discontinuing manufacturing at a Canadian facility and the full year effects of converting a U.S. metal beverage container line to a two-piece food container line. U.S. and Canadian industry shipments of metal beverage containers increased an estimated 2.2 percent in 1998 and 1.6 percent in 1997. 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, would have been approximately 34 percent (on a pro forma basis assuming the inclusion of shipments from the acquired plants for a full year) compared to 17 percent in both 1997 and 1996 (on a historical basis) based on publicly available industry information.

Earnings attributable to North American metal beverage containers improved in 1998 compared to 1997 and 1996. Excluding the effects of the acquired plants, other factors contributing to the increase included lower inventory carrying costs and reduced production costs coupled with the improved efficiencies realized upon completion over the three year period of project work begun in 1995 to convert to smaller diameter ends and to lightweight cans and ends.

North American Metal Food Containers

North American metal food container sales, which comprised approximately 19 percent of 1998 segment sales, rose slightly compared to 1997. Excluding $36.6 million of sales in 1996 from the aerosol can business, sales in this product line increased 2.3 percent in 1998 and 1.3 percent in 1997 over 1996. The increases in 1998 and 1997, excluding aerosol can sales in 1996, were the result of lower shipments to salmon can customers being offset by increased shipments to customers for other food products. The increase in 1998 was realized despite the overall downturn in industry shipments due to adverse crop conditions. 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 1998, 1997 and 1996, based on publicly available industry information.

Operating earnings attributable to North American metal food containers declined in 1998 compared to 1997. Earnings declined due in large part to reduced salmon can volumes (primarily the result of a Canadian government imposed ban on commercial salmon fishing) and the effects of a strike in a Canadian facility. Comparing 1997 to 1996, earnings attributable to North American metal food containers improved, due in part to the closure of a higher-cost operating facility late in 1996, and to improved productivity and quality.

North American PET Containers

Sales of PET containers have increased steadily over the three-year period. The increase in 1998 included additional sales from new business acquired in the third quarter of 1997 as well as higher production capacity due to the first full year of operations of an East Coast plant. Sales in 1997 compared to 1996 reflect the start-up of two manufacturing facilities in 1997, plus the additional sales from the new Brunswick business. In both 1998 and 1997, the continued promotion of metal cans by major soft drink companies and lower than forecasted sales by non-soft drink customers were reflected in lower than expected sales for the business.

Improved operating results in 1998 were due to increased sales, the elimination of costs incurred in 1997 related to start-up operations in the Eastern United States and the Midwest, and a nonrecurring charge in 1997 from the closure of a small PET container manufacturing facility.

International Packaging Operations

Sales within the international packaging businesses in 1998 were comprised of the consolidated sales of FTB Packaging, including M.C. Packaging, and revenues from royalties and technical services to licensees. Sales within the international packaging operations declined in 1998 by approximately nine percent after increasing significantly in 1997 compared to 1996. Sales within the PRC have been negatively affected by a soft metal beverage container market combined with lower pricing resulting from current industry over capacity. The PRC market has also been affected by uncertainty in the Asian financial markets which has resulted in a decrease in exports of Company products from Hong Kong to other Asian countries. Earnings from consolidated international operations in 1998 reflect the impact of lower pricing and lower volumes. During the fourth quarter of 1998, the Company announced that it will close two can plants in the PRC, remove certain equipment from service and take other actions to reduce costs and streamline operations. The Company's preliminary estimate of costs to close the two plants and related actions resulted in a fourth quarter pretax charge of $56.2 million ($31.4 million after tax or $1.03 per share).

Aerospace and Technologies Segment

The sales reduction in the aerospace and technologies segment from 1997 to 1998 reflects, in large part, temporarily reduced activity in connection with certain government programs and the unusually strong demand in the first half of 1997 for certain telecommunications equipment and related products. Demand for those products in 1998 returned to more normal levels. The operating earnings decrease in 1998 reflected the effect of lower sales in 1998 and, by comparison, the inclusion in the first half of 1997 of one-time early delivery incentives earned in connection with telecommunications products.

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 reflected growth in several programs, as well as the start-up of several 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.

Sales to the U.S. government, either as a prime contractor or as a subcontractor, represented approximately 90 percent, 87 percent and 91 percent of segment sales in 1998, 1997 and 1996, respectively. Within aerospace systems, industry trends have not changed significantly, with Department of Defense and NASA budgets remaining relatively flat. However, there is a growing worldwide market for commercial space activities, and Ball believes there are significant international opportunities in which the Company could participate. Consolidation in the industry continues and there is strong competition for business. Backlog for the aerospace and technologies segment at December 31, 1998 and 1997, was approximately $296 million and $267 million, respectively. Year-to-year comparisons of backlog are not necessarily indicative of the trend of future operations.

Interest and Taxes

Interest expense increased to $78.6 million in 1998, compared to $53.5 million in 1997 and $33.3 million in 1996. The increase in total interest cost in 1998 compared to 1997 was largely attributable to the additional debt associated with the Acquisition. The increase in total interest cost in 1997 compared to 1996 was primarily a result of the acquisition and consolidation of M.C. Packaging.

Ball's consolidated effective income tax rate was 32.2 percent in 1998, compared to 37.2 percent in 1997 and 24.3 percent in 1996. The lower tax rate for 1998 compared to 1997 is largely attributed to the settlement of various issues with taxing authorities partially offset by the net tax effects of foreign operations. The lower rate for 1996 compared to 1997 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 1998 and 1997, the Company settled tax credit matters for years 1991 through 1995, and recorded additional credits. 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.

Results of Equity Affiliates

Equity earnings in affiliates are largely attributable to equity investments in the PRC, Thailand and Brazil. Equity in earnings of affiliates increased in 1998 to $5.6 million compared to equity in losses of $0.7 million in 1997. The improved results in 1998 reflect the effects of the strengthening of the Thai baht and reduced start-up costs compared to 1997 when operations of certain affiliates in Brazil, Thailand and the PRC began.

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 in 1996. Ball's share of the net earnings from other equity affiliates were $2.8 million in 1996, primarily from Ball's Pacific Rim equity affiliates. In 1996, start-up operating costs associated with new investments in Brazil and Thailand reduced earnings.

Other Items

Consolidated selling, product development and general and administrative expenses were $136.5 million, $125.0 million and $81.0 million for 1998, 1997 and 1996, respectively. Higher consolidated general and administrative expenses in 1998 compared to 1997 were due partially to the additional costs associated with the acquired plants, including salaries and interim administrative support. Also contributing to the increase were higher performance-based compensation costs. Lower consolidated general and administrative expenses in 1996 compared to 1997 were due, in large part, to lower performance-based compensation costs 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 early 1997, as well as those costs attributable to other facilities in the PRC.

In connection with the Acquisition, the Company refinanced approximately $521.9 million of its existing debt and, as a result, recorded a pre-tax charge for early extinguishment of the debt of approximately $19.9 million ($12.1 million after tax or 40 cents per share).

Also, in 1998, the Company adopted SOP No. 98-5, "Reporting on the Costs of Start-Up Activities," in advance of its required 1999 implementation date. SOP No. 98-5 requires that costs of start-up activities and organizational costs, as defined, be expensed as incurred. In accordance with this statement, the Company recorded an after-tax charge to earnings of approximately $3.3 million (11 cents per share), retroactive to January 1, 1998, representing the cumulative effect of this change in accounting on prior years.

In October 1996, the Company sold its 42 percent investment in 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.

Financial Position, Liquidity and Capital Resources

Cash flow from continuing operations increased to $387.1 million in 1998 compared to $143.5 million in 1997 and $84.3 million in 1996. The increases in 1998 and 1997 resulted primarily from improved operating results within North America and a reduction in the cash used for working capital.

Capital expenditures, excluding effects of business acquisitions and dispositions, were $84.2 million, $97.7 million and $196.1 million in 1998, 1997 and 1996, respectively. Spending in 1998, 1997 and 1996 included approximately $24 million, $16 million and $75 million, respectively, for Ball's PET container business. Spending in 1997 also included amounts to complete two new metal packaging plants in the PRC, as well as spending within M.C. Packaging. Capital expenditures in 1996 included the conversion of metal beverage plant equipment to meet 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. In 1999 total capital spending and investments are anticipated to be approximately $155 million.

Premiums on company-owned life insurance were approximately $6 million for each of the three years ended December 31, 1998, 1997 and 1996. Amounts in the consolidated statement of cash flows represent net cash flows from this program, including policy loans of approximately $11 million in 1998 and $10 million in each of 1997 and 1996, and partial withdrawals from the cash value of the policies of approximately $9 million in 1998 and $22 million in 1997.

Debt at December 31, 1998, increased $583.5 million to $1,356.6 million from $773.1 million at year end 1997, while cash and temporary investments increased from $25.5 million at year end 1997 to $34.0 million at December 31, 1998. The increase in debt was primarily due to the additional borrowings in connection with the Acquisition. Consolidated debt-to-total capitalization increased to 67.7 percent at December 31, 1998, from 53.0 percent at year end 1997.

In connection with the Acquisition, the Company refinanced approximately $521.9 million of its existing debt and, as a result, recorded an extraordinary charge from the early extinguishment of debt of approximately $12.1 million (40 cents per share), net of related income tax benefit. The acquisition and the refinancing, including related costs, were financed with a placement of $300.0 million in 7.75% Senior Notes, $250.0 million in 8.25% Senior Subordinated Notes and approximately $808.2 million from a Senior Credit Facility.

The Senior Notes, which are due August 1, 2006, are unsecured, rank senior to the Company's subordinated debt and are guaranteed on a senior basis by certain of the Company's domestic subsidiaries. The Senior Subordinated Notes, which are due August 1, 2008, also are unsecured, rank subordinate to existing and future senior debt of the Company and are guaranteed by certain of the Company's domestic subsidiaries. Both note agreements contain certain covenants and restrictions, including, among other things, restrictions on the incurrence of additional indebtedness and the payment of dividends.

The Company offered to exchange the Senior Notes and Senior Subordinated Notes. The offer expired on January 27, 1999, at which time all of the notes had been exchanged. The terms of the new notes are substantially identical in all respects (including principal amount, interest rate, maturity, ranking and covenant restrictions) to the terms of the notes for which they were exchanged except that the new notes are registered under the Securities Act of 1933, as amended, and therefore are not subject to certain restrictions on transfer except as described in the Prospectus for the Exchange Offer. The note agreements provide that if the new notes are assigned investment grade ratings and the Company is not in default, certain covenant restrictions will be suspended.

The Senior Credit Facility is comprised of three separate facilities, two term loans and a revolving credit facility. The first term loan provided the Company with $350.0 million and matures in August 2004. The second term loan provided the Company with $200.0 million and matures in March 2006. Both term loans are payable in quarterly installments beginning in March 1999. The revolving credit facility provides the Company with up to $650.0 million, of which $150.0 million is available for a period of 364 days, renewable for another 364 days from the current termination date at the option of the Company and participating lenders. The remainder matures in August 2004. The Senior Credit Facility bears interest at variable rates, is guaranteed by certain of the Company's domestic subsidiaries and contains certain covenants and restrictions including, among other things, restrictions on the incurrence of additional indebtedness and the payment of dividends. In addition, all amounts outstanding under the Senior Credit Facility are secured by (1) a pledge of 100 percent of the stock owned by the Company of its direct and indirect majority-owned domestic subsidiaries and (2) a pledge of 65 percent of the stock owned by the Company of certain foreign subsidiaries.

In Asia, FTB Packaging, including M.C. Packaging, had short-term uncommitted credit facilities of approximately $198 million, of which $70.6 million was outstanding at December 31, 1998.

A receivables sales agreement provides for the ongoing, revolving sale of a designated pool of trade accounts receivable of Ball's U.S. packaging businesses. In December 1998, the designated pool of receivables was increased to provide for sales of up to $125 million from the previous amount of $75 million. Net funds received from the sale of the accounts receivable totaled $122.5 million and $65.9 million at December 31, 1998 and 1997, respectively. Fees incurred in connection with the sale of accounts receivable, which are included in general and administrative expenses, totaled $4.0 million in each of 1998 and 1997 and $3.7 million in 1996.

Cash dividends paid on common stock in 1998, 1997 and 1996 were 60 cents per share each year.

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, collars and options to manage the Company's mix of floating and fixed-rate debt between a minimum and maximum percentage, which is set by policy. The Company's objective in managing its exposure to foreign currency fluctuations is to protect foreign cash flow and reduce earnings volatility associated with foreign exchange rate changes.

Unrealized losses on forward contracts under these agreements are recorded in the balance sheet as other current liabilities. Realized gains/losses from hedges are classified in the income statement consistent with accounting treatment of the item being hedged. The Company accrues the differential for interest rate swaps to be paid or received under these agreements as adjustments to interest expense over the lives of the swaps. Gains and losses upon the early termination of swap agreements are deferred in long-term liabilities and amortized as an adjustment to interest expense over the remaining term of the agreement.

The Company has estimated its market risk exposure using sensitivity analysis. Market risk exposure has been defined as the change in fair value of a derivative instrument assuming a hypothetical 10 percent adverse change in market prices or rates. The results of the sensitivity analyses are summarized below. Actual changes in market prices or rates may differ from hypothetical changes.

Interest Rate Risk
Interest rate instruments held by the Company at December 31, 1998 and 1997, included pay-floating, pay-fixed interest rate swaps, interest rate collars and swaption contracts. Pay-fixed swaps effectively convert floating rate obligations to fixed rate instruments. Pay-floating swaps effectively convert fixed-rate obligations to variable rate instruments. Swap agreements expire in one to eight years.

Interest rate swap agreements outstanding at December 31, 1998, had notional amounts of $10 million at a floating rate and $528 million at a fixed rate, or a net fixed position of $518 million. At December 31, 1997, these agreements 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. Floating rate agreements with notional amounts of $55 million at December 31, 1997, included an interest rate floor. The Company also entered into an interest rate collar agreement in 1998 with a notional amount of $100 million.

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.

Based on the Company's interest rate exposure at December 31, 1998, assumed floating rate debt levels throughout 1999 and the effects of derivative instruments, a 10 percent change in interest rates could have an estimated $2 million impact on earnings over a one year period. Actual results may vary based on actual changes in market prices and rates.

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, 1998 and 1997, taking into account any unrealized gains and losses on open contracts.

<TABLE>
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(dollars in millions)	1998 Carrying Amount	1998 Fair Value	1997 Carrying Amount	1997 Fair Value
<S>	<C>	<C>	<C>	<C>
Long-term debt	$1,286.0	$1,280.1	$ 464.8	$484.2
Unrealized net loss on derivative				

contracts relating to debt	--	1.5	--	1.2

</TABLE>

Exchange Rate Risk

The Company's foreign currency risk exposure results from fluctuating currency exchange rates, primarily the strengthening of the U.S. dollar against the Hong Kong dollar, Canadian dollar, Chinese renminbi, Thai baht and Brazilian real. The Company faces currency exposure that arises from translating the results of its global operations and maintaining U.S. dollar debt and payables. The Company uses forward contracts to manage its foreign currency exposures and, as a result, gains and losses on these derivative positions offset, in part, the impact of currency fluctuations on the existing assets and liabilities. At December 31, 1998, the notional amount of the Company's foreign exchange risk management contracts, net of notional amounts of contracts with counterparties against which the Company has the legal right of offset, was $100 million. The fair value of these contracts as of December 31, 1998 was $(4.5) million.

Considering the Company's derivative financial instruments outstanding at December 31, 1998, and the currency exposures, a hypothetical 10 percent weakening in the exchange rates compared to the U.S. dollar could have an estimated $3 million impact on earnings over a one year period. Actual changes in market prices or rates may differ from hypothetical changes.

In January 1999, the Brazilian government changed its monetary policy, causing the Brazilian real to devalue. At that time, the Company did not expect that the after-tax effect of the currency devaluation would have a significant impact on the Company's consolidated earnings. However, the Brazilian real continues to be volatile and actual results may differ based on future events.

In early July 1997, the government of Thailand changed its monetary policy to no longer peg the Thai baht to the U.S. dollar. As a result, the Company recorded a loss of $3.2 million, or 11 cents per share, 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.

New Accounting Pronouncements

Effective January 1, 1998, Ball adopted Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income." See the "Shareholders' Equity" note for information regarding SFAS No. 130. The company also adopted SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," and SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits," in 1998. See the "Business Segment Information" note for information regarding SFAS No. 131 and the "Pension and Other Postretirement and Postemployment Benefits" note for information regarding SFAS No. 132.

During the fourth quarter of 1998, Ball adopted Statement of Position (SOP) No. 98-5, "Reporting on the Costs of Start-Up Activities," in advance of its required 1999 implementation date. SOP No. 98-5 requires that costs of start-up activities and organizational costs, as defined, be expensed as incurred. In accordance with this statement, the Company recorded an after-tax charge to earnings of approximately $3.3 million (11 cents per share), retroactive to January 1, 1998, representing the cumulative effect on prior years of this change in accounting.

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," essentially requires all derivatives to be recorded on the balance sheet at fair value and establishes new accounting practices for hedge instruments. The statement will be effective for Ball in 2000. The effect, if any, of adopting this standard has not yet been determined. 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.

Contingencies

Year 2000 Systems Review

Many computer systems and other equipment with embedded chips or processors use only two digits to represent the year and, as a result, they may be unable to process accurately certain data before, during or after the year 2000. As a result, business and governmental entities are at risk for possible miscalculations or system failures causing disruptions in their operations. This is commonly known as the Year 2000 issue and can arise at any point in the Company's supply, manufacturing, processing, distribution and financial chains.

Over the course of the past several years, systems installations, upgrades and enhancements were performed by the Company in the ordinary course of business with attention given to Year 2000 matters. As a result, when the formal Year 2000 program was instituted in 1996, many of the Year 2000 matters potentially affecting the Company had either been resolved or were near resolution. The program currently in effect was instituted to make the remaining software and systems Year 2000 compliant in time to minimize any significant negative effects on operations and is divided into six major phases: (1) project initiation, (2) awareness, (3) assessment, (4) remediation, (5) testing and (6) contingency planning. The program covers information systems infrastructure, financial and administrative systems, process control and manufacturing operating systems and the compliance profiles of significant vendors, lenders and customers. As of February, 1999, the Company estimated that the program was 80 to 90 percent complete with regard to critical systems and completion of the entire project is on target for mid to late 1999. International operations, for the most part, are following the U.S. program and international joint venture operations are being assessed.

Because most of the Company's efforts were initiated to address specific business requirements or to stay technologically current, it is difficult to quantify costs incurred solely in conjunction with the Year 2000 project. However, certain incremental costs of approximately $2 million have been identified, including the purchase of software to manage the project, software to check personal computer hardware and software compliance, and contractor assistance. All such costs, and any future costs, are being funded through operating cash flows.

Ball relies on third party suppliers for raw materials, water, utilities, transportation, banking and other key services. The inability of principal suppliers, including utilities, to be Year 2000 ready could result in delays in product deliveries from such suppliers and disrupt the Company's ability to supply its products. Ball's review program includes efforts to evaluate the status of suppliers' and customers' efforts, including but not limited to questionnaires, as a means of identifying risk. None of the suppliers contacted to date have indicated any compliance issues. However, the replies indicate that most suppliers, vendors and customers will not provide any assurance that they will be Year 2000 compliant.

A worst-case scenario for the Company with respect to the Year 2000 issue could be the failure of either a critical vendor or the Company's manufacturing and information systems. Such failures could result in temporary production outages and lost sales and profits.

The Company is developing contingency plans intended to mitigate the possible disruption of business operations that may result from external third party Year 2000 issues. Such plans may include accelerating raw material delivery schedules, increasing finished good inventory levels, securing alternate sources of supply, adjusting facility shut-down and start-up schedules and other appropriate measures. The Company is currently prioritizing critical systems and intends to have its contingency plans in place by the end of the second quarter of 1999. The contingency plans and related cost estimates will be refined as additional information becomes available.

Due to the general uncertainty inherent in the Year 2000 issue, resulting in part from the uncertainty of the Year 2000 readiness of the third-party suppliers and customers, the Company is unable to determine whether the consequences of Year 2000 failures will have a material impact on the Company's results of operations, liquidity or financial condition. However, the Company believes that, with the recent implementation of new business systems and completion of the program as scheduled, the possibility of significant interruptions of normal operations should be reduced.

The discussion of the Company's efforts, and management's expectations, relating to Year 2000 compliance contain forward-looking statements. The Company's ability to achieve Year 2000 compliance and the level of associated incremental costs could be adversely impacted by, among other things, the availability and cost of programming and testing resources, the ability of suppliers and customers to bring their systems into Year 2000 compliance, and unanticipated problems identified in the ongoing compliance review.

The information contained herein regarding the Company's efforts to deal with the Year 2000 problem apply to all of the Company's products and services. Such statements are intended as Year 2000 Statements and Year 2000 Readiness Disclosures and are subject to the Year 2000 Information Readiness Disclosure Act.

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 for the materials used in the manufacture of its products, and changing capital markets. Where practicable, Ball 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 December 31, 1998, and has met all payment obligations. However, Latapack-Ball Embalagens Ltda. (Latapack-Ball), the Company's 50 percent owned equity affiliate in Brazil, was in noncompliance with certain financial ratio provisions, including current ratio, under a fixed term loan agreement of which $50.8 million was outstanding at year end. Latapack-Ball has requested a waiver from the lender in respect of the noncompliance.

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. Since that time, the Defense Contract Audit Agency (DCAA) has issued a Draft Audit Report disallowing a portion of the Company's ESOP costs for 1994 through 1997 on the asserted basis that the Company's dividend contributions to the ESOP do not constitute allowable deferred compensation. The Draft Audit Report takes the position that the disallowance is not covered by the pending decision by the ASBCA. While the outcome of the trial or the audit 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.

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; boycotts; litigation involving antitrust, intellectual property, consumer and other issues; 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 obtain adequate credit resources for foreseeable financing requirements of the Company's businesses; the inability of the Company to achieve Year 2000 readiness; 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.

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

(dollars in millions except per share amounts)	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Net sales	$2,896.4	$2,388.5	$2,184.4	$2,045.8	$1,842.8
Net income (loss) from:					
Continuing operations (1)	$32.0	$58.3	$13.1	$51.9	$64.0
Discontinued operations	-	-	11.1	(70.5)	9.0
Net income (loss) before cumulative effect of accounting change	32.0	58.3	24.2	(18.6)	73.0
Extraordinary item, net of tax benefit	(12.1)	-	-	-	-
Cumulative effect of accounting change, net of tax benefit	(3.3)	-	-	-	-
Net income (loss) (1)	16.6	58.3	24.2	(18.6)	73.0
Preferred dividends, net of tax benefit	(2.8)	(2.8)	(2.9)	(3.1)	(3.2)
Net earnings (loss) attributable to common					

shareholders	$13.8	$55.5	$21.3	$(21.7)	$69.8
Return on average common shareholders' equity	2.3%	9.3%	3.7%	(3.7)%	12.1%
Per share of common stock:					
Earnings (loss) from:					
Continuing operations (1)	$0.96	$1.84	$0.34	$1.63	$2.05
Discontinued operations	-	-	0.36	(2.35)	0.30
Earnings (loss) before extraordinary item and cumulative effect of accounting change	0.96	1.84	0.70	(0.72)	2.35
Extraordinary item, net of tax benefit	(0.40)	-	-	-	-
Cumulative effect of accounting change, net of tax benefit (2)	(0.11)	-	-	-	-
Earnings (loss)	$0.45	$1.84	$0.70	$(0.72)	$2.35
Cash dividends	0.60	0.60	0.60	0.60	0.60
Book value	19.52	20.23	19.22	18.84	20.25
Market value	45 3/4	35 3/8	26 1/4	27 3/4	31 1/2
Annual return to common shareholders (3)	31.4%	37.4%	(3.2)%	(10.2)%	6.4%
Weighted average common shares outstanding (000s)	30,388	30,234	30,314	30,024	29,662
Diluted earnings (loss) per share:					
Earnings (loss) from: (4)					
Continuing operations (1)	$0.91	$1.74	$0.34	$1.54	$1.93
Discontinued operations	-	-	0.34	(2.18)	0.28
Earnings (loss) before extraordinary item and cumulative effect of accounting change	0.91	1.74	0.68	(0.64)	2.21
Extraordinary item, net of tax benefit	(0.37)	-	-	-	-
Cumulative effect of accounting change, net of tax benefit (2)	(0.10)	-	-	-	-
Earnings (loss)	$0.44	$1.74	$0.68	$(0.64)	$2.21
Diluted weighted average common shares outstanding (000s)	32,592	32,311	32,335	32,312	31,902
Property, plant and equipment additions	$84.2	$97.7	$196.1	$178.9	$41.3
Depreciation	140.4	110.0	88.1	75.5	75.5
Working capital	198.0	(39.7)	255.6	77.3	56.9
Current ratio	1.29	0.95	1.50	1.16	1.14
Total assets	$2,854.8	$2,090.1	$1,700.8	$1,614.0	$1,631.9
Total interest bearing debt and capital lease obligations (5)	1,356.6	773.1	582.9	475.4	493.7
Common shareholders' equity	594.6	611.3	586.7	567.5	604.8
Total capitalization (5)	2,003.2	1,459.0	1,194.3	1,064.1	1,126.5
Debt-to-total capitalization (5)	67.7%	53.0%	48.8%	44.7%	43.8%

</TABLE>

(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) See the notes to the Consolidated Financial Statements.

(3) Change in stock price plus dividend yield assuming reinvestment of

dividends.

(4) 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.

(5) Includes amounts attributed to discontinued operations.

Quarterly Stock Prices and Dividends

Quarterly prices for the company's common stock, as reported on the composite tape, and quarterly dividends in 1998 and 1997 were:

	1998				1997			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
High	35 11/16	40 15/16	47 15/16	46 1/8	27 3/4	30 3/4	36 1/8	39
Low	29 13/16	32 3/8	28 5/8	28 15/16	23 3/4	25 1/4	29 3/16	31 3/16
Dividends	.15	.15	.15	.15	.15	.15	.15	.15

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%
Latas de Aluminio Ball, Inc.	Delaware	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	97%
Beijing FTB Packaging Limited	PRC	82%
FTB Tooling & Engineering Ltd.	Hong Kong	97%
Fully Tech Industrial Ltd.	Hong Kong	98%
Greater China Trading Ltd.	Cayman Islands	97%
Hubei FTB Packaging Limited	PRC	89%
Ningbo FTB Can Company Limited	PRC	73%
Xi'an Kunlun FTB Packaging Limited	PRC	58%
Zhuhai FTB Packaging Limited	PRC	73%
M.C. Packaging (Hong Kong) Limited	Hong Kong	97%
MCP Beverage Packaging Limited	Hong Kong	97%
MCP Industries Limited	Hong Kong	97%
Plasco Limited	Hong Kong	68%
Hainan M.C. Packaging Limited	PRC	87%
Panyu MCP Industries Limited	PRC	87%
Shenzhen M.C. Packaging Limited	PRC	58%
Tianjin M.C. Packaging Limited	PRC	78%
Hemei Containers (Tianjin) Co. Ltd.	PRC	66%
Suzhou M.C. Beverage Packaging Co. Ltd.	PRC	53%
Tianjin MCP Cap Manufacture Company Limited	PRC	78%
Tianjin MCP Industries Limited	PRC	78%
Zhongfu (Taicang) Plastics Products Co. Ltd.	PRC	68%
GPT Global Packaging Technology AB	Sweden	100%

</TABLE>

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

<TABLE>
<CAPTION>

Name	State or Country of Incorporation or Organization	Percentage Ownership (2)
<S>	<C>	<C>
EarthWatch Incorporated	Delaware	47%
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 and M. C. Packaging (Hong Kong) Limited:		
Sanshui Jianlibao FTB Packaging Limited	PRC	34%
Zhongshan Yedao Drinks Limited	PRC	25%
Norinco-MCP (Hong Kong) Limited	Hong Kong	25%
Guangzhou M.C. Packaging Limited	PRC	29%
Maoming Norinco MCP Company Limited	PRC	22%
Qindao M.C. Packaging Limited	PRC	39%
Richmond Systempak Limited	Hong Kong	32%
Shenzhen Norinco-MCP Company Limited	PRC	29%
Beijing Shente Container Co. Ltd.	PRC	22%
Hangzhou Cofco-M.C. Packaging Company Limited	PRC	24%

</TABLE>

(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.

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) and in Form S-4 Registration Statement and Post-Effective Amendment No. 1 (Registration No. 333-66847) of Ball Corporation of our report dated January 27, 1999, appearing in Exhibit 13.1 of Ball Corporation's Annual Report on Form 10-K for the year ended December 31, 1998.

/s/ PRICEWATERHOUSECOOPERS LLP

Indianapolis, Indiana

March 29 , 1999

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 29, 1999

/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, Jr.	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, 1998 AND THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 1998 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 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; boycotts, litigation involving antitrust, intellectual property, consumer and other issues; 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.