

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended April 3, 1994

Commission file number 1-7349

BALL CORPORATION

State of Indiana

35-0160610

345 South High Street, P.O. Box 2407
Muncie, IN 47307-0407
317/747-6100

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

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

<TABLE>

<CAPTION>

Class	Outstanding at March 31, 1994
-----	-----
<S>	<C>
Common Stock, without par value	29,591,512 shares

</TABLE>

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Ball Corporation and Subsidiaries
QUARTERLY REPORT ON FORM 10-Q
For the period ended April 3, 1994

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

<TABLE>

<CAPTION>

	Three months ended	
	April 3, 1994	April 4, 1993
<S>	<C>	<C>
Net sales	\$ 587.3	\$ 532.9
Costs and expenses		
Cost of sales	531.9	480.6
General and administrative expenses	20.6	21.4
Selling and product development expenses	6.2	5.3
Interest expense	10.6	11.3
	569.3	518.6
Income from continuing operations before taxes on income	18.0	14.3
Provision for taxes on income	(6.5)	(4.9)
Minority interest	(1.3)	(1.0)
Equity in earnings of affiliates	0.3	0.7
Net income from:		
Continuing operations	10.5	9.1
Alltrista operations	--	2.1
Net income before cumulative effect of changes in accounting principles	10.5	11.2
Cumulative effect of changes in accounting principles, net of tax benefit	--	(34.7)
Net income (loss)	10.5	(23.5)
Preferred dividends, net of tax benefit	(0.8)	(0.8)
Net earnings (loss) attributable to common shareholders	\$ 9.7	\$ (24.3)
Earnings (loss) per share of common stock:		
Continuing operations	\$ 0.33	\$ 0.31
Alltrista operations	--	0.08
Cumulative effect of changes in accounting principles, net of tax benefit	--	(1.29)
	\$ 0.33	\$ (0.90)
Fully diluted earnings (loss) per share:		
Continuing operations	\$ 0.31	\$ 0.30
Alltrista operations	--	0.08
Cumulative effect of changes in accounting principles, net of tax benefit	--	(1.28)
	\$ 0.31	\$ (0.90)
Cash dividends declared per common share	\$ 0.15	\$ 0.31

</TABLE>

See accompanying notes to unaudited condensed consolidated financial statements.

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

<TABLE>
<CAPTION>

	April 3, 1994	December 31, 1993
	-----	-----
<S>	<C>	<C>
ASSETS		
Current assets		
Cash and temporary investments	\$ 9.6	\$ 8.2
Accounts receivable, net	257.2	191.3
Inventories		
Raw materials and supplies	87.3	99.8
Work in process and finished goods	356.2	309.5
Current deferred taxes on income and prepaid expenses	73.8	83.3
	-----	-----
Total current assets	784.1	692.1
	-----	-----
Property, plant and equipment, at cost	1,457.3	1,449.3
Accumulated depreciation	(646.9)	(626.6)
	-----	-----
	810.4	822.7
	-----	-----
Goodwill and purchased intangible assets, net	99.9	101.5
	-----	-----
Other assets	181.2	179.3
	-----	-----
	\$ 1,875.6	\$ 1,795.6
	-----	-----
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term debt and current portion of long-term debt	\$ 178.0	\$ 123.9
Accounts payable	183.4	157.3
Other current liabilities	165.3	170.0
	-----	-----
Total current liabilities	526.7	451.2
	-----	-----
Noncurrent liabilities		
Long-term debt	514.3	513.3
Deferred taxes on income	60.4	65.1
Employee benefits and other	193.6	191.4
	-----	-----
Total noncurrent liabilities	768.3	769.8
	-----	-----
Contingencies		
Minority interest	17.2	15.9
	-----	-----
Shareholders' equity		
Series B ESOP Convertible Preferred Stock	68.1	68.7
Unearned compensation - ESOP	(58.9)	(58.6)
	-----	-----
Preferred shareholder's equity	9.2	10.1
	-----	-----
Common stock (issued 30,448,279 shares - 1994; 30,258,169 shares - 1993)	246.4	241.5
Retained earnings	334.2	332.2
Treasury stock, at cost (862,574 shares - 1994; 811,545 shares - 1993)	(26.4)	(25.1)
	-----	-----
Common shareholders' equity	554.2	548.6
	-----	-----
	\$ 1,875.6	\$ 1,795.6
	-----	-----
	-----	-----

</TABLE>

See accompanying notes to unaudited condensed consolidated financial statements.

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

<TABLE>
 <CAPTION>

	Three months ended	
	April 3, 1994	April 4, 1993
<S>	<C>	<C>
Cash flows from operating activities		
Net (loss) income	\$ 10.5	\$ (23.5)
Reconciliation of net income (loss) to net cash used by operating activities:		
Net income from Alltrista operations	--	(2.1)
Cumulative effect of changes in accounting principles, net of tax benefit	--	34.7
Depreciation and amortization	30.5	26.8
Other, net	3.4	(0.9)
Changes in working capital components excluding effects of acquisitions and Alltrista operations	(78.1)	(69.9)
Net cash used by operating activities	(33.7)	(34.9)
Cash flows from financing activities		
Increase in long-term debt, including net increase in amounts outstanding under revolving credit agreements	5.0	110.0
Principal payments of long-term debt (including refinancing of \$84.8 million of Heekin indebtedness in 1993)	(12.0)	(88.0)
Net change in short-term debt	66.6	62.0
Common dividends	(4.4)	(8.2)
Net proceeds from issuance of common stock under various employee and shareholder plans	5.0	6.6
Other, net	(1.6)	(0.6)
Net cash provided by financing activities	58.6	81.8
Cash flows from investing activities		
Additions to property, plant and equipment	(23.9)	(27.2)
Net cash provided to Alltrista operations	--	(8.0)
Investment in packaging affiliate	--	(3.9)
Other, net	0.4	(5.0)
Net cash used by investing activities	(23.5)	(44.1)
Net increase in cash	1.4	2.8
Cash and temporary investments:		
Beginning of period	8.2	14.5
End of period	\$ 9.6	\$ 17.3

</TABLE>

See accompanying notes to unaudited condensed consolidated financial statements.

Ball Corporation and Subsidiaries
 April 3, 1994

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL.

The accompanying unaudited condensed consolidated financial statements have been prepared by the company without audit. Certain information and footnote disclosures, including significant accounting policies, normally included in financial statements prepared in accordance with generally accepted accounting

principles have been condensed or omitted. However, the company believes that the financial statements reflect all adjustments which are necessary for a fair statement of the results for the interim period. Results of operations for the periods shown are not necessarily indicative of results for the year, particularly in view of some seasonality in packaging operations. It is suggested that these unaudited condensed consolidated financial statements and accompanying notes be read in conjunction with the consolidated financial statements and the notes thereto included in the company's latest annual report.

2. RECLASSIFICATIONS.

Certain prior year amounts have been reclassified in order to conform with the 1994 presentation of the consolidated statement of income. Such reclassifications are identified in the table below.

<TABLE>
<CAPTION>

	Three Month Period Ended April 4, 1993		
	Originally Reported	Reclassification Dr/ (Cr)	Restated
<S>	<C>	<C>	<C>
Net sales	\$534.7	\$ 1.8 (1)	\$532.9
Cost of sales	468.6	12.0 (1) (2)	480.6
Selling, distribution and administrative expenses	40.5	(13.8) (2)	--
General and administrative expenses	--	(26.7) (3)	--
Selling and product development expenses	--	21.4 (3)	21.4
		5.3 (3)	5.3

<FN>
(1) Reclassification of freight expense from cost of sales to net sales
(2) Reclassification of warehouse and shipping expense from selling, distribution and administrative expenses to cost of sales
(3) Reclassification to segregate general and administrative expenses from selling and product development expenses
</TABLE>

3. BALL PACKAGING PRODUCTS CANADA, INC. (BALL CANADA).

Prior to the acquisition on April 19, 1991, of the lenders' position in the term debt and 100 percent ownership of Ball Canada, the company had owned indirectly 50 percent of Ball Canada through a joint venture holding company owned equally with Onex Corporation (Onex). The 1988 Joint Venture Agreement had included a provision under which Onex, beginning in late 1993, could "put" to the company all of its equity in the holding company at a price based upon the holding company's fair value. Onex has since claimed that its "put" option entitled it to a minimum value founded on Onex's original investment of approximately \$22.0 million. On December 9, 1993, Onex served notice on the company that Onex was exercising its alleged right under the Joint Venture Agreement to require the company to purchase all of the holding company shares owned or controlled by Onex, directly or indirectly, for an amount including "approximately \$40 million" in respect of the Class A-2 Preference Shares owned by Onex in the holding company. Such "\$40 million" is expressed in Canadian dollars and would represent approximately \$30 million at year-end exchange rates. The company's position is that it has no obligation to purchase any shares from Onex or to pay Onex any amount for such shares, since, among other

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things, the Joint Venture Agreement, which included the "put" option, is terminated. On January 24, 1994, the Ontario Court (General Division Commercial List) ordered that Onex's August 1993 Application for Rectification to reform the Joint Venture Agreement document be stayed, and the Court referred the parties to arbitration on the matter. Under date of January 31, 1994, Onex provided a Notice of Appeal of the Court's order. The company is opposing the appeal but is unable to predict its outcome. The company believes that the matter will result likely in arbitration or possibly in other litigation instituted against it by Onex. The company believes that it has meritorious defenses against Onex's claims, although, because of the uncertainties inherent in the arbitration or litigation process, it is unable to predict the outcome of any such arbitration or other litigation.

4. SHAREHOLDERS' EQUITY.

Issued and outstanding shares of the Series B ESOP Convertible Preferred Stock (ESOP Preferred) were 1,852,604 shares at April 3, 1994, and 1,870,085 shares at December 31, 1993.

5. CONTINGENCIES.

The Environmental Protection Agency has 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.

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

RESULTS OF OPERATIONS

Consolidated net sales of \$587.3 million for the first quarter of 1994 increased 10.2 percent compared to the 1993 first quarter. The increase in net sales was due principally to the inclusion of Heekin results for the full period in 1994 and a slight increase in commercial glass container sales offset by lower sales in other operations. Heekin's results in 1993 were included in consolidated results of operations from the March 19, 1993, acquisition date. Consolidated operating earnings for the first quarter of 1994 increased to \$28.6 million from \$25.6 million in the first quarter of 1993. The increase was due to improved domestic beverage container and aerospace and communications results, as well as the effect of including Heekin's results for the entire 1994 period.

Consolidated interest expense for the first quarter of 1994 was \$10.6 million, compared to \$11.3 million for the 1993 first quarter. The decrease was attributable to lower interest rates, as well as a reduction in the average level of borrowings.

The effective income tax rate increased from 34.3 percent in the year earlier period to 36.1 percent due to nondeductible goodwill amortization arising from the Heekin acquisition and changes in tax law legislated as part of the Omnibus Budget Reconciliation Act of 1993 which increased the federal income tax rate by 1 percent and made certain previously deductible expenses nondeductible.

Net income from continuing operations for the first quarter of 1994 increased from \$9.1 million in the first quarter of 1993 to \$10.5 million in 1994. The increase in the quarter results is primarily due to the aforementioned factors offset by a higher charge for the minority interest and lower earnings of equity affiliates. Earnings per share from continuing operations increased to 33 cents per share for the quarter from 31 cents in 1993, reflecting the higher net income from continuing operations but also a greater than 9 percent increase in average shares outstanding. Net income improved from a loss of \$23.5 million in the first quarter of 1993 to net earnings of \$10.5 million in the 1994 first period. The 1993 quarter included \$2.1 million of net income from the discontinued Alltrista operations, which were spun off April 2, 1993, and an after tax charge of \$34.7 million representing the cumulative effect of new accounting standards adopted as of January 1, 1993.

BUSINESS SEGMENTS

The packaging segment reported a sales increase of 12.6 percent for the first quarter of 1994 relative to the year earlier quarter due primarily to the full-period consolidation of Heekin's sales in 1994. Operating earnings improved by 8.0 percent compared to the 1993 first quarter as a result of substantially improved domestic beverage container results and the contribution of the Heekin food container operations. Results of the Canadian metal packaging business and commercial glass container operations both were less than the 1993 first quarter performance.

Within the packaging segment, operating earnings in the metal container business improved on increased sales of 19.5 percent for the quarter due primarily to the inclusion of Heekin's sales. Domestic metal beverage container sales declined slightly despite higher unit volumes. The increase in unit sales was attributed to shortages of other packaging media which compete with aluminum beverage containers. Domestic beverage container operating earnings were improved versus the year-earlier quarter as the beneficial effects of increased unit volumes more than offset reduced selling prices. Canadian metal packaging sales and operating results were lower than the 1993 first quarter.

Operating earnings in the glass business were significantly lower in the first quarter compared to 1993 despite a modest increase in sales. A major contributing factor was the completion of six furnace rebuilds during the quarter which temporarily idled a portion of the productive capacity of those facilities. Higher freight and warehousing costs were also contributing factors to the first quarter performance.

Notwithstanding a 6.0 percent decline in sales, operating results of the aerospace and communications segment improved considerably in the first quarter versus the year-earlier period which included \$1.1 million of operating losses from the visual imaging product line. Backlog at the quarter end was approximately \$274 million compared to \$305 million at December 31, 1993.

RESTRUCTURING AND OTHER RESERVES

In 1993, the company recorded aggregate restructuring and other reserves of \$108.7 million pretax. During the quarter ended April 3, 1994, these reserves were charged with \$4.0 million of costs which included \$1.6 million of operating losses incurred by the visual imaging product line and \$1.1 million representing the net book value of machinery and equipment made obsolete by changing package specifications in the beverage container industry.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash used by operations in 1994 was essentially unchanged at \$33.7 million versus \$34.9 million in the 1993 first quarter. The increase in working capital for 1994 (as reported in the cash flow statement) was \$78.1 million, compared to \$69.9 million in the first quarter of 1993, reflecting normal seasonal increases in working capital requirements in the glass and metal packaging businesses. The working capital ratio was 2.25 at April 3, 1994, and 2.1 at the 1993 year end.

Total debt increased to \$692.3 million at April 3, 1994, from \$637.2 million at December 31, 1993. The increase was due primarily to seasonal working capital requirements. The debt-to-total capitalization ratio increased to 54.4 percent at April 3, 1994, from 52.6 percent as of December 31, 1993. As of April 3, 1994, the company had unused, committed credit facilities of approximately \$270 million with various banks. Uncommitted short-term facilities from various banks of approximately \$400 million and a Canadian dollar commercial paper facility of approximately \$86 million also were available. At April 3, 1994, short-term debt included \$69 million of the total of \$149 million borrowed against uncommitted short-term credit facilities and \$69 million of commercial paper borrowings.

The company anticipates total 1994 capital spending of approximately \$132 million concentrated within the packaging segment.

The Environmental Protection Agency has 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.

PART II. OTHER INFORMATION

Item 1. Legal proceedings

As previously reported in March 1994, and in previous filings, the Company was named as a third party defendant in the lawsuit regarding alleged disposal of hazardous materials at the Cross Brothers Site located in Kankakee, Illinois, during the years 1961 to 1980. The Company has denied the allegations of the complaint. In an effort to settle this matter, the Company and certain other companies have entered into a Consent Decree with the EPA pursuant to which the EPA will receive approximately \$2.9 million and provide the companies with contribution protection and a covenant not to sue. Ball's share of the settlement amount is \$858,493.60 plus interest. On April 28, 1994, the United States District Court for the Central District of Illinois entered an order approving the Consent Decree and denying certain objections of other parties to the Consent Decree. Based upon the limited information that the Company has at this time, it does not appear that this matter is likely to have a material, adverse effect on the financial condition of the Company.

Item 2. Changes in securities

There were no events required to be reported under Item 2 for the quarter ending April 3, 1994.

Item 3. Defaults upon senior securities

There were no events required to be reported under Item 3 for the quarter ending April 3, 1994.

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

There were no events required to be reported under Item 4 for the quarter ending April 3, 1994.

Item 5. Other information

There were no events required to be reported under Item 5 for the quarter ending April 3, 1994.

Item 6. Exhibits and reports on Form 8-K

(a) Exhibits

11.1 Statement Re: Computation of Earnings per Share.

(b) Reports on Form 8-K

A Current Report on Form 8-K, dated January 26, 1994, filed January 27, 1994, disclosing the company's 1993 annual sales and earnings.

A Current Report on Form 8-K, dated April 29, 1994, filed May 9, 1994, announcing the plan of Mr. Delmont A. Davis to take early retirement from his position as president and chief executive officer of Ball Corporation.

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SIGNATURE

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

Ball Corporation
(Registrant)

By: /s/ R. David Hoover

R. David Hoover
Senior Vice President and
Chief Financial Officer

Date: May 16, 1994

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Ball Corporation and Subsidiaries
QUARTERLY REPORT ON FORM 10-Q
April 3, 1994

EXHIBIT INDEX

Description	Exhibit
-----	-----
Statement Re: Computation of Earnings per Share	EX-11.1

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EXHIBIT 11.1

Ball Corporation and Subsidiaries
STATEMENT RE: COMPUTATION OF EARNINGS PER SHARE
(Millions of dollars except per share amounts)

<TABLE>
<CAPTION>

	Three months ended	
	April 3, 1994	April 4, 1993
<S>	<C>	<C>
EARNINGS PER COMMON SHARE - ASSUMING NO DILUTION		
Net income from:		
Continuing operations	\$ 10.5	\$ 9.1
Alltrista operations	--	2.1
Net income before cumulative effect of changes in accounting principles	10.5	11.2
Cumulative effect of changes in accounting principles, net of tax	--	(34.7)
Net income (loss)	10.5	(23.5)
Preferred dividends, net of tax	(0.8)	(0.8)
Net earnings (loss) attributable to common shareholders	\$ 9.7	\$ (24.3)
Weighted average number of common shares outstanding (000s)	29,493	26,939
Earnings (loss) per share of common stock:		
Continuing operations	\$ 0.33	\$ 0.31
Alltrista operations	--	0.08
Cumulative effect of changes in accounting principles, net of tax	--	(1.29)
	\$ 0.33	\$ (0.90)
EARNINGS PER SHARE - ASSUMING FULL DILUTION		
Net income (loss)	\$ 10.5	\$ (23.5)
Series B ESOP Preferred dividend, net of tax	--	(0.8)
Adjustments for deemed ESOP cash contribution in lieu of Series B ESOP Preferred dividend	(0.6)	*
Net earnings (loss) attributable to common shareholders	\$ 9.9	\$ (24.3)
Weighted average number of common shares outstanding (000s)	29,493	26,939
Dilutive effect of stock options	83	243
Common shares issuable upon conversion of Series B ESOP Preferred stock	2,154	*
Weighted average number shares applicable to fully diluted earnings per share	31,730	27,182
Fully diluted earnings (loss) per share:		
Continuing operations	\$ 0.31	\$ 0.30
Alltrista operations	--	0.08
Cumulative effect of changes in accounting principles, net of tax	--	(1.28)
	\$ 0.31	\$ (0.90)

<FN>
* No conversion of the Series B ESOP Convertible Preferred Stock is assumed as the effect is antidilutive.

</TABLE>