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, 2015

o 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 001-07349

Ball Corporation

State of Indiana (State of other jurisdiction of Incorporation or organization)	**35-0160610** (I.R.S. Employer Identification No.)
10 Longs Peak Drive, P.O. Box 5000 **Broomfield, Colorado** (Address of registrant's principal executive office)	**80021-2510** (Zip Code)

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES x NO o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES o NO x

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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. YES x NO o

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. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x   Accelerated filer o   Non-accelerated filer o   Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES o NO x

The aggregate market value of voting stock held by non-affiliates of the registrant was $9.7 billion based upon the closing market price and common shares outstanding as of June 30, 2015.

Number of shares and rights outstanding as of the latest practicable date.

Class	Outstanding at February 12, 2016
Common Stock, without par value	141,713,478 shares
Preferred Stock Purchase Right	70,856,739 rights

DOCUMENTS INCORPORATED BY REFERENCE

1. Proxy statement to be filed with the Commission within 120 days after December 31, 2015, to the extent indicated in Part III.

Ball Corporation
ANNUAL REPORT ON FORM 10-K
For the year ended December 31, 2015

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PART I

Item 1. Business

Ball Corporation and its consolidated subsidiaries (collectively, Ball, the company, we or our) is one of the world's leading suppliers of metal packaging to the beverage, food, personal care and household products industries. The company was organized in 1880 and incorporated in the state of Indiana, United States of America (U.S.), in 1922. Our packaging products are produced for a variety of end uses and are manufactured in facilities around the world. We also provide aerospace and other technologies and services to governmental and commercial customers within our aerospace and technologies segment. In 2015, our total consolidated net sales were $8.0 billion. Our packaging businesses were responsible for 90 percent of our net sales, with the remaining 10 percent contributed by our aerospace business.

Our largest product lines are aluminum and steel beverage containers. We also produce steel food, aerosol, paint, general line and decorative specialty containers, as well as extruded aluminum aerosol and beverage containers and aluminum slugs.

We sell our packaging products mainly to large multinational beverage, food, personal care and household products companies with which we have developed long-term customer relationships. This is evidenced by our high customer retention and our large number of long-term supply contracts. While we have a diversified customer base, we sell a majority of our packaging products to relatively few major companies in North America, Europe, Asia and South America, as do our equity joint ventures in the U.S. and Vietnam. Our significant customers include: Anheuser-Busch InBev n.v./s.a., Heineken N.V., MillerCoors LLC, PepsiCo Inc. and its affiliated bottlers, SABMiller plc, The Coca-Cola Company and its affiliated bottlers, and Unilever N.V.

Our aerospace business is a leader in the design, development and manufacture of innovative aerospace systems for civil, commercial and national security aerospace markets. It produces spacecraft, instruments and sensors, radio frequency systems and components, data exploitation solutions and a variety of advanced aerospace technologies and products that enable deep space missions.

We are headquartered in Broomfield, Colorado, and our stock is listed for trading on the New York Stock Exchange under the ticker symbol BLL.

Recent Developments

On February 19, 2015, the company and Rexam PLC (Rexam) announced the terms of a recommended offer by the company to acquire all of the outstanding shares of Rexam in a cash and stock transaction. Under the terms of the offer, for each Rexam share, Rexam shareholders will receive 407 pence in cash and 0.04568 new shares of the company. The transaction valued Rexam at 610 pence per share based on the company's 90-day volume weighted average stock price as of February 17, 2015, and an exchange rate of US $1.54: £1 on that date representing an equity value of £4.3 billion ($6.6 billion).

On February 19, 2015, the company entered into a £3.3 billion unsecured bridge loan agreement, pursuant to which lending institutions have agreed, subject to limited conditions, to provide financing necessary to pay the cash portion of the consideration payable to Rexam shareholders upon consummation of the proposed acquisition of Rexam and related fees and expenses. In December 2015, the company issued $1 billion of 4.375 percent senior notes, €400 million of 3.5 percent senior notes, all due in December 2020, and €700 million of 4.375 percent senior notes, due in December 2023. Pursuant to the terms of the unsecured bridge loan agreement, the company deposited the net proceeds from the issuance of such notes into an escrow account (from which proceeds would be released, subject to certain conditions, to pay a portion of the cash consideration payable to Rexam shareholders and related fees and expenses), which reduced the commitments under the unsecured bridge loan agreement availability to £1.9 billion. This reduction in the unsecured bridge loan resulted in the write-off of $10.7 million of related deferred financing costs. See Note 13 for further details related to these transactions.

On February 19, 2015, the company entered into a new $3 billion revolving credit facility to replace the existing approximate $1 billion bank credit facility, redeem the 2020 and 2021 senior notes and provide ongoing liquidity for the company. In June 2015, during a subsequent debt offering, the company issued $1 billion of 5.25 percent senior notes due in July 2025, thereby reducing the borrowing capacity under the revolving credit facility from $3 billion to $2.25 billion. See Note 13 for further details related to these transactions.

In addition, on February 19, 2015, the company announced the redemption of all of the outstanding 6.75 percent senior notes due in September 2020 and all of the 5.75 percent senior notes due in May 2021, each in the amount of $500 million. The redemption of these bonds occurred in March 2015, and resulted in a pre-tax charge of $55.8 million, composed of the redemption premiums and the write-offs of related debt financing costs in debt refinancing and other costs.

Ball owned interests in a joint venture company (Latapack-Ball) organized and operating in Brazil. During October and November 2015, Ball and its joint venture partners reached an agreement to exchange all of their interests in Latapack-Ball for a total of approximately 5.7 million treasury shares of Ball common stock and $17.4 million of cash. The acquisition of the noncontrolling interests in the joint venture was completed in December 2015, and Latapack-Ball is now a wholly owned subsidiary of Ball.

Ball currently expects to complete the Rexam acquisition during the first half of 2016, subject to final regulatory approval by the European Commission (EC), Brazil's Council for Economic Defence (CADE) and the Federal Trade Commission (FTC), the completion of the Rexam acquisition divestitures required by the regulators and other customary closing conditions; however, there can be no assurances that the Rexam acquisition or the Rexam acquisition divestitures will be completed by such time, or on the terms described herein, or at all. The EC and Brazil's CADE have provided conditional clearance of the proposed acquisition, subject to their approval of the proposed buyer of the divested assets and other customary regulatory processes.

Our Strategy

Our overall business strategy is defined by our Drive for 10 vision, which at its highest level is a mindset around perfection, with a greater sense of urgency around our future success. Launched in 2011, our Drive for 10 vision encompasses five strategic levers that are key to growing our businesses and achieving long-term success. These five levers are:

- Maximizing value in our existing businesses
- Expanding into new products and capabilities
- Aligning ourselves with the right customers and markets
- Broadening our geographic reach and
- Leveraging our know-how and technological expertise to provide a competitive advantage

We also maintain a clear and disciplined financial strategy focused on improving shareholder returns through:

- Delivering earnings per share growth of 10 percent to 15 percent per annum over the long-term
- Focusing on free cash flow generation
- Increasing Economic Value Added (EVA®) dollars

The cash generated by our businesses is used primarily: (1) to finance the company's operations, (2) to fund strategic capital investments, (3) to return to our shareholders via stock buy-back programs and dividend payments and (4) to service the company's debt. We will, when we believe it will benefit the company and our shareholders, make strategic acquisitions, enter into joint ventures or divest parts of our company. The compensation of many of our employees is tied directly to the company's performance through our EVA®-based incentive programs.

Our Reporting Segments

Ball Corporation reports its financial performance in four reportable segments: (1) metal beverage packaging, Americas and Asia; (2) metal beverage packaging, Europe; (3) metal food and household products packaging; and (4) aerospace and technologies. Ball also has investments in the U.S. and Vietnam that are accounted for using the equity method of accounting and, accordingly, those results are not included in segment sales or earnings. Financial information related to each of our segments is included in Note 3 to the consolidated financial statements within Item 8 of this Annual Report on Form 10-K (annual report).

Metal Beverage Packaging, Americas and Asia, Segment

Metal beverage packaging, Americas and Asia, is Ball's largest segment, accounting for 53 percent of consolidated net sales in 2015. Metal beverage containers are primarily sold under multi-year supply contracts to fillers of carbonated soft drinks, beer, energy drinks and other beverages.

Americas

Metal beverage containers and ends are produced at 15 manufacturing facilities in the U.S., one in Canada, one in Mexico and four in Brazil. Ends are produced within three of the U.S. facilities, including one facility that manufactures only ends, one facility in Mexico, and one facility in Brazil. Additionally, Rocky Mountain Metal Container, LLC, a 50-percent owned joint venture owned by Ball and MillerCoors LLC, operates metal beverage container and end manufacturing facilities in Golden, Colorado.

The North American metal beverage container manufacturing industry is relatively mature, and industry volumes for certain types of containers have declined over the past several years. Where growth or contractions are projected in certain markets or for certain products, Ball undertakes selected capacity increases or decreases in its existing facilities to meet market demand. A meaningful portion of the industry-wide reduction in demand for standard 12-ounce aluminum cans for the carbonated soft drink market is being offset with the growing demand for specialty container volumes from new and existing customers. In February 2015, we announced the introduction of a next-generation aluminum bottle-shaping technology in our Conroe, Texas, facility for a customer under a long-term arrangement that began production in the second quarter of 2015. In April 2015, we announced the construction of a beverage can and end manufacturing facility in Monterrey, Mexico, which began production in January 2016.

According to publicly available information and company estimates, the combined Americas metal beverage container industry represents approximately 126 billion units. Five companies manufacture substantially all of the metal beverage containers in the U.S. and Canada and three companies manufacture substantially all such containers in Brazil. Three of these producers and one other independent producer also manufacture metal beverage containers in Mexico. Ball produced approximately 40 billion recyclable aluminum beverage containers in the Americas in 2015 — about 34 percent of the aggregate production in these markets. Sales volumes of metal beverage containers in North America tend to be highest during the period from April through September while in Brazil, sales volumes tend to be highest from September through December. All of the beverage containers produced by Ball in the U.S., Canada, Mexico and Brazil are made of aluminum, as are almost all beverage containers produced by our competitors in those countries. In the Americas, five suppliers provide virtually all our aluminum can and end sheet requirements.

Metal beverage containers are sold based on price, quality, service, innovation and sustainability in a highly competitive market, which is relatively capital intensive and characterized by facilities that run more or less continuously in order to operate profitably. In addition, the metal beverage container competes aggressively with other packaging materials which include meaningful industry positions by the glass bottle in the packaged beer industry and the polyethylene terephthalate (PET) bottle in the carbonated soft drink and water industries.

We believe we have limited our exposure related to changes in the costs of aluminum ingot as a result of the inclusion of provisions in most metal beverage container sales contracts to pass through aluminum ingot price changes, as well as through the use of derivative instruments.

In order to better align our manufacturing footprint to meet the needs of our customers, in July 2015, the company announced the closure of its Bristol, Virginia, metal beverage packaging end-making facility. The facility is expected to cease production in the second quarter of 2016. The Bristol facility produces metal beverage ends in a variety of sizes and its capacity will be transitioned to existing North American Ball end-making facilities.

Asia

The metal beverage container market in the People's Republic of China (PRC) is approximately 36 billion containers, of which Ball's operations represented an estimated 18 percent in 2015. Our percentage of the industry makes us one of the largest manufacturers of metal beverage containers in the PRC with four other manufacturers accounting for an estimated 75 percent of the production. Our operations include the manufacture of aluminum containers and ends in four facilities in the PRC. Our aluminum can and end sheet requirements are provided by several suppliers.

During the first quarter of 2014, the company sold its plastic motor oil container and pail manufacturing business in the PRC. Further details are available in Note 5 to the consolidated financial statements within Item 8 of this annual report. Additionally, in May 2014, we announced the expansion of our Asian operations with the construction of a new one-line beverage can manufacturing facility in Myanmar, which is expected to begin production in the second quarter of 2016.

Additionally Ball operates an equity joint venture in Vietnam with Thai Beverage Can Limited. The joint venture is a leading manufacturer of two-piece aluminum cans and ends for beverages.

During July 2013, the company signed a compensation agreement with the PRC government to close the company's Shenzhen manufacturing facility and relocate the production capacity by the end of 2013. Further details are available in Note 5 to the consolidated financial statements within Item 8 of this annual report.

We believe we have limited our exposure related to changes in the costs of aluminum ingot as a result of the inclusion of provisions in most metal beverage container sales contracts to pass through aluminum ingot price changes, as well as through the use of derivative instruments.

Metal Beverage Packaging, Europe, Segment

The European metal beverage container market, excluding Russia, is approximately 60 billion containers, and we are the second largest producer with an estimated 30 percent of European shipments. The European market is highly regional in terms of sales growth rates and packaging mix.

The metal beverage packaging, Europe, segment, which accounted for 21 percent of Ball's consolidated net sales in 2015, supplies two-piece metal beverage containers and ends for producers of carbonated soft drinks, beer, energy drinks and other beverages. Our European operations consist of 13 facilities — 10 beverage container facilities and three beverage end facilities — of which four are located in Germany, three in the United Kingdom, two in France, two in Poland and one each in the Netherlands and Serbia. In addition, Ball is currently renting space on the premises of a supplier in Haslach, Germany, in order to produce the Ball Resealable End. The European beverage facilities produced approximately 19 billion metal beverage containers in 2015, with approximately 67 percent of those being produced from aluminum and 33 percent from steel. Seven of the beverage container facilities use aluminum and three use steel. During August 2014, we announced the expansion of our beverage can manufacturing facility in Oss, the Netherlands, with the construction of a new line for aluminum beverage containers and a new warehouse. The new line began commercial production in the second quarter of 2015.

Sales volumes of metal beverage containers in Europe tend to be highest during the period from May through August with a smaller increase in demand leading up to the winter holiday season in the United Kingdom. Much like other parts of the world, the metal beverage container competes aggressively with other packaging materials used by the European beer and carbonated soft drink industries. The glass bottle is heavily utilized in the packaged beer industry, while the PET container is utilized in the carbonated soft drink, beer, juice and water industries.

European raw material supply contracts are generally for a period of one year, although Ball has negotiated some longer term agreements. In Europe three aluminum suppliers and two steel suppliers provide 97 percent of our requirements. Aluminum is traded primarily in U.S. dollars, while the functional currencies of the European operations are non-U.S. dollars. The company generally tries to minimize the resulting exchange rate risk using derivative and supply contracts in local currencies. Purchase and sales contracts generally include fixed-price, floating or pass-through aluminum ingot component pricing arrangements.

Metal Food and Household Products Packaging Segment

The metal food and household products packaging segment accounted for 16 percent of consolidated net sales in 2015. Ball produces two-piece and three-piece steel food containers and ends for packaging vegetables, fruit, soups, meat, seafood, nutritional products, pet food and other products. The segment also manufactures and sells aerosol, paint and general line and decorative specialty containers, as well as extruded aluminum aerosol and beverage containers and aluminum slugs. There are a total of 13 facilities in the U.S., four in Europe, one in Canada, one in Mexico and one in India that produce these products. In addition, the company manufactures and sells steel aerosol containers in two facilities in Argentina.

During August 2014, we announced the installation of a new extruded aluminum aerosol container line in our DeForest, Wisconsin, facility, which began production in the first quarter of 2015. Additionally, in October 2014, we announced the construction of a new extruded aluminum aerosol container manufacturing facility in India, which began production in October 2015. In February 2015, we announced the introduction of a new steel aerosol container manufacturing technology in Chestnut Hill, Tennessee, which began production in the fourth quarter of 2015. Also in February 2015, we completed the acquisition of Sonoco's metal end and closure facilities in Canton, Ohio.

Sales volumes of metal food containers in North America tend to be highest from May through October as a result of seasonal fruit, vegetable and salmon packs. We estimate our 2015 shipments of approximately 3 billion steel food containers to be approximately 12 percent of total U.S. and Canadian metal food container shipments. We estimate our steel aerosol business accounts for approximately 35 percent of total annual U.S. and Canadian steel aerosol shipments. In the U.S. and Canada, we are the leading supplier of aluminum slugs used in the production of extruded aluminum aerosol

containers and estimate our percentage of the total industry shipments to be approximately 92 percent. We estimate our extruded aluminum aerosol business accounts for approximately 19 percent of total annual U.S. and Canadian extruded aluminum aerosol shipments. Ball's European aluminum aerosol shipments represented approximately 21 percent of total European industry shipments in 2015.

Competitors in the metal food container product line include two national and a small number of regional suppliers and self-manufacturers. Several producers in Mexico also manufacture steel food containers. Competition in the U.S. steel aerosol container market primarily includes three other national suppliers. Steel containers also compete with other packaging materials in the food and household products industry including glass, aluminum, plastic, paper and pouches. As a result, profitability for this product line is dependent on price, cost reduction, service and quality. In North America, two steel suppliers provide approximately 54 percent of our tinplate steel. We believe we have limited our exposure related to changes in the costs of steel tinplate and aluminum as a result of the inclusion of provisions in many sales contracts to pass through steel and aluminum cost changes and the existence of certain other steel container sales contracts that incorporate annually negotiated metal costs.

Cost containment and maximizing asset utilization are crucial to maintaining profitability in the metal food and aerosol container manufacturing industries and Ball is focused on doing so. Toward that end, in February 2013, Ball announced the closure of its metal food and aerosol container manufacturing facility in Elgin, Illinois. The facility, which produced aerosol and specialty steel cans as well as flat steel sheet used by other Ball food and household products packaging facilities, ceased production in the fourth quarter of 2013, and its production capacity was consolidated into other Ball facilities. Ball later announced in November 2013 the closure of its steel aerosol container manufacturing facility in Danville, Illinois. The facility ceased production in December 2014 and its production assets were deployed to other North American metal food and household products packaging facilities.

Aerospace and Technologies Segment

Ball's aerospace and technologies segment, which accounted for 10 percent of consolidated net sales in 2015, includes national defense hardware, antenna and video tactical solutions, civil and operational space hardware and systems engineering services. The segment develops spacecraft, sensors and instruments, radio frequency systems and other advanced technologies for the civil, commercial and national security aerospace markets. The majority of the aerospace and technologies business involves work under contracts, generally from one to five years in duration, as a prime contractor or subcontractor for the U.S. Department of Defense (DoD), the National Aeronautics and Space Administration (NASA) and other U.S. government agencies. The company competes against both large and small prime contractors and subcontractors for these contracts. Contracts funded by the various agencies of the federal government represented 96 percent of segment sales in 2015.

Intense competition and long operating cycles are key characteristics of both the company's business and the aerospace and defense industry. It is common in the aerospace and defense industry for work on major programs to be shared among a number of companies. A company competing to be a prime contractor may, upon ultimate award of the contract to another competitor, become a subcontractor for the ultimate prime contracting company. It is not unusual to compete for a contract award with a peer company and, simultaneously, perform as a supplier to or a customer of that same competitor on other contracts, or vice versa.

Geopolitical events and shifting executive and legislative branch priorities have resulted in an increase in opportunities over the past decade in areas matching our aerospace and technologies segment's core capabilities in space hardware. The businesses include hardware, software and services sold primarily to U.S. customers, with emphasis on space science and exploration, environmental and earth sciences, and defense and intelligence applications. Major activities frequently involve the design, manufacture and testing of satellites, remote sensors and ground station control hardware and software, as well as related services such as launch vehicle integration and satellite operations. Uncertainties in the federal government budgeting process could delay the funding, or even result in cancellation of certain programs currently in our reported backlog.

Other hardware activities include target identification, warning and attitude control systems and components; cryogenic systems for reactant storage, and associated sensor cooling devices; star trackers, which are general-purpose stellar attitude sensors; and fast-steering mirrors. Additionally, the aerospace and technologies segment provides diversified technical services and products to government agencies, prime contractors and commercial organizations for a broad range of information warfare, electronic warfare, avionics, intelligence, training and space system needs.

Backlog in the aerospace and technologies segment was $617 million and $765 million at December 31, 2015 and 2014, respectively, and consisted of the aggregate contract value of firm orders, excluding amounts previously recognized as

revenue. The 2015 backlog includes $442 million expected to be recognized in revenues during 2016, with the remainder expected to be recognized in revenues in the years thereafter. Unfunded amounts included in backlog for certain firm government orders, which are subject to annual funding, were $274 million and $410 million at

December 31, 2015 and 2014, respectively. Year-over-year comparisons of backlog are not necessarily indicative of the trend of future operations due to the nature of varying delivery and milestone schedules on contracts, funding of programs and the uncertainty of timing of future contract awards.

Patents

In the opinion of the company's management, none of our active patents or groups of patents is material to the successful operation of our business as a whole. We manage our intellectual property portfolio to obtain the durations necessary to achieve our business objectives.

Research and Development

Research and development (R&D) efforts in our packaging segments are primarily directed toward packaging innovation, specifically the development of new features, sizes, shapes and types of containers, as well as new uses for existing containers. Other additional R&D efforts in these segments seek to improve manufacturing efficiencies and the overall sustainability of our products. Our packaging R&D activities are primarily conducted in technical centers located in Westminster, Colorado, and in Bonn, Germany.

In our aerospace business, we continue to focus our R&D activities on the design, development and manufacture of innovative aerospace products and systems. This includes the production of spacecraft, instruments and sensors, radio frequency and system components, data exploitation solutions and a variety of advanced aerospace technologies and products that enable deep space missions. Our aerospace R&D activities are conducted at various locations in the U.S.

Additional information regarding company R&D activity is contained in Note 1 to the consolidated financial statements within Item 8 of this annual report, as well as in Item 2, "Properties."

Sustainability and the Environment

Sustainability is a key part of maximizing value at Ball. In our global operations, we focus our sustainability efforts on employee safety, and reducing energy, water, waste and air emissions. In addition to those operational priorities, we identified innovation, packaging recycling, talent management, responsible sourcing and community engagement as priorities for our corporate sustainability efforts. By continuously working toward reducing the environmental impacts of our products throughout their life cycle, we also improve our financial results. Information about our corporate sustainability management, goals and performance data are available at www.ball.com/sustainability.

Because metal recycling saves resources and uses up to 20 times less energy than primary metal production, the biggest opportunity to further minimize the environmental impacts of metal packaging is to increase recycling rates. Aluminum and steel are infinitely recyclable materials. They also have the highest scrap value of all commonly used packaging substrates, contributing to the fact that metal cans are the most recycled food and beverage containers in the world. In some of Ball's markets such as Brazil, China and several European countries, recycling rates for beverage cans are at or above 90 percent. The most recently available recycling rates in the U.S. are 67 percent for aluminum beverage cans in 2014 and 70 percent for steel containers in 2013. The most recently available recycling rates in Europe are approximately 71 percent for aluminum beverage containers and 75 percent for steel packaging in 2013.

In several of Ball's markets we help establish and financially support recycling initiatives. Educating consumers about the benefits of recycling aluminum and steel containers and collaborating with industry partners to create effective collection and recycling systems contribute to increased recycling rates. For more details about programs we support, please visit www.ball.com/recycling.

Employee Relations

At the end of 2015, the company and its subsidiaries employed approximately 15,200 employees: 7,900 employees in the U.S. and 7,300 in other countries. Details of collective bargaining agreements are included within Item 1A, Risk Factors, of this annual report.

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Where to Find More Information

Ball Corporation is subject to the reporting and other information requirements of the Securities Exchange Act of 1934, as amended (Exchange Act). Reports and other information filed with the Securities and Exchange Commission (SEC) pursuant to the Exchange Act may be inspected and copied at the public reference facility maintained by the SEC in Washington, D.C. The SEC maintains a website at www.sec.gov containing our reports, proxy materials and other items. The company also maintains a website at www.ball.com on which it provides a link to access Ball's SEC reports free of charge.

The company has established written Ball Corporation Corporate Governance Guidelines; a Ball Corporation Executive Officers and Board of Directors Business Ethics Statement; a Business Ethics booklet; and Ball Corporation Audit Committee, Nominating/Corporate Governance Committee, Human Resources Committee and Finance Committee charters. These documents are set forth on the company's website at www.ball.com/investors, under the link "Corporate Governance". A copy may also be obtained upon request from the company's corporate secretary. The company's sustainability report and updates on Ball's progress are available at www.ball.com/sustainability.

The company intends to post on its website the nature of any amendments to the company's codes of ethics that apply to executive officers and directors, including the chief executive officer, chief financial officer and controller, and the nature of any waiver or implied waiver from any code of ethics granted by the company to any executive officer or director. These postings will appear on the company's website at www.ball.com/investors, under the link "Corporate Governance".

Item 1A. Risk Factors

Any of the following risks could materially and adversely affect our business, financial condition or results of operations.

Risks related to the proposed acquisition of Rexam

The announced, proposed acquisition of Rexam is subject to various closing conditions, including governmental and regulatory approvals, and approval by Rexam's shareholders, as well as other uncertainties, and there can be no assurances as to whether and when it may be completed. Failure to consummate the proposed acquisition could negatively impact our stock price and our future business and financial results.

The consummation of the announced, proposed acquisition of Rexam is subject to certain customary conditions. A number of the remaining conditions are not within the company's or Rexam's control, and it is possible that such conditions may prevent, delay or otherwise materially adversely affect the completion of the acquisition. These conditions include, among other things: (i) the approval of a court-sanctioned scheme of arrangement under Part 26 of the UK Companies Act by the holders of at least a majority in number representing at least 75 percent of the issued share capital of Rexam present at a shareholder meeting, approval of related resolutions by at least a 75 percent majority of the issued capital of Rexam present at a further shareholder meeting (excluding shares held by the company, if any) and the sanction of the High Court of England

and Wales, (ii) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, as well as the expiration or termination of the applicable waiting periods under the antitrust laws of several other jurisdictions, including the European Union and Brazil, and obtaining associated approvals and clearances and (iii) the absence of a material adverse effect on Rexam and certain other actions related to Rexam as described in the UK offer announcement.

Under the U.K. City Code on Takeovers and Mergers, which we refer to as the Takeover Code, we may in certain cases invoke a condition to the acquisition to cause the acquisition not to proceed only if the U.K. Panel on Takeovers and Mergers, which we refer to as the Panel, is satisfied that the circumstances giving rise to that condition not being satisfied are of material significance to the company in the context of the acquisition. Because of this Panel consent requirement, the conditions, including as to the absence of a material adverse change affecting Rexam, may provide us less protection than the customary conditions in an offer for a U.S. domestic company.

The company cannot predict with certainty whether and when any of the remaining required conditions will be satisfied or if another uncertainty may arise. If the proposed acquisition does not receive, or timely receive, the required regulatory approvals and clearances, or if another event occurs that delays or prevents the acquisition, such delay or failure to complete the acquisition and the acquisition process may cause uncertainty or other negative consequences that may materially and adversely affect the company's business, financial condition and results of operations and, to the extent that the current price of the company's common stock reflects an assumption that the acquisition will be completed, the price per share for the company's common stock could be negatively impacted.

We may not realize all of the anticipated benefits of the proposed acquisition of Rexam, or those benefits may take longer to realize than expected. We may also encounter significant unexpected difficulties in integrating the two businesses.

Our ability to realize the anticipated benefits of the proposed acquisition of Rexam will depend, to a large extent, on our ability to integrate our business with Rexam's business. Combining two independent businesses is a complex, costly and time-consuming process. As a result, we will be required to devote significant management attention and resources to integrating the business practices and operations of the company and Rexam. The integration process may disrupt the combined business and, if implemented ineffectively, could preclude the realization of the full benefits of the acquisition that are currently expected. Our failure to meet the challenges involved in integrating the two businesses and to realize the anticipated benefits of the proposed acquisition could cause an interruption of, or a loss of momentum in, the activities of the company and could adversely affect the company's results of operations. In addition, the overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships, and diversion of management's attention. The possible difficulties of combining the operations of the companies also include, among others:

- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from combining our business with that of Rexam;
- the loss of key personnel as a result of potentially significant divestitures required in connection with obtaining regulatory clearances;
- difficulties in integrating operations, business practices and systems;
- difficulties in assimilating employees;
- difficulties in managing the expanded operations of a significantly larger and more complex combined company;
- challenges in retaining existing customers and suppliers;
- challenges in obtaining new customers and suppliers;
- potential unknown liabilities and unforeseen increased expenses associated with the proposed acquisition; and
- challenges in retaining and attracting key personnel.

Many of these factors are or will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact the business, financial condition and results of operations of the company. In addition, even if the operations of the businesses of the company and Rexam are integrated successfully, we may not realize the full benefits of the proposed acquisition, including the synergies, cost savings or sales or growth opportunities that we expect, or the full benefits may not be achieved within the anticipated time frame, or at all. Additional unanticipated costs may be incurred in the integration of the businesses of the company and Rexam. All of these factors could adversely affect the earnings of the company, decrease or delay the expected accretive effect of the proposed acquisition, or negatively impact the price of the company's common stock. As a result, we cannot assure that the combination of the company and Rexam's businesses will result in the realization of the full benefits anticipated from the proposed acquisition.

In order to close the proposed acquisition, we will need to incur a significant level of debt that could have important consequences for our business and any investment in our securities.

On February 19, 2015, the company entered into a £3.3 billion unsecured bridge loan agreement, pursuant to which lending institutions agreed, subject to limited conditions, to provide financing necessary to pay the cash portion of the consideration payable to Rexam shareholders upon consummation of the proposed acquisition of Rexam and related fees and expenses. In December 2015, the company issued $1 billion of 4.375 percent senior notes, €400 million of 3.5 percent senior notes, all due in December 2020, and €700 million of 4.375 percent senior notes, due in December 2023. Pursuant to the terms of the unsecured bridge loan agreement, the company deposited the net proceeds from the issuance of such notes into escrow accounts (from which proceeds would be released, subject to certain conditions, to pay a portion of the cash consideration payable to Rexam shareholders and related fees and expenses), which reduced the commitments under the unsecured bridge loan agreement to £1.9 billion. If the company borrows under the bridge loan agreement, or otherwise draws upon or incurs indebtedness of this level to close the acquisition, such indebtedness could have significant consequences for our business and any investment in our securities, including:

- increasing our vulnerability to adverse economic, industry or competitive developments;
- requiring a substantial portion of our cash flows from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities and returning cash to our shareholders;
- restricting us from making strategic acquisitions or causing us to make nonstrategic divestitures;

- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged and who, therefore, may be able to take advantage of opportunities that our leverage prevents us from exploiting.

Issuances of a substantial number of shares of our common stock in connection with the proposed acquisition may adversely affect the market price of our common stock.

A portion of the funding for the proposed acquisition of Rexam is through the issuance of shares of our common stock. Issuance of shares of our common stock in the proposed acquisition of Rexam will dilute the interests of our then-existing shareholders and may adversely affect the market price of our common stock.

If the proposed acquisition of Rexam is not completed, we may, under certain circumstances, be obligated to pay a break payment to Rexam of seven percent of the total consideration contemplated to be paid in connection with the proposed acquisition.

If the proposed acquisition of Rexam is not consummated by August 19, 2016 (unless extended by mutual agreement) because certain regulatory approvals that are conditions to the acquisition have not been obtained (or waived by the company), the company would be required to pay Rexam a break payment of seven percent of the total consideration contemplated to be paid in connection with the proposed acquisition. Any break payment that the company may be required to pay may require the company to use available cash that would have otherwise been available for general corporate purposes and other matters. For these and other reasons, a failed acquisition could materially and adversely affect the company's business, financial condition and results of operations and the price per share of the company's common stock.

In order to obtain regulatory clearance for the proposed acquisition of Rexam, we expect to be required to commit to and effect significant divestitures which could negatively impact our ability to realize the anticipated benefits of the proposed acquisition of Rexam or otherwise have a material adverse effect on us.

In connection with satisfying requirements under the antitrust laws of the United States and several other jurisdictions, including the European Union and Brazil, and obtaining associated approvals and clearances, we expect to be required to commit to significant divestitures. The terms of the recommended offer as set forth in the UK offer announcement and the co-operation agreement require us to consummate the proposed acquisition of Rexam even if certain regulators require significant divestitures that would not be accepted as sufficiently material to the company in the context of the proposed acquisition of Rexam to permit the offer to lapse. In addition, the relevant regulatory authorities may determine that in order to close the Rexam acquisition, the company must commit to divestitures at a level in excess of the amount that would allow the company to permit the offer to lapse, but the company may nonetheless decide to complete the proposed acquisition. As a result of any required divestitures and the risks related to the divestiture process, we may not realize all or a significant portion of the anticipated benefits of the proposed Rexam acquisition, including anticipated synergies, and the company may otherwise suffer other negative consequences that may materially and adversely affect the company's business, financial condition and results of operations and, to the extent that the current price of the company's common stock reflects an assumption that the anticipated benefits of the proposed acquisition will be realized, the price per share for the company's common stock could be negatively impacted.

Shareholders in the combined consolidated company will be more exposed to currency exchange rate fluctuations as, following completion of the acquisition, there will be an increased proportion of assets, liabilities and earnings denominated in foreign currencies.

As a result of the acquisition of Rexam, the financial results of the combined company will be more exposed to currency exchange rate fluctuations and an increased proportion of assets, liabilities and earnings will be denominated in non-U.S. dollar currencies. The combined company will present its financial statements in U.S. dollars and will have a significant proportion of net assets and income in non-U.S. dollar currencies, primarily the euro, as well as pounds sterling and a range of emerging market currencies. The combined company's financial results and capital ratios will therefore be sensitive to movements in foreign exchange rates. A depreciation of non-U.S. dollar currencies relative to the U.S. dollar could have an adverse impact on the combined company's financial results.

The Takeover Code restricts our ability to cause Rexam to consummate the acquisition and limits the relief Ball may obtain in the event Rexam's Board of Directors withdraws its support for the acquisition.

The Takeover Code limits the contractual commitments that may be obtained from Rexam to take actions in furtherance of the acquisition, and Rexam's board of directors may, if its fiduciary and other directors' duties so require, withdraw its recommendation in support for the acquisition, and withdraw the scheme of arrangement, at any time prior to the scheme of arrangement becoming effective. The Takeover Code does not permit Rexam to pay any break fee to the company if it does so, nor can it be subject to any restrictions on soliciting or negotiating other offers or transactions involving Rexam other than the restrictions that arise under the Takeover Code against undertaking actions or entering into agreements which might frustrate the company's takeover offer for Rexam.

Our business, operating results and financial condition are subject to particular risks in certain regions of the world.

We may experience an operating loss in one or more regions of the world for one or more periods, which could have a material adverse effect on our business, operating results or financial condition. Moreover, overcapacity, which often leads to lower prices, exists in a number of the regions in which we operate and may persist even if demand grows. Our ability to manage such operational fluctuations and to maintain adequate long-term strategies in the face of such developments will be critical to our continued growth and profitability.

There can be no assurance that the company's business acquisitions will be successfully integrated into the acquiring company. (See Note 4 to the consolidated financial statements within Item 8 of this annual report for details.)

While we have what we believe to be well designed integration plans, if we cannot successfully integrate the acquired operations with those of Ball, we may experience material negative consequences to our business, financial condition or results of operations. The integration of companies that have previously been operated separately involves a number of risks, including, but not limited to:

- demands on management related to the increase in our size after the acquisition;
- the diversion of management's attention from the management of existing operations to the integration of the acquired operations;
- difficulties in the assimilation and retention of employees;
- difficulties in the integration of departments, systems, including financial systems, technologies, books and records and procedures, as well as in maintaining uniform standards, controls (including internal accounting controls), procedures and policies;
- expenses related to any undisclosed or potential liabilities; and
- retention of major customers and suppliers.

We may not be able to achieve potential synergies or maintain the levels of revenue, earnings or operating efficiency that each business had achieved or might achieve separately. The successful integration of the acquired operations will depend on our ability to manage those operations, realize revenue opportunities and, to some degree, eliminate redundant and excess costs.

The loss of a key customer, or a reduction in its requirements, could have a significant negative impact on our sales.

We sell a majority of our packaging products to relatively few major beverage, packaged food, personal care and household product companies, some of which operate in North America, South America, Europe and Asia.

Although the majority of our customer contracts are long-term, these contracts, unless they are renewed, expire in accordance with their respective terms and are terminable under certain circumstances, such as our failure to meet quality, volume or market pricing requirements. Because we depend on relatively few major customers, our business, financial condition or results of operations could be adversely affected by the loss of any of these customers, a reduction in the purchasing levels of these customers, a strike or work stoppage by a significant number of these customers' employees or an adverse change in the terms of the supply agreements with these customers.

The primary customers for our aerospace segment are U.S. government agencies or their prime contractors. Our contracts with these customers are subject to several risks, including funding cuts and delays, technical uncertainties, budget changes, competitive activity and changes in scope.

We face competitive risks from many sources that may negatively impact our profitability.

Competition within the packaging and aerospace industries is intense. Increases in productivity, combined with existing or potential surplus capacity in the industry, have maintained competitive pricing pressures. The principal methods of competition in the general packaging industry are price, innovation, sustainability, service and quality. In the aerospace industry they are technical capability, cost and schedule. Some of our competitors may have greater financial, technical and marketing resources, and some may currently have significant excess capacity. Our current or potential competitors may offer products at a lower price or products that are deemed superior to ours. The global economic environment has resulted in reductions in demand for our products in some instances, which, in turn, could increase these competitive pressures.

We are subject to competition from alternative products, which could result in lower profits and reduced cash flows.

Our metal packaging products are subject to significant competition from substitute products, particularly plastic carbonated soft drink bottles made from PET, single serve beer bottles and other food and beverage containers made of glass, cardboard or other materials. Competition from plastic carbonated soft drink bottles is particularly intense in the U.S., Europe and the PRC. Certain of our aerospace products are also subject to competition from alternative products and solutions. There can be no assurance that our products will successfully compete against alternative products, which could result in a reduction in our profits or cash flow.

Our packaging businesses have a narrow product range, and our business would suffer if usage of our products decreased or if decreases occur in the demand for the beverages, food and other goods filled in our products.

For the year ended December 31, 2015, 74 percent of our consolidated net sales were from the sale of metal beverage containers, and we expect to derive a significant portion of our future revenues and cash flows from the sale of metal beverage containers. Our business would suffer if the use of metal beverage containers decreased. Accordingly, broad acceptance by consumers of aluminum and steel containers for a wide variety of beverages is critical to our future success. If demand for glass and PET bottles increases relative to metal containers, the demand for aluminum and steel containers does not develop as expected or declines in consumption of carbonated soft drinks in North America continue, our business, financial condition or results of operations could be materially adversely affected.

Changes in laws and governmental regulations may adversely affect our business and operations.

We and our customers and suppliers are subject to various federal, state, provincial and local laws and regulations, which are increasing in number and complexity. Each of our, and their, facilities is subject to federal, state, provincial and local licensing and regulation by health, environmental, workplace safety and other agencies in multiple jurisdictions. Requirements of worldwide governmental authorities with respect to manufacturing, manufacturing facility locations within the jurisdiction, product content and safety, climate change, workplace safety and health, environmental, expropriation of assets and other standards could adversely affect our ability to manufacture or sell our products, and the ability of our customers and suppliers to manufacture and sell their products. In addition, we face risks arising from compliance with and enforcement of increasingly numerous and complex federal, state, provincial and local laws and regulations.

Enacted regulatory developments regarding the reporting and use of "conflict minerals" mined from the Democratic Republic of the Congo and adjoining countries could affect the sourcing, availability and price of minerals used in the manufacture of certain of our products. As a result, there may only be a limited pool of suppliers who provide conflict-free materials, and we cannot give assurance that we will be able to obtain such products in sufficient quantities or at competitive prices. Also, because our supply chains are complex, we may face reputational challenges with our customers and other stakeholders if we are unable to sufficiently verify the origins of all materials used in the products that we sell. The compliance and reporting aspects of these regulations may result in incremental costs to the company. While deposit systems and other container-related legislation have been adopted in some jurisdictions, similar legislation has been defeated in public referenda and legislative bodies in many others. We anticipate that continuing efforts will be made to consider and adopt such legislation in the future. The packages we produce are widely used and perform well in U.S. states, Canadian provinces and European countries that have deposit systems, as well as in other countries worldwide.

Significant environmental, employment-related and other legislation and regulatory requirements exist and are also evolving. The compliance costs associated with current and proposed laws and potential regulations could be substantial, and any failure or alleged failure to comply with these laws or regulations could lead to litigation or governmental action, all of which could adversely affect our financial condition or results of operations.

Our business, financial condition and results of operations are subject to risks resulting from broader geographic operations.

We derived approximately 41 percent of our consolidated net sales from outside of the U.S. for the year ended December 31, 2015. The sizeable scope of operations outside of the U.S. may lead to more volatile financial results and make it more difficult for us to manage our business. Reasons for this include, but are not limited to, the following:

- political and economic instability;
- governments' restrictive trade policies;
- the imposition or rescission of duties, taxes or government royalties;
- exchange rate risks;
- difficulties in enforcement of contractual obligations and intellectual property rights; and
- the geographic, language and cultural differences between personnel in different areas of the world.

Any of these factors, many of which are also present in the U.S., could materially adversely affect our business, financial condition or results of operations.

We are exposed to exchange rate fluctuations.

Our reporting currency is the U.S. dollar. A portion of Ball's operations, including assets and liabilities and revenues and expenses, have been denominated in various transaction currencies other than the U.S. dollar, and we expect such operations will continue to be so denominated. As a result, the U.S. dollar value of these operations has varied, and will continue to vary, with exchange rate fluctuations. A decrease in the value of the various currencies compared to the U.S. dollar could reduce our profits from these operations and the value of their net assets when reported in U.S. dollars in our financial statements. This could have a material adverse effect on our business, financial condition or results of operations as reported in U.S. dollars. In addition, fluctuations in currencies relative to currencies in which the earnings are generated may make it more difficult to perform period-to-period comparisons of our reported results of operations.

We manage our exposure to currency fluctuations, particularly our exposure to fluctuations in the euro to U.S. dollar exchange rate to attempt to mitigate the effect of cash flow and earnings volatility associated with exchange rate changes. We primarily use forward contracts and options to manage our currency exposures and, as a result, we experience gains and losses on these derivative positions offset, in part, by the impact of currency fluctuations on existing assets and liabilities. Our inability to properly manage our exposure to currency fluctuations could materially impact our results.

If we fail to retain key management and personnel, we may be unable to implement our key objectives.

We believe that our future success depends, in part, on our experienced management team. Unforeseen losses of key members of our management team without appropriate succession and/or compensation planning could make it difficult for us to manage our business and meet our objectives.

Decreases in our ability to apply new technology and know-how may affect our competitiveness.

Our success depends partially on our ability to improve production processes and services. We must also introduce new products and services to meet changing customer needs. If we are unable to implement better production processes or to develop new products through research and development or licensing of new technology, we may not be able to remain competitive with other manufacturers. As a result, our business, financial condition or results of operations could be adversely affected.

Adverse weather and climate changes may result in lower sales.

We manufacture packaging products primarily for beverages and foods. Unseasonably cool weather can reduce demand for certain beverages packaged in our containers. In addition, poor weather conditions or changes in climate that reduce crop yields of fruits and vegetables can adversely affect demand for our food containers. Climate change could have various effects on the demand for our products in different regions around the world.

We are vulnerable to fluctuations in the supply and price of raw materials.

We purchase aluminum, steel and other raw materials and packaging supplies from several sources. While all such materials are available from independent suppliers, raw materials are subject to fluctuations in price and availability attributable to a number of factors, including general economic conditions, commodity price fluctuations (particularly aluminum on the London Metal Exchange), the demand by other industries for the same raw materials and the availability of complementary and substitute materials. Although we enter into commodities purchase agreements from time to time and sometimes use derivative instruments to seek to manage our risk, we cannot ensure that our current suppliers of raw materials will be able to supply us with sufficient quantities at reasonable prices. Economic and financial factors could impact our suppliers, thereby causing supply shortages. Increases in raw material costs could have a material adverse effect on our business, financial condition or results of operations. In the Americas, Europe and Asia, some contracts do not allow us to pass along increased raw material costs and we generally use derivative agreements to seek to manage this risk. Our hedging procedures may be insufficient and our results could be materially impacted if costs of materials increase. Due to the fixed-price contracts and derivative activities, while increasing raw material costs may not impact our near-term profitability, increased prices could decrease our sales volume over time.

Prolonged work stoppages at facilities with union employees could jeopardize our financial position.

As of December 31, 2015, approximately 27 percent of our North American packaging facility employees and approximately 63 percent of our European employees were covered by collective bargaining agreements. These collective bargaining agreements have staggered expirations during the next several years. Although we consider our employee relations to be generally good, a prolonged work stoppage or strike at any facility with union employees could have a material adverse effect on our business, financial condition or results of operations. In addition, we cannot ensure that upon the expiration of existing collective bargaining agreements, new agreements will be reached without union action or that any such new agreements will be on terms satisfactory to us.

Our aerospace and technologies segment is subject to certain risks specific to that business.

In our aerospace business, U.S. government contracts are subject to reduction or modification in the event of changes in requirements, and the government may also terminate contracts at its convenience pursuant to standard termination provisions. In such instances, Ball may be entitled to reimbursement for allowable costs and profits on authorized work that has been performed through the date of termination.

In addition, budgetary constraints may result in further reductions to projected spending levels by the U.S. government.
In particular, government expenditures are subject to the potential for automatic reductions, generally referred to as "sequestration." Sequestration may occur in any given year, resulting in significant additional reductions to spending by various U.S government defense and aerospace agencies on both existing and new contracts, as well as the disruption of ongoing programs. Even if sequestration does not occur, we expect that budgetary constraints and ongoing concerns regarding the U.S. national debt will continue to place downward pressure on agency spending levels. Due to these and other factors, overall spending on various programs could decline, which could result in significant reductions to revenue, cash flows, net earnings and backlog primarily in our aerospace and technologies segment.

We use estimates in accounting for many of our programs in our aerospace business, and changes in our estimates could adversely affect our future financial results.

We account for sales and profits on some long-term contracts in our aerospace business in accordance with the percentage-of-completion method of accounting, using the cumulative catch-up method to account for updates in estimates. The percentage-of-completion method of accounting involves the use of various estimating techniques to project revenues and costs at completion and various assumptions and projections relative to the outcome of future events, including the quantity and timing of product deliveries, future labor performance and rates, and material and overhead costs. These assumptions involve various levels of expected performance improvements. Under the cumulative catch-up method, the impact of updates in our estimates related to units shipped to date is recognized immediately.

Because of the significance of the judgments and estimates described above, it is likely that we could record materially different amounts if we used different assumptions or if the underlying circumstances or estimates were to change. Accordingly, updates in underlying assumptions, circumstances or estimates may materially affect our future financial performance.

Our backlog includes both cost-type and fixed-price contracts. Cost-type contracts generally have lower profit margins than fixed-price contracts. Our earnings and margins may vary depending on the types of government contracts undertaken, the nature of the work performed under those contracts, the costs incurred in performing the work, the achievement of other performance objectives and their impact on our ability to receive fees.

As a U.S. government contractor, we could be adversely affected by changes in regulations or any negative findings from a U.S. government audit or investigation.

Our aerospace business operates in a highly regulated environment and is routinely audited and reviewed by the U.S. government and its agencies, such as the Defense Contract Audit Agency (DCAA) and Defense Contract Management Agency (DCMA). These agencies review performance under our contracts, our cost structure and our compliance with applicable laws, regulations and standards, as well as the adequacy of, and our compliance with, our internal control systems and policies. Business systems that are subject to review under the DoD Federal Acquisition Regulation Supplement (DFARS) are purchasing, estimating, material management and accounting, as well as property and earned value management. Any costs ultimately found to be unallowable or improperly allocated to a specific contract will not be reimbursed or must be refunded if already reimbursed. If an audit uncovers improper or illegal activities, we may be subject to civil and criminal penalties, sanctions or suspension or debarment from doing business with the U.S. government. Whether or not illegal activities are alleged, the U.S. government also has the ability to decrease or withhold certain payments when it deems systems subject to its review to be inadequate. If such actions were to result in suspension or debarment, this could have a material adverse effect on our business.

Our business is subject to substantial environmental remediation and compliance costs.

Our operations are subject to federal, state, provincial and local laws and regulations in multiple jurisdictions relating to environmental hazards, such as emissions to air, discharges to water, the handling and disposal of hazardous and solid wastes and the cleanup of hazardous substances. We have been designated, along with numerous other companies, as a potentially responsible party for the cleanup of several hazardous waste sites. Based on available information, we do not believe that any costs incurred in connection with such sites will have a material adverse effect on our financial condition, results of operations, capital expenditures or competitive position. There is increased focus on the regulation of greenhouse gas emissions and other environmental issues worldwide.

Our business faces the potential of increased regulation on some of the raw materials utilized in our packaging operations.

Our operations are subject to federal, state, provincial and local laws and regulations in multiple jurisdictions relating to some of the raw materials, such as epoxy-based coatings utilized in our container making process. Epoxy-based coatings may contain Bisphenol-A (BPA). Scientific evidence evaluated by regulatory agencies in the United States, Canada, Europe, Japan, Australia and New Zealand has consistently shown these coatings to be safe for food contact at current levels, and these regulatory agencies have stated that human exposure to BPA from epoxy-based container coatings is well below safe exposure limits set by government bodies worldwide. A significant change in these regulatory agency statements, adverse information concerning BPA, or rulings made within certain federal, state, provincial and local jurisdictions could have a material adverse effect on our business, financial condition or results of operations. Ball recognizes that significant interest exists in non-epoxy based coatings, and we have been proactively working with coatings suppliers and our customers to evaluate alternatives to current coatings.

Net earnings and net worth could be materially affected by an impairment of goodwill.

We have a significant amount of goodwill recorded on the consolidated balance sheet as of December 31, 2015. We are required at least annually to test the recoverability of goodwill. The recoverability test of goodwill is based on the current fair value of our identified reporting units. Fair value measurement requires assumptions and estimates of many critical factors, including revenue and market growth, operating cash flows and discount rates. If general market conditions deteriorate in portions of our business, we could experience a significant decline in the fair value of reporting units. This decline could lead to an impairment of all or a significant portion of the goodwill balance, which could materially affect our U.S. GAAP net earnings and net worth. We continue to see the industry supply of metal beverage packaging exceed demand in China, resulting in significant pricing pressure and negative impacts on the profitability of our metal beverage packaging, Asia, reporting unit. If it becomes an expectation that this situation will continue for an extended period of time, it may result in a noncash impairment of some or all of the goodwill associated with this reporting unit, totaling $78.3 million at December 31, 2015. The company's annual goodwill impairment test completed in the fourth quarter of 2015 indicated the estimated fair value of the metal beverage packaging, Asia, reporting unit exceeded its carrying amount, including goodwill, by approximately 25 percent.

If the investments in Ball's pension plans, or in the multi-employer pension plans in which Ball participates, do not perform as expected, we may have to contribute additional amounts to the plans, which would otherwise be available to cover operating expenses and fund growth opportunities.

Ball maintains defined benefit pension plans covering substantially all of its North American and United Kingdom employees, which are funded based on certain actuarial assumptions. The plans' assets consist primarily of common stocks, fixed-income securities and, in the U.S., alternative investments. Market declines, longevity increases or legislative changes, such as the Pension Protection Act in the U.S., could result in a prospective decrease in our available cash flow and net earnings over time, and the recognition of an increase in our pension obligations could result in a reduction to our shareholders' equity. Additional risks exist related to the company's participation in multi-employer pension plans. Assets contributed to a multi-employer pension plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer in a multi-employer pension plan stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participants. This could result in increases to our contributions to the plans as well as pension expense.

Restricted access to capital markets could adversely affect our short-term liquidity and prevent us from fulfilling our obligations under the notes issued pursuant to our bond indentures.

A reduction in global market liquidity could:

- restrict our ability to fund working capital, capital expenditures, research and development expenditures and other business activities;
- increase our vulnerability to general adverse economic and industry conditions, including the credit risks stemming from the economic environment;
- limit our flexibility in planning for, or reacting to, changes in our businesses and the industries in which we operate;
- restrict us from making strategic acquisitions or exploiting business opportunities; and
- limit, along with the financial and other restrictive covenants in our debt, among other things, our ability to borrow additional funds, dispose of assets, pay cash dividends or refinance debt maturities.

If market interest rates increase, our variable-rate debt will create higher debt service requirements, which would adversely affect our cash flow. While we sometimes enter into agreements limiting our exposure, any such agreements may not offer complete protection from this risk.

The global credit, financial and economic environment could have a negative impact on our results of operations, financial position or cash flows.

The overall credit, financial and economic environment could have significant negative effects on our operations, including:

- the creditworthiness of customers, suppliers and counterparties could deteriorate resulting in a financial loss or a disruption in our supply of raw materials;
- volatile market performance could affect the fair value of our pension assets, potentially requiring us to make significant additional contributions to our defined benefit plans to maintain prescribed funding levels;
- a significant weakening of our financial position or operating results could result in noncompliance with our debt covenants; and
- reduced cash flow from our operations could adversely affect our ability to execute our long-term strategy to increase liquidity, reduce debt, repurchase our stock and invest in our businesses.

Changes in U.S. generally accepted accounting principles (U.S. GAAP) and Securities and Exchange Commission (SEC) rules and regulations could materially impact our reported results.

U.S. GAAP and SEC accounting and reporting changes are common and have become more frequent and significant over the past several years. Furthermore, the U.S. and international accounting standard setters are in the process of jointly converging several key accounting standards. These changes could have significant effects on our reported results when compared to prior periods and other companies and may even require us to retrospectively adjust prior periods. Additionally, material changes to the presentation of transactions in the consolidated financial statements could impact key ratios that analysts and credit rating agencies use to rate Ball and ultimately our ability to access the credit markets in an efficient manner.

Earnings and cash flows can be impacted by changes in tax laws.

As a U.S.-based multinational business, the company is subject to income tax in the U.S. and numerous jurisdictions outside the U.S. The relevant tax rules and regulations are complex, often changing and, in some cases, are interdependent. For example, certain income that is earned and taxed in countries outside the U.S. is not taxable in the U.S. until those earnings are actually repatriated or deemed repatriated. If these or other tax rules and regulations should change, the company's earnings and cash flows could be impacted.

The company's worldwide provision for income taxes is determined, in part, through the use of significant estimates and judgment. Numerous transactions arise in the ordinary course of business where the ultimate tax determination is uncertain. The company undergoes tax examinations by various worldwide tax authorities on a regular basis. While the company believes its estimates of its tax obligations are reasonable, the final outcome after the conclusion of any tax examinations and any litigation could be materially different from what has been reflected in the company's historical financial statements.

Increased information technology (IT) security threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, products, solutions and services.

Increased global IT security threats and more sophisticated and targeted computer crime pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. While we attempt to mitigate these risks by employing a number of measures, including employee training, comprehensive monitoring of our networks and systems, and maintenance of backup and protective systems, our systems, networks, products, solutions and services remain potentially vulnerable to advanced persistent threats. Depending on their nature and scope, such threats could potentially lead to the compromise of confidential information, improper use of our systems and networks, manipulation and destruction of data, defective products, production downtimes and operational disruptions, which in turn could adversely affect our reputation, competitiveness and results of operations.

Item 1B. Unresolved Staff Comments

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

Item 2. Properties

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

Ball's corporate headquarters and the aerospace and technologies segment management offices are located in Broomfield, Colorado. The operations of the aerospace and technologies segment occupy a variety of company-owned and leased facilities in Colorado, which together aggregate 1.5 million square feet of office, laboratory, research and development, engineering and test and manufacturing space. Other aerospace and technologies operations carry on business in smaller company-owned and leased facilities in other U.S. locations outside of Colorado.

The offices of the company's various North American packaging operations are located in Westminster, Colorado; the offices for the European packaging operations are located in Zurich, Switzerland; the offices for the PRC packaging operations are located in Hong Kong; and Latapack-Ball's offices are located in São Paulo, Brazil. The company's research and development facilities are located in Westminster, Colorado, and in Bonn, Germany.

Information regarding the approximate size of the manufacturing locations for significant packaging operations, which are owned or leased by the company, is set forth below. Facilities in the process of being constructed, or that have ceased production, have been excluded from the list. Where certain locations include multiple facilities, the total approximate size for the location is noted. In addition to the facilities listed, the company leases other warehousing space.

Plant Location	Approximate Floor Space in Square Feet

Metal beverage packaging, Americas and Asia, manufacturing facilities:	
North America	
Fairfield, California	337,000
Golden, Colorado	509,000
Tampa, Florida	276,000
Rome, Georgia	386,000
Kapolei, Hawaii	131,000
Monticello, Indiana	356,000
Monterrey, Mexico	440,000
Saratoga Springs, New York	290,000
Wallkill, New York	312,000
Reidsville, North Carolina	452,000
Findlay, Ohio *(a)*	733,000
Whitby, Ontario, Canada	205,000
Conroe, Texas	275,000
Fort Worth, Texas	322,000
Bristol, Virginia	242,000
Williamsburg, Virginia	400,000
Fort Atkinson, Wisconsin	250,000
South America	
Alagoinhas, Bahia, Brazil	472,000
Jacarei, Sao Paulo, Brazil	566,000
Salvador, Bahia, Brazil	129,000
Tres Rios, Rio de Janeiro, Brazil	433,000
Asia	
Beijing, PRC	303,000
Hubei (Wuhan), PRC	415,000
Sanshui (Foshan), PRC	672,000
Qingdao, PRC	326,000

(a) Includes both metal beverage container and metal food container manufacturing operations.

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Plant Location (continued)	Approximate Floor Space in Square Feet
Metal beverage packaging, Europe, manufacturing facilities:	
Bierne, France	274,000
La Ciotat, France	393,000
Braunschweig, Germany	258,000
Hassloch, Germany	284,000
Hermsdorf, Germany	425,000
Weissenthurm, Germany	331,000
Oss, the Netherlands	503,000
Lublin, Poland	162,000
Radomsko, Poland	312,000
Belgrade, Serbia	352,000
Deeside, United Kingdom	109,000
Rugby, United Kingdom	165,000
Wrexham, United Kingdom	295,000
Metal food and household products packaging manufacturing facilities:	
North America	
Springdale, Arkansas	286,000
Oakdale, California	370,000
Baltimore, Maryland	251,000
San Luis Potosí, Mexico	158,000
Canton, Ohio	176,000
Columbus, Ohio	300,000
Findlay, Ohio *(a)*	733,000
Hubbard, Ohio	175,000
Horsham, Pennsylvania	162,000
Sherbrooke, Quebec, Canada	100,000
Chestnut Hill, Tennessee	305,000
Verona, Virginia	72,000
Weirton, West Virginia	332,000
DeForest, Wisconsin	400,000
Milwaukee, Wisconsin	502,000
Europe	
Velim, Czech Republic	181,000
Beaurepaire, France	89,000

Bellegarde, France	124,000
Devizes, United Kingdom	94,000
South America	
Buenos Aires, Argentina	34,000
San Luis, Argentina	51,000
Asia	
Ahmedabad, India	58,000

(a) *Includes both metal beverage container and metal food container manufacturing operations.*

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Item 3. Legal Proceedings

Details of the company's legal proceedings are included in Note 21 to the consolidated financial statements within Item 8 of this annual report.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters

Ball Corporation common stock (BLL) is listed for trading on the New York Stock Exchange. There were 5,416 common shareholders of record on February 12, 2016.

Common Stock Repurchases

The following table summarizes the company's repurchases of its common stock during the quarter ended December 31, 2015.

Purchases of Securities

($ in millions)	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (b)
October 1 to October 31, 2015	—	$ —	—	11,956,155
November 1 to November 30, 2015	—	—	—	11,956,155
December 1 to December 31, 2015	—	—	—	11,956,155
Total	—	—	—	

(a) *Includes any open market purchases (on a trade-date basis) and/or shares retained by the company to settle employee withholding tax liabilities.*
(b) *The company has an ongoing repurchase program for which shares are authorized from time to time by Ball's board of directors. On January 29, 2014, the Board authorized the repurchase by the company of up to a total of 20 million shares. This repurchase authorization replaced all previous authorizations.*

Quarterly Stock Prices and Dividends

Quarterly prices for the company's common stock, as reported on the New York Stock Exchange composite tape, and quarterly dividends in 2015 and 2014 (on a calendar quarter basis) were:

	2015				2014			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
High	$ 74.24	$ 73.36	$ 75.24	$ 77.20	$ 70.50	$ 66.53	$ 63.13	$ 56.33
Low	62.03	57.95	69.77	62.71	61.76	60.73	53.61	47.75
Dividends per share	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13

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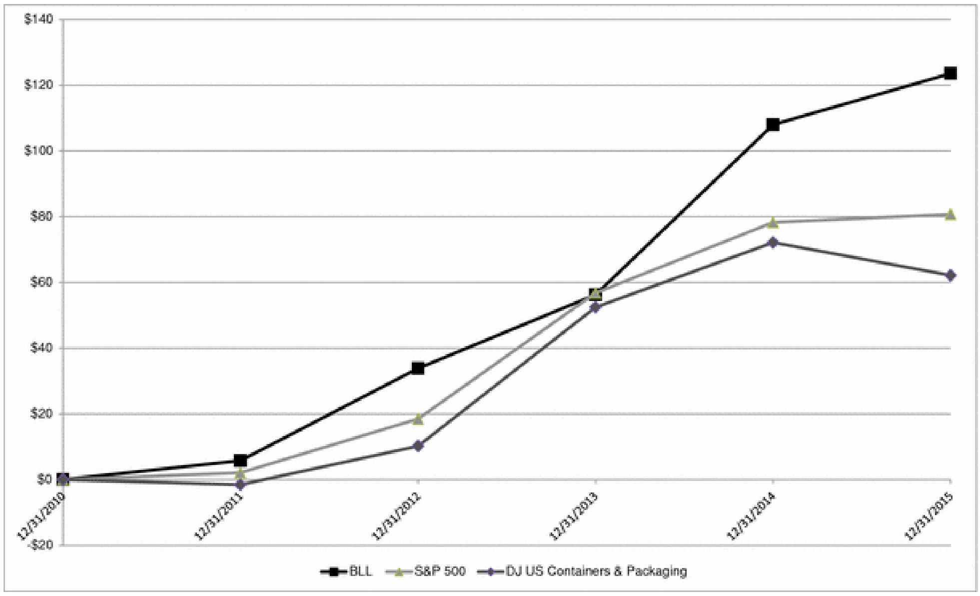
Shareholder Return Performance

The line graph below compares the annual percentage change in Ball Corporation's cumulative total shareholder return on its common stock with the cumulative total return of the Dow Jones Containers & Packaging Index and the S&P Composite 500 Stock Index for the five-year period ended December 31, 2015. It assumes $100 was invested on December 31, 2010, and that all dividends were reinvested. The Dow Jones Containers & Packaging Index total return has been weighted by market capitalization.

TOTAL RETURN TO STOCKHOLDERS
(Assumes $100 investment on 12/31/10)



Total Return Analysis

		12/31/2010		12/31/2011		12/31/2012		12/31/2013		12/31/2014		12/31/2015
BLL	$	100.00	$	105.77	$	133.83	$	156.27	$	207.99	$	223.57
S&P 500	$	100.00	$	102.11	$	118.45	$	156.82	$	178.28	$	180.75
DJ US Containers & Packaging	$	100.00	$	98.45	$	110.20	$	152.46	$	172.14	$	162.14

Source: Bloomberg L.P.® Charts

Item 6. Selected Financial Data

Five-Year Review of Selected Financial Data
Ball Corporation

($ in millions, except per share amounts)		2015		2014		2013		2012		2011
Net sales	$	7,997.0	$	8,570.0	$	8,468.1	$	8,735.7	$	8,630.9
Earnings before interest and taxes (EBIT)	$	605.2	$	838.6	$	795.4	$	790.5	$	836.9
Total interest expense		(259.7)		(193.0)		(211.8)		(194.9)		(177.1)
Earnings before taxes	$	345.5	$	645.6	$	583.6	$	595.6	$	659.8
Net earnings attributable to Ball Corporation from:										
Continuing operations *(a)*	$	280.9	$	470.0	$	406.4	$	399.1	$	446.3
Discontinued operations		—		—		0.4		(2.8)		(2.3)
Total net earnings attributable to Ball Corporation	$	280.9	$	470.0	$	406.8	$	396.3	$	444.0
Basic earnings per share:										
Basic — continuing operations *(a)*	$	2.05	$	3.39	$	2.79	$	2.58	$	2.70
Basic — discontinued operations		—		—		—		(0.02)		(0.01)
Basic earnings per share	$	2.05	$	3.39	$	2.79	$	2.56	$	2.69
Weighted average common shares outstanding (000s)		137,300		138,508		145,943		154,648		165,275
Diluted earnings per share:										
Diluted — continuing operations *(a)*	$	1.99	$	3.30	$	2.73	$	2.52	$	2.64
Diluted — discontinued operations		—		—		—		(0.02)		(0.01)
Diluted earnings per share	$	1.99	$	3.30	$	2.73	$	2.50	$	2.63
Diluted weighted average common shares outstanding (000s)		140,984		142,430		149,223		158,084		168,590
Total assets	$	9,777.0	$	7,571.0	$	7,820.4	$	7,520.7	$	7,285.2
Total interest bearing debt and capital lease obligations	$	5,131.5	$	3,168.9	$	3,605.1	$	3,305.1	$	3,144.1
Cash dividends per share	$	0.52	$	0.52	$	0.52	$	0.40	$	0.28
Total cash provided by operating activities	$	1,006.7	$	1,012.5	$	839.0	$	853.2	$	948.4
Non-GAAP Measures *(b)*										
Comparable EBIT	$	799.9	$	919.1	$	874.2	$	893.3	$	867.2

Comparable earnings	$ 490.1	$ 552.8	$ 489.6	$ 475.8	$ 459.6
Diluted earnings per share (comparable basis)	$ 3.48	$ 3.88	$ 3.28	$ 3.01	$ 2.73
Free cash flow	$ 478.8	$ 621.7	$ 460.7	$ 548.2	$ 504.6

(a) *Includes business consolidation activities and other items affecting comparability between years. Additional details about the 2015, 2014 and 2013 items are available in Notes 4 and 5 to the consolidated financial statements within Item 8 of this Annual Report on Form 10-K.*

(b) *Non-U.S. GAAP measures should not be considered in isolation and should not be considered superior to, or a substitute for, financial measures calculated in accordance with U.S. GAAP. See below for reconciliations of non-U.S. GAAP financial measures to U.S. GAAP measures. Further discussion of non-GAAP financial measures is available in Item 7 of this annual report under Other Liquidity Measures.*

Reconciliations of non-U.S. GAAP financial measures to U.S. GAAP measures are as follows:

($ in millions)	2015	2014	2013	2012	2011
Earnings before taxes, as reported	$ 345.5	$ 645.6	$ 583.6	$ 595.6	$ 659.8
Total interest expense	259.7	193.0	211.8	194.9	177.1
Earnings before interest and taxes (EBIT)	605.2	838.6	795.4	790.5	836.9
Business consolidation and other activities	194.7	80.5	78.8	102.8	30.3
Comparable EBIT	$ 799.9	$ 919.1	$ 874.2	$ 893.3	$ 867.2
Net earnings attributable to Ball Corporation, as reported	$ 280.9	$ 470.0	$ 406.8	$ 396.3	$ 444.0
Business consolidation and other activities, net of tax	132.9	62.2	66.1	67.5	22.5
Debt refinancing and other costs, net of tax	76.3	20.6	17.1	9.2	—
Equity earnings and gains related to acquisitions, net of tax	—	—	—	—	(9.2)
Discontinued operations, net of tax	—	—	(0.4)	2.8	2.3
Net earnings attributable to Ball Corporation before above transactions (Comparable Earnings)	$ 490.1	$ 552.8	$ 489.6	$ 475.8	$ 459.6
Total cash provided by operating activities	$ 1,006.7	$ 1,012.5	$ 839.0	$ 853.2	$ 948.4
Capital expenditures, including discontinued operations	(527.9)	(390.8)	(378.3)	(305.0)	(443.8)
Free cash flow	$ 478.8	$ 621.7	$ 460.7	$ 548.2	$ 504.6

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis should be read in conjunction with the consolidated financial statements and accompanying notes included in Item 8 of this Annual Report on Form 10-K, which include additional information about our accounting policies, practices and the transactions underlying our financial results. The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires us to make estimates and assumptions that affect the reported amounts in our consolidated financial statements and the accompanying notes including various claims and contingencies related to lawsuits, taxes, environmental and other matters arising during the normal course of business. We apply our best judgment, our knowledge of existing facts and circumstances and actions that we may undertake in the future in determining the estimates that affect our consolidated financial statements. We evaluate our estimates on an ongoing basis using our historical experience, as well as other factors we believe appropriate under the circumstances, such as current economic conditions, and adjust or revise our estimates as circumstances change. As future events and their effects cannot be determined with precision, actual results may differ from these estimates. Ball Corporation and its subsidiaries are referred to collectively as "Ball Corporation," "Ball," "the company" or "we" or "our" in the following discussion and analysis.

OVERVIEW

Business Overview and Industry Trends

Ball Corporation is one of the world's leading suppliers of metal packaging to the beverage, food, personal care and household products industries. Our packaging products are produced for a variety of end uses, are manufactured in facilities around the world and are competitive with other substrates, such as plastics and glass. In the rigid packaging industry, sales and earnings can be increased by reducing costs, increasing prices, developing new products, expanding volumes and making strategic acquisitions. We also provide aerospace and other technologies and services to governmental and commercial customers.

We sell our packaging products mainly to large, multinational beverage, food, personal care and household products companies with which we have developed long-term customer relationships. This is evidenced by our high customer retention and our large number of long-term supply contracts. While we have a diversified customer base, we sell a majority of our packaging products to relatively few major companies in North America, Europe, Asia and South America, as do our equity joint ventures in the U.S. and Vietnam. The overall metal container industry is growing globally and is expected to continue to grow in the medium to long term despite the North American industry seeing a continued decline in standard-sized aluminum beverage packaging for the carbonated soft drink market. The primary customers for the products and services provided by our aerospace and technologies segment are U.S. government agencies or their prime contractors.

We purchase our raw materials from relatively few suppliers. We also have exposure to inflation, in particular the rising costs of raw materials, as well as other direct cost inputs. We mitigate our exposure to the changes in the costs of metal through the inclusion of provisions in contracts covering the majority of our volumes to pass through metal price changes, as well as through the use of derivative instruments. The pass-through provisions generally result in proportional increases or decreases in sales and costs with a greatly reduced impact, if any, on net earnings. Because of our customer and supplier concentration, our business, financial condition and results of operations could be adversely affected by the loss, insolvency or bankruptcy of a major customer or supplier or a change in a supply agreement with a major customer or supplier, although our contract provisions generally mitigate the risk of customer loss, and our long-term relationships represent a known, stable customer base.

We recognize sales under long-term contracts in the aerospace and technologies segment using percentage-of-completion under the cost-to-cost method of accounting. Throughout the period of contract performance, we regularly reevaluate and, if necessary, revise our estimates of aerospace and technologies total contract revenue, total contract cost and progress toward completion. Because of contract payment schedules, limitations on funding and other contract terms, our sales and accounts receivable for this segment include amounts that have been earned but not yet billed.

Corporate Strategy

Our Drive for 10 vision encompasses five strategic levers that are key to growing our business and achieving long-term success. Since launching Drive for 10 in 2011, we made progress on each of the levers as follows:

- Maximizing value in our existing businesses by rationalizing standard beverage container and end capacity in North America and expanding specialty container production to meet current demand; leveraging plant floor systems in our metal beverage facilities to improve efficiencies and reduce costs; consolidating and/or closing multiple metal beverage and metal food and aerosol packaging facilities to gain business, customer and supplier efficiencies; and implementing cost-out and value-in initiatives across all of our businesses;

- Expanding further into new products and capabilities by expanding into extruded aluminum aerosol manufacturing with the installation of a new extruded aluminum aerosol line in our Deforest, Wisconsin, facility during 2014; the acquisition of Sonoco's metal end and closure manufacturing facilities in Canton, Ohio, in February 2015; the installation of new extruded aluminum aerosol lines in our Devizes, United Kingdom and Czech Republic facilities; and successfully commercializing extruded aluminum aerosol packaging that utilizes a significant amount of recycled material;

- Aligning ourselves with the right customers and markets by investing capital to meet double-digit volume growth for specialty beverage containers throughout our global network, which now represent approximately 29 percent of our global beverage packaging mix; successfully commercialized the next generation aluminum bottle-shaping technology in Conroe, Texas, for a customer under a long-term arrangement; and the construction of a metal beverage container facility in Monterrey, Mexico, producing cans and ends;

- Broadening our geographic reach with new investments in a metal beverage manufacturing facility in Myanmar, as well as an extruded aluminum aerosol manufacturing facility in India, and the construction of a metal beverage container facility in Monterrey, Mexico, producing cans and ends; and

- Leveraging our technological expertise in packaging innovation, including the introduction of next-generation aluminum bottle-shaping technologies, including the introduction of a new two piece, lightweight steel aerosol can, G3, technology in our Chestnut Hill, Tennessee, facility in December 2015; and pursuing opportunities to further enhance our aerospace technical expertise across a broader customer portfolio.

These ongoing business developments help us stay close to our customers while expanding and/or sustaining our industry positions with major beverage, food, personal care, household products and aerospace customers.

RESULTS OF OPERATIONS

Consolidated Sales and Earnings

	Years Ended December 31,		
($ in millions)	**2015**	**2014**	**2013**
Net sales	$ 7,997.0	$ 8,570.0	$ 8,468.1
Net earnings attributable to Ball Corporation	280.9	470.0	406.8
Net earnings attributable to Ball Corporation as a % of consolidated net sales	3.5%	5.5%	4.8%

The decrease in net sales in 2015 compared to 2014 was due to unfavorable foreign currency effects in Europe, lower metal food container sales volumes due to a customer shift in North American steel food containers and unfavorable pricing in the PRC, partially offset by higher beverage segment sales volumes. Net earnings were lower in 2015 compared to 2014 due to lower sales, unfavorable currency effects, higher business consolidation and other activities and higher debt refinancing and other costs, partially offset by a lower tax rate in 2015 and cost reduction efforts by all business segments.

The increased business consolidation and other activities in 2015 compared to 2014 included collar and option contract losses, cross-currency swap fair value changes, net currency exchange losses on the restricted cash and debt associated with the proposed Rexam acquisition, and transaction costs related to the proposed acquisition of Rexam. The collar and option contracts, as well as the cross-currency swap, are not accounted for as hedges. See Note 5 and 19 located in Item 8 of this annual report for additional information on financial instruments.

The increased debt refinancing and other costs in 2015 compared to 2014 included mark to market losses on derivative

financial instruments designed to mitigate exposure to interest rates changes for debt issuances related to the proposed Rexam acquisition, the write-off of unamortized deferred financing charges for the partial extinguishment of the committed bridge loan agreement and the revolving credit facility, interest expense on newly issued 3.5 percent and 4.375 percent senior notes planned to fund a portion of the purchase price of the proposed Rexam acquisition, amortization of deferred financing costs for the committed bridge loan agreement and the redemption of the 6.75 percent and 5.75 percent senior notes. See Note 13 and 19 located in Item 8 of this annual report for additional information on financial instruments.

The increase in net sales in 2014 compared to 2013 was due primarily to higher metal beverage container sales volumes and higher aerospace program revenues, partially offset by lower North American food and household product volumes. Net earnings were favorably impacted by higher metal beverage container sales volumes, lower cost of sales as a percentage of net sales, lower depreciation expense, lower interest expense and a lower tax rate in 2014, partially offset by lower North American food and household product volumes, unfavorable tinplate service center manufacturing performance in the U.S., higher debt refinancing costs and higher selling, general and administrative costs in 2014.

Cost of Sales (Excluding Depreciation and Amortization)

Cost of sales, excluding depreciation and amortization, was $6,460.3 million in 2015 compared to $6,903.5 million in 2014 and $6,875.4 million in 2013. These amounts represented 80.8 percent, 80.6 percent and 81.2 percent of consolidated net sales for those three years, respectively.

Depreciation and Amortization

Depreciation and amortization expense was $285.5 million in 2015 compared to $280.9 million in 2014 and $299.9 million in 2013. These amounts represented 3.6 percent, 3.3 percent and 3.5 percent of consolidated net sales for those three years, respectively. Lower expense in 2014 compared to 2013 was largely due to the completion of depreciation for certain acquired European assets.

Selling, General and Administrative

Selling, general and administrative (SG&A) expenses were $451.3 million in 2015 compared to $466.5 million in 2014 and $418.6 million in 2013. These amounts represented 5.6 percent, 5.4 percent and 4.9 percent of consolidated net sales for those three years, respectively. The decrease in SG&A expenses in 2015 compared to 2014 was primarily due to lower incentive compensation and net favorable foreign currency effects in SG&A, partially offset by deferred compensation expense related to director retirements. The increase in SG&A in 2014 compared to 2013 was primarily due to higher incentive compensation and employee benefit costs and other individually insignificant higher costs.

Interest Expense

Total interest expense was $259.7 million in 2015 compared to $193.0 million in 2014 and $211.8 million in 2013. Excluding debt refinancing and other costs, interest expense in 2015 was lower compared to 2014 due to lower interest rates on newly issued long-term debt and the retirement of higher interest rate long-term debt. Excluding debt refinancing and other costs, interest expense in 2014 was lower than in 2013 due primarily to lower average debt levels and lower average borrowing rates. Interest expense, excluding the effect of debt refinancing costs, as a percentage of average monthly borrowings was 4.3 percent in 2015, 4.8 percent in 2014 and 5.1 percent in 2013.

Debt refinancing and other costs were $116.5 million for the year ended December 31, 2015. These costs consisted of (1) fair value changes on derivative instruments designed to mitigate risks of interest rate changes with anticipated debt issuances for a portion of the cash consideration payable in the proposed acquisition of Rexam, (2) the amortization of deferred financing fees on the unsecured, committed bridge loan agreement, (3) write-offs of unamortized deferred financing fees and the premium paid for the redemption of previously issued senior credit facilities, the partial extinguishment of the committed bridge loan agreement, and the partial extinguishment of the revolving credit facility, (4) the refinance of senior credit facilities, and (5) interest expense on senior notes issued in December 2015 to fund a portion of the cash consideration of the proposed Rexam acquisition. See Note 19 in Item 8 of this annual report for additional information on these instruments and the transactions flowing through debt refinancing and other costs.

Tax Provision

The effective income tax rate for earnings from continuing operations was 13.6 percent in 2015 compared to 23.2 percent in 2014 and 25.6 percent in 2013. The lower tax rate in 2015 compared to 2014 was primarily due to business consolidation costs incurred in the U.S., lower U.S. taxes on foreign earnings, and increased research and development tax credits, partially offset by decreased favorable nonrecurring discrete tax items in the 2015 effective tax rate. The lower tax rate in 2014 compared to 2013 was primarily the result of a higher foreign tax rate differential, lower U.S. taxes on foreign earnings, and the 2014 releases of uncertain tax positions which exceeded those occurring in 2013.

Results of Business Segments

Ball's operations are organized and reviewed by management along its product lines and geographical areas and presented in the four reportable segments discussed below.

Metal Beverage Packaging, Americas and Asia

($ in millions)	Years Ended December 31, 2015	2014	2013
Net sales	$ 4,245.3	$ 4,246.8	$ 4,193.4
Segment earnings	$ 510.9	$ 534.8	$ 512.4
Business consolidation and other activities *(a)*	(24.1)	(7.5)	(3.6)
Total segment earnings	$ 486.8	$ 527.3	$ 508.8
Segment earnings before business consolidation costs as a % of segment net sales	12.0%	12.6%	12.2%

(a) *Further details of these items are included in Note 5 to the consolidated financial statements within Item 8 of this annual report.*

The metal beverage packaging, Americas and Asia, segment consists of operations located in the U.S., Canada, Brazil and the PRC, which manufacture aluminum containers used in beverage packaging.

In April 2015, we announced the construction of a metal beverage manufacturing facility in Monterrey, Mexico, which began production of cans and ends in January 2016. During the first quarter of 2015, we announced the introduction of a next-generation aluminum bottle-shaping technology in our Conroe, Texas, facility. Additionally, in May 2014, we announced the expansion of our Asian operations with the construction of a new beverage can manufacturing facility in Myanmar, which is expected to begin production in the first half of 2016.

Segment sales in 2015 were relatively unchanged from 2014 as higher sales volumes in the Americas and the PRC were offset by unfavorable pricing in the PRC. Segment earnings in 2015 were $23.9 million lower compared to 2014 due primarily to unfavorable pricing in the PRC.

Segment sales in 2014 were $53.4 million higher compared to 2013 due primarily to $101 million higher sales volumes, offset by a reduction in the pass through price of aluminum. Segment earnings in 2014 were $22.4 million higher than in 2013 due to $36 million from higher sales volumes, partially offset by higher incentive compensation and other individually insignificant costs.

The current industry supply of metal beverage packaging exceeds demand in the PRC, resulting in pricing pressure and negative impacts on the profitability of our Beverage Asia reporting unit. If it becomes an expectation that this market oversupply situation will continue for an extended period of time, the company may be required to record a noncash impairment charge for some or all of the goodwill associated with the Beverage Asia reporting unit, the total balance of which was $78.3 million at December 31, 2015.

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Metal Beverage Packaging, Europe

($ in millions)	Years Ended December 31, 2015	2014	2013
Net sales	$ 1,652.7	$ 1,896.3	$ 1,828.3
Segment earnings	$ 192.3	$ 222.9	$ 182.6
Business consolidation and other activities *(a)*	(9.8)	(8.7)	(10.6)
Total segment earnings	$ 182.5	$ 214.2	$ 172.0
Segment earnings before business consolidation costs as a % of segment net sales	11.6%	11.8%	10.0%

(a) Further details of these items are included in Note 5 to the consolidated financial statements within Item 8 of this annual report.

The metal beverage packaging, Europe, segment includes the manufacture of metal beverage containers in facilities located throughout Europe. In August 2014, we announced the expansion of our beverage can manufacturing facility in Oss, the Netherlands, with the construction of a new line for aluminum beverage containers, which began commercial production in the first half of 2015. In April 2015, we announced the investment in an end module in our Lublin, Poland, facility to serve growing demand for beverage ends in central and eastern Europe. The new end module began production during the second quarter of 2015.

Segment sales in 2015 were $243.6 million lower compared to 2014 due primarily to unfavorable currency exchange effects of $359 million, partially offset by favorable product mix and higher sales volumes. Segment earnings in 2015 were $30.6 million lower compared to 2014 due primarily to unfavorable currency exchange effects of $56 million and unfavorable manufacturing performance due to new line start-ups, partially offset by favorable sales mix and higher sales volumes.

Segment sales in 2014 increased $68.0 million compared to 2013 due primarily to higher sales volumes and favorable product mix of $56 million and favorable currency exchange effects of $12 million. Segment earnings in 2014 increased $40.3 million compared to 2013 due primarily to higher sales volumes and favorable product mix of $62 million and reduced depreciation costs of $26 million, partially offset by higher incentive compensation and employee costs.

Metal Food and Household Products Packaging

($ in millions)	Years Ended December 31, 2015	2014	2013
Net sales	$ 1,296.6	$ 1,504.4	$ 1,558.6
Segment earnings	$ 107.7	$ 154.2	$ 177.4
Business consolidation and other activities *(a)*	(0.5)	(41.9)	(63.7)
Total segment earnings	$ 107.2	$ 112.3	$ 113.7
Segment earnings before business consolidation costs as a % of segment net sales	8.3%	10.2%	11.4%

(a) *Further details of these items are included in Note 5 to the consolidated financial statements within Item 8 of this annual report.*

The metal food and household products packaging segment consists of operations located in the U.S., Europe, Canada, Mexico, Argentina and India, that manufacture metal food, aerosol, paint, general line and extruded aluminum containers, as well as decorative specialty containers and aluminum slugs.

During August 2014, we announced the installation of a new extruded aluminum aerosol can line in our DeForest, Wisconsin, facility, which began production in the first half of 2015. Additionally, in October 2014, we announced the construction of a new extruded aluminum aerosol can manufacturing facility in India, which began production in the second half of 2015. In February 2015, we announced the introduction of a new two-piece steel aerosol container manufacturing technology in Chestnut Hill, Tennessee, which was implemented in 2015.

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Segment sales in 2015 were $207.8 million lower compared to 2014 due primarily to lower metal food container sales volumes of $260 million, mainly related to a customer shift effective January 2015, and unfavorable currency exchange effects of $37 million, partially offset by favorable product mix of $90 million. Segment earnings in 2015 decreased $46.5 million compared to 2014 due primarily to earnings impacts from lower sales volumes, unfavorable currency exchange effects, unfavorable startup costs, partially offset by extruded aluminum aerosol growth in Europe, the earnings from the Sonoco acquisition, and reduced selling, general and administrative costs.

Segment sales in 2014 decreased $54.2 million compared to 2013 due primarily to lower metal food container sales volumes. Segment earnings in 2014 decreased $23.2 million compared to 2013 due primarily to lower sales volumes and unfavorable tinplate service center manufacturing performance in the U.S.

Aerospace and Technologies

($ in millions)	Years Ended December 31, 2015	2014	2013

Net sales	$ 810.1	$ 934.8	$ 897.1
Segment earnings	$ 81.8	$ 93.6	$ 80.1
Business consolidation and other activities *(a)*	0.7	(13.9)	(0.2)
Total segment earnings	$ 82.5	$ 79.7	$ 79.9
Segment earnings before business consolidation costs as a % of segment net sales	10.1%	10.0%	8.9%

(a) *Further details of these items are included in Note 5 to the consolidated financial statements within Item 8 of this annual report.*

The aerospace and technologies segment consists of the manufacture and sale of aerospace and other related products and services provided for the defense, civil space and commercial space industries.

Segment sales in 2015 decreased $124.7 million compared to 2014 primarily due to lower sales from U.S. national defense contracts. Segment earnings in 2015 decreased $11.8 million compared to 2014 due to lower sales, favorable program performance in 2014 from program and contract completions and increased recovery of pension costs in 2014.

Segment sales in 2014 increased $37.7 million compared to 2013 due to higher sales for civil space contracts and U.S. national defense contracts. Segment earnings in 2014 increased $13.5 million primarily as a result of favorable program execution and increased recovery of pension costs.

Sales to the U.S. government, either directly as a prime contractor or indirectly as a subcontractor, represented 96 percent of segment sales in 2015 compared to 95 percent of segment sales in 2014 and 94 percent in 2013. The aerospace and technologies contract mix in 2015 consisted of 54 percent cost-type contracts, which are billed at our costs plus an agreed upon and/or earned profit component, and 43 percent fixed-price contracts.

Contracted backlog for the aerospace and technologies segment at December 31, 2015 and 2014, was $617 million and $765 million, respectively. The year-over-year decline reflects the successful completion of several multi-year contracts. The segment has numerous outstanding bids for future contract awards. Comparisons of backlog are not necessarily indicative of the trend of future operations due to the nature of varying delivery and milestone schedules on contracts, funding of programs and the uncertainty of timing of future contract awards.

Additional Segment Information

For additional information regarding our segments, see the business segment information in Note 3 accompanying the consolidated financial statements within Item 8 of this annual report. The charges recorded for business consolidation and other activities were based on estimates by Ball management and were developed from information available at the time. If actual outcomes vary from the estimates, the differences will be reflected in current period earnings in the consolidated statement of earnings and identified as business consolidation gains and losses. Additional details about our business consolidation and other activities are provided in Note 5 accompanying the consolidated financial statements within Item 8 of this annual report.

CRITICAL AND SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

For information regarding the company's critical and significant accounting policies, as well as recent accounting pronouncements, see Notes 1 and 2 to the consolidated financial statements within Item 8 of this annual report.

SUBSEQUENT EVENTS

In January 2016, the company announced that its Aerospace and Technologies segment had acquired specialized engineering cyber firm Wavefront Technologies. This acquisition is not material to the company.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flows and Capital Expenditures

Our primary sources of liquidity are cash provided by operating activities and external committed borrowings. We believe that cash flows from operations and cash provided by short-term, long-term and committed revolver borrowings, when necessary, will be sufficient to meet our ongoing operating requirements, scheduled principal and interest payments on debt, dividend payments, proposed acquisitions, including the announced, proposed acquisition of Rexam, and anticipated capital expenditures. The following summarizes our cash flows:

	Years Ended December 31,		
($ in millions)	**2015**	**2014**	**2013**
Cash flows provided by (used in) operating activities	$ 1,006.7	$ 1,012.5	$ 839.0
Cash flows provided by (used in) investing activities	(2,720.7)	(391.4)	(379.1)
Cash flows provided by (used in) financing activities	1,737.2	(845.3)	(204.0)

Cash flows from operations in 2015 were comparable to 2014 as lower pension contributions were offset by lower net earnings, lower cash inflows from working capital and cash paid for transaction costs for the proposed acquisition of Rexam. The working capital changes were primarily related to slightly higher days sales outstanding, partially offset by lower inventory volumes and higher days payable outstanding. Days sales outstanding increased from 34 days to 35 days, inventory days on hand decreased from 52 days to 49 days and days payable outstanding increased from 69 days to 82 days. The increase in days payables outstanding is primarily due to renegotiation of payment terms in supplier contracts in North America.

Cash flows from operations in 2014 improved compared to 2013 due to higher net earnings and favorable working capital changes. The favorable working capital changes were primarily related to lower days sales outstanding, lower inventory days on hand and higher days payable outstanding. Days sales outstanding decreased from 36 days to 34 days due to greater factoring of accounts receivables. Inventory days on hand decreased from 53 days to 52 days. Due to the negotiation of longer payment terms with suppliers, days payable outstanding increased from 51 days to 69 days.

During the year ended December 31, 2015, the company entered into collar and option contracts to reduce exposure to currency exchange rate changes in connection with the British pound denominated cash portion of the proposed acquisition of Rexam. The amount of the gain or loss ultimately realized on these contracts and the resulting cash settlement is expected to be offset by the changes in the amount of cash consideration paid to acquire Rexam.

We have entered into several regional committed and uncommitted accounts receivable factoring programs with various financial institutions for certain accounts receivables of the company. The programs are accounted for as true sales of the receivables, without recourse to Ball, and had combined limits of approximately $600 million at December 31, 2015. A total of $478.7 million and $197.6 million were sold under these programs as of December 31, 2015 and 2014, respectively.

Annual cash dividends paid on common stock were 52 cents per share in 2015, 2014 and 2013. Total dividends paid were $71.8 million in 2015, $72.7 million in 2014 and $75.2 million in 2013. We also paid dividends to noncontrolling interests of $17.9 million in 2015, $12.2 million in 2014 and $12.9 million in 2013.

As of December 31, 2015, approximately $219 million of our cash was held outside of the U.S. There are no material legal or other economic restrictions regarding the repatriation of cash from any of the countries outside the U.S. where we have cash. The company believes its U.S. operating cash flows; the $2.2 billion available under the company's long-term, revolving credit facility; the $452 million available under other U.S.-based uncommitted short-term credit facilities; availability under U.S.-based committed and uncommitted accounts receivable factoring programs; and availability under the U.S.-based accounts receivable securitization program will be sufficient to meet the cash requirements of the U.S. portion of the company's ongoing operations, scheduled principal and interest payments on U.S. debt, dividend payments, capital expenditures and other U.S. cash requirements. If foreign funds are needed for our U.S. cash requirements, we will be required to accrue and pay U.S. taxes, net of applicable foreign tax credits, to repatriate funds from foreign locations where the company has previously asserted indefinite reinvestment of funds outside the U.S. However, it continues to be the company's intent to permanently reinvest these foreign amounts outside the U.S., and our current plans do not demonstrate a need to repatriate the foreign amounts to fund our U.S. cash requirements.

Due to the U.S. tax status of certain of Ball's subsidiaries in Canada and the PRC, the company annually provides U.S. taxes on foreign earnings in those subsidiaries, net of any estimated foreign tax credits. Current taxes are also provided on certain other undistributed earnings that are currently taxed in the U.S. Net U.S. taxes provided for Brazil, Canada and PRC earnings in 2015, 2014 and 2013 were $1.7 million, $11.8 million and $26.4 million, respectively. Management's intention is to indefinitely reinvest undistributed earnings of Ball's remaining foreign investments and, as a result, no U.S. income or federal withholding tax provision has been made. The indefinite reinvestment assertion is supported by both long-term and short-term forecasts and U.S. financial requirements, including, but not limited to, operating cash flows, capital expenditures, debt maturities and dividends. The company has not provided deferred taxes on earnings in certain non-U.S. subsidiaries because such earnings are intended to be indefinitely reinvested in its international operations. Retained earnings in non-U.S. subsidiaries were $2,021.7 million as of December 31, 2015. It is not practical to estimate the additional taxes that may become payable for the portion of these foreign earnings that have not already been taxed in the U.S.; however, repatriation of these earnings could result in a material increase in the company's income tax liabilities.

Share Repurchases

The company's share repurchases, net of issuances, totaled $99.5 million in 2015, $360.1 million in 2014 and $398.8 million in 2013. The repurchases were completed using cash on hand and available borrowings and included accelerated share repurchase agreements and other purchases under our ongoing share repurchase program. Additional details about our share repurchase activities are provided in Note 16 accompanying the consolidated financial statements within Item 8 of this annual report.

Debt Facilities and Refinancing

Given our cash flow projections and unused credit facilities that are available until 2018, our liquidity is strong and is expected to meet our ongoing cash and debt service requirements. Total interest-bearing debt was $5.1 billion at December 31, 2015, compared to $3.2 billion at December 31, 2014.

On February 19, 2015, the company entered into a £3.3 billion unsecured bridge loan agreement, pursuant to which lending institutions agreed, subject to limited conditions, to provide financing necessary to pay the cash portion of the consideration payable to Rexam shareholders upon consummation of the proposed acquisition of Rexam and related fees and expenses. In December 2015, the company issued $1 billion of 4.375 percent senior notes and €400 million of 3.5 percent senior notes, all due in December 2020, and €700 million of 4.375 percent senior notes, due in December 2023. Pursuant to the terms of the unsecured bridge loan agreement, the company deposited the net proceeds from the issuance of such notes into an escrow account (from which proceeds would be released, subject to certain conditions, to pay a portion of the cash consideration payable to Rexam shareholders and related fees and expenses), which reduced the commitments under the bridge loan agreement availability to £1.9 billion. This reduction in the unsecured bridge loan resulted in the write-off of $10.7 million of related deferred financing costs. See Note 13 for further details related to these transactions. In the event that the Rexam acquisition is not consummated on or prior to November 15, 2016, these senior notes would be callable by the lender, requiring the company to effect the redemption of all of the outstanding notes of each series at the applicable redemption price. This would result in the use of restricted cash and other available funds to redeem these senior notes and pay any additional fees.

On February 19, 2015, the company entered into a new $3 billion revolving credit facility to replace the existing approximate $1 billion bank credit facility, redeem the 2020 and 2021 senior notes and provide ongoing liquidity for the company. In June 2015, Ball issued $1 billion of 5.25 percent senior notes due in July 2025. Ball used the net proceeds of the offering and other available cash to repay borrowings under its revolving credit facility and reduced the borrowing capacity under the revolving credit facility from $3 billion to $2.25 billion. In connection with this partial extinguishment, the company recorded a charge of $5.0 million, which is included in debt refinancing and other costs, a component of total interest expense, in the consolidated statements of earnings.

In addition, on February 19, 2015, the company announced the redemption of all of the outstanding 6.75 percent senior notes due in September 2020 and all of the 5.75 percent senior notes due in May 2021, each in the amount of $500 million. The redemption of these bonds occurred in March 2015, and resulted in a pre-tax charge of $55.8 million, composed of the redemption premiums and the write-offs of related debt financing costs in debt refinancing and other costs.

On December 9, 2013, we announced the redemption of our outstanding 7.375 percent senior notes due in September 2019 in the amount of $315.4 million. The redemption occurred on January 10, 2014, at a price per note of 108.01 percent of the outstanding principal amount plus accrued interest. The redemption of the bonds resulted in a pretax charge in the first quarter of 2014 of $33.1 million for the call premium and the write-off of unamortized financing costs, which is included in debt refinancing and other costs, a component of total interest expense, in the consolidated statements of earnings.

In June 2013, we amended the senior credit facilities and extended the term from December 2015 to June 2018. In connection with the amendment, we recorded a charge of $0.4 million for the write-off of unamortized financing costs, which is included in debt refinancing and other costs, a component of total interest expense, in the consolidated statements of earnings.

In May 2013, we: (1) issued $1 billion of 4.00 percent senior notes due in November 2023; (2) tendered for the redemption of our 7.125 percent senior notes originally due in September 2016 in the amount of $375 million, at a redemption price per note of 105.322 percent of the outstanding principal amount plus accrued interest; and (3) repaid the $125 million Term A loan, which was a component of the senior credit facilities. The redemption of the senior notes and the early repayment of the Term A loan resulted in charges of $26.5 million for the tender and call premiums, as well as the write-off of unamortized financing costs and issuance discounts, which is included in debt refinancing and other costs, a component of total interest expense, in the consolidated statements of earnings.

Short-term debt and current portion of long-term debt on the balance sheet includes any borrowings under the existing accounts receivable securitization agreement, of which no amounts were outstanding at December 31, 2015. This agreement, which has been amended and extended from time to time, is scheduled to mature in May 2017 and allows the company to borrow against a maximum amount of accounts receivable that varies between $90 million and $140 million depending on the seasonal accounts receivable balances in the company's North American packaging businesses.

At December 31, 2015, taking into account outstanding credit and excluding availability under the accounts receivable securitization program, approximately $2.2 billion was available under the company's long-term, multi-currency committed revolving credit facilities. In addition to these facilities, the company had approximately $452 million of short-term uncommitted credit facilities available at the end of 2015, of which $23.7 million was outstanding and due on demand. The company has additional availability of $2.8 billion (£1.9 billion) through the unsecured, committed bridge loan agreement. Of the amounts available under the credit facilities described above of approximately $5.5 billion, we will be required to repay certain of Rexam's debt obligations and to settle Rexam's outstanding derivatives. Our best estimate based on the latest issued financials for Rexam is that this will be $1.4 billion.

While ongoing financial and economic conditions raise concerns about credit risk with counterparties to derivative transactions, the company mitigates its exposure by allocating the risk among various counterparties and limiting exposure to any one party. We also monitor the credit ratings of our suppliers, customers, lenders and counterparties on a regular basis.

We were in compliance with all loan agreements at December 31, 2015, and all prior years presented, and have met all debt payment obligations. The U.S. note agreements and bank credit agreement contain certain restrictions relating to dividends, investments, financial ratios, guarantees and the incurrence of additional indebtedness. Additional details about our debt and receivables sales agreements are available in Note 6 and Note 13, accompanying the consolidated financial statements within Item 8 of this annual report.

Other Liquidity Measures

Management Performance Measures

Management internally uses various measures to evaluate company performance such as return on average invested capital (net operating earnings after tax over the relevant performance period divided by average invested capital over the same period); economic value added (EVA®) dollars (net operating earnings after tax less a capital charge on average invested capital employed); earnings before interest and taxes (EBIT); earnings before interest, taxes, depreciation and amortization (EBITDA); diluted earnings per share; cash flow from operating activities and free cash flow (generally defined by the company as cash flow from operating activities less capital expenditures). We believe this information is also useful to investors as it provides insight into the earnings and cash flow criteria management uses to make strategic decisions. These financial measures may be adjusted at times for items that affect comparability between periods such as business consolidation costs and gains or losses on acquisitions and dispositions.

Nonfinancial measures in the packaging businesses include production efficiency and spoilage rates; quality control figures; environmental, health and safety statistics; production and sales volumes; asset utilization rates; and measures of sustainability. Additional measures used to evaluate financial performance in the aerospace and technologies segment include contract revenue realization, award and incentive fees realized, proposal win rates and backlog (including awarded, contracted and funded backlog).

The following financial measurements are on a non-U.S. GAAP basis and should be considered in connection with the consolidated financial statements within Item 8 of this annual report. Non-U.S. GAAP measures should not be considered in isolation and should not be considered superior to, or a substitute for, financial measures calculated in accordance with U.S. GAAP. A presentation of earnings in accordance with U.S. GAAP is available in Item 8 of this annual report.

Based on the above definitions, our calculation of comparable EBIT is summarized below:

	Years Ended December 31,		
($ in millions)	**2015**	**2014**	**2013**
Earnings before taxes, as reported	$ 345.5	$ 645.6	$ 583.6
Total interest expense	259.7	193.0	211.8
Earnings before interest and taxes (EBIT)	605.2	838.6	795.4
Business consolidation and other activities	194.7	80.5	78.8
Comparable EBIT	$ 799.9	$ 919.1	$ 874.2

Our calculations of comparable EBITDA, the comparable EBIT to interest coverage ratio and the net debt to comparable EBITDA ratio are summarized below:

	Years Ended December 31,		
($ in millions, except ratios)	**2015**	**2014**	**2013**
Comparable EBIT (as calculated above)	$ 799.9	$ 919.1	$ 874.2
Add depreciation and amortization	285.5	280.9	299.9
Comparable EBITDA	$ 1,085.4	$ 1,200.0	$ 1,174.1
Interest expense, excluding debt refinancing and other costs	$ (143.2)	$ (159.9)	$ (183.8)
Total debt at December 31	$ 5,131.5	$ 3,168.9	$ 3,605.1
Less: Cash and cash equivalents	(224.0)	(191.4)	(416.0)

Less: Restricted cash, noncurrent		(2,154.4)		—		—
Net debt	$	2,753.1	$	2,977.5	$	3,189.1
Comparable EBIT/Interest Expense (Interest Coverage)		5.6x		5.7x		4.8x
Net debt/Comparable EBITDA		2.5x		2.5x		2.7x

Our calculation of comparable earnings is summarized below:

	Years Ended December 31,					
($ in millions, except per share amounts)		2015		2014		2013
Net earnings attributable to Ball Corporation, as reported	$	280.9	$	470.0	$	406.8
Business consolidation and other activities, net of tax		132.9		62.2		66.1
Debt refinancing and other costs, net of tax		76.3		20.6		17.1
Discontinued operations, net of tax		—		—		(0.4)
Net earnings attributable to Ball Corporation before above transactions (Comparable Earnings)	$	490.1	$	552.8	$	489.6
Per diluted share, as reported	$	1.99	$	3.30	$	2.73
Per diluted share (comparable basis)	$	3.48	$	3.88	$	3.28

Free Cash Flow

Management internally uses a free cash flow measure: (1) to evaluate the company's operating results, (2) to evaluate strategic investments, (3) to plan stock buyback and dividend levels and (4) to evaluate the company's ability to incur and service debt. Free cash flow is not a defined term under U.S. GAAP, and it should not be inferred that the entire free cash flow amount is available for discretionary expenditures. The company defines free cash flow as cash flow from operating activities less capital expenditures. Free cash flow is typically derived directly from the company's consolidated statement of cash flows; however, it may be adjusted for items that affect comparability between periods.

Based on the above definition, our consolidated free cash flow is summarized as follows:

	Years Ended December 31,					
($ in millions)		2015		2014		2013
Total cash provided by operating activities	$	1,006.7	$	1,012.5	$	839.0
Capital expenditures, including discontinued operations		(527.9)		(390.8)		(378.3)
Free cash flow	$	478.8	$	621.7	$	460.7

Based on information currently available, we estimate cash flows from operating activities including cash transaction costs for the proposed acquisition of Rexam, for 2016 to be in the range of $900 million, capital expenditures to be approximately $400 million and free cash flow to be in the range of $500 million. In 2016, we intend to utilize our operating cash flow to fund our stock repurchases, dividend payments, growth capital projects and, to the extent available, acquisitions that meet our various criteria. Of the total 2016 estimated capital expenditures, approximately $150 million was contractually committed as of December 31, 2015.

Commitments

Cash payments required for long-term debt maturities, rental payments under noncancellable operating leases, purchase obligations and other commitments in effect at December 31, 2015, are summarized in the following table:

	Payments Due By Period (a)									
($ in millions)		Total		Less than 1 Year		1-3 Years		3-5 Years		More than 5 Years
Long-term debt, including capital leases and discounts	$	5,107.8	$	53.6	$	71.1	$	1,457.8	$	3,525.3
Interest payments on long-term debt *(b)*		1,615.8		226.7		448.8		444.6		495.7
Purchase obligations *(c)*		4,254.1		2,188.4		1,666.4		283.4		115.9
Operating leases		151.7		33.1		47.6		26.3		44.7
Total payments on contractual obligations	$	11,129.4	$	2,501.8	$	2,233.9	$	2,212.1	$	4,181.6

(a) Amounts reported in local currencies have been translated at year-end 2015 exchange rates.
(b) For variable rate facilities, amounts are based on interest rates in effect at year end and do not contemplate the effects of any hedging instruments utilized by the company.
(c) The company's purchase obligations include capital expenditures and contracted amounts for aluminum, steel and other direct materials. Also included are commitments for purchases of natural gas and electricity, expenses related to aerospace and technologies contracts and other less significant items. In cases where variable prices and/or usage are involved, management's best estimates have been used. Depending on the circumstances, early termination of the contracts may or may not result in penalties and, therefore, actual payments could vary significantly.

The table above does not include $50.5 million of uncertain tax positions, the timing of which is unknown at this time.

Contributions to the company's defined benefit pension plans, not including the unfunded German plans, are expected to be $31 million in 2016. This estimate may change based on changes in the Pension Protection Act and actual plan asset performance and available company cash flow, among other factors. Benefit payments related to these plans are expected to be $94.1 million, $97.4 million, $100.9 million, $104.5 million and $108.6 million for the years ending December 31, 2016 through 2020, respectively, and a total of $584 million for the years 2021 through 2025. Payments to participants in the unfunded German plans are expected to be between $16 million and $18 million in each of the years 2016 through 2020 and a total of $75 million for the years 2021 through 2025.

Based on changes in return on asset and discount rate assumptions, as well as revisions based on plan experience studies, total pension expense in 2016 is anticipated to be approximately $6 million lower than in 2015, excluding curtailment expenses. A reduction of the expected return on pension assets assumption by one quarter of a percentage point would result in an estimated $3.4 million increase in the 2016 pension expense, while a quarter of a percentage point reduction in the discount rate applied to the pension liability would result in an estimated $4.8 million of additional pension expense in 2016. Additional information regarding the company's pension plans is provided in Note 15 accompanying the consolidated financial statements within Item 8 of this annual report.

Contingencies

The company is routinely subject to litigation incident to operating its businesses, and has been designated by various federal and state environmental agencies as a potentially responsible party, along with numerous other companies, for the cleanup of several hazardous waste sites. The company believes that the matters identified will not have a material adverse effect upon the liquidity, results of operations or financial condition of the company. Details of the company's legal proceedings are included in Note 21 to the consolidated financial statements within Item 8 of this annual report.

FORWARD-LOOKING STATEMENTS

The company has made or implied certain forward-looking statements in this report which are made as of the end of the time frame covered by this report. These forward-looking statements represent the company's goals, and results could vary materially from those expressed or implied. From time to time we also provide oral or written forward-looking statements in other materials we release to the public. As time passes, the relevance and accuracy of forward-looking statements may change. Some factors that could cause the company's actual results or outcomes to differ materially from those discussed in the forward-looking statements include, but are not limited to: a) our packaging segments include product demand fluctuations; availability/cost of raw materials; competitive packaging, pricing and substitution; changes in climate and weather; crop yields; competitive activity; failure to achieve productivity improvements or cost reductions; mandatory deposit or other restrictive packaging laws; customer and supplier consolidation, power and supply chain influence; changes in major customer or supplier contracts or loss of a major customer or supplier; political instability and sanctions; and changes in foreign exchange or tax rates; b) our aerospace segment includes funding, authorization, availability and returns of government and commercial contracts; and delays, extensions and technical uncertainties affecting segment contracts; c) the company as a whole includes those listed plus: changes in senior management; successful or unsuccessful acquisitions and divestitures; regulatory action or issues including tax, environmental, health and workplace safety, including U.S. FDA and other actions or public concerns affecting products filled in our containers, or chemicals or substances used in raw materials or in the manufacturing process; technological developments and innovations; litigation; strikes; labor cost changes; rates of return on assets of the company's defined benefit retirement plans; pension changes; uncertainties surrounding the U.S. government budget, sequestration and debt limit; reduced cash flow; ability to achieve cost-out initiatives and interest rates affecting our debt; and successful or unsuccessful acquisitions and divestitures, including, with respect to the proposed Rexam PLC (Rexam) acquisition, the effect of the announcement of the acquisition on Ball's business relationships, operating results and business generally; the occurrence of any event or other circumstances that could give rise to the termination of our definitive agreement with Rexam in respect of the acquisition; the outcome of any legal proceedings that may be instituted against Ball related to the definitive agreement with Rexam; and the failure to satisfy conditions to completion of the acquisition of Rexam, including the receipt of all required regulatory approvals. If the company is unable to achieve its goals, then the company's actual performance could vary materially from those goals expressed or implied in the forward-looking statements. The company currently does not intend to publicly update forward-looking statements except as it deems necessary in quarterly or annual earnings reports. You are advised, however, to consult any further disclosures we make on related subjects in our Forms 10-K, 10-Q and 8-K reports to the SEC.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Financial Instruments and Risk Management

The company employs established risk management policies and procedures, which seek to reduce the company's commercial risk exposure to fluctuations in commodity prices, interest rates, currency exchange rates and prices of the company's common stock with regard to common share repurchases and the company's deferred compensation stock plan. However, there can be no assurance that these policies and procedures will be successful. Although the instruments utilized involve varying degrees of credit, market and interest risk, the counterparties to the agreements are expected to perform fully under the terms of the agreements. The company monitors counterparty credit risk, including lenders, on a regular basis, but Ball cannot be certain that all risks will be discerned or that its risk management policies and procedures will always be effective. Additionally, in the event of default under the company's master derivative agreements, the non-defaulting party has the option to set off any amounts owed with regard to open derivative positions. Further details are available in Note 19 to the consolidated financial statements within Item 8 of this annual report.

We have estimated our market risk exposure using sensitivity analysis. Market risk exposure has been defined as the changes in fair value of derivative instruments, financial instruments and commodity positions. To test the sensitivity of our market risk exposure, we have estimated the changes in fair value of market risk sensitive instruments assuming a hypothetical 10 percent adverse change in market prices or rates. The results of the sensitivity analyses are summarized below.

Commodity Price Risk

Aluminum

We manage commodity price risk in connection with market price fluctuations of aluminum ingot through two different methods. First, we enter into container sales contracts that include aluminum ingot-based pricing terms that generally reflect the same price fluctuations included in commercial purchase contracts for aluminum sheet. The terms include fixed, floating or pass-through aluminum ingot component pricing. Second, we use derivative instruments such as option and forward contracts as economic and cash flow hedges of commodity price risk where there are material differences between sales and purchase contracted pricing and volume.

Steel

Most sales contracts involving our steel products either include provisions permitting us to pass through some or all steel cost changes incurred, or they incorporate annually negotiated steel prices. We anticipate at this time that we will be able to pass through the majority of any steel price changes that may occur in 2016.

Considering the effects of derivative instruments, the company's ability to pass through certain raw material costs through contractual provisions, the market's ability to accept price increases and the company's commodity price exposures under its contract terms, a hypothetical 10 percent adverse change in the company's steel and aluminum prices would result in an estimated $2.5 million after-tax reduction in net earnings over a one-year period. Additionally, the company has currency exposures on raw materials, and the effect of a 10 percent adverse change is included in the total currency exposure discussed below. Actual results may vary based on actual changes in market prices and rates.

Other

The company is also exposed to fluctuations in prices for natural gas and electricity, as well as the cost of diesel fuel as a component of freight cost. A hypothetical 10 percent increase in our natural gas and electricity prices would result in an estimated $6.5 million after-tax reduction of net earnings over a one-year period. A hypothetical 10 percent increase in diesel fuel prices would result in an estimated $0.5 million after-tax reduction of net earnings over the same period. Actual results may vary based on actual changes in market prices and rates.

Interest Rate Risk

Our objective in managing exposure to interest rate changes is to minimize the impact of interest rate changes on earnings and cash flows and to minimize our overall borrowing costs. To achieve these objectives, we may use a variety of interest rate swaps, collars and options to manage our mix of floating and fixed-rate debt. Interest rate instruments held by the company at December 31, 2015, included pay-fixed interest rate swaps, which effectively convert variable rate obligations to fixed-rate instruments.

Based on our interest rate exposure at December 31, 2015, excluding exposure associated with Rexam interest rates as discussed below, assumed floating rate debt levels throughout the next 12 months and the effects of derivative instruments, a 100-basis point increase in interest rates would result in an estimated $1.4 million after-tax reduction in net earnings over a one-year period. Actual results may vary based on actual changes in market prices and rates and the timing of these changes.

Interest Rate Risk—Rexam Acquisition

The company entered into interest rate swaps to hedge against rising U.S. and European interest rates to minimize its interest rate exposure associated with anticipated debt issuances in connection with the announced, proposed acquisition of Rexam. At December 31, 2015, the company had outstanding interest rate swaps with notional amounts totaling approximately $200 million and €1,750 million, respectively. In addition, the company entered into interest rate option contracts to hedge negative Euribor rates with an aggregate notional amount of €750 million. Subsequent to 2015, the company terminated interest rate swap contracts with an aggregate notional amount of $923 million (€850 million). None of these contracts were designated as hedges, and therefore, changes in the fair value of these interest swap and option contracts are recognized in the consolidated statements of earnings in debt refinancing and other costs, a component of total interest expense. The loss included in debt refinancing and other costs during 2015 associated with these contracts was $15.9 million. The contracts outstanding at December 31, 2015 expire within the next four years.

Currency Exchange Rate Risk

Our objective in managing exposure to currency fluctuations is to limit the exposure of cash flows and earnings from changes associated with currency exchange rate changes through the use of various derivative contracts. In addition, at times Ball manages earnings translation volatility through the use of currency option strategies, and the change in the fair value of those options is recorded in the company's net earnings. Our currency translation risk results from the currencies in which we transact business. The company faces currency exposures in our global operations as a result of various factors including intercompany currency denominated loans, selling our products in various currencies, purchasing raw materials and equipment in various currencies and tax exposures not denominated in the functional currency. Sales contracts are negotiated with customers to reflect cost changes and, where there is not an exchange pass-through arrangement, the company uses forward and option contracts to manage significant currency exposures.

Considering the company's derivative financial instruments outstanding at December 31, 2015, excluding those related to the proposed Rexam acquisition, and the various currency exposures, a hypothetical 10 percent reduction (U.S. dollar strengthening) in currency exchange rates compared to the U.S. dollar would result in an estimated $23.6 million after-tax reduction in net earnings over a one-year period. This hypothetical adverse change in currency exchange rates would also reduce our forecasted average debt balance by $119.6 million. Actual changes in market prices or rates may differ from hypothetical changes.

Currency Exchange Rate Risk — Rexam Acquisition

In connection with the announced, proposed acquisition of Rexam, the company entered into collar and option contracts to partially mitigate its currency exchange rate risk from February 19, 2015, through the expected closing date of the acquisition. At December 31, 2015, the company had outstanding collar and option contracts with notional amounts totaling approximately £1.8 billion ($2.7 billion). These contracts were not designated as hedges, and therefore, changes in the fair value of these contracts are recognized in the consolidated statements of earnings in business consolidation and other activities (see Note 5). During 2015, the company recognized a loss of $41.0 million associated with these contracts. The contracts outstanding at December 31, 2015, expire within the next year. A hypothetical 10 percent strengthening in the dollar versus the pound would reduce the fair value of the acquisition escrow account by approximately $100 million.

In connection with the December 2015 issuance of $1 billion of U.S. dollar senior notes due 2020, the company executed cross-currency swaps to convert this fixed-rate U.S. dollar debt issuance to fixed-rate euro debt for the life of the notes to more effectively match the future cash flows of our business. The cross-currency swaps have a notional amount of $1.0 billion and expire within five years. These contracts were not designated as hedges, and therefore, changes in the fair value of these contracts are recognized in the consolidated statement of earnings as business consolidation costs and other activities. During 2015, the company recognized a loss of $7.4 million associated with these contracts. A hypothetical 10 percent reduction (U.S. dollar strengthening) in currency exchange rates would reduce the fair value of the swaps by approximately $100 million. A hypothetical 100 basis point change in the spread between USD and European interest rates would impact the fair value of the trade by approximately $50 million. To the extent we ultimately have to pay to settle the derivative that is in a loss position, the total U.S. dollar equivalent of cash consideration for the purchase of Rexam will be less and, as a result, will reduce the amount of goodwill recorded at the date of acquisition.

Subsequent to the December 2015 issuances of $1 billion in senior notes due December 2020 and €1.1 billion of senior notes (€400 million due 2020 and €700 million due 2023), the company converted the net euro proceeds from these issuances to British pounds using new and existing currency derivative instruments at an average exchange rate of approximately 1.37. The company elected to restrict the December 2015 senior note proceeds by depositing them in escrow accounts. At December 31, 2015, £792 million was in the British pound escrow account and $987.5 million was in the U.S. dollar escrow account. Changes in the U.S. dollar and the British pound exchange rate will result in gains or losses in the British pound escrow account, which will be recognized in the consolidated statements of earnings as business consolidation and other activities. A hypothetical 10 percent strengthening in the dollar versus the pound would reduce the fair value of the escrow account by approximately $119 million. Subsequent to December 31, 2015, the company converted the U.S. dollars into British pounds. The funds in the escrow accounts will be used to pay a portion of the cash component of the announced, proposed acquisition price of Rexam.

Common Stock Price Risk

The company's deferred compensation stock program is subject to variable plan accounting and, accordingly, is marked to fair value using the company's closing stock price at the end of a reporting period. The company entered into a total return swap to reduce the company's earnings exposure to these fair value fluctuations that will be outstanding until March 2016 and has a notional value of 1 million shares. Based on current share levels in the program, each $1 change in the company's stock price has an impact, net of derivatives utilized, of $0.5 million on pretax earnings.

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Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Ball Corporation:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Ball Corporation and its subsidiaries at December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Denver, Colorado
February 16, 2016

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Consolidated Statements of Earnings
Ball Corporation

	Years Ended December 31,		
($ in millions, except per share amounts)	**2015**	**2014**	**2013**
Net sales	$ 7,997.0	$ 8,570.0	$ 8,468.1
Costs and expenses			
Cost of sales (excluding depreciation and amortization)	(6,460.3)	(6,903.5)	(6,875.4)
Depreciation and amortization	(285.5)	(280.9)	(299.9)
Selling, general and administrative	(451.3)	(466.5)	(418.6)
Business consolidation and other activities	(194.7)	(80.5)	(78.8)
	(7,391.8)	(7,731.4)	(7,672.7)
Earnings before interest and taxes	605.2	838.6	795.4
Interest expense	(143.2)	(159.9)	(183.8)
Debt refinancing and other costs	(116.5)	(33.1)	(28.0)
Total interest expense	(259.7)	(193.0)	(211.8)
Earnings before taxes	345.5	645.6	583.6
Tax (provision) benefit	(47.0)	(149.9)	(149.6)
Equity in results of affiliates, net of tax	4.4	2.3	0.6
Net earnings from continuing operations	302.9	498.0	434.6

Discontinued operations, net of tax	—	—	0.4
Net earnings	302.9	498.0	435.0
Less net earnings attributable to noncontrolling interests	(22.0)	(28.0)	(28.2)
Net earnings attributable to Ball Corporation	$ 280.9	$ 470.0	$ 406.8
Amounts attributable to Ball Corporation:			
Continuing operations	$ 280.9	$ 470.0	$ 406.4
Discontinued operations	—	—	0.4
Net earnings	$ 280.9	$ 470.0	$ 406.8
Earnings per share:			
Basic - continuing operations	$ 2.05	$ 3.39	$ 2.79
Basic - discontinued operations	—	—	—
Total basic earnings per share	$ 2.05	$ 3.39	$ 2.79
Diluted - continuing operations	$ 1.99	$ 3.30	$ 2.73
Diluted - discontinued operations	—	—	—
Total diluted earnings per share	$ 1.99	$ 3.30	$ 2.73
Weighted average shares outstanding ***(000s)*****:**			
Basic	137,300	138,508	145,943
Diluted	140,984	142,430	149,223
Cash dividends declared and paid, per share	$ 0.52	$ 0.52	$ 0.52

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

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Consolidated Statements of Comprehensive Earnings
Ball Corporation

($ in millions)	Years Ended December 31, 2015	2014	2013
Net earnings	$ 302.9	$ 498.0	$ 435.0
Other comprehensive earnings:			
Foreign currency translation adjustment	(165.6)	(199.6)	62.4
Pension and other postretirement benefits	77.7	(177.5)	145.3
Effective financial derivatives	(9.0)	31.0	(32.2)
Total other comprehensive earnings (loss)	(96.9)	(346.1)	175.5
Income tax (provision) benefit	(21.3)	73.4	(63.1)
Total other comprehensive earnings (loss), net of tax	(118.2)	(272.7)	112.4
Total comprehensive earnings	184.7	225.3	547.4
Less comprehensive earnings attributable to noncontrolling interests	(21.6)	(27.4)	(28.4)
Comprehensive earnings attributable to Ball Corporation	$ 163.1	$ 197.9	$ 519.0

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

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Consolidated Balance Sheets
Ball Corporation

($ in millions)	December 31, 2015	2014
Assets		
Current assets		
Cash and cash equivalents	$ 224.0	$ 191.4
Receivables, net	885.4	957.1
Inventories, net	898.4	1,016.7
Deferred taxes and other current assets	176.2	148.3
Total current assets	2,184.0	2,313.5
Noncurrent assets		
Property, plant and equipment, net	2,685.9	2,430.7
Goodwill	2,176.5	2,254.5
Restricted cash	2,154.4	—
Intangibles and other assets, net	576.2	572.3
Total assets	**$ 9,777.0**	**$ 7,571.0**

Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt and current portion of long-term debt	$ 77.3	$ 175.1
Accounts payable	1,500.8	1,340.0
Accrued employee costs	229.4	269.9
Other current liabilities	334.1	221.8
Total current liabilities	2,141.6	2,006.8
Noncurrent liabilities		
Long-term debt	5,054.2	2,993.8
Employee benefit obligations	1,147.2	1,178.3
Deferred taxes and other liabilities	172.7	152.5
Total liabilities	8,515.7	6,331.4
Shareholders' equity		
Common stock (332,648,592 shares issued — 2015; 331,618,306 shares issued - 2014)	961.7	1,131.3
Retained earnings	4,557.5	4,346.9
Accumulated other comprehensive earnings (loss)	(639.9)	(522.1)
Treasury stock, at cost (190,359,349 shares — 2015; 194,652,028 shares - 2014)	(3,628.0)	(3,923.0)
Total Ball Corporation shareholders' equity	1,251.3	1,033.1
Noncontrolling interests	10.0	206.5
Total shareholders' equity	1,261.3	1,239.6
Total liabilities and shareholders' equity	**$ 9,777.0**	**$ 7,571.0**

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

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Consolidated Statements of Cash Flows
Ball Corporation

($ in millions)	**Years Ended December 31, 2015**	**2014**	**2013**
Cash Flows from Operating Activities			
Net earnings	$ 302.9	$ 498.0	$ 435.0
Discontinued operations, net of tax	—	—	(0.4)
Adjustments to reconcile net earnings to cash provided by (used in) continuing operating activities:			
Depreciation and amortization	285.5	280.9	299.9
Business consolidation and other activities	194.7	80.5	78.8
Deferred tax provision (benefit)	(61.8)	11.9	(1.6)
Other, net	145.2	(26.7)	(34.1)
Working capital changes, excluding effects of acquisitions:			
Receivables	34.8	(152.3)	80.2
Inventories	96.9	(23.8)	21.4
Other current assets	9.9	(20.6)	4.3
Accounts payable	124.6	355.3	50.9
Accrued employee costs	(36.0)	40.1	(36.0)
Other current liabilities	(106.6)	(32.1)	(55.0)
Other, net	16.6	1.3	(2.1)
Cash provided by (used in) continuing operating activities	1,006.7	1,012.5	841.3
Cash provided by (used in) discontinued operating activities	—	—	(2.3)
Total cash provided by (used in) operating activities	1,006.7	1,012.5	839.0
Cash Flows from Investing Activities			
Capital expenditures	(527.9)	(390.8)	(378.3)
Business acquisitions, net of cash acquired	(29.1)	—	(14.2)
(Increase) decrease in restricted cash	(2,182.7)	—	—
Other, net	19.0	(0.6)	13.4
Cash provided by (used in) investing activities	(2,720.7)	(391.4)	(379.1)
Cash Flows from Financing Activities			
Long-term borrowings	4,524.2	411.9	1,643.1
Repayments of long-term borrowings	(2,429.8)	(897.8)	(1,294.9)
Net change in short-term borrowings	(93.2)	68.2	(57.6)
Proceeds from issuances of common stock	36.0	37.2	32.9
Acquisitions of treasury stock	(135.5)	(397.3)	(431.7)
Common dividends	(71.8)	(72.7)	(75.2)
Other, net	(92.8)	5.2	(20.6)
Cash provided by (used in) financing activities	1,737.1	(845.3)	(204.0)
Effect of exchange rate changes on cash	9.5	(0.4)	(14.0)
Change in cash and cash equivalents	32.6	(224.6)	241.9
Cash and cash equivalents — beginning of year	191.4	416.0	174.1
Cash and cash equivalents — end of year	**$ 224.0**	**$ 191.4**	**$ 416.0**

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

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Consolidated Statements of Shareholders' Equity
Ball Corporation

($ in millions; share amounts in thousands)	Ball Corporation and Subsidiaries							
	Common Stock		Treasury Stock					
	Number of Shares	Amount	Number of Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Shareholders' Equity
Balance at December 31, 2012	329,015	$ 1,026.3	(179,285)	$ (3,140.1)	$ 3,614.7	$ (362.1)	$ 175.4	$ 1,314.2
Net earnings	—	—	—	—	406.8	—	28.2	435.0
Other comprehensive earnings, net of tax	—	—	—	—	—	112.2	0.2	112.4
Common dividends, net of tax benefits	—	—	—	—	(73.8)	—	—	(73.8)
Treasury stock purchases	—	—	(9,322)	(433.9)	—	—	—	(433.9)
Treasury shares reissued	—	—	485	22.4	—	—	—	22.4
Shares issued and stock compensation for stock options and other stock plans, net of shares exchanged	1,225	40.2	—	—	—	—	—	40.2
Tax benefit on option exercises	—	11.9	—	—	—	—	—	11.9
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(12.9)	(12.9)
Other activity	—	—	—	—	—	—	0.5	0.5
Balance at December 31, 2013	330,240	1,078.4	(188,122)	(3,551.6)	3,947.7	(249.9)	191.4	1,416.0
Net earnings	—	—	—	—	470.0	—	28.0	498.0
Other comprehensive earnings, net of tax	—	—	—	—	—	(272.2)	(0.5)	(272.7)
Common dividends, net of tax benefits	—	—	—	—	(70.8)		—	(70.8)
Treasury stock purchases	—	—	(6,911)	(397.3)	—	—	—	(397.3)
Treasury shares reissued	—	—	381	22.8	—	—	—	22.8
Shares issued and stock compensation for stock options and other stock plans, net of shares exchanged	1,378	35.4		—	—	—	—	35.4
Tax benefit on option exercises	—	17.5	—	—	—	—	—	17.5
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(12.2)	(12.2)
Other activity	—	—	—	3.1	—	—	(0.2)	2.9
Balance at December 31, 2014	331,618	1,131.3	(194,652)	(3,923.0)	4,346.9	(522.1)	206.5	1,239.6
Net earnings	—	—	—	—	280.9	—	22.0	302.9
Other comprehensive earnings, net of tax	—	—	—	—	—	(117.8)	(0.4)	(118.2)
Common dividends, net of tax benefits	—	—	—	—	(70.3)	—	—	(70.3)
Treasury stock purchases	—	—	(1,766)	(135.5)	—	—	—	(135.5)
Treasury shares reissued	—	—	329	22.9	—	—	—	22.9
Shares issued and stock compensation for stock options and other stock plans, net of shares exchanged	1,031	29.3	—	—	—	—	—	29.3
Tax benefit on option exercises	—	21.3	—	—	—	—	—	21.3
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(17.9)	(17.9)
Acquisition of noncontrolling interests	—	(220.2)	5,730	403.0	—	—	(200.2)	(17.4)
Other activity	—	—	—	4.6	—	—	—	4.6
Balance at December 31, 2015	332,649	$ 961.7	(190,359)	$ (3,628.0)	$ 4,557.5	$ (639.9)	$ 10.0	$ 1,261.3

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

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Ball Corporation
Notes to the Consolidated Financial Statements

1. Critical and Significant Accounting Policies

The preparation of Ball Corporation's (collectively, Ball, the company, we or our) consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires Ball's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. These estimates are based on historical experience and various assumptions believed to be reasonable under the circumstances. Ball's management evaluates these estimates on an ongoing basis and adjusts or revises the estimates as circumstances change. As future events and their impacts cannot be determined with precision, actual results may differ from these estimates. In the opinion of management, the financial statements reflect all adjustments necessary to fairly present the results of the periods presented.

Critical Accounting Policies

The company considers certain accounting policies to be critical, as their application requires management's judgment about the impacts of matters that are inherently uncertain. Detailed below is a discussion of the accounting policies the company considers critical to our consolidated financial statements.

Acquisitions

The company records acquisitions resulting in the consolidation of an enterprise using the purchase method of accounting. Under this method, the acquiring company records the assets acquired, including intangible assets that can be identified and named, and liabilities assumed based on their estimated fair values at the date of acquisition. The purchase price in excess of the fair value of the assets acquired and liabilities assumed is recorded as goodwill. If the assets acquired, net of liabilities assumed, are greater than the purchase price paid, then a bargain purchase has occurred and the company will recognize the gain immediately in earnings. Among other sources of relevant information, the company uses independent appraisals and actuarial or other valuations to assist in determining the estimated fair values of the assets and liabilities. Various assumptions are used in the determination of these estimated fair values including discount rates, market and volume growth rates, product selling prices, production costs and other prospective financial information. Transaction costs associated with acquisitions are expensed as incurred and included in the business consolidation and other activities line of the consolidated statement of earnings.

For acquisitions where the company already owns an equity investment in the acquired company, the company will recognize in earnings, upon the completion of the acquisition, a gain or loss related to the company's existing equity investment. This gain or loss is calculated based on the fair value of the equity investment as compared to the carrying value of the existing equity investment on the date of acquisition.

When the company purchases additional interests of consolidated subsidiaries that does not result in a change in control, the difference between the fair value and carrying value of the noncontrolling interests acquired is accounted for in the common stock line within shareholders' equity.

Exit and Other Closure Costs (Business Consolidation Costs)

The company estimates its liabilities for business closure activities by accumulating detailed estimates of costs and asset sale proceeds, if any, for each business consolidation initiative. This includes the estimated costs of employee severance, pension and related benefits; impairment of property and equipment and other assets, including estimates of net realizable value; accelerated depreciation; termination payments for contracts and leases; contractual obligations; and any other qualifying costs related to the exit plan. These estimated costs are grouped by specific projects within the overall exit plan and are then monitored on a monthly basis. Such disclosures represent management's best estimates, but require assumptions about the plans that may change over time. Changes in estimates for individual locations and other matters are evaluated periodically to determine if a change in estimate is required for the overall restructuring plan. Subsequent changes to the original estimates are included in current earnings and identified as business consolidation gains or losses.

1. Critical and Significant Accounting Policies *(continued)*

Recoverability of Goodwill and Intangible Assets

On an annual basis and at interim periods when circumstances require, the company tests the recoverability of its goodwill and indefinite-lived intangible assets. The company utilizes the two-step impairment analysis and has elected not to use the qualitative assessment or "step zero" approach. In the two-step impairment analysis, the company compares the carrying value of each identified reporting unit to its fair value. If the carrying value of the reporting unit is greater than its fair value, the second step is performed, where the implied fair value of goodwill is compared to its carrying value. The company recognizes an impairment charge for the amount by which the carrying amount of goodwill exceeds its implied fair value. The company estimates fair value for each reporting unit based on the weighted average of the estimated fair values using the market and income approaches. Under the market approach, the company uses available information regarding multiples used in recent transactions, if any, involving transfers of controlling interests as well as publicly available trading multiples based on the enterprise value of companies in the packaging and aerospace and defense industries. The appropriate multiple is applied to forecasted EBITDA (a non-GAAP item defined by the company as earnings before interest, taxes, depreciation and amortization) of each reporting unit to estimate fair value. Under the income approach, fair value is estimated as the present value of estimated future cash flows of each reporting unit. The projected cash flows incorporate various assumptions related to weighted average cost of capital (WACC) and growth rates specific to each reporting unit.

Amortizable intangible assets are tested for impairment, when deemed necessary, based on undiscounted cash flows and, if impaired, are written down to fair value based on either discounted cash flows or appraised values.

Defined Benefit Pension Plans and Other Employee Benefits

The company has defined benefit plans that cover a significant portion of its employees. The company also has postretirement plans that provide certain medical benefits and life insurance for retirees and eligible dependents and, to a lesser extent, participates in multi-employer defined benefit plans for which Ball is not the sponsor. For the company-sponsored plans, the relevant accounting guidance requires that management make certain assumptions relating to the long-term rate of return on plan assets, discount rates used to determine the present value of future obligations and expenses, salary inflation rates, health care cost trend rates, mortality rates and other assumptions. The company believes that the accounting estimates related to our pension and postretirement plans are critical accounting estimates, because they are highly susceptible to change from period to period based on the performance of plan assets, actuarial valuations, market conditions and contracted benefit changes. The selection of assumptions is based on historical trends and known economic and market conditions at the time of valuation, as well as independent studies of trends performed by the company's actuaries. However, actual results may differ substantially from the estimates that were based on the critical assumptions.

The company recognizes the funded status of each defined benefit pension plan and other postretirement benefit plans in the consolidated balance sheet. Each overfunded plan is recognized as an asset, and each underfunded plan is recognized as a liability. Pension plan liabilities are revalued annually, or when an event occurs that requires remeasurement, based on updated assumptions and information about the individuals covered by the plan. For pension plans, accumulated actuarial gains and losses in excess of a 10 percent corridor and the prior service cost are amortized on a straight-line basis from the date recognized over the average remaining service period of active participants or over the average life expectancy for plans with significant inactive participants. For other postemployment benefits, the 10 percent corridor is not used.
The majority of costs related to defined benefit and other postretirement plans are included in cost of sales; the remainder is included in selling, general and administrative expenses.

In addition to defined benefit and postretirement plans, the company maintains reserves for employee medical claims, up to our insurance stop-loss limit, and workers' compensation claims. These are regularly evaluated and revised, as needed, based on a variety of information, including historical experience, actuarial estimates and current employee statistics.

1. Critical and Significant Accounting Policies *(continued)*

Income Taxes

Deferred income taxes reflect the future tax consequences of differences between the tax bases of assets and liabilities and their financial reporting amounts at each balance sheet date, based upon enacted income tax laws and tax rates. Income tax expense or benefit is provided based on earnings reported in the financial statements. The provision for income tax expense or benefit differs from the amounts of income taxes currently payable because certain items of income and expense included in the consolidated financial statements are recognized in different time periods by taxing authorities.

Deferred tax assets, including operating loss, capital loss and tax credit carryforwards, are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that any portion of these tax attributes will not be realized. In addition, from time to time, management must assess the need to accrue or disclose uncertain tax positions for proposed adjustments from various federal, state and foreign tax authorities who regularly audit the company in the normal course of business. In making these assessments, management must often analyze complex tax laws of multiple jurisdictions, including many foreign jurisdictions. The accounting guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The company records the related interest expense and penalties, if any, as tax expense in the tax provision.

Derivative Financial Instruments

The company uses derivative financial instruments for the purpose of hedging commercial risk exposures to fluctuations in interest rates, currency exchange rates, raw material costs, inflation rates and common share prices. The company's derivative instruments are recorded in the consolidated balance sheets at fair value. The company values each derivative financial instrument either by using a single valuation technique based on observable market inputs performed internally or by obtaining valuation information from a reliable and observable market source. For a derivative designated as a cash flow hedge, the effective portion of the derivative's mark to fair value is initially recorded as a component of accumulated other comprehensive earnings and subsequently reclassified into earnings when the hedged item affects earnings, unless it is probable that the forecasted transaction will not occur. The ineffective portion of the mark to fair value associated with all hedges is recorded in earnings immediately. Derivatives that do not qualify for hedge accounting are marked to fair value with gains and losses immediately recorded in earnings. In the consolidated statements of cash flows, derivative activities are classified based on the items being hedged.

Realized gains and losses from hedges are classified in the consolidated statements of earnings consistent with the accounting treatment of the items being hedged. Upon the early dedesignation of an effective derivative contract, the gains or losses are deferred in accumulated other comprehensive earnings until the originally hedged item affects earnings. Any gains or losses incurred after the dedesignation date are recorded in earnings immediately.

Contingencies

The company is subject to various legal proceedings and claims, including those that arise in the ordinary course of business. The company records loss contingencies when it determines that the outcome of the future event is probable of occurring and the amount of the loss can be reasonably estimated. Gain contingencies are recognized in the financial statements when they are realized.

The determination of a reserve for a loss contingency is based on management's judgment of probability and estimates with respect to the likelihood of an outcome and valuation of the future event. Liabilities are recorded or adjusted when events or circumstances cause these judgments or estimates to change. In assessing whether a loss is probable, Ball may consider the following factors, among others: the nature of the litigation, claim or assessment; available information, opinions or views of legal counsel and other advisors; and the experience gained from similar cases by the company and others. The company provides disclosures for material contingencies when there is a reasonable possibility that a loss or an additional loss may be incurred. Actual amounts realized upon settlement of contingencies may be different than amounts recorded and disclosed and could have a significant impact on the company's consolidated financial statements. See Note 21 to the consolidated financial statements within Item 8 of this annual report for further details.

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1. Critical and Significant Accounting Policies *(continued)*

Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of Ball, its consolidated subsidiaries, and variable interest entities in which the company is considered to be the primary beneficiary. Equity investments in which the company exercises significant influence but does not control and is not the primary beneficiary are accounted for using the equity method of accounting. Investments in which the company neither exercises significant influence over the investee, nor is the primary beneficiary of the investment, are accounted for using the cost method of accounting. Intercompany transactions are eliminated.

Reclassifications

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less.

Inventories

Inventories are stated at the lower of cost or market using either the first-in, first-out (FIFO) cost method of accounting or the average cost method. Inventory cost is calculated for each inventory component taking into consideration the appropriate cost factors including fixed and variable overhead, material price volatility and production levels.

Impairment of Long-Lived Assets

We review long-lived assets for impairment when circumstances indicate the carrying amount of an asset or asset group may not be recoverable based on the undiscounted future cash flows of the asset. We review long-lived assets for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified. If the carrying amount of the asset or asset group is determined not to be recoverable, a write-down to fair value is recorded. Fair values are determined based on quoted market values, discounted cash flows, or external appraisals, as applicable.

Depreciation and Amortization

Property, plant and equipment are carried at the cost of acquisition or construction and depreciated over the estimated useful lives of the assets. Repairs and maintenance costs, including labor and material costs for major improvements such as annual production line overhauls, are expensed as incurred, unless those costs substantially increase the useful lives or capacity of the existing assets. Assets are depreciated and amortized using the straight-line method over their estimated useful lives, generally 5 to 40 years for buildings and improvements and 2 to 20 years for machinery and equipment. Finite-lived intangible assets, including capitalized software costs, are generally amortized over their estimated useful lives of 3 to 23 years. The company periodically reviews these estimated useful lives and when appropriate changes are made prospectively.

Deferred financing costs are amortized over the life of the related loan facility and are reported as part of interest expense. When debt is extinguished prior to its maturity date, the write-off of the remaining unamortized deferred financing costs, or a pro rata portion thereof, is also reported in the consolidated statement of earnings as debt refinancing and other costs.

For certain business consolidation activities, accelerated depreciation may be required over the remaining useful life for assets designated to be scrapped or abandoned. The accelerated depreciation related to such activities is disclosed as part of business consolidation and other activities in the appropriate period.

1. Critical and Significant Accounting Policies *(continued)*

Environmental Reserves

The company estimates the liability related to environmental matters based on, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. The company records the best estimate of a loss when the loss is considered probable. As additional information becomes available, the company assesses the potential liability related to pending matters and revises the estimates.

Revenue Recognition in the Packaging Segments

The company recognizes sales of products in the packaging segments when the four basic criteria of revenue recognition are met: delivery has occurred; title has transferred; there is persuasive evidence of an agreement or arrangement and the price is fixed or determinable; and collection is reasonably assured. Shipping and handling costs are reported within cost of sales in the consolidated statement of earnings.

Revenue Recognition in the Aerospace and Technologies Segment

Sales under long-term contracts in the aerospace and technologies segment are primarily recognized using percentage-of-completion under the cost-to-cost method of accounting. The two primary types of long-term sales contracts utilized are cost-type contracts, which are agreements to perform for cost plus an agreed upon profit component and fixed-price sales contracts, which are completed for a fixed price. Cost-type sales contracts can have different types of fee arrangements, including fixed-fee, cost, milestone and performance incentive fees, award fees or a combination thereof.

At the inception of contract performance, our estimates of base, incentive and other fees are established at a conservative estimate of profit over the period of contract performance. Throughout the period of contract performance, the company regularly reevaluates and, if necessary, revises estimates of total contract revenue, total contract cost, extent of progress toward completion, probability of receipt of any award and performance fees and any clawback provisions included in the contract. Provision for estimated contract losses, if any, is made in the period that such losses are determined to be probable. Because of sales contract payment schedules, limitations on funding, and contract terms, our sales and accounts receivable generally include amounts that have been earned but not yet billed. Contract claims are only recorded if it is probable that the claim will result in additional contract revenue and the claim amounts can be reliably estimated. Revenue associated with claims is recorded only for costs already incurred and does not include a profit component. Pre-contract costs that are not approved by the customer for reimbursement are expensed as incurred. As a prime U.S. government contractor or subcontractor, the aerospace and technologies segment is subject to a high degree of regulation, financial review and oversight by the U.S. government.

Fair Value Measurements

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price) and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value using the following definitions (from highest to lowest priority):

- Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2—Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data by correlation or other means.
- Level 3—Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable.

1. Critical and Significant Accounting Policies *(continued)*

Stock-Based Compensation

Ball has a variety of restricted stock, stock option, and stock-settled appreciate rights (SSARs) plans, and the related stock-based compensation is primarily reported as part of selling, general and administrative expenses in the consolidated statements of earnings. The compensation expense associated with restricted stock grants is calculated using the fair value at the date of grant (closing stock price) and is amortized over the restriction period. For stock options and SSARs, the company has elected to use the Black-Scholes valuation model and amortizes the estimated fair value, determined at the date of grant, on a straight-line basis over the requisite service period (generally the vesting period). The company's deferred compensation stock program is subject to variable plan accounting and, accordingly, is valued at the closing price of the company's common stock at the end of each reporting period. Tax benefits associated with option and SSAR exercises are reported in financing activities in the consolidated statements of cash flows. Further details regarding the expense calculated under those fair value based methods are provided in Note 17.

Research and Development

Research and development costs are expensed as incurred in connection with the company's programs for the development of products and processes. Costs incurred in connection with these programs, the majority of which are included in cost of sales, amounted to $26.0 million, $26.6 million and $31.2 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Currency Translation

Assets and liabilities of foreign operations with a functional currency other than the U.S. dollar are translated using period-end exchange rates, and revenues and expenses are translated using average exchange rates during each period. Translation gains and losses are reported in accumulated other comprehensive earnings as a component of shareholders' equity.

2. Accounting Pronouncements

Recently Adopted Accounting Standards

In April 2014, accounting guidance was issued to change the criteria for reporting discontinued operations. Under the new guidance, only disposals of components of an entity that represent strategic shifts that have, or will have, a major effect on an entity's operations should be reported as discontinued operations in the financial statements. The new guidance also requires expanded disclosures for discontinued operations, as well as disclosures about the financial effects of significant disposals that do not qualify for discontinued operations. The guidance was applied prospectively on January 1, 2015, and did not have a material effect on the company's consolidated financial statements.

New Accounting Guidance

In January 2016, accounting guidance was issued on classification and measurement financial assets and liabilities (equity securities and financial liabilities) under the fair value option, and the presentation and disclosure requirements for financial instruments. The guidance modifies how entities measure equity investments and present changes in the fair value of financial liabilities. Under the new guidance, entities will have to measure equity investments that do not result in consolidation and are not accounted under the equity method at fair value and recognize any changes in fair value in net income unless the investments qualify for the new practicality exception. An exception will apply to those equity investments that do not have a readily determinable fair value and do not qualify for the practical expedient to estimate fair value under the guidance and, as such, these investments may be measured at cost. The guidance will be effective on January 1, 2018. The company is currently assessing the impact that the adoption of this new guidance will have on its consolidated financial statements.

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2. Accounting Pronouncements *(continued)*

In November 2015, accounting guidance was issued that requires classification of all deferred tax assets and liabilities, along with any related valuation allowance, as noncurrent on the balance sheet. As a result, each tax jurisdiction will now only have one net noncurrent deferred tax asset or liability. The guidance, however, does not change the existing requirement that only permits offsetting within a tax jurisdiction, that is, companies are still prohibited from offsetting deferred tax liabilities from one jurisdiction against deferred tax assets of another tax jurisdiction. The guidance will be applied prospectively on January 1, 2016. Current deferred tax assets and current deferred tax liabilities were $96.3 million and $3.1 million, respectively, at December 31, 2015.

In September 2015, amendments to existing accounting guidance were issued to simplify the accounting for adjustments made to provisional amounts recognized in business combinations. Under the previous guidance, companies were required to retrospectively revise comparative financial statements for changes made to provisional amounts. The amended guidance eliminates the requirement to retrospectively account for these adjustments. The guidance will be applied prospectively to adjustments to provisional amounts that occur on or after January 1, 2016. The guidance is not expected to have a material effect on the company's consolidated financial statements.

In July 2015, amendments to existing accounting guidance were issued to modify the subsequent measurement of inventory. Under existing guidance, a company measures inventory at the lower of cost or market, with market defined as replacement cost, net realizable value, or net realizable value less a normal profit margin. Current replacement cost can be used provided that it is not above the net realizable value (ceiling) or below net realizable value less a normal profit margin (floor). Amendments in the new guidance requires a company to subsequently measure inventory at the lower of cost or net realizable value and eliminates the need to determine replacement cost and evaluate whether it is above the ceiling or below the floor. Net realizable value is defined as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The guidance will be applied prospectively on January 1, 2016. The guidance is not expected to have a material effect on the company's consolidated financial statements.

In May 2015, amendments to the existing accounting guidance were issued to remove the requirement to categorize net asset value per share, currently utilized as a practical expedient, by investment within the fair value hierarchy based on redeemable dates. This amendment also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share expedient. The guidance will be applied prospectively on January 1, 2016. The guidance is not expected to have a material effect on the company's consolidated financial statements.

In April 2015, amendments to existing accounting guidance were issued to provide explicit guidance related to a customer's accounting for fees paid in a cloud computing arrangement. Under the guidance, cloud computing arrangements that include a software license would be accounted for consistent with the acquisition of other software licenses. Conversely, cloud computing arrangements that do not include a software license would be accounted for as a service contract. This guidance will be applied prospectively on January 1, 2016. The guidance is not expected to have a material effect on the company's consolidated financial statements.

In April 2015, accounting guidance was issued to change the balance sheet presentation for debt issuance costs. Under the new guidance, debt issuance costs related to a recognized debt liability will be presented as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts, rather than as a deferred charge. The guidance does not affect the recognition and measurement of debt issuance costs; hence, amortization of debt issuance costs would continue to be reported as interest expense. In August 2015, subsequent clarification guidance was issued permitting companies to defer and present debt issuance costs related to line-of-credit arrangements as an asset and amortize them over the terms of these arrangements, regardless of whether there are any amounts outstanding under those arrangements. This guidance will be applied retrospectively on January 1, 2016. The guidance is not expected to have a material effect on the company's consolidated financial statements.

2. Accounting Pronouncements *(continued)*

In February 2015, amendments to existing accounting guidance were issued that modify the analysis companies must perform in order to determine whether a legal entity should be consolidated. The new guidance includes modifications related to: 1) limited partnerships and similar legal entities, 2) evaluating fees paid to a decision maker or service provider as a variable interest, 3) the effect of fee arrangements on the primary beneficiary, 4) the effect of related parties on the primary beneficiary and 5) certain investment funds. This guidance will be applied on a modified retrospective basis on January 1, 2016. The guidance is not expected to have a material effect on the company's consolidated financial statements.

In January 2015, accounting guidance was issued to eliminate the concept of extraordinary items. Current guidance requires extraordinary events, defined as both unusual in nature and infrequent in occurrence, to be reported as separate line items from results of ordinary operations within company financial statements. Going forward the disclosure requirements will be for items and events which are unusual in nature and/or infrequent in occurrence. Companies have the option of disclosing as a separate component of income from continuing operations or disclosing unusual and or infrequent events in the notes to the financial statements. The guidance will be applied prospectively on January 1, 2016. The guidance is not expected to have a material effect on the company's consolidated financial statements.

In August 2014, accounting guidance was issued to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosure in certain circumstances. Under the new guidance, management is required to evaluate, at each annual and interim reporting period, whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date the financial statements are issued and to provide related disclosures. The guidance will be effective on January 1, 2017, and is not expected to have a material effect on the company's consolidated financial statements.

In May 2014, the FASB and International Accounting Standards Board jointly issued new revenue recognition guidance which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The new guidance contains a more robust framework for addressing revenue issues and is intended to remove inconsistencies in existing guidance and improve comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. The guidance will supersede the majority of current revenue recognition guidance, including industry-specific guidance. In July 2015, the FASB approved the deferral of the effective date of the new revenue recognition guidance by one year. The guidance will be effective for Ball on January 1, 2018, and early adoption is permitted. However, entities are not permitted to adopt the standard earlier than the original effective date of January 1, 2017. Entities have the option of using either a full retrospective or modified retrospective approach for the adoption of the standard. The company is currently assessing the impact that the adoption of this standard will have on its consolidated financial statements.

3. Business Segment Information

Ball's operations are organized and reviewed by management along its product lines and geographical areas and presented in the four reportable segments discussed below.

Metal beverage packaging, Americas and Asia: Consists of the metal beverage packaging, Americas, operations in the U.S., Canada and Brazil, and the metal beverage packaging, Asia, operations in the People's Republic of China (PRC). The Americas and Asia segments have been aggregated based on similar economic and qualitative characteristics. The operations in this reporting segment manufacture and sell metal beverage containers.

Metal beverage packaging, Europe: Consists of operations in several countries in Europe, which manufacture and sell metal beverage containers.

Metal food and household products packaging: Consists of operations in the U.S., Europe, Canada, Mexico, Argentina and India, which manufacture and sell steel food, aerosol, paint, general line and decorative specialty containers, as well as extruded aluminum beverage and aerosol containers and aluminum slugs.

Aerospace and technologies: Consists of the manufacture and sale of aerospace and other related products and the providing of services used in the defense, civil space and commercial space industries.

3. Business Segment Information *(continued)*

The accounting policies of the segments are the same as those in the consolidated financial statements and are discussed in Note 1. The company also has investments in companies in the U.S. and Vietnam, which are accounted for under the equity method of accounting and, accordingly, those results are not included in segment sales or earnings.

Major Customers

Net sales to major customers, as a percentage of consolidated net sales, were as follows:

	2015	2014	2013
Coca-Cola Bottlers' Sales & Services Company LLC	11%	11%	11%
MillerCoors LLC and SABMiller plc	10%	10%	9%
U.S. Government	10%	10%	10%

Summary of Net Sales by Geographic Area *(a)*

($ in millions)	U.S.	Foreign	Consolidated
2015	$ 4,738.0	$ 3,259.0	$ 7,997.0
2014	5,090.7	3,479.3	8,570.0
2013	5,103.9	3,364.2	8,468.1

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

($ in millions)	U.S.	Brazil	Other	Consolidated
2015	$ 1,291.3	$ 463.1	$ 1,312.7	$ 3,067.1
2014	1,219.4	458.6	1,125.4	2,803.4

(a) Includes intercompany eliminations.
(b) Long-lived assets exclude goodwill, intangible assets and noncurrent restricted cash.

3. Business Segment Information *(continued)*

Summary of Business by Segment

	Years Ended December 31,		
($ in millions)	2015	2014	2013
Net sales			
Metal beverage packaging, Americas & Asia	$ 4,245.3	$ 4,246.8	$ 4,193.4
Metal beverage packaging, Europe	1,652.7	1,896.3	1,828.3
Metal food & household products packaging	1,296.6	1,504.4	1,558.6
Aerospace & technologies	810.1	934.8	897.1
Corporate and intercompany eliminations	(7.7)	(12.3)	(9.3)
Net sales	$ 7,997.0	$ 8,570.0	$ 8,468.1
Net earnings			
Metal beverage packaging, Americas & Asia	$ 510.9	$ 534.8	$ 512.4
Business consolidation and other activities	(24.1)	(7.5)	(3.6)
Total metal beverage packaging, Americas & Asia	486.8	527.3	508.8
Metal beverage packaging, Europe	192.3	222.9	182.6
Business consolidation and other activities	(9.8)	(8.7)	(10.6)
Total metal beverage packaging, Europe	182.5	214.2	172.0
Metal food & household products packaging	107.7	154.2	177.4
Business consolidation and other activities	(0.5)	(41.9)	(63.7)
Total metal food & household products packaging	107.2	112.3	113.7
Aerospace & technologies	81.8	93.6	80.1
Business consolidation and other activities	0.7	(13.9)	(0.2)
Total aerospace & technologies	82.5	79.7	79.9
Segment earnings before interest and taxes	859.0	933.5	874.4
Undistributed corporate expenses and intercompany eliminations, net	(92.8)	(86.4)	(78.3)
Business consolidation and other activities	(161.0)	(8.5)	(0.7)
Total undistributed and corporate expenses and intercompany eliminations, net	(253.8)	(94.9)	(79.0)
Earnings before interest and taxes	605.2	838.6	795.4
Interest expense	(143.2)	(159.9)	(183.8)
Debt refinancing and other costs	(116.5)	(33.1)	(28.0)

Total interest expense	(259.7)	(193.0)	(211.8)
Tax (provision) benefit	(47.0)	(149.9)	(149.6)
Equity in results of affiliates, net of tax	4.4	2.3	0.6
Net earnings from continuing operations	302.9	498.0	434.6
Discontinued operations, net of tax	—	—	0.4
Net earnings	302.9	498.0	435.0
Less net earnings attributable to noncontrolling interests	(22.0)	(28.0)	(28.2)
Net earnings attibutable to Ball Corporation	**$ 280.9**	**$ 470.0**	**$ 406.8**

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3. Business Segment Information *(continued)*

($ in millions)	**Years Ended December 31, 2015**	**2014**	**2013**
Depreciation and Amortization			
Metal beverage packaging, Americas & Asia	$ 134.5	$ 128.7	$ 121.9
Metal beverage packaging, Europe	59.9	62.5	87.0
Metal food & household products packaging	58.7	57.1	59.4
Aerospace & technologies	26.8	26.2	24.1
Segment depreciation and amortization	279.9	274.5	292.4
Corporate	5.6	6.4	7.5
Depreciation and amortization	$ 285.5	$ 280.9	$ 299.9
Capital Expenditures			
Metal beverage packaging, Americas & Asia	$ 308.6	$ 160.1	$ 224.0
Metal beverage packaging, Europe	121.5	108.6	75.4
Metal food & household products packaging	60.8	81.6	43.0
Aerospace & technologies	28.1	30.1	29.4
Segment capital expenditures	519.0	380.4	371.8
Corporate	8.9	10.4	6.5
Capital expenditures	$ 527.9	$ 390.8	$ 378.3

($ in millions)	**December 31, 2015**	**2014**
Total Assets		
Metal beverage packaging, Americas & Asia	$ 3,598.1	$ 3,422.8
Metal beverage packaging, Europe	2,474.7	2,274.5
Metal food & household products packaging	1,527.8	1,508.1
Aerospace & technologies	402.6	411.6
Segment assets	8,003.2	7,617.0
Corporate assets, net of eliminations	1,773.8	(46.0)
Total assets	**$ 9,777.0**	**$ 7,571.0**
Investments in Affiliates		
Metal beverage packaging, Americas & Asia	$ 32.6	$ 31.3
Metal beverage packaging, Europe	0.3	0.5
Corporate	1.4	1.4
Total investments in affiliates	**$ 34.3**	**$ 33.2**

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Ball Corporation
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4. Acquisitions

Rexam PLC (Rexam)

On February 19, 2015, the company and Rexam PLC (Rexam) announced the terms of a recommended offer by the company to acquire all of the outstanding shares of Rexam in a cash and stock transaction. Under the terms of the offer, for each Rexam share, Rexam shareholders will receive 407 pence in cash and 0.04568 shares of the company. The transaction valued Rexam at 610 pence per share based on the company's 90-day volume weighted average stock price as of February 17, 2015, and an exchange rate of US $1.54: £1 on that date representing an equity value of £4.3 billion ($6.6 billion). The actual value of the transaction will be determined based on the exchange rate and the company's stock price at the time of the closing of the transaction. As described below, the company has entered into collar and option contracts to partially mitigate its currency exchange risk with regard to the cash component of the purchase price.

By way of compensation for any loss suffered by Rexam in connection with the preparation and negotiation of the offer, the co-operation agreement and any other document relating to the acquisition, Ball has undertaken in the co-operation agreement that, on the occurrence of a break payment event Ball will pay, or procure the payment to Rexam of an amount in cash in British pounds. As discussed below, Ball's shareholders approved the issuance of Ball common stock to shareholders of Rexam as partial consideration for the proposed acquisition. As a result, the amount of the break payment would be £302 million.

A special meeting of Ball's shareholders was held on July 28, 2015, to approve the issuance of Ball common stock to shareholders of Rexam as partial consideration for the proposed acquisition. Both Ball and Rexam's boards of directors unanimously support the transaction, and the consummation of the transaction remains subject to approval from Rexam's shareholders, certain regulatory approvals and other customary closing conditions. Subject to the satisfaction of all such conditions, Ball currently expects to complete the acquisition during the first half of 2016.

Ball currently expects to complete the Rexam acquisition during the first half of 2016, subject to final regulatory approval by the European Commission (EC), Brazil's Council for Economic Defence (CADE) and the Federal Trade Commission (FTC), the completion of the Rexam acquisition divestitures required by the regulators and other customary closing conditions; however, there can be no assurances that the Rexam acquisition or the Rexam acquisition divestitures will be completed by such time, or on the terms described herein, or at all. The European Commission (EC) and Brazil's Council for Economic Defence (CADE) have provided conditional clearance of the proposed acquisition, subject to their approval of the proposed buyer of the divested assets and other customary regulatory processes.

Ball owned interests in a joint venture company (Latapack-Ball) organized and operating in Brazil. During October and November 2015, Ball and its joint venture partners reached an agreement to exchange all of their interest in Latapack-Ball for a total of approximately 5.7 million treasury shares of Ball common stock and $17.4 million of cash. The acquisition of the noncontrolling interests in the joint venture was completed in December 2015, and Latapack-Ball is now a wholly owned subsidiary of Ball.

Long-Term Debt

In February 2015, the company entered into a £3.3 billion unsecured, committed bridge loan agreement, pursuant to which lending institutions have agreed, subject to limited conditions, to provide the financing necessary to pay the cash portion of the consideration payable to Rexam's shareholders upon consummation of the announced, proposed acquisition of Rexam along with related fees and expenses. In December 2015, the company issued senior notes totaling $1 billion, €400 million and €700 million due 2020, 2020, and 2023, respectively, with rates of 4.375 percent, 3.5 percent and 4.375 percent, respectively. Pursuant to the terms of the unsecured bridge loan agreement, the company deposited the net proceeds from the issuance of such notes into escrow accounts, recorded as restricted cash, (from which proceeds would be released, subject to certain conditions, to pay a portion of the cash consideration payable to Rexam shareholders and related fees and expenses), which reduced the commitments under the unsecured bridge loan agreement to £1.9 billion. If the Rexam acquisition is not consummated on or prior to November 15, 2016, we will be required to effect the redemption of all of the outstanding notes from the December 2015 senior note issuances at the redemption price applicable to each series. This would result in the use of restricted cash and other available funds to redeem these senior notes and pay any additional fees. However, the senior note offerings are not conditioned upon the Rexam acquisition. See Note 13 for further details related to these transactions.

4. Acquisitions *(continued)*

On February 19, 2015, the company entered into a $3 billion revolving credit facility to replace the existing approximate $1 billion bank credit facility, redeem the 2020 and 2021 senior notes and provide ongoing liquidity for the company. In June 2015, during a subsequent debt offering, the company issued $1 billion of 5.25 percent senior notes, thereby reducing the borrowing capacity under the revolving credit facility from $3 billion to $2.25 billion. See Note 13 for further details related to these transactions.

Currency Exchange Rate and Interest Rate Risks

During 2015, the company entered into collar and option contracts to partially mitigate its currency exchange rate risk associated with the British pound denominated cash portion of the purchase price from February 19, 2015, through the expected closing date of the announced, proposed acquisition of Rexam, with an aggregate notional amount of approximately £1.8 billion ($2.7 billion). In connection with the December 2015 issuance of $1 billion of U.S. dollar senior notes due 2020, the company executed cross-currency swaps to convert this fixed-rate U.S. dollar debt issuance to fixed-rate euro debt for the life of the notes to more effectively match the future cash flows of our business. The cross-currency swaps have a notional amount of $1.0 billion and expire within five years. These contracts were not designated as hedges, and therefore, changes in the fair value of these contracts are recorded in the consolidated statements of earnings in business consolidation and other activities.

Also in 2015, the company entered into interest rate swaps to hedge against rising U.S. and European interest rates to minimize its interest rate exposure associated with anticipated debt issuances in connection with the announced, proposed acquisition of Rexam. At December 31, 2015, the company had U.S. and European outstanding interest rate swaps with notional amounts totaling approximately $200 million and €1,750 million, respectively. In addition, the company entered into interest rate option contracts to hedge negative Euribor rates with an aggregate notional amount of €750 million. Subsequent to 2015, the company terminated interest rate swap contracts with an aggregate notional amount of $923 million (€850 million). These contracts were not designated as hedges; therefore, changes in the fair value of these interest swap and option contracts are recorded in the consolidated statements of earnings in debt refinancing and other costs, a component of total interest expense.

For further details related to the aforementioned currency exchange rate and interest rate risks, and the valuation of these derivatives, see Notes 5 and 19.

Sonoco Products Company (Sonoco)

In February 2015, the company acquired Sonoco's metal end and closure manufacturing facilities in Canton, Ohio, and entered into a long-term supply agreement with Sonoco in exchange for total cash of $29.1 million paid at closing, $10.5 million of contingent cash consideration and $24.4 million of contingent noncash consideration. The facilities manufacture multiple-sized closures for the metal food container market, including high quality steel and aluminum easy-open ends. The financial results of Sonoco have been included in our metal food and household products packaging segment from the date of acquisition. The acquisition is not material to the company.

5. Business Consolidation and Other Activities

Following is a summary of business consolidation and other activity (charges)/gains included in the consolidated statements of earnings:

($ in millions)	Years Ended December 31, 2015	2014	2013
Metal beverage packaging, Americas & Asia	$ (24.1)	$ (7.5)	$ (3.6)
Metal beverage packaging, Europe	(9.8)	(8.7)	(10.6)
Metal food & household products packaging	(0.5)	(41.9)	(63.7)

Aerospace & technologies	0.7	(13.9)	(0.2)
Corporate and other	(161.0)	(8.5)	(0.7)
	$ (194.7)	$ (80.5)	$ (78.8)

5. Business Consolidation and Other Activities *(continued)*

2015

Metal Beverage Packaging, Americas and Asia

During 2015, the company announced the closure of its Bristol, Virginia, metal beverage packaging end-making facility, which is expected to cease production in the second quarter of 2016. The closure will realign end-making capacities in North America to better position the company to meet customer demand. The company recorded charges of $18.8 million in 2015, which are comprised of $16.8 million in severance, pension and other employee benefits and other individually insignificant items totaling $2.0 million.

During 2015, the company recorded charges of $3.5 million related to business reorganization activities in the company's metal beverage packaging, Asia, operations and for ongoing costs related to previously closed facilities.

During the year ended December 31, 2015, the company also recognized charges of $1.8 million for individually insignificant items.

Metal Beverage Packaging, Europe

During 2015, the company recorded a charge of $4.7 million for the write down of property held for sale to fair value less cost to sell.

During 2015, the company also recognized charges of $5.1 million for individually insignificant items.

Metal Food and Household Products Packaging

During 2015, the company recognized charges of $0.5 million for individually insignificant items.

Corporate

During the year ended December 31, 2015, the company recorded charges of $97.9 million for professional services and other costs associated with the proposed acquisition of Rexam announced in February 2015. Also during the year ended December 31, 2015, the company recognized losses of $41.0 million associated with the change in fair value of its collar and option contracts entered into to reduce its exposure to currency exchange rate changes in connection with the British pound denominated cash portion of the announced, proposed acquisition of Rexam, further discussed in Note 19.

During 2015, the company recorded charges of $14.2 million for net foreign currency gains and losses from the revaluation of foreign currency denominated restricted cash held to pay a portion of the cash component of the proposed Rexam acquisition purchase price and the revaluation of the euro-denominated debt issuance in December 2015. The company also recognized $7.4 million for cross-currency swaps in connection with the December 2015 issuance of the $1 billion senior notes due 2020 to more effectively match the future cash flows of our business. See Note 19 for additional information.

The company recorded charges in 2015 of $0.5 million for individually insignificant activities.

Aerospace & Technologies

During 2015, the company recognized a net of $0.7 million gain for individually insignificant items.

5. Business Consolidation and Other Activities *(continued)*

2014

Metal Beverage Packaging, Americas and Asia

During September 2014, the company executed a lump sum buyout offer to certain terminated vested pension plan participants in its U.S. defined benefit pension plans. The offer provided participants with a one-time election to receive a lump-sum payout in full settlement of their remaining pension benefits (see Note 15 for details). In connection with this offer, a non-cash charge of $13.9 million was recorded in the segment for the settlement of its pension benefit obligations in 2014.

During 2014, a fire occurred at a metal beverage packaging, Americas, facility. As a result, the company recorded a gain of $3.5 million to reflect the difference between the net book value of the impaired assets and the net insurance proceeds.

In 2014, the company received and recorded compensation of $5.0 million for the reimbursement of severance costs incurred in connection with the company's closure and relocation of the Shenzhen, PRC, manufacturing facility in 2013.

Additionally, the company sold its plastic motor oil container and pail manufacturing business in the PRC and recorded a net loss of $0.4 million in connection with the sale.

Also included in 2014 were net charges of $1.7 million related to business reorganization activities in the company's metal beverage packaging, Asia, operations, and for ongoing costs related to previously closed facilities and other insignificant activities.

Metal Beverage Packaging, Europe, and Corporate

In 2014, the company recorded a non-cash charge of $7.2 million for the aforementioned settlement of its pension benefit obligations.

The company recorded charges of $4.1 million, primarily for headcount reductions, cost-out initiatives and the relocation of the company's European headquarters from Germany to Switzerland.

During the fourth quarter, the company recorded charges of $1.1 million related to business reorganization activities in the company's metal beverage packaging, Europe, operations. Also included in 2014 were charges of $4.8 million related to the write-off of previously capitalized costs associated with the company's Lublin, Poland, facility, and for other insignificant activities.

Metal Food and Household Products Packaging

In the fourth quarter, the company recorded a provision against the balance of a long-term receivable of $16.5 million as a result of the financial difficulties of a metal food and household products packaging segment customer. This provision represented the company's estimate of the most likely potential loss of value it expected to incur as a result of the financial condition of this customer.

During 2014, the company recorded a non-cash charge of $10.3 million for the aforementioned settlement of its pension benefit obligations.

In 2014, the company recorded charges of $6.2 million related to a reduction in force to eliminate certain food can production in the Oakdale, California, facility, as well as charges related to voluntary separation programs. The year also included charges of $3.9 million for costs in connection with the announced closure of its Danville, Illinois, steel aerosol packaging facility. Additionally, charges of $5.0 million were recorded for previously closed facilities and other insignificant activities.

Aerospace and Technologies

During 2014, the company recorded a non-cash charge of $13.9 million for the aforementioned settlement of its pension benefit obligations.

5. Business Consolidation and Other Activities *(continued)*

2013

Metal Beverage Packaging, Americas and Asia

During July 2013, the company signed a compensation agreement for approximately $72 million pretax with the PRC government to close the Shenzhen manufacturing facility and relocate the production capacity. Proceeds from the compensation agreement offset costs related to the closure and relocation of the Shenzhen facility and were composed of compensation for the disposal of the land and building, the disposal and transfer of machinery and equipment, business interruption losses and severance. Compensation received in excess of expenses or losses incurred by the company were reflected in business consolidation and other activities. During 2013, the company received and recorded the following: (1) $34.0 million of compensation for land and buildings, resulting in income of $26.2 million for the excess compensation over net book value; (2) $26.8 million of compensation for machinery and equipment, including removal costs, of which $3.8 million was used to offset 2013 costs and $23.0 million was deferred in the balance sheet to offset capital expenditures for the relocation of capacity; (3) $6.2 million of compensation for business interruption, of which $4.1 million was recognized in cost of sales in 2013; (4) $7.2 million of expense for severance costs, the majority of which was compensated in the first quarter of 2014 and (5) $1.6 million for other costs that were not compensated under the agreement.

In 2013, Ball eliminated 12-ounce beverage can production from the company's Milwaukee, Wisconsin, facility.
In connection with the line shut down, the company recorded charges of $9.7 million, composed of $4.6 million for accelerated depreciation, $2.1 million for severance and other employee benefits and $3.0 million for other costs.
In addition, the company recorded net charges of $11.3 million, primarily for ongoing costs related to the previously announced closures of Ball's Columbus, Ohio, and Gainesville, Florida, facilities and voluntary separation programs, as well as other insignificant costs.

Metal Beverage Packaging, Europe, and Corporate

The company recorded charges of $11.3 million, primarily for headcount reductions, cost-out initiatives and the relocation of the company's European headquarters from Germany to Switzerland.

Metal Food and Household Products Packaging

During the fourth quarter, the company announced plans to close its Danville, Illinois, steel aerosol packaging facility in the second half of 2014, and recorded charges of $4.9 million in connection with this planned closure. The Danville facility produced steel aerosol cans and ends for household products customers, which are now supplied by other North American metal food and household products packaging facilities.

The company recorded an accounts receivable provision of $27.0 million as a result of the October 28, 2013, bankruptcy filing of a metal food and household products packaging segment customer. This provision represented the company's estimate of the most likely potential loss of value it expected to incur on the approximately $46.5 million accounts receivable balance as a result of the customer's bankruptcy. In October 2013, the company entered into an agreement with the customer's second lien lenders to provide, among other things, that if such lenders were the successful bidder for the customer's assets out of bankruptcy, the company would supply the lenders' can and end requirements under a new long-term contract. On February 6, 2014, the lenders were selected as the successful bidder for the customer's assets and such selection was approved by the U.S. Bankruptcy Court on February 12, 2014. The lenders acquired the customer's assets on February 28, 2014, and as a result, the company fully wrote off the accounts receivable reserved for at December 31, 2013. The company also recorded various short-term and long-term receivables in conjunction with the lender's acquisition.

The company closed its Elgin, Illinois, metal food and household products packaging facility in December 2013 and recorded total charges of $29.0 million during the year composed of $16.0 million for severance, pension and other employee benefits; $4.2 million for the write down of the land and building to net realizable value; and $8.8 million for the accelerated depreciation on assets to be abandoned and other closure costs. The Elgin facility produced steel aerosol and specialty cans, as well as flat steel sheet used by other Ball facilities, which are now supplied by other North American metal food and household products packaging facilities.

5. Business Consolidation and Other Activities *(continued)*

During 2013 the company also recorded: (1) a charge of $5.9 million to migrate certain hourly employees from a multi-employer defined benefit pension plan as of January 1, 2014, to a Ball-sponsored defined benefit pension plan; (2) income of $3.5 million to accrue for the reimbursement of funds paid in 2012 for the settlement of certain Canadian defined benefit pension liabilities related to previously closed facilities and (3) charges of $0.4 million for other insignificant costs.

6. Receivables

($ in millions)	December 31, 2015	December 31, 2014
Trade accounts receivable	$ 759.3	$ 800.0
Less allowances for doubtful accounts	(5.4)	(7.0)
Net trade accounts receivable	753.9	793.0
Other receivables	131.5	164.1
	$ 885.4	$ 957.1

Net accounts receivable under long-term contracts, due primarily from agencies of the U.S. government and their prime contractors, were $196.2 million and $205.8 million for the years ended December 31, 2015 and 2014, respectively, and included $144.7 million and $133.3 million at each period end, respectively, representing the recognized sales value of performance that was not yet billable to customers. The average length of the long-term contracts is approximately 2.5 years, and the average length remaining on those contracts at December 31, 2015, was 11 months. At December 31, 2015, $195.1 million of net accounts receivables is expected to be collected within the next year and is related to customary fees and cost withholdings that will be paid upon milestone or contract completions, as well as final overhead rate settlements.

Other receivables include income and sales tax receivables, certain vendor rebate receivables and other miscellaneous receivables.

The company has entered into several regional uncommitted and committed accounts receivable factoring programs with various financial institutions for certain receivables of the company. The programs are accounted for as true sales of the receivables, without recourse to Ball, and had combined limits of approximately $600 million at December 31, 2015. A total of $478.7 million and $197.6 million were sold under these programs as of December 31, 2015 and 2014, respectively.

7. Inventories

($ in millions)	December 31, 2015	December 31, 2014
Raw materials and supplies	$ 437.8	$ 479.2
Work-in-process and finished goods	504.2	579.2
Less inventory reserves	(43.6)	(41.7)
	$ 898.4	$ 1,016.7

8. Property, Plant and Equipment

($ in millions)	December 31, 2015	December 31, 2014
Land	$ 69.5	$ 64.6
Buildings	1,023.0	973.4
Machinery and equipment	3,904.2	3,612.5
Construction-in-progress	408.2	382.7
	5,404.9	5,033.2
Accumulated depreciation	(2,719.0)	(2,602.5)
	$ 2,685.9	$ 2,430.7

Property, plant and equipment are stated at historical or acquired cost. Depreciation expense amounted to $247.3 million, $239.5 million, and $261.3 million for the years ended December 31, 2015, 2014 and 2013, respectively.

9. Goodwill

($ in millions)	Metal Beverage	Metal Beverage	Metal Food & Household	Aerospace & Technologies	Total

	Packaging, Americas & Asia	Packaging, Europe	Products Packaging		
Balance at December 31, 2013	$ 740.7	$ 1,037.2	$ 613.2	$ 8.6	$ 2,399.7
Business disposition	(1.2)	—	—	—	(1.2)
Effects of currency exchange rates	—	(123.3)	(20.7)	—	(144.0)
Balance at December 31, 2014	739.5	913.9	592.5	8.6	2,254.5
Business acquisition	—	—	35.5	—	35.5
Effects of currency exchange rates	—	(97.3)	(16.2)	—	(113.5)
Balance at December 31, 2015	$ 739.5	$ 816.6	$ 611.8	$ 8.6	$ 2,176.5

The company's annual goodwill impairment test completed in the fourth quarter of 2015 indicated the fair value of the metal beverage packaging, Asia (Beverage Asia) reporting unit exceeded its carrying amount by approximately 25 percent. The current supply of metal beverage packaging exceeds demand in China, resulting in pricing pressure and negative impacts on the profitability of our Beverage Asia reporting unit. If it becomes an expectation that this oversupply situation will continue for an extended period of time, the company may be required to record a noncash impairment charge for some or all of the goodwill associated with the Beverage Asia reporting unit, the total balance of which was $78.3 million at December 31, 2015.

10. Restricted Cash

In December 2015, the company issued €400 million of 3.5 percent senior notes due in December 2020 and €700 million of 4.375 percent senior notes due in December 2023. Subsequent to the issuance, the company converted the net euro proceeds to British pounds. The company elected to restrict the funds in an acquisition escrow account, which enabled the reduction of its unsecured, committed bridge loan agreement capacity from £3.3 billion to £1.9 billion. The company issued additional senior notes due in December 2020 for $1 billion. At December 31, 2015, £792 million ($1,167 million) was held in a British pound denominated escrow account and $987.5 million was held in a U.S. dollar escrow account. The funds in the escrow accounts will be used to pay a portion of the cash component of the announced, proposed acquisition price of Rexam and was therefore recorded as noncurrent restricted cash. There was no noncurrent restricted cash balance at December 31, 2014. Subsequent to December 31, 2015, the company converted the U.S. dollars into British pounds.

11. Intangibles and Other Assets

($ in millions)	December 31, 2015	2014
Investments in affiliates	$ 34.3	$ 33.2
Intangible assets (net of accumulated amortization of $132.9 million and $115.2 million at December 31, 2015 and 2014, respectively)	118.4	137.1
Capitalized software (net of accumulated amortization of $115.6 million and $103.8 million at December 31, 2015 and 2014, respectively)	76.6	62.6
Company and trust-owned life insurance	137.0	168.1
Deferred financing costs	79.7	36.3
Long-term deferred tax assets	59.6	66.5
Other	70.6	68.5
	$ 576.2	$ 572.3

Total amortization expense of intangible assets amounted to $38.2 million, $41.4 million, and $38.6 million for the years ended December 31, 2015, 2014 and 2013, respectively. Based on intangible asset values and currency exchange rates as of December 31, 2015, total annual intangible asset amortization expense is expected to be $40.0 million, $36.3 million, $32.0 million, $24.6 million and $21.3 million for the years 2016 through 2020, respectively, and $40.1 million combined for all years thereafter.

In the fourth quarter 2014, the company recorded a provision against the balance of a long-term receivable of $16.5 million as a result of the financial difficulties of a metal food and household products packaging segment customer (see Note 5).

12. Leases

The company leases office, warehousing and manufacturing space and certain equipment in the packaging segments and office and technical space in the aerospace and technologies segment. Certain of the company's leases in effect at December 31, 2015, include renewal options and/or escalation clauses for adjusting lease expense based on various factors. Under the company's lease arrangements, Ball has the option to purchase the leased equipment at the end of the lease term, or if the company elects not to do so, to compensate the lessors for the difference between the fair market value of the equipment and the guaranteed minimum residual value. The company's maximum risk under these lease agreements was approximately $19.5 million as of December 31, 2015.

Total noncancellable operating leases in effect at December 31, 2015, require rental payments of $33.1 million, $26.5 million, $21.1 million, $16.2 million and $10.1 million for the years 2016 through 2020, respectively, and $44.7 million combined for all years thereafter. Lease expense for all operating leases was $65.6 million, $81.2 million, and $73.2 million in 2015, 2014 and 2013, respectively.

13. Debt and Interest Costs

Long-term debt and interest rates in effect consisted of the following:

($ in millions)	December 31, 2015	2014
Notes Payable		
6.75% Senior Notes, due September 2020	$ —	$ 500.0
5.75% Senior Notes, due May 2021	—	500.0
5.25% Senior Notes, due July 2025	1,000.0	—
5.00% Senior Notes, due March 2022	750.0	750.0
4.375% Senior Notes, due December 2020	1,000.0	—
4.375% Senior Notes, euro denominated, due December 2023	760.3	—
4.00% Senior Notes, due November 2023	1,000.0	1,000.0
3.50% Senior Notes, euro denominated, due December 2020	434.5	—
Multi-currency revolver, due February 2018	—	—
Bridge Facility	—	—
Senior Credit Facilities, due June 2018 (at variable rates)		
Term C Loan, euro denominated (2014 - 1.65%)	—	92.9
Latapack-Ball Notes Payable, denominated in various currencies		
(2015 - 4.35%; 2014 - 4.14%)	167.5	204.2
Other (including discounts and premiums)	(4.5)	1.7
	5,107.8	3,048.8
Less: Current portion of long-term debt	(53.6)	(55.0)
	$ 5,054.2	$ 2,993.8

At December 31, 2015, taking into account outstanding letters of credit and excluding availability under the accounts receivable securitization program, approximately $2.2 billion was available under the company's long-term, multi-currency committed revolving credit facilities, which are available until February 2018. In addition to these facilities, the company had approximately $452 million of short-term uncommitted credit facilities available at December 31, 2015, of which $23.7 million was outstanding and due on demand. At December 31, 2014, the company had $10.1 million outstanding under short-term uncommitted credit facilities. The weighted average interest rate of the outstanding short-term facilities was 0.9 percent at December 31, 2015, and 1.5 percent at December 31, 2014.

Short-term debt and current portion of long-term debt on the balance sheet includes the company's borrowings under its existing accounts receivable securitization agreement, with no amounts outstanding at December 31, 2015, and $110 million outstanding at December 31, 2014. This agreement, which has been amended and extended from time to time, is scheduled to mature in June 2017 and allows the company to borrow against a maximum amount of accounts receivable that varies between $90 million and $140 million depending on the seasonal accounts receivable balance in the company's North American packaging businesses.

13. Debt and Interest Costs *(continued)*

Following is a summary of debt refinancing and other costs included in the consolidated statements of earnings:

($ in millions)	Years Ended December 31, 2015	2014	2013
Debt Refinancing and Other Costs:			
Redemption of 6.75% and 5.75% senior notes, due September 2020 and May 2021, respectively	$ (55.8)	$ —	$ —
Unsecured, committed bridge facility	(22.8)	—	—
Economic hedge - interest rate risk	(15.9)	—	—
Partial extinguishment of committed bridge facility	(10.7)	—	—
Partial extinguishment of revolving credit facility	(5.0)	—	—
Interest expense on 3.5% and 4.375% senior notes	(4.6)	—	—
Refinance of senior credit facilities	(1.7)	—	—
Redemption of 7.375% senior notes, due September 2019	—	(33.1)	—
Early repayment of Term A loan	—	—	(26.5)
Other individually insignificant	—	—	(1.5)
	$ (116.5)	**$ (33.1)**	**$ (28.0)**

In February 2015, Ball entered into a new $3 billion revolving credit facility to replace the existing approximate $1 billion revolving credit facility, repay its $92.9 million Term C loan, repay the outstanding balance on the existing revolving credit facility, redeem the 2020 and 2021 senior notes and repay the existing private placement debt of Rexam upon closing of the announced, proposed acquisition of Rexam. The new revolving credit facility expires in February 2018 and accrues interest at LIBOR plus an applicable margin based on the net leverage ratio of the company, which varies from 1.25 percent to 1.75 percent. In June 2015, Ball issued $1 billion of 5.25 percent senior notes due in July 2025. Ball used the net proceeds of the offering and other available cash to repay borrowings under its revolving credit facility and reduced the borrowing capacity under the revolving credit facility from $3 billion to $2.25 billion. In connection with this partial extinguishment, the company recorded a charge of $5.0 million, which is included in debt refinancing and other costs, a component of total interest expense, in the consolidated statements of earnings.

Also in February 2015, the company entered into a £3.3 billion unsecured bridge loan agreement, pursuant to which lending institutions have agreed, subject to limited conditions, to provide financing necessary to pay the cash portion of the consideration payable to Rexam shareholders upon consummation of the proposed acquisition of Rexam and related fees and expenses. The unsecured bridge loan agreement will bear interest that can vary depending on the amount borrowed and the duration that the facility is outstanding. These charges of $22.8 million are included in debt refinancing and other costs, a component of total interest expense, in the consolidated statements of earnings. The interest for the unsecured bridge loan agreement can vary, not to exceed 7.0 percent per annum. The availability under the unsecured bridge loan agreement was reduced to £1.9 billion, which resulted in the write-off of $10.7 million of unamortized deferred financing costs, which is included in debt refinancing and other costs.

In March 2015, Ball redeemed its outstanding 6.75 percent senior notes and 5.75 percent senior notes due in September 2020 and May 2021, respectively, at a price per note of 103.375 percent and 106.096 percent, respectively, of the outstanding principal amounts plus accrued interest. The redemption resulted in a pre-tax charge in interest expense of $55.8 million, composed of the redemption premiums and the write-offs of related debt financing costs.

In December 2015, the company issued $1 billion of 4.375 percent senior notes, €400 million of 3.5 percent senior notes, all due in December 2020, and €700 million of 4.375 percent senior notes, due in December 2023. The company intends to use the proceeds to pay a portion of the cash consideration payable in the proposed Rexam acquisition. Until the Rexam acquisition is consummated, the interest on these senior notes is recorded in debt refinancing and other costs, which totalled $4.6 million. In the event the Rexam acquisition is not consummated on or prior to November 15, 2016, these senior notes will be callable by the lender, requiring the company to effect the redemption of all of the outstanding notes of each series at the applicable redemption price of face value plus accrued and unpaid interest. This would result in use of restricted cash to redeem these senior notes and pay any additional fees.

13. Debt and Interest Costs *(continued)*

In December 2013, Ball announced the redemption of its outstanding 7.375 percent senior notes due in September 2019 in the amount of $315.4 million. The redemption occurred on January 10, 2014, at a price per note of 108.01 percent of the outstanding principal amount plus accrued interest. The redemption of the bonds resulted in a pretax charge in the first quarter of 2014 of $33.1 million for the call premium and the write off of unamortized financing costs and premiums. These charges are included in debt refinancing and other costs, a component of interest expense, in the consolidated statement of earnings.

In June 2013, we amended the senior credit facilities and extended the term from December 2015 to June 2018. In connection with the amendment, we recorded a charge of $0.4 million for the write-off of unamortized financing costs, which is included in debt refinancing and other costs, a component of total interest expense, in the consolidated statements of earnings.

In May 2013, Ball: (1) issued $1 billion of 4.00 percent senior notes due in November 2023; (2) tendered for the redemption of its 7.125 percent senior notes originally due in September 2016 in the amount of $375 million, at a redemption price per note of 105.322 percent of the outstanding principal amount plus accrued interest; and (3) repaid the $125 million Term A loan, which was a component of the senior credit facilities. The redemption of the senior notes, all of which occurred in the second quarter of 2013, and the early repayment of the Term A loan resulted in charges of $26.5 million for the tender and call premiums, as well as the write-off of unamortized financing costs and issuance discounts. These charges are included in debt refinancing and other costs, a component of interest expense, in the consolidated statement of earnings.

The fair value of the long-term debt was estimated to be $5.2 billion at December 31, 2015, which approximated the carrying value of $5.1 billion. The fair value was estimated to be $3.1 billion at December 31, 2014, which approximated the carrying value of $3.0 billion. The fair value reflects the market rates at each period end for debt with credit ratings similar to the company's ratings and is classified as Level 2 within the fair value hierarchy. 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.

Long-term debt obligations outstanding at December 31, 2015, have maturities (net of discounts of $8.5 million related to 2018) of $53.6 million, $47.6 million, $23.5 million, $11.3 million and $1,446.5 million in the years ending December 31, 2016 through 2020, respectively, and $3,525.3 million thereafter.

Ball provides letters of credit in the ordinary course of business to secure liabilities recorded in connection with certain self-insurance arrangements. Letters of credit outstanding at December 31, 2015 and 2014, were $15.8 million and $16.3 million, respectively.

Interest payments (net of capitalized interest) were $130.0 million, $168.6 million and $187.5 million in 2015, 2014 and 2013, respectively.

The senior notes and senior credit facilities are guaranteed on a full, unconditional and joint and several basis by certain of the company's wholly owned domestic subsidiaries. Certain foreign denominated tranches of the senior credit facilities are similarly guaranteed by certain of the company's wholly owned foreign subsidiaries. Note 23 contains further details, as well as required condensed consolidating financial information for the company, segregating the guarantor subsidiaries and non-guarantor subsidiaries as defined in the senior notes agreements.

The U.S. note agreements, bank credit agreement and accounts receivable securitization agreement contain certain restrictions relating to dividend payments, share repurchases, investments, financial ratios, guarantees and the incurrence of additional indebtedness. The most restrictive of the company's debt covenants require the company to maintain a leverage ratio (as defined) of no greater than 4.00.

The company was in compliance with all loan agreements and debt covenants at December 31, 2015 and 2014, and has met all debt payment obligations.

14. Taxes on Income

The amount of earnings before income taxes is:

	Years Ended December 31,		
($ in millions)	2015	2014	2013
U.S.	$ 46.4	$ 279.7	$ 242.9
Foreign	299.1	365.9	340.7
	$ 345.5	$ 645.6	$ 583.6

The provision for income tax expense is:

($ in millions)	Years Ended December 31, 2015	2014	2013
Current			
U.S.	$ 26.1	$ 50.8	$ 47.2
State and local	7.0	17.7	3.6
Foreign	75.7	69.5	100.4
Total current	108.8	138.0	151.2
Deferred			
U.S.	(37.9)	8.9	28.5
State and local	(4.1)	(1.1)	(0.7)
Foreign	(19.8)	4.1	(29.4)
Total deferred *(a)*	(61.8)	11.9	(1.6)
Tax provision	$ 47.0	$ 149.9	$ 149.6

(a) *Amounts do not include tax benefits related to discontinued operations of $(0.2) million in 2013.*

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

($ in millions)	Years Ended December 31, 2015	2014	2013
Statutory U.S. federal income tax	$ 120.9	$ 226.0	$ 204.3
Increase (decrease) due to:			
Foreign tax rate differences	(50.7)	(57.3)	(45.5)
U.S. state and local taxes, net	1.8	6.9	1.6
U.S. taxes on foreign earnings, net of tax credits	1.7	11.8	26.4
U.S. manufacturing deduction	(3.8)	(6.8)	(4.3)
U.S. research and development tax credits	(14.8)	(8.5)	(17.9)
Uncertain tax positions, including interest	(3.6)	(7.9)	(3.4)
Company and trust-owned life insurance	(2.2)	(4.9)	(6.3)
Other, net	(2.3)	(9.4)	(5.3)
Provision for taxes	$ 47.0	$ 149.9	$ 149.6
Effective tax rate expressed as a percentage of pretax earnings	13.6%	23.2%	25.6%

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14. Taxes on Income *(continued)*

The 2015 full year effective income tax rate was 13.6 percent compared to 2014 of 23.2 percent. The lower tax rate in 2015 compared to 2014 was primarily due to business consolidation and other activities incurred in the U.S., lower U.S. taxes on foreign earnings, and increased research and development tax credits, partially offset by decreased favorable nonrecurring discrete tax items in the 2015 effective tax rate.

The 2014 full year effective income tax rate was 23.2 percent compared to 2013 of 25.6 percent. The lower tax rate in 2014 was primarily the result of a higher foreign tax rate differential, lower U.S. taxes on foreign earnings and the 2014 releases of uncertain tax positions which exceeded those occurring in 2013, partially offset by lower 2014 U.S. research and development tax credits.

Ball's Serbian subsidiary was granted an income tax holiday that applies to only a portion of earnings and expired at the end of 2015. In addition, the Serbian subsidiary was granted tax relief equal to 80 percent of additional local investment with a ten-year period that will expire in 2022. The tax relief may be used to offset tax on earnings not covered by the initial tax holiday and has $18.8 million remaining as of December 31, 2015. In 2011 and 2012, Ball's Brazilian subsidiary was granted two tax holidays expiring in 2021 and 2022. Under the terms of the holidays, a certain portion of Brazil earnings receive up to a 19 percent tax exemption. The exemption reduced income tax by $16.1 million, $16.4 million and $14.7 million in 2015, 2014, and 2013, respectively. One of Ball's Polish subsidiaries was granted a tax holiday in 2014 based on new capital investment. The holiday provides up to $33.9 million of tax relief over a ten year period.

Due to the U.S. tax status of certain Ball subsidiaries in Canada and the PRC, the company annually provides U.S. taxes on foreign earnings in those subsidiaries, net of any estimated foreign tax credits. Current taxes are also provided on certain other undistributed earnings that are currently taxable in the U.S. Net U.S. taxes primarily provided for Brazil, Canada and PRC earnings in 2015, 2014, and 2013 were $1.7 million, $11.8 million and $26.4 million, respectively. Management's intention is to indefinitely reinvest undistributed earnings of Ball's remaining foreign subsidiaries. The indefinite reinvestment assertion is supported by both long-term and short-term forecasts and U.S. financial requirements, including, but not limited to, operating cash flows, capital expenditures, debt maturities and dividends. As a result, the company has not provided deferred taxes on earnings in certain non-U.S. subsidiaries because such earnings are intended to be indefinitely reinvested in its international operations. Retained earnings in non-U.S. subsidiaries totaled $2,021.7 million as of December 31, 2015. It is not practical to estimate the additional taxes that may become payable upon the eventual remittance of these foreign earnings to the U.S.; however, repatriation of these earnings could result in a material increase to the company's effective tax rate.

Net income tax payments were $58.4 million, $163.2 million and $111.4 million in 2015, 2014 and 2013, respectively.

Ball Corporation
Notes to the Consolidated Financial Statements

14. Taxes on Income *(continued)*

The significant components of deferred tax assets and liabilities were:

($ in millions)	December 31, 2015	2014
Deferred tax assets:		
Deferred compensation	$ 109.6	$ 105.7
Accrued employee benefits	113.0	128.1
Plant closure costs	3.1	3.4
Accrued pensions	177.3	175.5
Inventory and other reserves	21.2	19.4
Net operating losses, foreign tax credits and other tax attributes	105.0	108.8
Unrealized losses on currency exchange and derivative transactions	57.1	24.4
Transaction costs	33.9	—
Other	32.4	26.2
Total deferred tax assets	652.6	591.5
Valuation allowance	(90.3)	(92.4)
Net deferred tax assets	562.3	499.1
Deferred tax liabilities:		
Property, plant and equipment	(267.2)	(242.4)
Goodwill and other intangible assets	(155.2)	(141.1)
Other	(17.3)	(30.2)
Total deferred tax liabilities	(439.7)	(413.7)
Net deferred tax asset (liability)	$ 122.6	$ 85.4

The net deferred tax asset (liability) was included in the consolidated balance sheets as follows:

($ in millions)	December 31, 2015	2014
Deferred taxes and other current assets	$ 96.3	$ 54.9
Intangibles and other assets, net	59.6	66.5
Other current liabilities	(3.1)	(3.6)
Deferred taxes and other liabilities	(30.2)	(32.4)
Net deferred tax asset	$ 122.6	$ 85.4

At December 31, 2015, Ball's European subsidiaries had net operating loss carryforwards, primarily with no expiration date, of $34.6 million with a related tax benefit of $9.7 million. Ball's Canadian subsidiaries had net operating loss carryforwards, expiring between 2027 and 2034, of $96.0 million with a related tax benefit of $25.4 million. One of Ball's Mexican subsidiaries had net operating loss carryforwards of $23.1 million with a related tax benefit of $6.9 million expiring between 2021 and 2025. Due to the uncertainty of ultimate realization, the European and Canadian benefits have been fully offset by valuation allowances while the Mexican net operating losses are expected to be fully utilized. A few of Ball's U.S. subsidiaries had state net operating loss carryforwards with a tax benefit of $13.9 million that expire between 2016 and 2034. At December 31, 2015, the company had foreign tax credit carryforwards of $47.1 million expiring between 2018 and 2024; however, due to the uncertainty of realization, the benefits of state net operating losses and foreign tax credit carryforwards have been fully offset by valuation allowances.

14. Taxes on Income *(continued)*

A rollforward of the unrecognized tax benefits related to uncertain income tax positions at December 31 follows:

($ in millions)	2015	2014	2013
Balance at January 1	$ 65.5	$ 78.3	$ 76.6
Additions based on tax positions related to the current year	1.0	1.4	1.7
Additions for tax positions of prior years	2.2	7.7	5.5
Reductions for settlements	(8.4)	—	(7.2)
Reductions due to lapse of statute of limitations	(5.7)	(16.5)	(0.2)
Effect of foreign currency exchange rates	(4.1)	(5.4)	1.9
Balance at December 31	$ 50.5	$ 65.5	$ 78.3

The annual provisions for income taxes included tax benefits related to uncertain tax positions, including interest, of $3.6 million, $7.9 million and $3.4 million in 2015, 2014 and 2013, respectively.

At December 31, 2015, the amount of unrecognized tax benefits that, if recognized, would reduce tax expense was $57.2 million. Within the next 12 months, it is reasonably possible that unrecognized tax benefits may decrease by as much as $0.1 million as a result of settlements with various taxing jurisdictions. The company and its subsidiaries file various income tax returns in the U.S. federal, various state, local and foreign jurisdictions. The U.S. federal statute of limitations is closed for years prior to 2012. With a few exceptions, the company is no longer subject to examination by state and local tax authorities for years prior to 2008. The company's significant non-U.S. filings are in Germany, France, the United Kingdom, the Netherlands, Poland, Serbia, Switzerland, the PRC, Canada, Brazil, the Czech Republic, Mexico and Argentina. At December 31, 2015, the company is either under examination or has been notified of a pending examination by tax authorities in Germany, the United Kingdom, Hong Kong, Canada and various U.S. states.

The company recognizes the accrual of interest and penalties related to unrecognized tax benefits in income tax expense. Ball recognized $1.6 million of tax benefit, $1.3 million of tax expense and $2.7 million of tax expense in 2015, 2014 and 2013, respectively, for potential interest on these items. At December 31, 2015 and 2014, the accrual for uncertain tax positions included potential interest expense of $9.2 million and $11.2 million, respectively. No penalties have been accrued.

15. Employee Benefit Obligations

($ in millions)	December 31, 2015	December 31, 2014
Underfunded defined benefit pension liabilities	$ 705.1	$ 724.1
Less current portion and prepaid pension assets	(16.6)	(19.4)
Long-term defined benefit pension liabilities	688.5	704.7
Retiree medical and other postemployment benefits	147.8	169.0
Deferred compensation plans	280.8	272.2
Other	30.1	32.4
	$ 1,147.2	$ 1,178.3

The company's pension plans cover U.S., Canadian and European employees meeting certain eligibility requirements. The defined benefit plans for salaried employees, as well as those for hourly employees in Germany and the United Kingdom, provide pension benefits based on employee compensation and years of service. Plans for North American hourly employees provide benefits based on fixed rates for each year of service. While the German plans are not funded, the company maintains book reserves, and annual additions to the reserves are generally tax deductible. With the exception of the German plans, our policy is to fund the defined benefit plans in amounts at least sufficient to satisfy statutory funding requirements taking into consideration what is currently deductible under existing tax laws and regulations.

15. Employee Benefit Obligations *(continued)*

The company also participates in multi-employer defined benefit plans for which Ball is not the sponsor. The aggregated annual 2015 expense for these plans of $1.3 million, which approximated the total annual funding, is included in the summary of net periodic benefit cost. The risks of participating in multi-employer pension plans are different from single-employer plans. Assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. In the event that Ball withdraws from participation in one of these plans, then applicable law could require the company to make additional lump-sum contributions to the plan. The company's withdrawal liability for any multi-employer defined benefit pension plan would depend on the extent of the plan's funding of vested benefits. Additionally, if a multi-employer defined benefit pension plan fails to satisfy certain minimum funding requirements, the IRS may impose a nondeductible excise tax of 5 percent on the amount of the accumulated funding deficiency for those employers contributing to the plan.

In 2014, the company updated the mortality tables used to calculate its U.S. defined benefit pension and other postretirement benefit liabilities. In October 2014, the Society of Actuaries' Retirement Plans Experience Committee (RPEC) released new mortality tables known as RP 2014. The new tables released by the RPEC reflected substantial life expectancy improvements. The company evaluated the new mortality tables and chose to value its U.S. defined benefit pension and other postretirement benefit liabilities using an alternative assumption of future mortality based on past history that is more representative of the company's expectations around future improvements in mortality rates for the plan participants. The company's assumptions reflect anticipated future improvements in mortality rates. This alternative assumption was determined to be credible by the company's actuaries and meets professional actuarial standards.

Defined Benefit Pension Plans

An analysis of the change in benefit accruals for 2015 and 2014 follows:

($ in millions)	2015 U.S.	2015 Foreign	2015 Total	2014 U.S.	2014 Foreign	2014 Total
Change in projected benefit obligation:						
Benefit obligation at prior year end	$ 1,416.1	$ 743.2	$ 2,159.3	$ 1,284.2	$ 704.6	$ 1,988.8
Service cost	52.1	14.9	67.0	46.3	13.4	59.7
Interest cost	57.2	18.4	75.6	62.0	25.7	87.7
Benefits paid	(99.9)	(28.0)	(127.9)	(51.4)	(32.7)	(84.1)
Net actuarial (gains) losses	(70.9)	(37.1)	(108.0)	184.0	105.4	289.4
Effect of exchange rates	—	(64.5)	(64.5)	—	(73.2)	(73.2)
Settlements/curtailments/special termination	3.8	—	3.8	(102.8)	—	(102.8)
Plan amendments and other	3.3	(0.2)	3.1	(6.2)	—	(6.2)
Benefit obligation at year end	1,361.7	646.7	2,008.4	1,416.1	743.2	2,159.3
Change in plan assets:						
Fair value of assets at prior year end	1,098.0	337.2	1,435.2	1,109.5	277.4	1,386.9
Actual return on plan assets	(11.1)	9.6	(1.5)	48.4	65.2	113.6
Employer contributions	0.6	1.6	2.2	94.3	26.9	121.2
Contributions to unfunded German plans *(a)*	—	18.1	18.1	—	22.2	22.2

Benefits paid	(99.9)	(28.0)	(127.9)	(51.4)	(32.7)	(84.1)
Effect of exchange rates	—	(22.8)	(22.8)	—	(21.8)	(21.8)
Settlements	—	—	—	(102.8)	—	(102.8)
Fair value of assets at end of year	987.6	315.7	1,303.3	1,098.0	337.2	1,435.2
Underfunded status	$ (374.1)	$ (331.0)*(a)*	$ (705.1)	$ (318.1)	$ (406.0)*(a)*	$ (724.1)

(a) The German plans are unfunded and the liability is included in the company's consolidated balance sheets. Benefits are paid directly by the company to the participants. The German plans represented $317.1 million and $393.9 million of the total unfunded status at December 31, 2015 and 2014, respectively.

Ball Corporation
Notes to the Consolidated Financial Statements

15. Employment Benefit Obligations *(continued)*

Amounts recognized in the consolidated balance sheets for the funded status consisted of:

	December 31,					
	2015			2014		
($ in millions)	**U.S.**	**Foreign**	**Total**	**U.S.**	**Foreign**	**Total**
Prepaid pension cost	$ —	$ 1.5	$ 1.5	$ —	$ 1.8	$ 1.8
Defined benefit pension liabilities	(374.1)	(332.5)	(706.6)	(318.1)	(407.8)	(725.9)
	$ (374.1)	$ (331.0)	$ (705.1)	$ (318.1)	$ (406.0)	$ (724.1)

Amounts recognized in accumulated other comprehensive earnings (loss) consisted of:

	December 31,					
	2015			2014		
($ in millions)	**U.S.**	**Foreign**	**Total**	**U.S.**	**Foreign**	**Total**
Net actuarial loss	$ 586.7	$ 128.8	$ 715.5	$ 606.3	$ 183.0	$ 789.3
Net prior service cost (credit)	11.2	(1.6)	9.6	7.9	(1.9)	6.0
Tax effect and currency exchange rates	(253.1)	(27.1)	(280.2)	(239.0)	(50.1)	(289.1)
	$ 344.8	$ 100.1	$ 444.9	$ 375.2	$ 131.0	$ 506.2

The accumulated benefit obligation for all U.S. defined benefit pension plans was $1,301.5 million and $1,355.2 million at December 31, 2015 and 2014, respectively. The accumulated benefit obligation for all foreign defined benefit pension plans was $592.5 million and $675.1 million at December 31, 2015 and 2014, respectively. Following is the information for defined benefit plans with an accumulated benefit obligation in excess of plan assets:

	December 31,					
	2015			2014		
($ in millions)	**U.S.**	**Foreign**	**Total**	**U.S.**	**Foreign**	**Total**
Projected benefit obligation	$ 1,361.7	$ 359.4	$ 1,721.1	$ 1,416.0	$ 440.2	$ 1,856.2
Accumulated benefit obligation	1,301.5	338.8	1,640.3	1,355.2	411.1	1,766.3
Fair value of plan assets	987.6	35.0*(a)*	1,022.6	1,098.0	40.5*(a)*	1,138.5

(a) The German plans are unfunded and, therefore, there is no fair value of plan assets associated with them. The unfunded status of those plans was $317.1 million and $393.9 million at December 31, 2015 and 2014, respectively.

Ball Corporation
Notes to the Consolidated Financial Statements

15. Employee Benefit Obligations *(continued)*

Components of net periodic benefit cost were:

	Years Ended December 31,								
	2015			2014			2013		
($ in millions)	**U.S.**	**Foreign**	**Total**	**U.S.**	**Foreign**	**Total**	**U.S.**	**Foreign**	**Total**
Ball-sponsored plans:									
Service cost	$ 52.1	$ 14.9	$ 67.0	$ 46.3	$ 13.4	$ 59.7	$ 48.7	$ 12.1	$ 60.8
Interest cost	57.2	18.4	75.6	62.0	25.7	87.7	55.2	24.0	79.2
Expected return on plan assets	(79.2)	(19.7)	(98.9)	(82.6)	(17.0)	(99.6)	(77.3)	(16.7)	(94.0)
Amortization of prior service cost	(1.1)	(0.4)	(1.5)	(0.1)	(0.5)	(0.6)	—	(0.4)	(0.4)
Recognized net actuarial loss	39.0	9.2	48.2	29.5	8.2	37.7	42.5	7.8	50.3
Curtailment and settlement losses (gains), including special	4.9	—	4.9	45.3	—	45.3	6.1	1.7	7.8

termination benefits									
Net periodic benefit cost for Ball-sponsored plans	72.9	22.4	95.3	100.4	29.8	130.2	75.2	28.5	103.7
Multi-employer plans:									
Net periodic benefit cost, excluding curtailment loss	1.3	—	1.3	2.0	—	2.0	2.6	—	2.6
Curtailment and settlement losses (gains)	—	—	—	—	—	—	9.8	—	9.8
Net periodic benefit cost for multi-employer plans	1.3	—	1.3	2.0	—	2.0	12.4	—	12.4
Total net periodic benefit cost	$ 74.2	$ 22.4	$ 96.6	$ 102.4	$ 29.8	$ 132.2	$ 87.6	$ 28.5	$ 116.1

In September 2014, the company executed a lump sum buyout offer to certain terminated vested pension plan participants in its U.S. defined benefit pension plans. The offer provided participants with a one-time election to receive a lump-sum payout in full settlement of their remaining pension benefit. The company recorded a non-cash charge of $45.3 million for the settlement of its pension benefit obligations in connection with this offer in 2014, based on pension asset values and liabilities at the time of the settlement.

Curtailment losses in 2013 are related to the closure of the company's Elgin, Illinois, facility and the migration of certain of the company's Weirton, West Virginia, hourly employees from a multi-employer defined benefit pension plan to a Ball-sponsored defined benefit pension plan as of January 1, 2014. Further details are available in Note 5.

The estimated actuarial net gain (loss) and prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive earnings (loss) into net periodic benefit cost during 2016 are a loss of $37.4 million and a gain of $1.4 million, respectively.

Contributions to the company's defined benefit pension plans, not including the unfunded German plans, are expected to be in the range of $31 million in 2016. This estimate may change based on changes in the Pension Protection Act and actual plan asset performance and available company cash flow, among other factors. Benefit payments related to these plans are expected to be $94.1 million, $97.4 million, $100.9 million, $104.5 million and $108.6 million for the years ending December 31, 2016 through 2020, respectively, and a total of $584 million for the years 2021 through 2025. Payments to participants in the unfunded German plans are expected to be approximately $16 million to $18 million in each of the years 2016 through 2020 and a total of $75 million for the years 2021 through 2025.

Weighted average assumptions used to determine benefit obligations for the North American plans at December 31 were:

	U.S.			Canada		
	2015	2014	2013	2015	2014	2013
Discount rate	4.60%	4.15%	5.00%	3.50%	3.50%	4.25%
Rate of compensation increase	4.80%	4.80%	4.80%	3.00%	3.00%	3.00%

15. Employee Benefit Obligations *(continued)*

Weighted average assumptions used to determine benefit obligations for the European plans at December 31 were:

	United Kingdom			Germany		
	2015	2014	2013	2015	2014	2013
Discount rate	3.75%	3.75%	4.50%	2.25%	1.75%	3.25%
Rate of compensation increase	3.00%	3.00%	4.25%	2.50%	2.50%	2.75%
Pension increase	3.15%	3.15%	3.40%	1.75%	1.75%	1.75%

The discount and compensation increase rates used above to determine the benefit obligations at December 31, 2015, will be used to determine net periodic benefit cost for 2016. A reduction of the expected return on pension assets assumption by one quarter of a percentage point would result in an approximate $3.4 million increase in 2016 pension expense, while a quarter of a percentage point reduction in the discount rate applied to the pension liability would result in estimated additional pension expense of $4.8 million in 2016.

Weighted average assumptions used to determine net periodic benefit cost for the North American plans for the years ended December 31 were:

	U.S.			Canada		
	2015	2014	2013	2015	2014	2013
Discount rate	4.15%	5.00%	4.13%	3.50%	4.25%	4.00%
Rate of compensation increase	4.80%	4.80%	4.80%	3.00%	3.00%	3.00%
Expected long-term rate of return on assets	7.25%	7.25%	7.63%	4.00%	4.56%	4.55%

Weighted average assumptions used to determine net periodic benefit cost for the European plans for the years ended December 31 were:

	United Kingdom			Germany		
	2015	2014	2013	2015	2014	2013
Discount rate	3.75%	4.50%	4.50%	1.75%	3.25%	3.25%
Rate of compensation increase	3.00%	4.25%	3.75%	2.50%	2.75%	2.75%
Pension increase	3.15%	3.40%	2.90%	1.75%	1.75%	1.75%
Expected long-term rate of return on assets	6.50%	6.50%	7.00%	N/A	N/A	N/A

Current financial accounting standards require that the discount rates used to calculate the actuarial present value of pension and other postretirement benefit obligations reflect the time value of money as of the measurement date of the benefit obligation and reflect the rates of return currently available on high quality fixed-income securities whose cash flows (via coupons and maturities) match the timing and amount of future benefit payments of the plan. In addition, changes in the discount rate assumption should reflect changes in the general level of interest rates.

In selecting the U.S. discount rate for December 31, 2015, several benchmarks were considered, including Moody's long-term corporate bond yield for A bonds, the Citigroup Pension Liability Index, the JP Morgan 15+ year corporate bond yield for A bonds and the Merrill Lynch 15+ year corporate bond yield for A bonds. In addition, the expected cash flows from the plans were modeled relative to the Citigroup Pension Discount Curve and matched to cash flows from a portfolio of bonds rated A or better. When determining the appropriate discount rate, the company contemplated the impact of lump sum payment options under its U.S. plans when considering the appropriate yield curve. In Canada the markets for locally denominated high-quality, longer term corporate bonds are relatively thin. As a result, the approach taken in Canada was to use yield curve spot rates to discount the respective benefit cash flows and to compute the underlying constant bond yield equivalent. The Canadian discount rate at December 31, 2015, was selected based on a review of the expected benefit payments for each of the Canadian defined benefit plans over the next 60 years and then discounting the resulting cash flows to the measurement date using the AA corporate bond spot rates to determine the equivalent level discount rate. In the United Kingdom and Germany, the company and its actuarial consultants considered the applicable iBoxx 15+ year AA corporate bond yields for the respective markets and determined a rate consistent with those expectations. In all countries, the discount rates selected for December 31, 2015, were based on the range of values obtained from cash flow specific methods, together with the changes in the general level of interest rates reflected by the benchmarks.

15. Employee Benefit Obligations *(continued)*

The assumption related to the expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested to provide for the benefits over the life of the plans. The assumption was based upon Ball's pension plan asset allocations, investment strategies and the views of investment managers and other large pension plan sponsors. Some reliance was placed on historical asset returns of our plans. An asset-return model was used to project future asset returns using simulation and asset class correlation. The analysis included expected future risk premiums, forward-looking return expectations derived from the yield on long-term bonds and the price earnings ratios of major stock market indexes, expected inflation and real risk-free interest rate assumptions and the fund's expected asset allocation.

The expected long-term rates of return on assets were calculated by applying the expected rate of return to a market related value of plan assets at the beginning of the year, adjusted for the weighted average expected contributions and benefit payments. The market related value of plan assets used to calculate the expected return was $1,395.3 million for 2015, $1,470.9 million for 2014 and $1,238.5 million for 2013.

For pension plans, accumulated actuarial gains and losses in excess of a 10 percent corridor and the prior service cost are amortized over the average remaining service period of active participants or over the average life expectancy for plans with significant inactive participants.

Defined Benefit Pension Plan Assets

Policies and Allocation Information

Investment policies and strategies for the plan assets in the U.S., Canada and the United Kingdom are established by pension investment committees of the company and its relevant subsidiaries and include the following common themes: (1) to provide for long-term growth of principal without undue exposure to risk, (2) to minimize contributions to the plans, (3) to minimize and stabilize pension expense and (4) to achieve a rate of return above the market average for each asset class over the long term. The pension investment committees are required to regularly, but no less frequently than once annually, review asset mix and asset performance, as well as the performance of the investment managers. Based on their reviews, which are generally conducted quarterly, investment policies and strategies are revised as appropriate.

Target asset allocations in the U.S. and Canada are set using a minimum and maximum range for each asset category as a percent of the total funds' market value. Assets contributed to the United Kingdom plans are invested using established percentages. Following are the target asset allocations established as of December 31, 2015:

	U.S.	Canada	United Kingdom(c)
Cash and cash equivalents	0-10%	0-2%	4%
Equity securities	10-75%*(a)*	8-12%	20%
Fixed income securities	25-70%*(b)*	88-92%	64%
Absolute return investments	—	—	9%
Alternative investments	0-35%	—	3%

(a) Equity securities may consist of: (1) up to 25 percent large cap equities, (2) up to 10 percent mid cap equities, (3) up to 10 percent small cap equities, (4) up to 35 percent foreign equities and (5) up to 35 percent special equities. Holdings in Ball Corporation common stock or Ball bonds cannot exceed 5 percent of the trust's assets.

(b) Debt securities may include up to 10 percent non-investment grade bonds, up to 10 percent bank loans and up to 15 percent international bonds.

(c) The percentages provided reflect the asset allocation percentage at December 31, 2015. The portfolio mix is expected to be adjusted over time toward more fixed-income securities.

15. Employee Benefit Obligations *(continued)*

The actual weighted average asset allocations for Ball's defined benefit pension plans, which individually were within the established targets for each country for that year, were as follows at December 31:

	2015	2014
Cash and cash equivalents	2%	3%
Equity securities	37%	38%
Fixed income securities	52%	50%

Alternative investments	9%	9%
	100%	100%

Fair Value Measurements of Pension Plan Assets

Following is a description of the valuation methodologies used for pension assets measured at fair value:

Cash and cash equivalents: Consist of cash on deposit with brokers and short-term U.S. Treasury money market funds and are net of receivables and payables for securities traded at the period end but not yet settled. All cash and cash equivalents are stated at cost, which approximates fair value.

Corporate equity securities: Valued at the closing price reported on the active market on which the individual security is traded.

U.S. government and agency securities: Valued using the pricing of similar agency issues, live trading feeds from several vendors and benchmark yields.

Corporate bonds and notes: Valued using market inputs including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data including market research publications. Inputs may be prioritized differently at certain times based on market conditions.

Commingled funds: The shares held are valued at the net asset value (NAV) at year end.

Limited partnerships and other: Certain of the partnership investments receive fair market valuations on a quarterly basis. Certain other partnerships invest in market-traded securities, both on a long and short basis. These investments are valued using quoted market prices. For the partnership that invests in timber properties, a detailed valuation is performed by an independent appraisal firm every three years. In the interim years, the investment manager updates the independently prepared valuation for property value changes, timber growth, harvesting, etc.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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15. Employee Benefit Obligations *(continued)*

The company’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels. The levels assigned to the defined benefit plan assets are summarized in the tables below:

	December 31, 2015			
($ in millions)	**Level 1**	**Level 2**	**Level 3**	**Total**
U.S. pension assets, at fair value:				
Cash and cash equivalents	$ 2.9	$ 66.0	$ —	$ 68.9
Corporate equity securities:				
Consumer discretionary	46.6	—	—	46.6
Financials	37.4	—	—	37.4
Healthcare	25.9	—	—	25.9
Industrials	61.2	—	—	61.2
Information technology	53.2	—	—	53.2
Other	34.1	18.4	—	52.5
U.S. government and agency securities:				
FHLMC mortgage backed securities	—	14.4	—	14.4
FNMA mortgage backed securities	—	55.9	—	55.9
Treasury bonds	31.7	—	—	31.7
Other	11.7	12.2	—	23.9
Corporate bonds and notes:				
Financials	—	91.5	—	91.5
Industrials	—	21.1		21.1
Oil and gas	—	21.5	—	21.5
Private placement	—	37.3	—	37.3
Other	—	84.6	—	84.6
Commingled funds				
International	15.9	50.7	—	66.6
Other	2.2	64.1	—	66.3
Limited partnerships and other	—	64.4	62.7	127.1
Total assets	$ 322.8	$ 602.1	$ 62.7	$ 987.6

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15. Employee Benefit Obligations *(continued)*

($ in millions)	December 31, 2014 Level 1	Level 2	Level 3	Total
U.S. pension assets, at fair value:				
Cash and cash equivalents	$ 0.9	$ 88.7	$ —	$ 89.6
Corporate equity securities:				
Consumer discretionary	53.8	—	—	53.8
Industrials	58.7	—	—	58.7
Information technology	57.5	—	—	57.5
Other	116.6	34.4	—	151.0
U.S. government and agency securities:				
FHLMC mortgage backed securities	—	14.7	—	14.7
FNMA mortgage backed securities	—	49.9	—	49.9
Other	49.1	13.1	—	62.2
Corporate bonds and notes:				
Financials	—	96.5	—	96.5
Oil and gas	—	33.4	—	33.4
Private placement	—	44.8	—	44.8
Other	—	113.5	—	113.5
Commingled funds				
International	19.5	68.7	—	88.2
Other	3.3	50.3	—	53.6
Limited partnerships and other	—	67.6	63.0	130.6
Total assets	$ 359.4	$ 675.6	$ 63.0	$ 1,098.0

The following is a reconciliation of the U.S. Level 3 assets for the two years ended December 31, 2015 (dollars in millions):

Balance at December 31, 2013	$ 51.9
Actual return on plan assets relating to assets still held at the reporting date	9.5
Purchases	9.1
Sales	(7.5)
Balance at December 31, 2014	63.0
Actual return on plan assets relating to assets still held at the reporting date	3.3
Purchases	7.9
Sales	(11.5)
Balance at December 31, 2015	$ 62.7

($ in millions)	December 31, 2015	2014
Canadian pension assets, at fair value (all Level 2):		
Equity commingled funds	$ 3.0	$ 3.9
Fixed income commingled funds	27.5	34.5
Fixed income securities	6.8	8.7
Total assets	$ 37.3	$ 47.1

15. Employee Benefit Obligations *(continued)*

($ in millions)	December 31, 2015	2014
U.K. pension assets, at fair value (all Level 2):		
Cash and cash equivalents	$ 10.9	$ —
Equity commingled funds	54.4	71.3
Fixed income commingled funds	174.0	174.1
Absolute return funds	24.5	17.2
Alternative investments	8.2	22.8
Net assets	$ 272.0	$ 285.4

Other Postemployment Benefits

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

In Canada, the company provides supplemental medical and other benefits in conjunction with Canadian provincial health care plans. Most U.S. salaried employees who retired prior to 1993 are covered by noncontributory defined benefit medical plans with capped lifetime benefits. Ball provides a fixed subsidy toward each retiree's future purchase of medical insurance for U.S. salaried and substantially all nonunion hourly employees retiring after January 1, 1993. Life insurance benefits are noncontributory. Ball has no commitments to increase benefits provided by any of the postemployment benefit plans.

An analysis of the change in other postretirement benefit accruals for 2015 and 2014 follows:

($ in millions)	2015	2014
Change in benefit obligation:		
Benefit obligation at prior year end	$ 154.1	$ 155.4
Service cost	1.5	1.4
Interest cost	6.0	7.3
Benefits paid	(8.7)	(11.4)
Net actuarial (gain) loss	(17.3)	3.1
Special termination benefits	2.1	—
Effect of exchange rates and other	(2.9)	(1.7)
Benefit obligation at year end	$ 134.8	$ 154.1

Components of net periodic benefit cost were:

	Years Ended December 31,		
($ in millions)	2015	2014	2013
Service cost	$ 1.5	$ 1.4	$ 1.7
Interest cost	6.0	7.3	6.6
Amortization of prior service cost	(0.6)	(0.5)	(0.5)
Recognized net actuarial loss (gain)	(1.6)	(1.5)	(0.6)
Special termination benefits	2.1	—	1.9
Net periodic benefit cost	$ 7.4	$ 6.7	$ 9.1

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15. Employee Benefit Obligations *(continued)*

Approximately $2.5 million of estimated net actuarial gain and $0.6 million of prior service benefit will be amortized from accumulated other comprehensive earnings (loss) into net periodic benefit cost during 2016.

The assumptions used for the determination of benefit obligations and net periodic benefit cost were the same as those used for the U.S. and Canadian defined benefit pension plans. For other postretirement benefits, accumulated actuarial gains and losses and prior service cost are amortized over the average remaining service period of active participants.

For the U.S. health care plans at December 31, 2015, a 7.5 percent health care cost trend rate was used for pre-65 and post-65 benefits, and trend rates were assumed to decrease to 5 percent in 2021 and remain at that level thereafter. For the Canadian plans, a 4.5 percent health care cost trend rate was used, which was assumed to increase to 5 percent by 2018 and remain at that level in subsequent years. Benefit payment caps exist in many of the company's health care plans.

Health care cost trend rates can have an effect on the amounts reported for the health care plan. A one-percentage point increase in assumed health care cost trend rates would increase the total of service and interest cost by $0.2 million and the postretirement benefit obligation by $2.9 million. A one-percentage point decrease would decrease the total of service and interest cost by $0.2 million and the postretirement benefit obligation by $2.8 million.

Deferred Compensation Plans

Certain management employees may elect to defer the payment of all or a portion of their annual incentive compensation into the company's deferred compensation plan and/or the company's deferred compensation stock plan. The employee becomes a general unsecured creditor of the company with respect to any amounts deferred. Amounts deferred into the deferred compensation stock plan receive a 20 percent company match with a maximum match of $20,000 per year. Amounts deferred into the deferred compensation stock plan are represented in the participant's account as stock units, with each unit having a value equivalent to one share of Ball's common stock. Participants in the deferred compensation stock plan are allowed to reallocate a prescribed number of units to other notional investment funds subject to specified time constraints.

Other Benefit Plans

The company matches U.S. salaried employee contributions to the 401(k) plan with shares of Ball common stock up to 100 percent of the first 3 percent of a participant's salary plus 50 percent of the next 2 percent. The expense associated with the company match amounted to $23.6 million, $23.6 million and $23.5 million for 2015, 2014 and 2013, respectively.

In addition, substantially all employees within the company's aerospace and technologies segment who participate in Ball's 401(k) plan may receive a performance-based matching cash contribution of up to 4 percent of base salary. The company recognized no additional compensation expenses related to this program in 2015 and 2013 and $4.7 million of additional compensation expense in 2014.

16. Shareholders' Equity

At December 31, 2015, the company had 550 million shares of common stock and 15 million shares of preferred stock authorized, both without par value. Preferred stock includes 550,000 authorized but unissued shares designated as Series A Junior Participating Preferred Stock.

Under the company's shareholder Rights Agreement dated July 26, 2006, as amended, one half of a 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 at an exercise price of $185 per Right. Subject to certain limited exceptions for passive investors, if a person or group acquires 10 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 2016, are redeemable by the company at a redemption price of $0.001 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.

16. Shareholders' Equity *(continued)*

The company's share repurchases, net of issuances, totaled $99.5 million in 2015, $360.1 million in 2014 and $398.8 million in 2013.

In March 2014, in a privately negotiated transaction, Ball entered into an accelerated share repurchase agreement to buy $100 million of its common shares using cash on hand and available borrowings. The company advanced the $100 million on March 7, 2014, and received 1,538,740 shares, which represented 85 percent of the total shares as calculated using the closing price on March 3, 2014. The agreement was settled in June 2014, and the company received an additional 245,196 shares, which represented a weighted average price of $56.06 for the entire contract price.

Accumulated Other Comprehensive Earnings (Loss)

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

($ in millions)	Foreign Currency Translation	Pension and Other Postretirement Benefits (Net of Tax)	Effective Derivatives (Net of Tax)	Accumulated Other Comprehensive Earnings (Loss)
December 31, 2013	$ 180.7	$ (391.8)	$ (38.8)	$ (249.9)
Other comprehensive earnings (loss) before reclassifications	(199.1)	(159.4)	4.3	(354.2)
Amounts reclassified from accumulated other comprehensive earnings (loss)	—	51.3	30.7	82.0
December 31, 2014	(18.4)	(499.9)	(3.8)	(522.1)
Other comprehensive earnings (loss) before reclassifications	(165.1)	25.4	(18.2)	(157.9)
Amounts reclassified from accumulated other comprehensive earnings (loss)	—	29.6	10.5	40.1
December 31, 2015	$ (183.5)	$ (444.9)	$ (11.5)	$ (639.9)

16. Shareholders' Equity *(continued)*

The following table provides additional details of the amounts recognized into net earnings from accumulated other comprehensive earnings (loss):

($ in millions)	December 31, 2015	2014	2013
Gains (losses) on cash flow hedges:			
Commodity contracts recorded in net sales	$ 5.4	$ (6.2)	$ 8.4
Commodity contracts and currency exchange contracts recorded in cost of sales	(23.6)	(27.2)	(35.9)
Currency exchange contracts recorded in SG&A expense	1.7	—	—
Interest rate contracts recorded in interest expense	(0.2)	—	(1.0)
Total before tax effect	(16.7)	(33.4)	$ (28.5)
Tax benefit (expense) on amounts reclassified into earnings	6.2	2.7	7.1
Recognized gain (loss)	$ (10.5)	$ (30.7)	$ (21.4)
Amortization of pension and other postretirement benefits *(a)*:			
Prior service income (cost)	$ 1.0	$ 0.6	$ 1.0
Actuarial gains (losses)	(47.7)	(36.8)	(49.8)
Effect of pension settlement	—	(45.3)	—
Total before tax effect	(46.7)	(81.5)	(48.8)
Tax benefit (expense) on amounts reclassified into earnings	17.1	30.2	18.2
Recognized gain (loss)	$ (29.6)	$ (51.3)	$ (30.6)

(a) These components are included in the computation of net periodic benefit cost included in Note 15.

Noncontrolling Interest

Ball acquired the remaining interests in its Latapack-Ball joint venture in Brazil for consideration of approximately 5.7 million treasury shares of Ball common stock, valued at $403.0 million, and $17.4 million in cash. The accounting guidance requires changes in noncontrolling interests that do not result in a change of control to be recorded as an equity transaction. Where there is a difference between the fair value of consideration paid and the carrying value of the noncontrolling interest, it is recorded to common stock. The difference of $220.2 million between the noncontrolling interest carrying value of $200.2 million at the time of acquisition and the fair value of the consideration paid of

$420.4 million was recorded as a decrease to common stock. The acquisition of the joint venture company was completed in December 2015, and Latapack-Ball is now a wholly owned subsidiary of Ball Corporation.

17. Stock-Based Compensation Programs

The company has shareholder-approved stock plans under which options and stock-settled appreciation rights (SSARs) have been granted to employees at the market value of the company's stock on the date of grant. In the case of stock options, payment must be made by the employee at the time of exercise in cash or with shares of stock owned by the employee, which are valued at fair market value on the date exercised. For SSARs, the employee receives the share equivalent of the difference between the fair market value on the date exercised and the exercise price of the SSARs exercised. In general, options and SSARs are exercisable in four equal installments commencing one year from the date of grant and terminating 10 years from the date of grant. A summary of stock option activity for the year ended December 31, 2015, follows:

17. Stock-Based Compensation Programs *(continued)*

	Outstanding Options and SSARs		
	Number of Shares		Weighted Average Exercise Price
Beginning of year	9,738,030	$	32.76
Granted	1,231,865		66.15
Exercised	(1,201,987)		27.92
Canceled/forfeited	(51,657)		46.74
End of period	9,716,251		37.50
Vested and exercisable, end of period	6,748,255	$	30.15
Reserved for future grants	8,657,680		

The weighted average remaining contractual term for all options and SSARs outstanding at December 31, 2015, was 5.3 years and the aggregate intrinsic value (difference in exercise price and closing price at that date) was $342.3 million. The weighted average remaining contractual term for options and SSARs vested and exercisable at December 31, 2015, was 4.1 years and the aggregate intrinsic value was $287.4 million. The company received $21.6 million, $22.9 million and $17.0 million from options exercised during 2015, 2014 and 2013, respectively, and the intrinsic value associated with these exercises was $32.9 million, $31.4 million and $17.1 million for the same periods, respectively. The tax benefit associated with the company's stock compensation programs was $21.3 million for 2015, and was reported as other financing activities in the consolidated statement of cash flows. The total fair value of options and SSARs vested during 2015, 2014 and 2013 was $11.7 million, $13.3 million and $11.4 million, respectively.

These options and SSARs cannot be traded in any equity market. However, based on the Black-Scholes option pricing model, options and SSARs granted in 2015, 2014 and 2013 have estimated weighted average fair values at the date of grant of $14.20 per share, $9.81 per share and $8.69 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 or SSAR is exercised. Consequently, there is no assurance that the value realized by an employee will equal the fair value estimated at the grant date. The fair values were estimated using the following weighted average assumptions:

	2015 Grants	2014 Grants	2013 Grants
Expected dividend yield	0.79%	1.06%	1.13%
Expected stock price volatility	22.11%	21.41%	22.02%
Risk-free interest rate	1.39%	1.65%	1.02%
Expected life of options (in years)	5.85 years	5.50 years	5.50 years

In addition to stock options and SSARs, the company issues to certain employees restricted shares and restricted stock units, which vest over various periods. Other than the performance-contingent grants discussed below, such restricted shares and restricted stock units generally vest in equal installments over five years. Compensation cost is recorded based upon the fair value of the shares at the grant date.

Following is a summary of restricted stock activity for the year ended December 31, 2015:

	Number of Shares/Units		Weighted Average Grant Price
Beginning of year	1,220,661	$	33.92
Granted	192,831		68.83
Vested	(546,294)		28.17
Canceled/forfeited	(5,253)		52.62
End of period	861,945		45.27

17. Stock-Based Compensation Programs *(continued)*

In January 2015, 2014 and 2013, the company's board of directors granted 116,559, 143,305 and 148,875 performance-contingent restricted stock units (PCEQs), respectively, to key employees. These PCEQs vest three years from the date of grant, and the number of shares available at the vesting date are based on the company's increase in economic valued added (EVA®) dollars compared to the EVA® dollars generated in the calendar year prior to the grant and ranging from zero to 200 percent of each participant's assigned award opportunity. If the minimum performance goals are not met, the shares will be forfeited. Grants under the plan are being accounted for as equity awards and compensation expense is recorded based upon the most probable outcome using the closing market price of the shares at the grant date. On a quarterly basis, the company reassesses the probability of the goals being met and adjusts compensation expense as appropriate. The expense associated with the performance-contingent grants totaled $7.1 million, $6.9 million and $7.6 million in 2015, 2014 and 2013, respectively.

For the years ended December 31, 2015, 2014 and 2013, the company recognized in selling, general and administrative expenses pretax expense of $24.7 million ($15.4 million after tax), $25.1 million ($15.6 million after tax) and $24.5 million ($14.9 million after tax), respectively, for share-based compensation arrangements. At December 31, 2015, there was $35.0 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements. This cost is expected to be recognized in earnings over a weighted average period of 2.5 years.

In connection with the employee stock purchase plan, the company contributes 20 percent of each participating employee's monthly payroll deduction up to a maximum contribution of $500 toward the purchase of Ball Corporation common stock. Company contributions for this plan were $3.5 million in 2015, 2014 and 2013.

18. Earnings Per Share

	Years Ended December 31,		
($ in millions, except per share amounts; shares in thousands)	**2015**	**2014**	**2013**
Net earnings attributable to Ball Corporation	$ 280.9	$ 470.0	$ 406.8
Basic weighted average common shares	137,300	138,508	145,943
Effect of dilutive securities	3,684	3,922	3,280
Weighted average shares applicable to diluted earnings per share	140,984	142,430	149,223
Basic earnings per share	$ 2.05	$ 3.39	$ 2.79
Diluted earnings per share	$ 1.99	$ 3.30	$ 2.73

Certain outstanding options and SSARs were excluded from the diluted earnings per share calculation because they were anti-dilutive (i.e., the sum of the proceeds, including the unrecognized compensation and windfall tax benefits, exceeded the average closing stock price for the period). The options and SSARs excluded totaled 1.2 million in 2015 and 1.3 million in 2013. There were no options or SSARs excluded in 2014.

19. Financial Instruments and Risk Management

Policies and Procedures

The company employs established risk management policies and procedures, which seek to reduce the company's commercial risk exposure to fluctuations in commodity prices, interest rates, currency exchange rates and prices of the company's common stock with regard to common share repurchases and the company's deferred compensation stock plan. However, there can be no assurance that these policies and procedures will be successful. Although the instruments utilized involve varying degrees of credit, market and interest risk, the counterparties to the agreements are expected to perform fully under the terms of the agreements. The company monitors counterparty credit risk, including lenders, on a regular basis, but Ball cannot be certain that all risks will be discerned or that its risk management policies and procedures will always be effective. Additionally, in the event of default under the company's master derivative agreements, the non-defaulting party has the option to set-off any amounts owed with regard to open derivative positions.

19. Financial Instruments and Risk Management *(continued)*

Commodity Price Risk

Aluminum

The company manages commodity price risk in connection with market price fluctuations of aluminum ingot through two different methods. First, the company enters into container sales contracts that include aluminum ingot-based pricing terms that generally reflect the same price fluctuations under commercial purchase contracts for aluminum sheet. The terms include fixed, floating or pass-through aluminum ingot component pricing. Second, the company uses certain derivative instruments such as option and forward contracts as economic and cash flow hedges of commodity price risk where there are material differences between sales and purchase contracted pricing and volume.

At December 31, 2015, the company had aluminum contracts limiting its aluminum exposure with notional amounts of approximately $509 million, of which approximately $436 million received hedge accounting treatment. The aluminum contracts, which are recorded at fair value, include economic derivative instruments that are undesignated, as well as cash flow hedges that offset sales and purchase contracts of various terms and lengths. Cash flow hedges relate to forecasted transactions that expire within the next three years. Included in shareholders' equity at December 31, 2015, within accumulated other comprehensive earnings (loss) is a net after-tax loss of $12.7 million associated with these contracts. A net loss of $9.5 million is expected to be recognized in the consolidated statement of earnings during the next 12 months, the majority of which will be offset by pricing changes in sales and purchase contracts, thus resulting in little or no earnings impact to Ball.

Steel

Most sales contracts involving our steel products either include provisions permitting the company to pass through some or all steel cost changes incurred, or they incorporate annually negotiated steel prices.

Interest Rate Risk

The company's objective in managing exposure to interest rate changes is to minimize the impact of interest rate changes on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, the company may use a variety of interest rate swaps, collars and options to manage our mix of floating and fixed-rate debt. Interest rate instruments held by the company at December 31, 2015, included pay-fixed interest rate swaps, which effectively convert variable rate obligations to fixed-rate instruments.

At December 31, 2015, the company had outstanding interest rate swap contracts, excluding those related to the Rexam acquisition, with notional amounts of approximately $115 million paying fixed rates expiring within the next five years. The after-tax loss included in shareholders' equity at December 31, 2015, within accumulated other comprehensive earnings (loss) is insignificant.

Interest Rate Risk—Rexam Acquisition

The company entered into interest rate swaps to hedge against rising U.S. and European interest rates to minimize its interest rate exposure associated with anticipated debt issuances in connection with the announced, proposed acquisition of Rexam. At December 31, 2015, the company had outstanding interest rate swaps with notional amounts totaling approximately $200 million and €1,750 million. In addition, the company entered into interest rate option contracts to hedge negative Euribor rates with an aggregate notional amount of €750 million. Subsequent to 2015, the company terminated interest rate swap contracts with an aggregate notional amount of $923 million (€850 million). These contracts were not designated as hedges, and therefore, changes in the fair value of these interest swap and option contracts are recognized in the consolidated statements of earnings in debt refinancing and other costs, a component of total interest expense. The loss included in debt refinancing and other costs during 2015 associated with these contracts was $15.9 million. The contracts outstanding at the close of 2015, expire within the next four years.

19. Financial Instruments and Risk Management *(continued)*

Currency Exchange Rate Risk

The company's objective in managing exposure to currency fluctuations is to limit the exposure of cash flows and earnings from changes associated with currency exchange rate changes through the use of various derivative contracts. In addition, at times the company manages earnings translation volatility through the use of currency option strategies, and the change in the fair value of those options is recorded in the company's net earnings. The company's currency translation risk results from the currencies in which we transact business. The company faces currency exposures in our global operations as a result of various factors including intercompany currency denominated loans, selling our products in various currencies, purchasing raw materials and equipment in various currencies and tax exposures not denominated in the functional currency. Sales contracts are negotiated with customers to reflect cost changes and, where there is not an exchange pass-through arrangement, the company uses forward and option contracts to manage significant currency exposures. At December 31, 2015, the company had outstanding exchange forward contracts and option contracts, excluding those for the Rexam acquisition, with notional amounts totaling approximately $695 million. Approximately $1.3 million of net after-tax gain related to these contracts is included in accumulated other comprehensive earnings at December 31, 2015, of which a net loss of $0.4 million is expected to be recognized in the consolidated statement of earnings during the next 12 months. The contracts outstanding at December 31, 2015, expire within the next five years.

Currency Exchange Rate Risk — Rexam Acquisition

In connection with the announced, proposed acquisition of Rexam, the company entered into collar and option contracts to partially mitigate its currency exchange rate risk from February 19, 2015, through the expected closing date of the acquisition. At December 31, 2015, the company had outstanding collar and option contracts with notional amounts totaling approximately £1.8 billion ($2.7 billion). These contracts were not designated as hedges, and therefore, changes in the fair value of these contracts are recognized in the consolidated statements of earnings in business consolidation and other activities (see Note 5). During 2015, the company recognized a loss of $41.0 million associated with these contracts. The contracts outstanding at December 31, 2015, expire within the next year.

In connection with the December 2015 issuance of $1 billion of U.S. dollar senior notes due 2020, the company executed cross-currency swaps to convert the fixed-rate U.S. dollar issuance to a fixed-rate euro issuance for the life of the notes to more effectively match the future cash flows of our business. The cross-currency swaps have a notional amount of $1.0 billion and expire within five years. These contracts were not designated as hedges, and therefore, changes in the fair value of these contracts are recognized as business consolidation and other activities. During 2015, the company recognized a loss of $7.4 million associated with these contracts. See Note 5 for additional information.

In connection with the December 2015 issuance of €1.1 billion of senior notes (€400 million due 2020 and €700 million due 2023), the company subsequently converted the net euro proceeds to British pounds using new and existing currency derivative positions at an average exchange rate of approximately 1.37. The company elected to restrict the funds in an acquisition escrow account invested in British money market mutual funds denominated in pounds. At December 31, 2015, £792 million ($1,167 million) was invested in the acquisition escrow accounts. Changes in the U.S. dollar and the British pound exchange rate will result in gains or losses to the acquisition escrow account, recognized as business consolidation and other activities. Subsequent to December 31, 2015, the company converted the U.S. dollars into British pounds. The British pound acquisition escrow account will be used to pay the cash component of the proposed acquisition price of Rexam.

Common Stock Price Risk

The company's deferred compensation stock program is subject to variable plan accounting and, accordingly, is marked to fair value using the company's closing stock price at the end of the related reporting period. Based on current share levels in the program, each $1 change in the company's stock price has an impact of $1.5 million on pretax earnings. The company entered into a total return swap to reduce the company's earnings exposure to these fair value fluctuations that will be outstanding until March 2016 and has a notional value of 1 million shares. As of December 31, 2015, the fair value of the swap was a $2.9 million gain. All gains and losses on the total return swap are recorded in the consolidated statement of earnings in selling, general and administrative expenses.

19. Financial Instruments and Risk Management *(continued)*

Collateral Calls

The company’s agreements with its financial counterparties require the company to post collateral in certain circumstances when the negative mark to fair value of the contracts exceeds specified levels. Additionally, the company has collateral posting arrangements with certain customers on these derivative contracts. The cash flows of the margin calls are shown within the investing section of the company’s consolidated statements of cash flows. As of December 31, 2015, the aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a net liability position was $69.2 million and no collateral was required to be posted. As of December 31, 2014, the aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a net liability position was $12.4 million and no collateral was required to be posted.

Fair Value Measurements

Ball has classified all applicable financial derivative assets and liabilities as Level 2 within the fair value hierarchy as of December 31, 2015 and 2014, and presented those values in the table below. The company’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

	December 31, 2015			December 31, 2014		
($ in millions)	Derivatives Designated as Hedging Instruments	Derivatives not Designated as Hedging Instruments	Total	Derivatives Designated as Hedging Instruments	Derivatives not Designated as Hedging Instruments	Total
Assets:						
Commodity contracts	$ 6.0	$ 4.0	$ 10.0	$ 3.8	$ 1.3	$ 5.1
Foreign currency contracts	1.9	5.6	7.5	0.8	3.5	4.3
Other contracts	—	2.9	2.9	—	—	—
Total current derivative contracts	$ 7.9	$ 12.5	$ 20.4	$ 4.6	$ 4.8	$ 9.4
Commodity contracts	$ 1.0	$ —	$ 1.0	$ 2.2	$ 0.5	$ 2.7
Foreign currency contracts	0.2	—	0.2	—	—	—
Interest rate contracts	—	2.1	2.1	0.4	—	0.4
Total noncurrent derivative contracts	$ 1.2	$ 2.1	$ 3.3	$ 2.6	$ 0.5	$ 3.1
Liabilities:						
Commodity contracts	$ 11.8	$ 5.1	$ 16.9	$ 6.9	$ 1.6	$ 8.5
Foreign currency contracts	—	33.0	33.0	1.6	1.3	2.9
Interest rate and other contracts	0.6	—	0.6	0.5	0.4	0.9
Total current derivative contracts	$ 12.4	$ 38.1	$ 50.5	$ 9.0	$ 3.3	$ 12.3
Commodity contracts	$ 7.9	$ —	$ 7.9	$ 6.8	$ 0.5	$ 7.3
Interest rate contracts	0.1	23.3	23.4	0.3	—	0.3
Total noncurrent derivative contracts	$ 8.0	$ 23.3	$ 31.3	$ 7.1	$ 0.5	$ 7.6

The company uses closing spot and forward market prices as published by the London Metal Exchange, the Chicago Mercantile Exchange, Reuters and Bloomberg to determine the fair value of any outstanding aluminum, currency, energy, inflation and interest rate spot and forward contracts. Option contracts are valued using a Black-Scholes model with observable market inputs for aluminum, currency and interest rates. We value each of our financial instruments either internally using a single valuation technique or from a reliable observable market source. The company does not adjust the value of its financial instruments except in determining the fair value of a trade that settles in the future by discounting the value to its present value using 12-month LIBOR as the discount factor. Ball performs validations of our internally derived fair values reported for our financial instruments on a quarterly basis utilizing counterparty valuation statements. The company additionally evaluates counterparty creditworthiness and, as of December 31, 2015, has not identified any circumstances requiring that the reported values of our financial instruments be adjusted.

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19. Financial Instruments and Risk Management *(continued)*

The following table provides the effects of derivative instruments in the consolidated statement of earnings and on accumulated other comprehensive earnings (loss):

		Years Ended December 31, 2015		2014		2013	
($ in millions)	Location of Gain (Loss) Recognized in Earnings on Derivatives	Cash Flow Hedge - Reclassified Amount from Other Comprehensive Earnings (Loss) - Gain (Loss)	Gain (Loss) on Derivatives not Designated as Hedge Instruments	Cash Flow Hedge - Reclassified Amount from Other Comprehensive Earnings (Loss) - Gain (Loss)	Gain (Loss) on Derivatives not Designated as Hedge Instruments	Cash Flow Hedge - Reclassified Amount from Other Comprehensive Earnings (Loss) - Gain (Loss)	Gain (Loss) on Derivatives not Designated as Hedge Instruments
Commodity contracts - *manage exposure to customer pricing*	Net sales	$ 5.4	$ 1.2	$ (6.3)	$ 3.1	$ 8.4	$ 0.2
Commodity contracts - *manage exposure to supplier pricing*	Cost of sales	(23.5)	(4.8)	(27.3)	1.3	(35.3)	(3.1)
Interest rate contracts - *manage exposure for outstanding debt*	Interest expense	(0.1)	—	—	—	(1.0)	—
Interest rate contracts - *manage exposure for forecasted Rexam financing*	Debt refinancing and other costs	—	(15.9)	—	—	—	—
Foreign currency contracts - *manage exposure to sales of products*	Cost of sales	(0.2)	2.2	0.2	(1.0)	(0.6)	(0.1)
Foreign currency contracts - *manage exposure for transactions between segments*	Selling, general and administrative	1.7	(7.3)	—	(24.0)	—	7.4
Foreign currency contracts - *manage exposure for proposed acquisition of Rexam*	Business consolidation and other activities	—	(41.0)	—	—	—	—

Cross currency swaps - *manage exposure for proposed acquisition of Rexam*	Business consolidation and other activities	—	(7.4)	—	—	—	—
Equity and inflation contracts	Selling, general and administrative	—	3.9	—	(2.6)	—	0.6
Total		$ (16.7)	$ (69.1)	$ (33.4)	$ (23.2)	$ (28.5)	$ 5.0

The changes in accumulated other comprehensive earnings (loss) for effective derivatives were as follows:

($ in millions)	Years Ended December 31, 2015	2014	2013
Amounts reclassified into earnings:			
Commodity contracts	$ 18.1	$ 33.6	$ 26.9
Interest rate contracts	0.1	—	1.0
Currency exchange contracts	(1.5)	(0.2)	0.6
Change in fair value of cash flow hedges:			
Commodity contracts	(29.5)	4.1	(61.6)
Interest rate contracts	(0.2)	(0.3)	0.3
Currency exchange contracts	3.8	0.7	2.2
Foreign currency and tax impacts	1.5	(2.9)	0.7
	$ (7.7)	$ 35.0	$ (29.9)

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20. Quarterly Results of Operations (Unaudited)

The company's quarters in both 2015 and 2014 ended on March 31, June 30, September 30 and December 31.

($ in millions, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2015					
Net sales	$ 1,923.1	$ 2,172.3	$ 2,097.0	$ 1,804.6	$ 7,997.0
Gross profit *(a)*	304.8	336.5	346.0	307.7	1,295.0
Earnings before taxes	$ 27.5	$ 237.8	$ 17.6	$ 62.6	$ 345.5
Net earnings attributable to Ball Corporation	$ 20.7	$ 160.4	$ 44.5	$ 55.3	$ 280.9
Basic earnings per share *(b):*	$ 0.15	$ 1.16	$ 0.32	$ 0.40	$ 2.05
Diluted earnings per share *(b):*	$ 0.15	$ 1.13	$ 0.32	$ 0.39	$ 1.99
2014					
Net sales	$ 2,006.8	$ 2,291.9	$ 2,238.9	$ 2,032.4	$ 8,570.0
Gross profit *(a)*	336.5	387.9	372.4	336.9	1,433.7
Earnings before taxes	$ 144.1	$ 215.3	$ 187.9	$ 98.3	$ 645.6
Net earnings attributable to Ball Corporation	$ 93.5	$ 153.1	$ 147.4	$ 76.0	$ 470.0
Basic earnings per share *(b):*	$ 0.67	$ 1.10	$ 1.07	$ 0.56	$ 3.39
Diluted earnings per share *(b):*	$ 0.65	$ 1.07	$ 1.04	$ 0.54	$ 3.30

(a) Gross profit is shown after depreciation and amortization related to cost of sales of $241.7 million and $232.8 million for the years ended December 31, 2015 and 2014, respectively.
(b) 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 unaudited quarterly results of operations included business consolidation and other activities that affected the company's operating performance. Further details are included in Note 5.

21. Contingencies

Ball is subject to numerous lawsuits, claims or proceedings arising out of the ordinary course of business, including actions related to product liability; personal injury; the use and performance of company products; warranty matters; patent, trademark or other intellectual property infringement; contractual liability; the conduct of the company's business; tax reporting in domestic and foreign jurisdictions; workplace safety; and environmental and other matters. The company has also been identified as a potentially responsible party (PRP) at several waste disposal sites under U.S. federal and related state environmental statutes and regulations and may have joint and several liability for any investigation and remediation costs incurred with respect to such sites. Some of these lawsuits, claims and proceedings involve substantial amounts, including as described below, and some of the environmental proceedings involve potential monetary costs or sanctions that may be material. Ball has denied liability with respect to many of these lawsuits, claims and proceedings and is vigorously defending such lawsuits, claims and proceedings. The company carries various forms of commercial, property and casualty, and other forms of insurance; however, such insurance may not be applicable or adequate to cover the costs associated with a judgment against Ball with respect to these lawsuits, claims and proceedings. The company does not believe that these lawsuits, claims and proceedings are material individually or in the aggregate. While management believes the company has established adequate accruals for expected future liability with respect to pending lawsuits, claims and proceedings, where the nature and extent of any such liability can be reasonably estimated based upon then presently available information, there can be no assurance that the final resolution of any existing or future lawsuits, claims or proceedings will not have a material adverse effect on the liquidity, results of operations or financial condition of the company.

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21. Contingencies *(continued)*

As previously reported, the U.S. Environmental Protection Agency (USEPA) considers the company a PRP with respect to the Lowry Landfill site located east of Denver, Colorado. In 1992, the company was served with a lawsuit filed by the City and County of Denver (Denver) and Waste Management of Colorado, Inc., seeking contributions from the company and approximately 38 other companies. The company filed its answer denying the allegations of the complaint. Subsequently in 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.

Also in 1992, Ball entered into a settlement and indemnification agreement with Chemical Waste Management, Inc., and Waste Management of Colorado, Inc. (collectively Waste Management) and Denver pursuant to which Waste Management and Denver dismissed their lawsuit against the company, and Waste Management 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. Waste Management, Inc., has agreed to guarantee the obligations of Waste Management. Waste Management and Denver may seek additional payments from the company if the response costs related to the site exceed $319 million. In 2003 Waste Management, Inc., indicated that the cost of the site might exceed $319 million in 2030, approximately three years before the projected completion of the project. In January 2015, Waste Management reported that total project costs to date were approximately $140 million. The company might also be responsible for payments (based on 1992 dollars) for any additional wastes that may have been disposed of by the company at the site but which are identified after the execution of the settlement agreement. While remediating the site, contaminants were encountered, which could add an additional cleanup cost of approximately $10 million. This additional cleanup cost could, in turn, add approximately $1 million to total site costs for the PRP group. At this time, there are no Lowry Landfill actions in which the company is actively involved. Based on the information available to the company at this time, we do not believe that this matter will have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

In November 2012, the USEPA wrote to the company asserting that it is one of at least 50 PRPs with respect to the Lower Duwamish site located in Seattle, Washington, based on the company's ownership of a glass container plant prior to 1995, and notifying the company of a proposed remediation action plan. An allocator has been selected to begin data review on over 30 industrial companies and government entities and at least two PRP groups have begun to discuss various allocation proposals, and this process may last approximately two more years. During the third quarter of 2014, the PRP groups voted to include 20 new members. The USEPA issued the site Record of Decision (ROD) on December 2, 2014. Ball submitted its initial responses to the allocator's questionnaire in March 2015, and after reviewing submissions from the PRPs alleging deficiencies in certain of Ball's responses, the allocator denied certain of the allegations and directed the company to answer others, with supplemental responses expected to be submitted during the first quarter of 2016. Total site remediation costs of $342 million, to cover remediation of approximately 200 acres of river bottom, are expected according to the proposed remediation action plan, which does not include $100 million that has already been spent, and which will be allocated among the numerous PRPs in due course. Based on the information available to the company at this time, we do not believe that this matter will have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

In February 2012, Ball Metal Beverage Container Corp. (BMBCC) filed an action against Crown Packaging Technology, Inc. (Crown) in the U.S. District Court for the Southern District of Ohio seeking a declaratory judgment that the sale and use of certain ends by BMBCC and its customers do not infringe certain claims of Crown's U.S. patents. Crown subsequently filed a counterclaim alleging infringement of certain claims in these patents seeking unspecified monetary damages, fees and declaratory and injunctive relief. The District Court issued a claim construction order at the end of December 2015 and held a scheduling conference on February 10, 2016 to determine the timeline for future steps in the litigation. Activity in the case is now scheduled to resume in the second half of 2016. Based on the information available to the company at the present time, the company does not believe that this matter will have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

The company's operations in Brazil are involved in various governmental assessments, principally related to claims for taxes on the internal transfer of inventory, gross revenue taxes and tax incentives, and which amount to approximately $7.5 million. The company does not believe that the ultimate resolution of these matters will materially impact the company's results of operations, financial position or cash flows. Under customary local regulations, the company's Brazilian subsidiaries may need to post cash or other collateral if the process to challenge any administrative assessment proceeds to the Brazilian court system; however, the level of any potential cash or collateral required would not significantly impact the liquidity of those subsidiaries or Ball Corporation.

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22. Indemnifications and Guarantees

General Guarantees

The company or its appropriate consolidated direct or indirect subsidiaries have made certain indemnities, commitments and guarantees under which the specified entity may be required to make payments in relation to certain transactions. These indemnities, commitments and guarantees include indemnities to the customers of the subsidiaries in connection with the sales of their packaging and aerospace products and services; guarantees to suppliers of subsidiaries of the company guaranteeing the performance of the respective entity under a purchase agreement, construction contract or other commitment; guarantees in respect of certain foreign subsidiaries' pension plans; indemnities for liabilities associated with the infringement of third party patents, trademarks or copyrights under various types of agreements; indemnities to various lessors in connection with facility, equipment, furniture and other personal property leases for certain claims arising from such leases; indemnities to governmental agencies in connection with the issuance of a permit or license to the company or a subsidiary; indemnities pursuant to agreements relating to certain joint ventures; indemnities in connection with the sale of businesses or substantially all of the assets and specified liabilities of businesses; and indemnities to directors, officers and employees of the company to the extent permitted under the laws of the State of Indiana and the United States of America. The duration of these indemnities, commitments and guarantees varies and, in certain cases, is indefinite. In addition many of these indemnities, commitments and guarantees do not provide for any limitation on the maximum potential future payments the company could be obligated to make. As such, the company is unable to reasonably estimate its potential exposure under these items.

The company records a liability for payments under promissory notes and other evidences of incurred indebtedness and for losses for any known contingent liabilities, including those that may arise from indemnifications, commitments and guarantees, when future payment is both reasonably estimable and probable. Finally, the company carries specific and general liability insurance policies and has obtained indemnities, commitments and guarantees from third party purchasers, sellers and other contracting parties, which the company believes would, in certain circumstances, provide recourse to any claims arising from these indemnifications, commitments and guarantees.

Debt Guarantees

The company's obligations under its senior notes and senior credit facilities are fully and unconditionally guaranteed, on a joint and several basis, by certain of the company's domestic subsidiaries. All obligations under the guarantees of the credit facilities are secured, with certain exceptions, by a valid first priority perfected lien or pledge on (i) 100 percent of the stock of each of the company's present and future direct and indirect wholly owned material domestic subsidiaries and (ii) 65 percent of the stock of each of the company's present and future wholly owned material first-tier foreign subsidiaries. These guarantees are required in support of the notes and credit facilities referred to above, terminate upon maturity of the obligations and certain other events as described in the note indentures and credit agreements and would require performance upon certain events referred to in the respective guarantees. The maximum potential amounts which could be required to be paid under the domestic guarantees are essentially equal to the then outstanding principal and interest under the respective note indentures and credit agreements. The company is not in default under the above note indentures or credit facilities. The condensed consolidating financial information for the guarantor and non-guarantor subsidiaries is presented in Note 23. Separate financial statements for the guarantor subsidiaries and the non-guarantor subsidiaries are not presented because management has determined that such financial statements are not required by the current regulations.

Accounts Receivable Securitization

Ball Capital Corp. II is a separate, wholly owned corporate entity created for the purchase of accounts receivable from certain of the company's wholly owned subsidiaries. Ball Capital Corp. II's assets will be available first to satisfy the claims of its creditors. The company has been designated as the servicer pursuant to an agreement whereby Ball Capital Corp. II may sell and assign the accounts receivable to a commercial lender or lenders. As the servicer, the company is responsible for the servicing, administration and collection of the receivables and is primarily liable for the performance of such obligations. The company, the relevant subsidiaries and Ball Capital Corp. II are not in default under the above credit arrangement.

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23. Subsidiary Guarantees of Debt

The company's senior notes are guaranteed on a full, unconditional and joint and several basis by certain of the company's material domestic subsidiaries. Each of the guarantor subsidiaries is 100 percent owned by Ball Corporation. These guarantees are required in support of the notes, are co-terminous with the terms of the respective note indentures and would require performance upon certain events of default referred to in the respective guarantees. The maximum potential amounts that could be required to be paid under the domestic guarantees are essentially equal to the then outstanding principal and interest under the respective notes. The following is condensed consolidating financial information for the company, segregating the guarantor subsidiaries and non-guarantor subsidiaries, as of December 31, 2015 and 2014, and for the three years ended December 31, 2015, 2014 and 2013. Separate financial statements for the guarantor subsidiaries and the non-guarantor subsidiaries are not presented because management has determined that such financial statements are not required by the current regulations.

	Condensed Consolidating Statement of Earnings For the Year Ended December 31, 2015				
($ in millions)	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	$ —	$ 4,788.0	$ 3,258.9	$ (49.9)	$ 7,997.0
Cost and expenses					
Cost of sales (excluding depreciation and amortization)	(0.3)	(3,958.5)	(2,551.4)	49.9	(6,460.3)
Depreciation and amortization	(5.5)	(132.5)	(147.5)	—	(285.5)
Selling, general and administrative	(80.2)	(170.2)	(200.9)	—	(451.3)
Business consolidation and other activities	(159.4)	(18.6)	(16.7)	—	(194.7)
Equity in results of subsidiaries	452.8	215.5	—	(668.3)	—
Intercompany	206.8	(174.9)	(31.9)	—	—
	414.2	(4,239.2)	(2,948.4)	(618.4)	(7,391.8)
Earnings (loss) before interest and taxes	414.2	548.8	310.5	(668.3)	605.2
Interest expense	(139.2)	5.5	(9.5)	—	(143.2)
Debt refinancing and other costs	(114.6)	—	(1.9)	—	(116.5)
Total interest expense	(253.8)	5.5	(11.4)	—	(259.7)
Earnings (loss) before taxes	160.4	554.3	299.1	(668.3)	345.5
Tax (provision) benefit	120.5	(110.7)	(56.8)	—	(47.0)
Equity in results of affiliates, net of tax	—	2.3	2.1	—	4.4
Net earnings (loss)	280.9	445.9	244.4	(668.3)	302.9
Less net earnings attributable to noncontrolling interests	—	—	(22.0)	—	(22.0)
Net earnings (loss) attributable to Ball Corporation	$ 280.9	$ 445.9	$ 222.4	$ (668.3)	$ 280.9
Comprehensive earnings attributable to Ball Corporation	$ 163.1	$ 327.8	$ 100.4	$ (428.2)	$ 163.1

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23. Subsidiary Guarantees of Debt *(continued)*

($ in millions)	Condensed Consolidating Statement of Earnings For the Year Ended December 31, 2014 Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	$ —	$ 5,102.6	$ 3,479.3	$ (11.9)	$ 8,570.0
Cost and expenses					
Cost of sales (excluding depreciation and amortization)	—	(4,207.3)	(2,708.1)	11.9	(6,903.5)
Depreciation and amortization	(6.4)	(127.5)	(147.0)	—	(280.9)
Selling, general and administrative	(77.4)	(185.5)	(203.6)	—	(466.5)
Business consolidation and other activities	(11.2)	(66.6)	(2.7)	—	(80.5)
Equity in results of subsidiaries	470.2	265.4	—	(735.6)	—
Intercompany	254.8	(215.8)	(39.0)	—	—
	630.0	(4,537.3)	(3,100.4)	(723.7)	(7,731.4)
Earnings (loss) before interest and taxes	630.0	565.3	378.9	(735.6)	838.6
Interest expense	(150.0)	3.4	(13.3)	—	(159.9)
Debt refinancing and other costs	(33.1)	—	—	—	(33.1)
Total interest expense	(183.1)	3.4	(13.3)	—	(193.0)
Earnings (loss) before taxes	446.9	568.7	365.6	(735.6)	645.6
Tax (provision) benefit	23.1	(99.4)	(73.6)	—	(149.9)
Equity in results of affiliates, net of tax	—	1.2	1.1	—	2.3
Net earnings (loss)	470.0	470.5	293.1	(735.6)	498.0
Less net earnings attributable to noncontrolling interests	—	—	(28.0)	—	(28.0)
Net earnings (loss) attributable to Ball Corporation	$ 470.0	$ 470.5	$ 265.1	$ (735.6)	$ 470.0
Comprehensive earnings attributable to Ball Corporation	$ 197.9	$ 209.6	$ 91.6	$ (301.2)	$ 197.9

23. Subsidiary Guarantees of Debt *(continued)*

($ in millions)	Condensed Consolidating Statement of Earnings For the Year Ended December 31, 2013 Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	$ —	$ 5,125.5	$ 3,364.2	$ (21.6)	$ 8,468.1
Cost and expenses					
Cost of sales (excluding depreciation and amortization)	0.1	(4,246.7)	(2,650.4)	21.6	(6,875.4)
Depreciation and amortization	(7.5)	(126.7)	(165.7)	—	(299.9)
Selling, general and administrative	(81.4)	(179.9)	(157.3)	—	(418.6)
Business consolidation and other activities	(0.7)	(88.5)	10.4	—	(78.8)
Equity in results of subsidiaries	426.9	248.4	—	(675.3)	—
Intercompany	234.1	(188.3)	(45.8)	—	—
	571.5	(4,581.7)	(3,008.8)	(653.7)	(7,672.7)
Earnings (loss) before interest and taxes	571.5	543.8	355.4	(675.3)	795.4
Interest expense	(172.0)	2.5	(14.3)	—	(183.8)
Debt refinancing and other costs	(27.9)	—	(0.1)	—	(28.0)
Total interest expense	(199.9)	2.5	(14.4)	—	(211.8)
Earnings (loss) before taxes	371.6	546.3	341.0	(675.3)	583.6
Tax (provision) benefit	35.2	(113.8)	(71.0)	—	(149.6)
Equity in results of affiliates, net of tax	—	0.4	0.2	—	0.6
Net earnings (loss) from continuing operations	406.8	432.9	270.2	(675.3)	434.6
Discontinued operations, net of tax	—	0.4	—	—	0.4
Net earnings (loss)	406.8	433.3	270.2	(675.3)	435.0
Less net earnings attributable to noncontrolling interests	—	—	(28.2)	—	(28.2)
Net earnings (loss) attributable to Ball Corporation	$ 406.8	$ 433.3	$ 242.0	$ (675.3)	$ 406.8
Comprehensive earnings attributable to Ball Corporation	$ 519.0	$ 533.2	$ 261.3	$ (794.5)	$ 519.0

23. Subsidiary Guarantees of Debt *(continued)*

	Condensed Consolidating Balance Sheet December 31, 2015				
($ in millions)	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Assets					
Current assets					
Cash and cash equivalents	$ 5.5	$ —	$ 218.5	$ —	$ 224.0
Receivables, net	39.6	224.3	621.5	—	885.4
Intercompany receivables	136.5	517.1	6.6	(660.2)	—
Inventories, net	(0.3)	516.7	382.0	—	898.4
Deferred taxes and other current assets	48.8	83.5	43.9	—	176.2
Total current assets	230.1	1,341.6	1,272.5	(660.2)	2,184.0
Noncurrent assets					
Property, plant and equipment, net	13.8	1,026.4	1,645.7	—	2,685.9
Investment in subsidiaries	3,688.4	2,135.1	78.6	(5,902.1)	—
Goodwill	—	966.5	1,210.0	—	2,176.5
Restricted cash	2,154.4	—	—	—	2,154.4
Intangibles and other assets, net	251.4	101.2	223.6	—	576.2
Total assets	$ 6,338.1	$ 5,570.8	$ 4,430.4	$ (6,562.3)	$ 9,777.0
Liabilities and Shareholders' Equity					
Current liabilities					
Short-term debt and current portion of long-term debt	$ 0.7	$ 0.2	$ 76.4	$ —	$ 77.3
Accounts payable	19.4	791.8	689.6	—	1,500.8
Intercompany payables	105.1	0.5	554.3	(659.9)	—
Accrued employee costs	16.0	133.4	80.0	—	229.4
Other current liabilities	145.4	60.0	128.7	—	334.1
Total current liabilities	286.6	985.9	1,529.0	(659.9)	2,141.6
Noncurrent liabilities					
Long-term debt	4,938.5	—	115.7	—	5,054.2
Employee benefit obligations	341.6	466.2	339.4	—	1,147.2
Deferred taxes and other liabilities	(479.9)	375.0	277.9	(0.3)	172.7
Total liabilities	5,086.8	1,827.1	2,262.0	(660.2)	8,515.7
Common stock	961.7	1,041.8	375.2	(1,417.0)	961.7
Preferred stock	—	—	4.8	(4.8)	—
Retained earnings	4,557.5	3,276.4	2,062.1	(5,338.5)	4,557.5
Accumulated other comprehensive earnings (loss)	(639.9)	(574.5)	(283.7)	858.2	(639.9)
Treasury stock, at cost	(3,628.0)	—	—	—	(3,628.0)
Total Ball Corporation shareholders' equity	1,251.3	3,743.7	2,158.4	(5,902.1)	1,251.3
Noncontrolling interests	—	—	10.0	—	10.0
Total shareholders' equity	1,251.3	3,743.7	2,168.4	(5,902.1)	1,261.3
Total liabilities and shareholders' equity	$ 6,338.1	$ 5,570.8	$ 4,430.4	$ (6,562.3)	$ 9,777.0

23. Subsidiary Guarantees of Debt *(continued)*

	Condensed Consolidating Balance Sheet December 31, 2014				
($ in millions)	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Assets					
Current assets					
Cash and cash equivalents	$ 1.5	$ 0.4	$ 189.5	$ —	$ 191.4
Receivables, net	43.7	241.3	672.1	—	957.1
Intercompany receivables	94.0	99.9	4.3	(198.2)	—
Inventories, net	—	575.0	441.7	—	1,016.7
Deferred taxes and other current assets	3.1	75.1	70.1	—	148.3
Total current assets	142.3	991.7	1,377.7	(198.2)	2,313.5
Noncurrent assets					
Property, plant and equipment, net	15.1	968.0	1,447.6	—	2,430.7
Investment in subsidiaries	3,152.7	2,212.2	78.6	(5,443.5)	—
Goodwill	—	931.0	1,323.5	—	2,254.5
Intangibles and other assets, net	232.4	93.5	246.4	—	572.3
Total assets	$ 3,542.5	$ 5,196.4	$ 4,473.8	$ (5,641.7)	$ 7,571.0
Liabilities and Shareholders' Equity					
Current liabilities					
Short-term debt and current portion of long-term debt	$ 1.9	$ 7.6	$ 165.6	$ —	$ 175.1

Accounts payable	7.1	732.5	600.4	—	1,340.0
Intercompany payables	99.7	1.5	97.0	(198.2)	—
Accrued employee costs	22.3	155.6	92.0	—	269.9
Other current liabilities	51.6	38.0	132.2	—	221.8
Total current liabilities	182.6	935.2	1,087.2	(198.2)	2,006.8
Noncurrent liabilities					
Long-term debt	2,750.0	0.2	243.6	—	2,993.8
Employee benefit obligations	329.4	432.7	416.2	—	1,178.3
Deferred taxes and other liabilities	(752.6)	601.8	303.3	—	152.5
Total liabilities	2,509.4	1,969.9	2,050.3	(198.2)	6,331.4
Common stock	1,131.3	2,293.5	534.0	(2,827.5)	1,131.3
Preferred stock	—	—	4.8	(4.8)	—
Retained earnings	4,346.9	1,389.4	1,839.9	(3,229.3)	4,346.9
Accumulated other comprehensive earnings (loss)	(522.1)	(456.4)	(161.7)	618.1	(522.1)
Treasury stock, at cost	(3,923.0)	—	—	—	(3,923.0)
Total Ball Corporation shareholders' equity	1,033.1	3,226.5	2,217.0	(5,443.5)	1,033.1
Noncontrolling interests	—	—	206.5	—	206.5
Total shareholders' equity	1,033.1	3,226.5	2,423.5	(5,443.5)	1,239.6
Total liabilties and shareholders' equity	$ 3,542.5	$ 5,196.4	$ 4,473.8	$ (5,641.7)	$ 7,571.0

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23. Subsidiary Guarantees of Debt *(continued)*

($ in millions)	Condensed Consolidating Statement of Cash Flows For the Year Ended December 31, 2015 Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Total
Cash provided by (used in) operating activities	$ (13.2)	$ 568.3	$ 451.6	$ 1,006.7
Cash flows from investing activities				
Capital expenditures	(7.8)	(193.7)	(326.4)	(527.9)
Business acquisition, net of cash acquired	—	(29.1)	—	(29.1)
(Increase) decrease in noncurrent restricted cash	(2,182.7)	—	—	(2,182.7)
Other, net	7.2	7.1	4.7	19.0
Cash provided by (used in) investing activities	(2,183.3)	(215.7)	(321.7)	(2,720.7)
Cash flows from financing activities				
Long-term borrowings	4,509.1	—	15.1	4,524.2
Repayments of long-term borrowings	(2,300.7)	(0.1)	(129.0)	(2,429.8)
Net change in short-term borrowings	(1.9)	(7.4)	(83.9)	(93.2)
Proceeds from issuances of common stock	36.0	—	—	36.0
Acquisitions of treasury stock	(135.5)	—	—	(135.5)
Common dividends	(71.8)	—	—	(71.8)
Intercompany	248.7	(340.8)	92.1	—
Other, net	(73.3)	(1.7)	(17.8)	(92.8)
Cash provided by (used in) financing activities	2,210.6	(350.0)	(123.5)	1,737.1
Effect of exchange rate changes on cash	(10.1)	(3.0)	22.6	9.5
Change in cash and cash equivalents	4.0	(0.4)	29.0	32.6
Cash and cash equivalents — beginning of period	1.5	0.4	189.5	191.4
Cash and cash equivalents — end of period	$ 5.5	$ —	$ 218.5	$ 224.0

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Ball Corporation
Notes to the Consolidated Financial Statements

23. Subsidiary Guarantees of Debt *(continued)*

($ in millions)	Condensed Consolidating Statement of Cash Flows For the Year Ended December 31, 2014 Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Total
Cash provided by (used in) continuing operating activities	$ 68.3	$ 367.8	$ 576.4	$ 1,012.5

Cash flows from investing activities				
Capital expenditures	(10.4)	(181.8)	(198.6)	(390.8)
Other, net	(7.9)	(10.3)	17.6	(0.6)
Cash provided by (used in) investing activities	(18.3)	(192.1)	(181.0)	(391.4)
Cash flows from financing activities				
Long-term borrowings	375.0	—	36.9	411.9
Repayments of long-term borrowings	(690.4)	(0.5)	(206.9)	(897.8)
Net change in short-term borrowings	1.9	(22.2)	88.5	68.2
Proceeds from issuances of common stock	37.2	—	—	37.2
Acquisitions of treasury stock	(397.3)	—	—	(397.3)
Common dividends	(72.7)	—	—	(72.7)
Intercompany	470.0	(152.9)	(317.1)	—
Other, net	17.5	—	(12.3)	5.2
Cash provided by (used in) financing activities	(258.8)	(175.6)	(410.9)	(845.3)
Effect of exchange rate changes on cash	(8.3)	—	7.9	(0.4)
Change in cash and cash equivalents	(217.1)	0.1	(7.6)	(224.6)
Cash and cash equivalents — beginning of period	218.6	0.3	197.1	416.0
Cash and cash equivalents — end of period	$ 1.5	$ 0.4	$ 189.5	$ 191.4

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23. Subsidiary Guarantees of Debt *(continued)*

	Condensed Consolidating Statement of Cash Flows For the Year Ended December 31, 2013			
($ in millions)	**Ball Corporation**	**Guarantor Subsidiaries**	**Non-Guarantor Subsidiaries**	**Consolidated Total**
Cash provided by (used in) continuing operating activities	$ (50.5)	$ 464.7	$ 427.1	$ 841.3
Cash provided by (used in) discontinued operating activities	0.2	(2.5)	—	(2.3)
Total cash provided by (used in) operating activities	(50.3)	462.2	427.1	839.0
Cash flows from investing activities				
Capital expenditures	(6.7)	(169.2)	(202.4)	(378.3)
Business acquisition, net of cash acquired	—	(12.5)	(1.7)	(14.2)
Other, net	(19.6)	(2.5)	35.5	13.4
Cash provided by (used in) investing activities	(26.3)	(184.2)	(168.6)	(379.1)
Cash flows from financing activities				
Long-term borrowings	1,373.0	1.0	269.1	1,643.1
Repayments of long-term borrowings	(882.7)	—	(412.2)	(1,294.9)
Net change in short-term borrowings	(25.0)	29.6	(62.2)	(57.6)
Proceeds from issuances of common stock	32.9	—	—	32.9
Acquisitions of treasury stock	(431.7)	—	—	(431.7)
Common dividends	(75.2)	—	—	(75.2)
Intercompany	316.5	(308.6)	(7.9)	—
Other, net	(6.0)	—	(14.6)	(20.6)
Cash provided by (used in) financing activities	301.8	(278.0)	(227.8)	(204.0)
Effect of exchange rate changes on cash	(6.8)	—	(7.2)	(14.0)
Change in cash and cash equivalents	218.4	—	23.5	241.9
Cash and cash equivalents — beginning of period	0.2	0.3	173.6	174.1
Cash and cash equivalents — end of period	$ 218.6	$ 0.3	$ 197.1	$ 416.0

24. Subsequent Events

In January 2016, the company announced that its Aerospace and Technologies segment had acquired specialized engineering cyber firm Wavefront Technologies. This acquisition is not material to the company.

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

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

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures to seek to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to the officers who certify the company's financial reports and to other members of senior management and the board of directors. Based on their evaluation as of December 31, 2015, the chief executive officer and chief financial officer of the company have concluded that the company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) were effective.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in "Internal Control — Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on our evaluation under the framework in "Internal Control — Integrated Framework," our management concluded that our internal control over financial reporting was effective as of December 31, 2015.

The effectiveness of our internal control over financial reporting as of December 31, 2015, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in Item 8, "Financial Statements and Supplementary Data."

Changes in Internal Control

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

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

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Part III

Item 10. Directors, Executive Officers and Corporate Governance of the Registrant

The executive officers of the company as of February 16, 2016, were as follows:

Charles E. Baker, 58, Vice President, General Counsel and Corporate Secretary since July 2011; Vice President, General Counsel and Assistant Corporate Secretary from 2004 to 2011; Associate General Counsel, 1999 to 2004; various other positions within the company, 1993 to 1999.

Shawn M. Barker, 48, Vice President and Controller since January 2010; Vice President, Operations Accounting, 2006 to 2009; Corporate Director, Financial Planning and Analysis, 2004 to 2006; Manager, Planning and Analysis, 2003 to 2004.

Erik Bouts, 54, Senior Vice President and Chief Operating Officer, Global Metal Beverage Packaging, since February 2015; President Europe, Owens-Illinois from 2013 to 2014; Chief Executive Officer, The Glidden Company from 2007 to 2012; and Chief Executive Officer, Philips Lighting Company from 2002 to 2006.

Michael W. Feldser, 65, Senior Vice President, Ball Corporation, and Chief Operating Officer, Global Metal Food and Household Products Packaging, since April 2013; President, Ball Metal Food & Household Products Packaging from 2007 to 2013; and President, Ball Aerosol & Specialty Packaging, 2006 to 2007. Mr. Feldser will retire from the company in March 2016.

John A. Hayes, 50, Chairman, President and Chief Executive Officer since April 2013; President and Chief Executive Officer, 2011 to 2013; President and Chief Operating Officer during 2010; Executive Vice President and Chief Operating Officer from 2008 to 2009; various other positions within the company, 1999 to 2008.

Jeffrey A. Knobel, 44, Vice President and Treasurer since April 2011; Treasurer from 2010 to 2011; Senior Director, Treasury, 2008 to 2010; Director, Treasury Operations, 2005 to 2008; various other positions within the company, 1997 to 2005.

Scott C. Morrison, 53, Senior Vice President and Chief Financial Officer since January 2010; Vice President and Treasurer from 2002 to 2009; and Treasurer, 2000 to 2002.

Lisa A. Pauley, 54, Senior Vice President, Human Resources and Administration, since July 2011; Vice President, Administration and Compliance, 2007 to 2011; Senior Director, Administration and Compliance, 2004 to 2007; various other positions within the company, 1981 to 2004.

James N. Peterson, 47, Senior Vice President, Ball Corporation, and Chief Operating Officer, Global Metal Food and Household Products Packaging, since December 2015; Vice President, Marketing and Corporate Affairs from January 2011 to December 2015; Vice President, Marketing and Corporate Relations, 2008 to 2011; Director, Marketing North America, 2006 to 2008; and Vice President, Marketing & Business Development, U.S. Can Company, 2004 to 2006.

Robert D. Strain, 59, Senior Vice President, Ball Corporation, and President, Ball Aerospace & Technologies Corp. since April 2013; Chief Operating Officer, Ball Aerospace & Technologies Corp. from 2012 to 2013; and Director at NASA Goddard Space Flight Center from 2008 to 2012.

Leroy J. Williams, Jr., 51, Vice President, Information Technology and Services, since April 2007; and Vice President, Information Systems, 2005 to 2007.

Other information required by Item 10 appearing under the caption "Director Nominees and Continuing Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance," of the company's proxy statement to be filed pursuant to Regulation 14A within 120 days after December 31, 2015, is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 11 appearing under the caption "Executive Compensation" in the company's proxy statement, to be filed pursuant to Regulation 14A within 120 days after December 31, 2015, is incorporated herein by reference. Additionally, the Ball Corporation 2000 Deferred Compensation Company Stock Plan, the Ball Corporation 2005 Deferred Compensation Company Stock Plan, the Ball Corporation Deposit Share Program and the Ball Corporation Directors Deposit Share Program were created to encourage key executives and other participants to acquire a larger equity ownership interest in the company and to increase their interest in the company's stock performance. Nonemployee directors may also be a participant in the 2000 Deferred Compensation Company Stock Plan and the 2005 Deferred Compensation Company Stock Plan.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by Item 12 appearing under the caption "Voting Securities and Principal Shareholders," in the company's proxy statement to be filed pursuant to Regulation 14A within 120 days after December 31, 2015, is incorporated herein by reference.

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

	Equity Compensation Plan Information		
Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (A)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (B)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A)) (C)
Equity compensation plans approved by security holders	8,657,680	$ 37.50	8,657,680
Equity compensation plans not security holders approved by security holders	—	—	—
Total	8,657,680	$ 37.50	8,657,680

Item 13. Certain Relationships and Related Transactions

The information required by Item 13 appearing under the caption "Ratification of the Appointment of Independent Registered Public Accounting Firm," in the company's proxy statement to be filed pursuant to Regulation 14A within 120 days after December 31, 2015, is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 appearing under the caption "Certain Committees of the Board," in the company's proxy statement to be filed pursuant to Regulation 14A within 120 days after December 31, 2015, is incorporated herein by reference.

Part IV

Item 15. Exhibits, Financial Statement Schedules

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

The following documents are included in Part II, Item 8:

Report of independent registered public accounting firm

Consolidated statements of earnings — Years ended December 31, 2015, 2014 and 2013

Consolidated statements of comprehensive earnings — Years ended December 31, 2015, 2014 and 2013

Consolidated balance sheets — December 31, 2015 and 2014

Consolidated statements of cash flows — Years ended December 31, 2015, 2014 and 2013

Consolidated statements of shareholders' equity — Years ended December 31, 2015, 2014 and 2013

Notes to consolidated financial statements

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

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

(3) ***Exhibits:***

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

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/ John A. Hayes
John A. Hayes
Chairman, President and Chief Executive Officer
February 16, 2016

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

(1) Principal Executive Officer:

/s/ John A. Hayes John A. Hayes	Chairman, President and Chief Executive Officer February 16, 2016

(2) Principal Financial and Accounting Officer:

/s/ Scott C. Morrison Scott C. Morrison	Senior Vice President and Chief Financial Officer February 16, 2016

(3) Controller:

/s/ Shawn M. Barker Shawn M. Barker	Vice President and Controller February 16, 2016

(4) A Majority of the Board of Directors:

/s/ Robert W. Alspaugh * Robert W. Alspaugh	Director February 16, 2016
/s/ Michael J. Cave * Michael J. Cave	Director February 16, 2016
/s/ Hanno C. Fiedler * Hanno C. Fiedler	Director February 16, 2016
/s/ John A. Hayes * John A. Hayes	Chairman of the Board and Director February 16, 2016
/s/ R. David Hoover * R. David Hoover	Director February 16, 2016
/s/ Georgia R. Nelson * Georgia R. Nelson	Director February 16, 2016
/s/ George M. Smart * George M. Smart	Director February 16, 2016
/s/ Theodore M. Solso * Theodore M. Solso	Director February 16, 2016
/s/ Stuart A. Taylor II * Stuart A. Taylor II	Director February 16, 2016

* By John A. Hayes 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.

BALL CORPORATION
(Registrant)

By: /s/ John A. Hayes
John A. Hayes

As Attorney-in-Fact
February 16, 2016

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Ball Corporation
Annual Report on Form 10-K
For the Year Ended December 31, 2015

Index to Exhibits

Exhibit Number	Description of Exhibit
3.i	Amended Articles of Incorporation as of June 26, 2015 (Filed Herewith.)
3.ii	Bylaws of Ball Corporation as amended October 27, 2015 (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2015) filed October 30, 2015.
4.1(a)	Indenture, dated as of March 27, 2006, by and between Ball Corporation and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as Trustee (filed by incorporation by reference to the Current Report on Form 8-K dated March 27, 2006) filed March 30, 2006.
4.1(b)	Seventh Supplemental Indenture, dated as of March 9, 2012, among Ball Corporation, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.) (filed by incorporation by reference to the Current Report on Form 8-K dated March 8, 2012) filed March 9, 2012.
4.1(c)	Eighth Supplemental Indenture dated as of May 16, 2013, among Ball Corporation, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.) (filed by incorporation by reference to Exhibit 4.2 of the Current Report on Form 8-K dated May 16, 2013) filed May 17, 2013.
4.1(d)	Tenth Supplemental Indenture, dated as of March 27, 2015, among Ball Corporation, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.) (filed by incorporation by reference to Exhibit 4.2 of the Current Report on Form 8-K dated June 22, 2015) filed June 25, 2015.
4.1(e)	Indenture, dated as of November 27, 2015, by and between Ball Corporation and The Bank of New York Trust Company N.A. (filed by incorporation by reference to Exhibit 4.7 of the Registration Statement on Form S-3 dated November 27, 2015) filed November 27, 2015.
4.1(f)	First Supplemental Indenture, dated as of December 14, 2015, among Ball Corporation, the guarantors named therein and The Bank of New York Trust Company N.A. (filed by incorporation by reference to Exhibit 4.2 of the Current Report on Form 8-K dated December 14, 2015) filed December 16, 2015.
4.1(g)	Second Supplemental Indenture, dated as of December 14, 2015, among Ball Corporation, the guarantors named therein and The Bank of New York Trust Company N.A. (filed by incorporation by reference to Exhibit 4.4 of the Current Report on Form 8-K dated December 14, 2015) filed December 16, 2015.
4.1(h)	Third Supplemental Indenture, dated as of December 14, 2015, among Ball Corporation, the guarantors named therein and The Bank of New York Trust Company N.A. (filed by incorporation by reference to Exhibit 4.6 of the Current Report on Form 8-K dated December 14, 2015) filed December 16, 2015.
4.1(i)	Rights Agreement dated as of July 26, 2006, between Ball Corporation and Computershare Investor Services, LLC (filed by incorporation by reference to the Current Report on Form 8-K dated July 26, 2006) filed July 27, 2006.
4.1(j)	First Amendment to the Rights Agreement dated January 23, 2008, (filed by incorporation by reference to the Current Report on Form 8-K dated January 23, 2008) filed January 24, 2008.
10.1	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. *
10.2	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. *

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Exhibit Number	Description of Exhibit
10.3	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. *
10.4	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. *
10.5	Amended and Restated Form of Severance Benefit Agreement that 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, and as amended on December 17, 2008. *

10.6	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. *
10.7	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, and as amended on August 11, 2011, (filed by incorporation by reference to Exhibit 10.7 of the Annual Report on Form 10-K for the year ended December 31, 2013) filed February 24, 2014. *
10.8	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. *
10.9	1993 Stock Option Plan (filed by incorporation by reference to the Form S-8 Registration Statement, No. 33-61986) filed April 30, 1993. *
10.10	Ball Corporation 2005 Deferred Compensation Plan, effective January 1, 2005 (filed by incorporation by reference to Exhibit 10.1 of the Current Report on Form 8-K dated December 23, 2005) filed December 23, 2005, and as amended and restated on January 1, 2013 (filed by incorporation by reference to Exhibit 10.10 of the Annual Report on Form 10-K for the year ended December 31, 2013) , filed February 24, 2014. *
10.11	Ball Corporation 2005 Deferred Compensation Company Stock Plan, effective January 1, 2005 (filed by incorporation by reference to Exhibit 10.2 of the Current Report on Form 8-K dated December 23, 2005) filed December 23, 2005, and as amended and restated on January 1, 2013 (filed by incorporation by reference to Exhibit 10.11 of the Annual Report on Form 10-K for the year ended December 31, 2013), filed February 24, 2014. *
10.12	Ball Corporation 2005 Deferred Compensation Plan for Directors, effective January 1, 2005 (filed by incorporation by reference to Exhibit 10.3 of the Current Report on Form 8-K dated December 23, 2005) filed December 23, 2005, and as amended and restated on January 1, 2013 (filed by incorporation by reference to Exhibit 10.12 of the Annual Report on Form 10-K for the year ended December 31, 2013), filed February 24, 2014. *
10.13	Ball Corporation 2005 Stock and Cash Incentive Plan filed by incorporation by reference to the Proxy Statement filed March 18, 2005. *
10.14	Ball Corporation 2010 Stock and Cash Incentive Plan filed by incorporation by reference to the Proxy Statement filed March 12, 2010. *
10.15	Ball Corporation 2013 Stock and Cash Incentive Plan filed by incorporation by reference to the Proxy Statement filed March 8, 2013. *

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Exhibit Number	Description of Exhibit
10.16	Credit Agreement, dated as of February 19, 2015, among Ball Corporation, Deutsche Bank AG New York Branch and certain financial institutions party thereto as lenders and initial facing agents (filed by incorporation by reference to Exhibit 10.1 of the Current Report on Form 8-K dated February 19, 2015) filed February 19, 2015.
10.17	Bridge Loan Agreement, dated February 19, 2015, among Ball Corporation, Deutsche Bank AG Cayman Islands Branch and certain financial institutions party thereto as lenders (filed by incorporation by reference to Exhibit 10.2 of the Current Report on Form 8-K dated February 19, 2015) filed February 19, 2015.
11	Statement re: Computation of Earnings per Share (filed by incorporation by reference to the notes to the consolidated financial statements in Item 8, “Financial Statements and Supplementary Data”).
12	Statement re: Computation of Ratio of Earnings to Fixed Charges. (Filed herewith.)
14	Ball Corporation Executive Officers and Board of Directors Business Ethics Statement, revised July 29, 2015, filed herewith.
18.1	Letter re: Change in Accounting Principles regarding change in pension plan valuation measurement date (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 2002) filed March 27, 2003.
18.2	Letter re: Change in Accounting Principles regarding the change in accounting for certain inventories (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 2006) filed February 22, 2007.
18.3	Letter re: Change in Accounting Principles regarding the change in testing date for potential impairment of goodwill (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 2010) filed February 25, 2011.
21	List of Subsidiaries of Ball Corporation. (Filed herewith.)
23	Consent of Independent Registered Public Accounting Firm. (Filed herewith.)
24	Limited Power of Attorney. (Filed herewith.)
31.1	Certifications pursuant to Rule 13a-14(a) or Rule 15d-14(a), by John A. Hayes, President and Chief Executive Officer of Ball Corporation. (Filed herewith.)
31.2	Certifications pursuant to Rule 13a-14(a) or Rule 15d-14(a), by Scott C. Morrison, Senior Vice President and Chief Financial Officer of Ball Corporation. (Filed herewith.)
32.1	Certifications pursuant to Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, by John A. Hayes, President and Chief Executive Officer of Ball Corporation. (Furnished herewith.)
32.2	Certifications pursuant to Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, by Scott C. Morrison, Senior Vice President and Chief Financial Officer of Ball Corporation. (Furnished herewith.)
99	Cautionary statement for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. (Filed herewith.)

101	The following financial information from Ball Corporation's Annual Report on Form 10-K for the year ended December 31, 2015, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Earnings, (ii) the Consolidated Statements of Comprehensive Earnings, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Shareholders' Equity and Comprehensive Earnings and (vi) Notes to the Consolidated Financial Statements. (Filed herewith.)

* Represents a management contract or compensatory plan or agreement.

State of Indiana
Office of the Secretary of State

CERTIFICATE OF AMENDMENT

of

BALL CORPORATION

I, CONNIE LAWSON, Secretary of State of Indiana, hereby certify that Articles of Amendment of the above For-Profit Domestic Corporation have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Business Corporation Law.

NOW, THEREFORE, with this document I certify that said transaction will become effective Friday, June 26, 2015.

In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, June 26, 2015.

/s/ Connie Lawson

CONNIE LAWSON,
SECRETARY OF STATE

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APPROVED
AND
FILED
Connie Lawson
IND. SECRETARY OF STATE

ARTICLES OF AMENDMENT
OF THE
AMENDED ARTICLES OF INCORPORATION
OF
BALL CORPORATION

The above corporation (hereinafter referred to as the "Corporation") existing pursuant to the Indiana Business Corporation Law, as amended (the "Act"), desiring to give notice of corporate action effectuating amendment of certain provisions of its Amended Articles of Incorporation, as amended, sets forth the following facts:

ARTICLE I
NAME OF CORPORATION; DATE OF INCORPORATION

Section 1.01. **Name**. The name of the Corporation is Ball Corporation.

Section 1.02. **Date of Incorporation**. The date of incorporation of the Corporation is December 19, 1922.

ARTICLE II
AMENDMENT

Section 2.01. **Amendment**. The Amended Articles of Incorporation are hereby amended to add Article X, Section A, as set forth below, with the subsequent Articles to be renumbered consecutively thereafter:

"Article X—Section A. Election

Each director shall be elected by a majority of the votes cast either in person or by proxy and entitled to vote at any meeting for the election of directors at which a quorum is present; provided, however, that if as of the record date for the meeting there are more nominees than positions on the board to be filled by election at such meeting, each director shall be elected by a plurality of the votes cast by the shares represented in person or by proxy at such meeting and entitled to vote on the election of directors."

ARTICLE III
MANNER AND DATE OF ADOPTION AND VOTE

Section 3.01. **Action by Directors**. The Board of Directors of the Corporation duly adopted a resolution approving the terms and provisions of the Articles of Amendment of the Amended Articles of Incorporation as set forth in these Articles of Amendment. The resolution was duly adopted at a meeting of the Board of Directors held on February 4, 2015, at which a quorum was present. The vote complied with the requirements set forth in the Bylaws of the Corporation.

Section 3.02. **Action by Shareholders**. The Articles of Amendment were adopted by the vote of holders of common stock during a meeting called by the Board of Directors on April 29, 2015, at which a quorum was present. The results of such vote are as follows:

DESIGNATION OF SHAREHOLDERS:	Common Stock Holders
SHARES ENTITLED TO VOTE:	137,506,291
NUMBER OF SHARES REPRESENTED AT MEETING:	122,799,946
NUMBER OF VOTES CAST IN FAVOR:	111,240,429
NUMBER OF VOTES CAST AGAINST:	1,346,816

Section 3.03. **Adoption Date**. The date of the adoption of the foregoing amendment is April 29, 2015.

Section 3.04. **Effective Date**. The Effective date of the Articles of Amendment of the Amended Articles of Incorporation is the date of filing of the Articles of Amendment.

Section 3.05. **Compliance with Legal Requirements**. The manner of the adoption of these Articles of Amendment of the Amended Articles of Incorporation and the vote by which they were adopted, constitute full legal compliance with the provisions of the Act, the Amended Articles of Incorporation, and the Bylaws of the Corporation.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned officer of the Corporation executes these Articles of Amendment of the Amended Articles of Incorporation of the Corporation, and verifies, subject to penalties of perjury, that the facts contained herein are true, this 26th day of June, 2015.

BALL CORPORATION

By: /s/ Charles E. Baker

Printed Name: Charles E. Baker

Its: Vice President

State of Indiana
Office of the Secretary of State

CERTIFICATE OF CORRECTION

of

BALL CORPORATION

I, CONNIE LAWSON, Secretary of State of Indiana, hereby certify that Articles of Correction of the above For-Profit Domestic Corporation have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Business Corporation Law.

NOW, THEREFORE, with this document I certify that said transaction will become effective Friday, June 26, 2015.

In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, June 26, 2015.

/s/ Connie Lawson

CONNIE LAWSON,
SECRETARY OF STATE

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APPROVED
AND
FILED
Connie Lawson
IND. SECRETARY OF STATE

ARTICLES OF CORRECTION OF
AMENDED ARTICLES OF INCORPORATION

OF
BALL CORPORATION

Name of Corporation: Ball Corporation, an Indiana corporation incorporated in Indiana on December 19, 1922 (the "Corporation").

1. The Articles of Correction are filed to correct the Amended Articles of Incorporation of Ball Corporation, filed in the Office of the Indiana Secretary of State on April 29, 1985, as have subsequently been amended to the date hereof, including as amended by Articles of Amendment filed earlier on the date hereof (as amended, the "Amended Articles of Incorporation").

2. These Articles of Correction are filed to correct incorrect statements.

3. Please find below the incorrect statements followed directly thereafter by the corrected statements.

Incorrect Statement in Article IV:

"ARTICLE IV
Principal Office and Resident Agent

The post-office address of the principal office of the Corporation is 345 South High Street, Muncie, Indiana 47305; and the name and post-office address of its Resident Agent at the time of adoption of these Amended Articles is C T Corporation System, One North Capitol Avenue, Indianapolis, Indiana 46204."

Corrected Statement:

"ARTICLE IV
Principal Office and Registered Agent

The address of the Corporation's principal office and the address of the Corporation's registered office and the name of its registered agent at that office in Indiana, as of the filing date of the Corporation's last Biennial Report filed with the Indiana Secretary of State in accordance with Indiana Code Section 23-1-53-3, are as set forth in such report."

Incorrect Statement in Article XI (as renumbered as a result of the Articles of Amendment filed earlier on the date hereof):

"ARTICLE XI
Names and Addresses of Directors

The names and post-office addresses of the Corporation's Board of Directors holding office at the time of adoption of these Amended Articles are as follows:

Name	Number and Street	City and State
Howard M. Dean	3600 North River Road	Franklin Park, Illinois
John W. Fisher	345 South High Street	Muncie, Indiana
Richard M, Gillett	One Vandenberg Center	Grand Rapids, Michigan
Henry C. Goodrich	1900 Fifth Avenue, North	Birmingham, Alabama.
A Malcolm McVie	3731 Bay Road, North Drive	Indianapolis, Indiana
Robert H. Mohlman	3860 East 79th Street	Indianapolis, Indiana
Alvin M. Owsley, Jr.	3000 One Shell Plaza	Houston, Texas
William L. Peterson	345 South High Street	Muncie, Indiana
Richard M. Ringoen	345 South High Street	Muncie, Indiana
Delbert C. Stalcy	400 Westchester Avenue	White Plains, New York
William P. Stiritz	Checkerboard Square	St. Louis, Missouri"

Corrected Statement:

"ARTICLE XI
Names and Business Addresses of Directors

The names and business addresses of the Corporation's directors, as of the filing date of the Corporation's last Biennial Report filed with the Indiana Secretary of State in accordance with Indiana Code Section 23-1-53-3, are as set forth in such report".

Incorrect Statement in Article XII (as renumbered as a result of the Articles of Amendment filed earlier on the date hereof):

"ARTICLE XII
Names and Addresses of the Chairman of the Board,
the President and Chief Executive Officer,
and the Corporate Secretary

The names and post-office addresses of the Corporation's Chairman of the Board, the President and Chief Executive Officer, and the Corporate Secretary at the time of adoption of these Amended Articles are as follows:

Name	Number and Street	City and State
John W. Fisher Chairman of the Board	345 South High Street	Muncie, Indiana
Richard M. Ringoen President and Chief Executive Officer	345 South High Street	Muncie, Indiana

George A. Sissel	345 South High Street	Muncie, Indiana

Corporate
Secretary"

Corrected Statement:

"ARTICLE XII
Names and Business Addresses of the Secretary
and the Highest Executive Officer of the Corporation

The names and business addresses of the Corporation's secretary and the Corporation's highest executive officer, as of the filing date of the Corporation's last Biennial Report filed with the Indiana Secretary of State in accordance with Indiana Code Section 23-1-53-3, are as set forth in such report."

4. The incorrect statements identified above are incorrect for the following reasons:

Article IV of the Amended Articles of Incorporation contains an inaccurate statement as it identifies the Corporation's principal office as the prior location in Muncie, Indiana and not the current location of the principal office at 10 Longs Peak Dr., Broomfield, Colorado, 80021. The provision of the Amended Articles of Incorporation stating the location of the principal office dates back to the filing of amended articles of incorporation on April 29, 1985 under the prior corporate statute. Under the current applicable provisions of the Indiana Business Corporation Law, the term "principal office" means the office (in or out of Indiana) so designated in the annual or biennial report where the principal executive offices of the corporation are located. IC 23-1-20-19. Under IC 23-l-53-3, the Corporation is required to deliver a biennial report to the Secretary of State setting forth the address of its principal office, as so defined, which the Corporation duly filed, identifying the current address of its principal office as noted above.

The portions of Articles IV, XI (as renumbered as a result of the Articles of Amendment filed earlier on the date hereof) and XII (as renumbered as a result of the Articles of Amendment filed earlier on the date hereof) identifying the names and relevant addresses of the Corporation's resident agent (the term "registered" agent now being used under the Indiana Business Corporation Law), directors and officers, respectively, are likewise stale and inaccurate. The introductory language to the Amended Articles of Incorporation, as amended, provides that "[t]he exact text of the entire Amended Articles of Incorporation of the Corporation, as amended (hereinafter referred to as the "Amended Articles"), is as follows:….," Notably, the definition of Amended Articles, as written, makes reference to subsequent text constituting the articles of incorporation, however that subsequent text was thereafter amended by several filed amendments. Therefore, the language within Articles IV, XI and XII referring to the "time of adoption of these Amended Articles" grammatically refers to certain provisions that were adopted at later dates, including the date of the last amendment of the Amended Articles of Incorporation. Thus, as of the date hereof, being the date of the last amendment to the Amended Articles of Incorporation, the information contained in Articles IV, XI and XII, as applicable, is incorrect.

The Corporation notes that it has on file with the Indiana Secretary of State (i) the correct address of the Corporation's principal office and the address of the Corporation's registered office and the name of its registered agent at that office in Indiana, (ii) correct names and business addresses of the Corporation's directors and (iii) correct names and business addresses of the Corporation's secretary and the Corporation's highest executive officer. In addition, the Corporation has filed with the U.S. Securities & Exchange Commission various periodic and other reports required by the Securities and Exchange Act of 1934, as amended, and the rules and regulations thereunder, which identify, as applicable, the address of the Corporation's principal executive office and the names of its then-current directors and officers.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, being a duly authorized officer acting for and on behalf of Ball Corporation, verifies and affirms, subject to the penalties of perjury, that the facts contained herein are true and has caused these Articles of Correction to be executed.

Dated this 26th day of June, 2015.

Ball Corporation, an Indiana corporation

By:	/s/ Charles E. Baker
Printed:	Charles E. Baker
Title:	Vice President

State of Indiana
Office of the Secretary of State

CERTIFICATE OF AMENDMENT

of

BALL CORPORATION

I, TODD ROKITA, Secretary of State of Indiana, hereby certify that Articles of Amendment of the above For-Profit Domestic Corporation have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Business Corporation Law.

NOW, THEREFORE, with this document I certify that said transaction will become effective Monday, August 07, 2006.

In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, August 7, 2006.

/s/ Todd Rokita

TODD ROKITA,
SECRETARY OF STATE

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APPROVED
AND
FILED
Todd Rokita
IND. SECRETARY OF STATE

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ARTICLES OF AMENDMENT
of
THE AMENDED ARTICLES OF INCORPORATION
of
BALL CORPORATION
setting forth terms of
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

Pursuant to the Indiana Business Corporation Law (the "IBCL"), Ball Corporation, an Indiana corporation (the "Corporation"), in accordance with the provisions of Section 23-1-25-2 of the IBCL, does hereby certify:

Article I.

The name of the corporation filing these Articles of Amendment is Ball Corporation.

Article II.

Article VI, Section A, Paragraph 3 of the Amended Articles of Incorporation of the Corporation, as last amended on June 24, 2005, is hereby amended and restated to read in its entirety as follows:

ARTICLE VI

Terms of Capital Stock

Section A. Designation of Classes and Number of Shares of Capital Stock

3. (Added by amendment on August 7, 2006)

Five hundred and fifty thousand (550,000) shares of Preferred Stock shall be designated as "Series A Junior Participating Preferred Stock" and shall have the preferences, limitations, and relative voting and other rights as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" and the number of shares constituting such series shall be 550,000.

Section 2. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of preferred stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the last day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $10.00 or (b) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, aud 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, without par value, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after July 26, 2006 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and fee denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in Paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $10:00 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or

is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A-Junior Participating Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) (i) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) directors.

(ii) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting

called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that such voting right shall not be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) directors or, if such right is exercised at an annual meeting, to elect two (2) directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect directors in any default period and during the continuance of such period, the number of directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Junior Participating Preferred Stock.

(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the President, a Vice President or the Secretary of the Corporation, Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this Paragraph (C)(iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than twenty (20) days and not later than sixty (60) days after such order or request or in default of the calling of such meeting within sixty (60) days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this Paragraph (C)(iii), no such special meeting shall be called during the period within sixty (60) days immediately preceding the date fixed for the next annual meeting of the stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of directors until the holders of Preferred Stock shall have exercised their right to elect two (2) directors voting as a class, after the exercise of which right (x) the directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in Paragraph (C)(ii) of this Section 3) be filled by vote of a majority of the remaining directors theretofore elected by the holders of the class of stock which elected the director whose office shall have become vacant. References in this Paragraph (C) to directors elected by the holders of a particular class of stock shall include

directors elected by such directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect directors shall cease, (y) the term of any directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of directors shall be such number as may be provided for in the Amended Articles of Incorporation or Bylaws irrespective of any increase made pursuant to the provisions of Paragraph (C)(ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the Amended Articles of Incorporation or Bylaws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining directors.

(D) Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Participating Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under Paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up.

(A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received an amount equal to $1,000 per share of Series A Junior Participating Preferred Stock, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the “Series A Liquidation Preference”). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received ah amount per share (the “Common Adjustment”) equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 1,000 (as appropriately adjusted as set forth in subparagraph (C) below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the “Adjustment Number”). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the

Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount-set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event

Section 8. No Redemption. The shares of Series A Junior Participating Preferred Stock shall be redeemable at a price equal to the product of (a) the current market price of the Common Stock and (b) the Adjustment Number.

Section 9. Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock which may be issued from time to time as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment. At any time when any shares of Series A Junior Participating Preferred Stock are outstanding, neither the Amended Articles of Incorporation of the

Corporation nor these Preferences and Rights of Series A Junior Participating Preferred Stock shall be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

Section 11. Fractional Shares. Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

Article III.

These Articles of Amendment were duly authorized and adopted by the Board of Directors of the Corporation at a meeting duly called and held on July 26, 2006. Pursuant to Article VI, Section A, Paragraph 2 of the Amended Articles of Incorporation of the Corporation, as last amended on June 24, 2005, and Section 23-1-25-2 and Section 23-1-38-2 of the IBCL, these Articles of Amendment were adopted by the Board of Directors of the Corporation without shareholder action and no action by the Corporation's shareholders was required.

IN WITNESS WHEREOF, these Articles of Amendment are executed on behalf of the Corporation by its duly authorized officer this 7th day of August, 2006.

BALL CORPORATION

By: /s/ Charles E. Baker
Name: Charles E. Baker
Title: Vice President, General Counsel
and Assistant Corporate Secretary

Adopted on April 23, 1985,
as amended on July 22, 1986,
April 26, 1988,
June 29, 1989 and
November 26, 1990
August 2, 1996
April 23, 2003
June 24, 2005

AMENDED ARTICLES OF INCORPORATION
OF
BALL CORPORATION

The exact text of the entire Amended Articles of Incorporation of the Corporation, as amended (hereinafter referred to as the "Amended Articles"), is as follows:

ARTICLE I

Name

The name of the Corporation is Ball Corporation.

ARTICLE II

Purpose

The purpose for which the Corporation is formed is to engage in the transaction of any or all lawful business which may be conducted, or for which corporations may be incorporated under The Indiana General Corporation Act.

ARTICLE III

Term of Existence

The period during which the Corporation shall continue is perpetual.

ARTICLE IV

Principle Office and Resident Agent

The post-office address of the principal office of the Corporation is 345 South High Street, Muncie, Indiana 47305; and the name and post-office address of its Resident Agent at the time of adoption of these Amended Articles is C T Corporation System, One North Capitol Avenue, Indianapolis, Indiana 46204.

ARTICLE V

Amount of Capital Stock

The total number of shares into which the authorized capital stock of the Corporation is divided is five hundred sixty-five million (565,000,000) shares without par value.

ARTICLE VI

Terms of Capital Stock

Section A. Designation of Classes and Number of Shares of Capital Stock

1. Five hundred fifty million (550,000,000) shares of the authorized capital stock without par value shall be known as Common Stock. The shares of Common Stock shall be identical with each other in all respects.

2. Fifteen million (15,000,000) shares of the authorized capital stock without par value shall be known as Preferred Stock. The shares of Preferred Stock may be issued in one or more series. The Board of Directors shall have the authority to determine and state the designations and the relative rights (including, if any, conversion rights, participation rights, voting rights, dividend rights, and stated, redemption and liquidation values), preferences, limitations and restrictions of each such series by the adoption of resolutions prior to the issuance of each such series authorizing the issuance of such series. All shares of Preferred Stock of the same series shall be identical with each other in all respects.

3. (Added by amendment on August 2, 1996)

One hundred twenty thousand (120,000) shares of Preferred Stock shall be designated as "Series A Junior Participating Preferred Stock" and shall have preferences, limitations, and relative voting and other rights as follows:

(A) Dividends and Distributions.

(1) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the last day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $0.01 or (b) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all noncash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, without par value, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after January 24, 1996 (the "Rights Declaration Date") (a) declare any dividend on Common Stock payable in shares of Common Stock,

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(b) subdivide the outstanding Common Stock, or (c) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(2) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in paragraph (1) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date

and the next subsequent Quarterly Dividend Payment Date, a dividend of $0.01 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(3) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which event such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

(B) Voting Rights. The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(1) Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the shareholders of the Corporation. In the event the Corporation shall at any time after the Rights Declaration Date (a) declare any dividend on Common Stock payable in shares of Common Stock, (b) subdivide the outstanding Common Stock, or (c) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(2) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.

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(3) (a) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a “default period”) which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) directors.

(b) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (3)(c) of this Section (B) or at any annual meeting of shareholders, and thereafter at annual meetings of shareholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of directors shall be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) directors or, if such right is exercised at an annual meeting, to elect two (2) directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect directors in any default period and during the continuance of such period, the number of directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Junior Participating Preferred Stock.

(c) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect directors, the Board of Directors may order, or any shareholder or shareholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the President, a Vice President or the Corporate Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this subparagraph (3)(c) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any shareholder or shareholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this subparagraph (3)(c), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of shareholders.

(d) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of directors until the holders of Preferred Stock shall have exercised their right to elect two (2) directors voting as a class, after the exercise of which right (x) the directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in

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the Board of Directors may, except as provided in subparagraph (3)(b) of this Section (B), be filled by vote of a majority of the remaining directors theretofore elected by the holders of the class of stock which elected the director whose office shall have become vacant. References in this paragraph (3) to directors elected by the holders of a particular class of stock shall include directors elected by such directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(e) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect directors shall cease, (y) the term of any directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of directors shall be such number as may be provided for in these Amended Articles or the Bylaws irrespective of any increase made pursuant to the provisions of subparagraph (3)(b) of this Section (B) (such number being subject, however, to change thereafter in any manner provided by law or in these

Amended Articles or the Bylaws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining directors.

(4) Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

(C) Certain Restrictions.

(1) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section (A) are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(a) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(b) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(c) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Participating Preferred Stock; or

(d) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series of classes.

(2) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (1) of this Section (C), purchase or otherwise acquire such shares at such time and in such manner.

(D) Reacquired Shares. Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

(E) Liquidation, Dissolution or Winding Up.

(1) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received $1,000 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the “Series A Liquidation Preference”). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the “Common Adjustment”) equal to the quotient obtained by dividing (a) the Series A Liquidation Preference by (b) 1,000 (as appropriately adjusted as set forth in subparagraph (3) below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (c), the “Adjustment Number”). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect to all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(2) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of Preferred Stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(3) In the event the Corporation shall at any time after the Rights Declaration Date (a) declare any dividend on Common Stock payable in shares of Common Stock, (b) subdivide the outstanding Common Stock, or (c) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(F) Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (a) declare any dividend on Common Stock payable in shares of Common Stock, (b) subdivide the outstanding Common Stock, or (c) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(G) Redemption. The shares of Series A Junior Participating Preferred Stock shall be redeemable at a price equal to the product of (a) the current market price of the Common Stock and (b) the Adjustment Number.

(H) Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

(I) Amendment. The Amended Articles of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

(J) Fractional Shares. Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

4. (Added by amendment on June 29, 1989)

Two million one hundred thousand (2,100,000) shares of Preferred Stock shall be designated as "Series B ESOP Convertible Preferred Stock" and shall have preferences, limitations, and relative voting and other rights as follows:

Section 1. Designation and Amount; Special Purpose Restricted Transfer Issue

(A) The shares of such series shall be designated "Series B ESOP Convertible Preferred Stock" (such series being hereinafter sometimes called the "Series B Preferred Stock"), and the number of shares constituting such series shall initially be 2,100,000. Each share of Series B Preferred Stock shall have a stated value of $36.75.

(B) Shares of Series B Preferred Stock shall be issued only to Mellon Bank, N.A., as trustee (the "Trustee") of the Ball Corporation Salary Conversion Plan for Salaried Employees, as amended from time to time, or any successor to such plan (the "Plan"), including the employee stock ownership plan component of the Plan (the "ESOP"). All references to the holder of the Series B Preferred Stock shall mean the Trustee or any corporation with which or into which the Trustee may merge or any successor trustee under the trust agreement with respect to the Plan. In the event of any transfer of record ownership of shares of Series B Preferred Stock to any person other than any successor trustee under the Plan, the shares of Series B Preferred Stock so transferred, upon such transfer and without any further action by the Corporation or the holder thereof, shall be automatically converted into shares of Common Stock (as defined in paragraph (B) of Section 11 hereof) on the terms otherwise provided for the conversion of shares of Series B Preferred Stock into shares of Common Stock pursuant to Section 5 hereof and no such transferee shall have any of the voting powers, preferences and relative, participating, optional or special rights ascribed to shares of Series B Preferred Stock hereunder but, rather, only the powers and rights pertaining to the Common Stock into which such shares of Series B Preferred Stock shall be so converted. In the event of such a conversion, the transferee of the shares of Series B Preferred Stock shall be treated for all purposes as the record holder of the shares of Common Stock into which such shares of Series B Preferred Stock have been automatically converted as of the date of such transfer. Certificates representing shares of Series B Preferred Stock shall bear a legend to reflect the foregoing provisions. Notwithstanding the foregoing provisions of this paragraph (B) of Section 1, shares of Series B Preferred Stock (i) may be converted into shares of Common Stock as provided by Section 5 hereof and the shares of Common Stock issued upon such conversion may be transferred by the holder thereof as permitted by law and (ii) shall be redeemable by the Corporation upon the terms and conditions provided by Sections 6, 7 and 8 hereof.

Section 2. Dividends and Distributions

(A) Subject to the provisions for adjustment hereinafter set forth, the holders of shares of Series B Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation (the "Board of Directors") out of funds legally available therefor, cash dividends ("Preferred Dividends") at the rate of $2.76 per share per annum, payable semiannually in arrears, one-half on the 15th day of December and one-half on the 15th day of June of each year (each a "Dividend Payment Date") commencing on December 15, 1989, to holders of record at the start of business on such Dividend Payment Date. In the event that any Dividend Payment Date shall fall on any day other than a "Business Day" (as defined in paragraph (G) of Section 9 hereof), the dividend payment due on such Dividend Payment Date shall be paid on the Business Day immediately following such Dividend Payment Date. Preferred Dividends shall begin to accrue on outstanding shares of Series B Preferred Stock from the date of issuance of such shares of Series B Preferred Stock. Preferred Dividends shall accrue on a daily basis whether or not during such semiannual period there shall be funds legally available therefor, but Preferred Dividends accrued on the shares of Series B Preferred Stock for any period less than a full semiannual period between Dividend Payment Dates (or, in the case of the first dividend payment, from the date of issuance of the shares of Series B Preferred Stock through the first Dividend Payment Date) shall be computed on the basis of a 360-day year of 30-day months. Accrued but unpaid Preferred Dividends shall cumulate as of the Dividend Payment Date on which they first become payable, but no interest shall accrue on accumulated but unpaid Preferred Dividends.

(B) So long as any shares of Series B Preferred Stock shall be outstanding, no dividend shall be declared or paid or set apart for payment on any other series of stock ranking on a parity with the Series B Preferred Stock as to dividends, unless there shall also be or have been declared and paid or set apart for payment on the Series B Preferred Stock dividends for all dividend payment periods of the Series B Preferred Stock ending on or before the dividend payment date of such parity stock, ratably in proportion to the respective amounts of dividends accumulated and unpaid through such dividend period on the Series B Preferred Stock and accumulated and unpaid on such parity stock through the dividend payment period on such parity stock next preceding such dividend payment date. In the event that full cumulative dividends on the Series B Preferred Stock have not been declared and paid or set apart for payment when due, the Corporation shall not declare or pay or set apart for payment any dividends or make any other distributions on, or make any payment on account of the purchase, redemption or other retirement of any other class of stock or series thereof of the Corporation ranking, as to dividends or as to distributions in the event of a liquidation, dissolution or winding up of the Corporation, junior to the Series B Preferred Stock until full cumulative dividends on the Series B Preferred Stock shall have been paid or declared and set apart for payment; *provided, however,* that the foregoing shall not apply to (i) any dividend payable solely in any shares of any stock ranking, as to dividends and as to distributions in the event of a liquidation, dissolution or winding up of the Corporation, junior to the Series B Preferred Stock or (ii) the acquisition of shares of any stock ranking, as to dividends or as to distributions in the event of a liquidation, dissolution or winding up of the Corporation, junior to the Series B Preferred Stock in exchange solely for shares of any other stock ranking, as to dividends and as to distributions in the event of a liquidation, dissolution or winding up of the Corporation, junior to the Series B Preferred Stock.

Section 3. *Voting Rights*

The holders of shares of Series B Preferred Stock shall have the following voting rights:

(A) The holders of shares of Series B Preferred Stock shall be entitled to vote on all matters submitted to a vote of the shareholders of the Corporation, voting together with the holders of Common Stock as one class. The holders of shares of Series B Preferred Stock initially shall be entitled to 1.30 votes per share (the “Initial Vote”), *provided* in the event of a “Regulatory Determination”, as defined below, with respect to the Initial Vote, the Initial Vote shall be reduced to one vote per share. In the event that the “Conversion Price”, as defined in Section 5 hereof, is adjusted as provided in Subsection 9(A) or (B) hereof, each share of Series B Preferred Stock shall be entitled to a vote equal to the vote to which it was entitled immediately prior to such adjustment, multiplied by the inverse of the fraction by which the Conversion Price is to be multiplied pursuant to such subsection, subject to a Regulatory Determination. In the event of any other adjustment to the Conversion Price hereunder, each share of Series B Preferred Stock shall be entitled to a number of votes equal to the higher of (i) the number of shares of Common Stock into which such share of Series B Preferred Stock could be converted subsequent to such adjustment and (ii) the number of votes to which it was entitled immediately prior to such adjustment, subject to a Regulatory Determination. In the event of a Regulatory Determination with respect to the voting rights of a share of Series B Preferred Stock as adjusted pursuant to the preceding two sentences, the number of votes per share of Series B Preferred Stock shall only be adjusted to the highest vote per share which would not result in a Regulatory Determination. The term “Regulatory Determination” refers to a determination by the Corporation that the number of votes to be accorded to each share of Series B Preferred Stock hereunder would create a material risk that the Common Stock would no longer be eligible for trading on the New York Stock Exchange (“NYSE”) or otherwise not be permitted by applicable rules and regulations of the Securities and Exchange Commission or the NYSE.

(B) Except as otherwise required by law or set forth herein, holders of Series B Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for the taking of any corporate action.

Section 4. *Liquidation, Dissolution or Winding Up*

(A) In the event of any liquidation, dissolution or winding up of the Corporation, voluntary or involuntary, the holders of Series B Preferred Stock shall be entitled to receive out of assets of the Corporation which remain after satisfaction in full of all valid claims of creditors of the Corporation and which are available for payment to shareholders, and subject to the rights of the holders of any stock of the Corporation ranking senior to or on a parity with the Series B Preferred Stock in respect of distributions upon liquidation, dissolution or winding up of the Corporation, before any amount shall be paid to or distributed among the holders of Common Stock or any other shares ranking junior to the Series B Preferred Stock in respect of distributions upon liquidation, dissolution or winding up of the Corporation, liquidating distributions in the amount of $36.75 per share, plus an amount equal to all accrued and unpaid dividends thereon to the date fixed for distribution, and no more. If upon any liquidation, dissolution or winding up of the Corporation, the amounts payable with respect to the Series B Preferred Stock and any other stock ranking as to any such distribution on a parity with the Series B Preferred Stock are not paid in full, the holders of Series B Preferred Stock and such other stock shall share ratably in any distribution of assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount to which they are entitled as provided by the foregoing provisions of this paragraph 4(A), the holders of Series B Preferred Stock shall not be entitled to any further right or claim to any of the remaining assets of the Corporation.

(B) Neither the merger or consolidation of the Corporation with or into any other corporation, nor the merger or consolidation of any other corporation with or into the Corporation, nor the sale, lease, exchange or other transfer of all or any portion of the assets of the Corporation, shall be deemed to be a dissolution, liquidation or winding up of the affairs of the Corporation for purposes of this Section 4, but the holders of Series B Preferred Stock shall nevertheless be entitled in the event of any such merger or consolidation to the rights provided by Section 8 hereof.

(C) Written notice of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable to holders of Series B Preferred Stock in such circumstances shall be payable, shall be given by hand delivery, by courier, by standard form of telecommunication or by first-class mail (postage prepaid), delivered, sent or mailed, as the case may be, not less than twenty (20) days prior to any payment date stated therein, to the holders of Series B Preferred Stock, at the address shown on the books of the Corporation or any transfer agent for the Series B Preferred Stock.

Section 5. *Conversion into Common Stock*

(A) A holder of shares of Series B Preferred Stock shall be entitled, at any time prior to the close of business on the date fixed for redemption of such shares pursuant to Section 6, 7 or 8 hereof, to cause any or all of such shares to be converted into shares of Common Stock, initially at a conversion price equal to $36.75 per share of Common Stock, with each share of Series B Preferred Stock being valued at $36.75 for such purpose, and which price shall be adjusted as provided in Section 9 hereof (and, as so adjusted, is hereinafter sometimes referred to as the “Conversion Price”) (that is, a conversion rate initially equivalent to one share of Common Stock for each share of Series B Preferred Stock so converted, subject to adjustment as the Conversion Price is adjusted as provided in Section 9 hereof).

(B) Any holder of shares of Series B Preferred Stock desiring to convert such shares into shares of Common Stock shall surrender the certificate or certificates representing the shares of Series B Preferred Stock being converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), at the principal executive office of the Corporation or the offices of any transfer agent for the Series B Preferred Stock or such office or offices in the continental United States of an agent for conversion as may from time to time be designated by notice to the holders of the Series B Preferred Stock by the Corporation or any transfer agent for the Series B Preferred Stock, accompanied by written notice of conversion. Such notice of conversion shall specify (i) the number of shares of Series B Preferred Stock to be converted and the name or names in which such holder wishes the certificate or certificates for Common Stock and for any shares of Series B Preferred Stock not to be so converted to be issued and (ii) the address to which such holder wishes new certificates issued upon such conversion to be delivered.

(C) Upon surrender of a certificate representing a share or shares of Series B Preferred Stock for conversion, the Corporation shall issue and send by hand delivery, by courier or by first-class mail (postage prepaid), to the holder thereof or to such holder’s designee, at the address designated by such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled upon conversion. In the event that there shall have been surrendered a certificate or certificates representing shares of Series B Preferred Stock, only part of which are to be converted, the Corporation shall issue and send to such holder or such holder’s designee, in the manner set forth in the preceding sentence, a new certificate or certificates representing the number of shares of Series B Preferred Stock which shall not have been converted.

(D) The issuance by the Corporation of shares of Common Stock upon a conversion of shares of Series B Preferred Stock into shares of Common Stock made at the option of the holder thereof shall be effective as of the earlier of (i) the delivery to such holder or such holder’s designee of the certificates representing the shares of Common Stock issued upon conversion thereof or (ii) the commencement of business on the second Business Day after the surrender of the certificate or certificates for the shares of Series B Preferred Stock to be converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) and accompanied by all documentation required to effect the conversion, as herein provided. On and after the effective date of conversion, the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock, but no allowance or adjustment shall be made in respect of dividends payable to holders of Common Stock in respect of any period prior to such effective date. The Corporation shall not be obligated to pay any dividends which shall have been declared and shall be payable to holders of shares of Series B Preferred Stock on a Dividend Payment Date if such Dividend Payment Date for such dividend is subsequent to the effective date of conversion of such shares.

(E) The Corporation shall not be obligated to deliver to holders of Series B Preferred Stock any fractional share or shares of Common Stock issuable upon any conversion of such shares of Series B Preferred Stock, but in lieu thereof may make a cash payment in respect thereof in any manner permitted by law.

(F) Out of its authorized Common Stock the Corporation shall at all times reserve and keep available unissued or treasury shares solely for issuance upon the conversion of shares of Series B Preferred Stock as herein provided, free from any preemptive rights, in such number as shall from time to time be issuable upon the conversion of all the shares of Series B Preferred Stock then outstanding. Nothing contained herein shall preclude the Corporation from issuing shares of Common Stock held in its treasury upon the conversion of shares of Series B Preferred Stock into Common Stock pursuant to the terms hereof. The Corporation shall prepare and shall use its best efforts to' obtain and keep in force such governmental or regulatory permits or other authorizations as may be required by law, and shall comply with all requirements as to registration or qualification of the Common Stock, in order to enable the Corporation lawfully to issue and deliver to each holder of record of Series B Preferred Stock such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all shares of Series B Preferred Stock then outstanding and convertible into shares of Common Stock.

Section 6. Redemption At the Option of the Corporation

(A) The Series B Preferred Stock shall be redeemable, in whole or in part, (i) at the option of the Corporation at any time after June 29, 1999, at $36.75 per share, plus an amount equal to all accrued and unpaid dividends thereon to the date fixed for redemption and (ii) as otherwise permitted by this Section 6. Payment of the redemption price shall be made by the Corporation in cash or shares of Common Stock, or a combination thereof, as permitted by paragraph (F) of this Section 6. From and after the date fixed for redemption, dividends on shares of Series B Preferred Stock called for redemption will cease to accrue, such shares of Series B Preferred Stock will no longer be deemed to be outstanding and all rights in respect of such shares of Series B Preferred Stock shall cease, except the right to receive the redemption price. If less than all of the outstanding shares of Series B Preferred Stock are to be redeemed, the Corporation shall either redeem a portion of the shares of Series B Preferred Stock of each holder determined pro rata based on the number of shares of Series B Preferred Stock held by each holder or shall select the shares of Series B Preferred Stock to be redeemed by lot, as may be determined by the Board of Directors.

(B) Unless otherwise required by law, notice of redemption will be sent to the holders of Series B Preferred Stock at the address shown on the books of the Corporation or any transfer agent for the Series B Preferred Stock by hand delivery, by courier, by any standard form of telecommunications or by first-class mail (postage prepaid), delivered, sent or mailed, as the case may be, not less than fifteen (15) days nor more than sixty (60) days prior to the redemption date. Each such notice shall state: (i) the redemption date; (ii) the total number of shares of Series B Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares of Series B Preferred Stock to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where certificates for such shares of Series B Preferred Stock are to be surrendered for payment of the redemption price; (v) that dividends on the shares of Series B Preferred Stock to be redeemed will cease to accrue on such redemption date; and (vi) the conversion rights of the shares of Series B Preferred Stock to be redeemed, the period within which conversion rights may be exercised, and the Conversion Price and number of shares of Common Stock issuable upon conversion of a share of Series B Preferred Stock at the time. Upon surrender of the certificate for any shares of Series B Preferred Stock so called for redemption and not previously converted (properly endorsed or assigned for transfer, if the Board of Directors shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the date fixed for redemption and at the redemption price set forth in this Section 6.

(C) In the event (i) of a change in any statute, rule or regulation of the United States of America which (x) has the effect of limiting or making unavailable to the Corporation all or any of the tax deductions for amounts paid (including dividends) on the shares of Series B Preferred Stock when such amounts are used as provided under Section 404(k)(2) of the Internal Revenue Code of 1986, as amended and in effect on the date shares of Series B Preferred Stock are initially issued, or (y) relates, directly or indirectly, to the ESOP and adversely affects the Corporation, (ii) that shares of Series B Preferred Stock are held by an employee benefit plan intended to qualify as an employee stock ownership plan within the meaning of Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), and such plan does not so qualify, or (iii) that the Corporation, in good faith after consultation with counsel to the Corporation, determines that the voting provisions contained herein are not in compliance with Rule 19c-4 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Corporation may, in its sole discretion and notwithstanding anything to the contrary in paragraph (A) of this Section 6, elect to redeem any or all of such shares of Series B Preferred Stock for $36.75 per share, plus an amount equal to all accrued and unpaid dividends thereon to the date fixed for redemption. Except with respect to the redemption price, such redemption shall be effected as provided in paragraphs (A), (B) and (F) of this Section 6.

(D) In the event that the Plan is terminated or the ESOP is terminated or eliminated from the Plan in accordance with its terms, and notwithstanding anything to the contrary in paragraph (A) of this Section 6, the Corporation shall, as soon thereafter as practicable, call for redemption all then outstanding shares of Series B Preferred Stock at the following redemption prices per share:

During the Twelve-Month Period Beginning June 29	**Price Per Share**
1989	$ 39.510
1990	39.234
1991	38.958
1992	38.682
1993	38.406
1994	38.130
1995	37.854
1996	37.578
1997	37.302
1998	37.026

Except with respect to the redemption price, such redemption shall be effected as provided in paragraphs (A), (B) and (F) of this Section 6.

(E) Notwithstanding anything to the contrary in paragraph (A) of this Section 6, upon the termination of a Plan participant's employment with the Corporation, the Corporation may elect to redeem any or all shares of Series B Preferred Stock held for the account of such participant at a redemption price equal to the higher of (i) $36.75 per share, plus an amount equal to all accrued and unpaid dividends thereon to the date fixed for redemption or (ii)the Fair Market Value (as defined in paragraph (G) of Section 9 hereof) of the shares of Common Stock which would be issuable upon the conversion of the shares of Series B Preferred Stock being redeemed, plus accrued and unpaid dividends (the "Consideration Price"). Except with respect to the redemption price, such redemption shall be effected as provided in paragraphs (A), (B) and (F) of this Section 6.

(F) The Corporation, at its option, may make payment of the redemption price required upon redemption of shares of Series B Preferred Stock in cash or in shares of Common Stock, or in a combination of such shares and cash, any such shares of Common Stock to be valued for such purposes at their Fair Market Value.

Section 7. Other Redemption Rights

Shares of Series B Preferred Stock shall be redeemed by the Corporation for cash or, if the Corporation so elects, in shares of Common Stock, or a combination of such shares of Common Stock and cash, any such shares of Common Stock to be valued for such purpose at their Fair Market Value, at a redemption price equal to the higher of (i) $36.75 per share plus accrued and unpaid dividends thereon to the date fixed for redemption or (ii) the Consideration Price, at the option of the holder, at any time and from time to time upon notice to the Corporation given not less than five (5) Business Days prior to the date fixed by the holder in such notice for such redemption, upon certification by such holder to the Corporation: (i) when and to the extent necessary for such holder to provide for distributions required to be made to participants under, or to satisfy an investment election provided to participants in accordance with, the Plan; or (ii) in the event that the Plan is not initially determined by the Internal Revenue Service to be qualified within the meaning of §401(a) and 4975(e)(7) of the Code.

Section 8. Consolidation, Merger, etc.

(A) In the event that the Corporation shall consummate any consolidation or merger or similar business combination, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged solely for or changed, reclassified or converted solely into stock of any successor or resulting corporation (including the Corporation) that constitutes "qualifying employer securities" with respect to a holder of Series B Preferred Stock within the meaning of Section 409(1) of the Code and Section 407(d)(5) of the Employee Retirement Income Security Act of 1974, as amended, or any successor provisions of law, and, if applicable, for a cash payment in lieu of fractional shares, if any, the shares of Series B Preferred Stock of such holder shall, in connection with such consolidation, merger or similar business combination, be assumed by and shall become preferred stock of such successor or resulting corporation, having in respect of such corporation, insofar as possible, the same powers, preferences and relative, participating, optional or other special rights (including the redemption rights provided by Sections 6, 7 and 8 hereof), and the qualifications, limitations or restrictions thereon, that the Series B Preferred Stock had immediately prior to such transaction, except that after such transaction each share of Series B Preferred Stock shall be convertible, otherwise on the terms and conditions provided by Section 5 hereof, into the number and kind of qualifying employer securities so receivable by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted immediately prior to such transaction; *provided, however,* that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, which election cannot practicably be made by the holder of the shares of Series B Preferred Stock, then the shares of Series B Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in kind) receivable by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election to receive any kind or amount of stock, securities, cash or other property (other than such qualifying employer securities and a cash payment, if applicable, in lieu of fractional shares), receivable upon such transaction (provided that, if the kind or amount of qualifying employer securities receivable upon such transaction is not the same for each non-electing share, then the kind and amount so receivable upon such transaction for each non-electing share shall be the kind and amount so receivable per share by the plurality of the non-electing shares). The rights of the Series B Preferred Stock as preferred stock of such successor or resulting corporation shall successively be subject to adjustments pursuant to Sections 3 and 9 hereof after any such transaction as nearly equivalent as practicable to the adjustment provided for by such sections prior to such transaction. The Corporation shall not consummate any such merger, consolidation or similar transaction unless all then outstanding shares of Series B Preferred Stock shall be assumed and authorized by the successor or resulting corporation as aforesaid.

(B) In the event that the Corporation shall consummate any consolidation or merger or similar business combination, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged for or changed, reclassified or converted into other stock or securities or cash or any other property, or any combination thereof, other than

any such consideration which is constituted solely of qualifying employer securities (as referred to in paragraph (A) of this Section 8) and cash payments, if applicable, in lieu of fractional shares, outstanding shares of Series B Preferred Stock shall, without any action on the part of the Corporation or any holder thereof (but subject to paragraph (C) of this Section 8), be automatically converted by virtue of such merger, consolidation or similar transaction immediately prior to such consummation into the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted at such time so that each share of Series B Preferred Stock shall by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in like kind) receivable by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted immediately prior to such transaction; *provided, however,* that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, which election cannot practicably be made by the holder of the shares of Series B Preferred Stock, then the shares of Series B Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in kind) receivable by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election as to the kind or amount of stock, securities, cash or other property receivable upon such transaction (provided that, if the kind or amount of stock, securities, cash or other property receivable upon such transaction is not the same for each non-electing share, then the kind and amount of stock, securities, cash or other property receivable upon such transaction for each non-electing share shall be the kind and amount so receivable per share by a plurality of the non-electing shares).

(C) In the event the Corporation shall enter into any agreement providing for any consolidation or merger or similar business combination described in paragraph (B) of this Section 8, then the Corporation shall as soon as practicable thereafter (and in any event at least ten (10) Business Days before consummation of such transaction) give notice of such agreement and the material terms thereof to each holder of shares of Series B Preferred Stock and each such holder shall have the right to elect, by written notice to the Corporation, to receive, upon consummation of such transaction (if and when such transaction is consummated), from the Corporation or the successor of the Corporation; in redemption and retirement of such Series B Preferred Stock, a cash payment equal to the following amount per share:

During the Twelve-Month Period Beginning June 29		Price Per Share
1989	$	39.510
1990		39.234
1991		38.958
1992		38.682
1993		38.406
1994		38.130
1995		37.854
1996		37.578
1997		37.302
1998		37.026

No such notice of redemption shall be effective unless given to the Corporation prior to the close of business on the fifth Business Day prior to consummation of such transaction, unless the Corporation or the successor of the Corporation shall waive such prior notice, but any notice of redemption so given prior to such time may be withdrawn by notice of withdrawal given to the Corporation prior to the close of business on the fifth business day prior to consummation of such transaction.

Section 9. *Anti-dilution Adjustments*

(A) In the event the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, (i) pay a dividend or make a distribution in respect of the Common Stock in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, in each case whether by reclassification of shares, recapitalization of the Corporation (including a recapitalization effected by a merger or consolidation to which Section 8 hereof does not apply) or otherwise, subject to the provisions of paragraphs (E) and (F) of this Section 9, the Conversion Price in effect immediately prior to such action shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately before such event, and the denominator of which is the number of shares of Common Stock outstanding immediately after such event. An adjustment made pursuant to this paragraph 9(A) shall be given effect, upon payment of such a dividend or distribution, as of the record date for the determination of stockholders entitled to receive such dividend or distribution (on a retroactive basis) and in the case of a subdivision or combination shall become effective immediately as of the effective date thereof.

(B) In the event that the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, issue to holders of shares of Common Stock as a dividend or distribution, including by way of a reclassification of shares or a recapitalization of the Corporation, any right or warrant to purchase shares of Common Stock (but not including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock) at a purchase price per share less than the Fair Market Value (as defined in paragraph (G) of this Section 9) of a share of Common Stock on the date of issuance of such right or warrant, then, subject to paragraphs (E) and (F) of this Section 9, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the number of shares of Common Stock which could be purchased at the Fair Market Value of a share of Common Stock at the time of such issuance for the maximum aggregate consideration payable upon exercise in full of all such rights or warrants, and the denominator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the maximum number of shares of Common Stock that could be acquired upon exercise in full of all such rights and warrants.

(C) In the event the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, issue, sell or exchange shares of Common Stock (other than pursuant to any right or warrant to purchase or acquire shares of Common Stock [including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock] and other than pursuant to any employee or director incentive or benefit plan or arrangement, including any employment, severance or consulting agreement, of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted) for a consideration having a Fair Market Value, on the date of such issuance, sale or exchange, less than the Fair Market Value of such shares on the date of issuance, sale or exchange, then, subject to paragraphs (E) and (F) of this Section 9, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction the numerator of which shall be the sum of (i) the Fair Market Value of all the shares of Common Stock outstanding on the day immediately preceding the first public announcement of such issuance, sale or exchange plus (ii) the Fair Market Value of the consideration received by the Corporation in respect of such issuance, sale or exchange of shares of Common Stock, and the denominator of which shall be the product of (a) the Fair Market Value of a share of Common Stock on the day immediately preceding the first public announcement of such issuance, sale or exchange multiplied by (b) the sum of the number of shares of Common Stock outstanding on such day plus the number of shares of Common Stock so issued, sold or exchanged by the Corporation. In the event the Corporation shall, at any time or from time to time while any shares of Series B Preferred Stock are outstanding, issue, sell or exchange any right or warrant to purchase or acquire shares of Common Stock (including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock), other than any such issuance to holders of shares of Common Stock as a dividend or distribution (including by way of a reclassification of shares or a recapitalization of the Corporation) and other than pursuant to any employee or director incentive or benefit plan or arrangement (including any employment, severance or consulting agreement) of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted, for a consideration having a Fair Market Value, on the date of such issuance, sale or

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exchange, less than the Non-Dilutive Amount (as hereinafter defined), then, subject to paragraphs (E) and (F) of this Section 9, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction the numerator of which shall be the sum of (i) the Fair Market Value of all the shares of Common Stock outstanding on the day immediately preceding the first public announcement of such issuance, sale or exchange plus (ii) the Fair Market Value of the consideration received by the Corporation in respect of such issuance, sale or exchange of such right or warrant plus (iii) the Fair Market Value at the time of such issuance of the consideration which the Corporation would receive upon exercise in full of all such rights or warrants, and the denominator of which shall be the product of (i) the Fair Market Value of a share of Common Stock on the day immediately preceding the first public announcement of such issuance, sale or exchange multiplied by (ii) the sum of the number of shares of Common Stock outstanding on such day plus the maximum number of shares of Common Stock which could be acquired pursuant to such right or warrant at the time of the issuance, sale or exchange of such right or warrant (assuming shares of Common Stock could be acquired pursuant to such right or warrant at such time).

(D) In the event the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, make an Extraordinary Distribution (as defined in paragraph (G) of this Section 9) in respect of the Common Stock, whether by dividend, distribution, reclassification of shares or recapitalization of the Corporation (including a recapitalization or reclassification effected by a merger or consolidation to which Section 8 hereof does not apply) or effect a Pro Rata Repurchase (as defined in paragraph (G) of this Section 9) of Common Stock, the Conversion Price in effect immediately prior to such Extraordinary Distribution or Pro Rata Repurchase shall, subject to paragraphs (E) and (F) of this Section 9, be adjusted by multiplying such Conversion Price by a fraction the numerator of which is the difference between (i) the product of (x) the number of shares of Common Stock outstanding immediately before such Extraordinary Distribution or Pro Rata Repurchase multiplied by (y) the Fair Market Value of a share of Common Stock on the day before the ex-dividend date with respect to an Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary Distribution which is paid other than in cash, or on the applicable expiration date (including all extensions thereof) of any tender offer which is a Pro Rata Repurchase, or on the date of purchase with respect to any Pro Rata Repurchase which is not a tender offer, as the case may be, and (ii) the Fair Market Value of the Extraordinary Distribution or the aggregate purchase price of the Pro Rata Repurchase, as the case may be, and the denominator of which shall be the product of (a) the number of shares of Common Stock outstanding immediately before such Extraordinary Dividend or Pro Rata Repurchase minus, in the case of a Pro Rata Repurchase, the number of shares of Common Stock repurchased by the Corporation multiplied by (b) the Fair Market Value of a share of Common Stock on the day before the ex-dividend date with respect to an Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary Distribution which is paid other than in cash, or on the applicable expiration date (including all extensions thereof) of any tender offer which is a Pro Rata Repurchase or on the date of purchase with respect to any Pro Rata Repurchase which is not a tender offer, as the case may be. The Corporation shall send each holder of Series B Preferred Stock (i) notice of its intent to make any dividend or distribution and (ii) notice of any offer by the Corporation to make a Pro Rata Repurchase, in each case at the same time as, or as soon as practicable after, such offer is first communicated (including by announcement of a record date in accordance with the rules of any stock exchange on which the Common Stock is listed or admitted to trading) to holders of Common Stock; *provided,* the Corporation shall give such holders notice of any dividend or distribution no later than the date upon which it is required to give notice to any stock exchange, or in the event notice to any stock exchange is not required, no later than ten days before the applicable record date. Such notice shall indicate the intended record date and the amount and nature of such dividend or distribution, or the number of shares subject to such offer for a Pro Rata Repurchase and the purchase price payable by the Corporation pursuant to such offer, as well as the Conversion Price and the number of shares of Common Stock into which a share of Series B Preferred Stock may be converted at such time.

(E) Notwithstanding any other provisions of this Section 9, the Corporation shall not be required to make any adjustment to the Conversion Price unless such adjustment would require an increase or decrease of at least one percent (1%) in the Conversion Price. Any lesser adjustment shall be carried forward and shall be made no later than the time of, and together with, the next subsequent adjustment which, together with any adjustment or adjustments so carried forward, shall amount to an increase or decrease of at least one percent (1%) in the Conversion Price.

(F) If the Corporation shall make any dividend or distribution on the Common Stock or issue any Common Stock, other capital stock or other security of the Corporation or any rights or warrants to purchase or acquire any such security, which transaction does not result in an adjustment to the Conversion Price pursuant to the foregoing provisions of this Section 9, the Board of Directors of the Corporation shall consider whether such action is of such a nature that an adjustment to the Conversion Price should equitably be made in respect of such transaction. If in such case the Board of Directors of the Corporation determines that an adjustment to the Conversion Price should be made, an adjustment shall be made effective as of such date, as determined by the Board of Directors of the Corporation. The determination of the Board of Directors of the Corporation as to whether an adjustment to the Conversion Price should be made pursuant to the foregoing provisions of this paragraph (F), and, if so, as to what adjustment should be made and when, shall be final and binding on the Corporation and all shareholders of the Corporation. The Corporation shall be entitled to make such additional adjustments in the Conversion Price, in addition to those required by the foregoing provisions of this Section 9, as shall be necessary in order that any dividend or distribution in shares of capital stock of the Corporation, subdivision, reclassification or combination of shares of stock of the Corporation or any recapitalization of the Corporation shall not be taxable to the holders of the Common Stock.

(G) For purposes of this amendment to the Amended Articles of Incorporation, the following definitions shall apply:

"Business Day" shall mean each day that is not a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York, are not required to be open.

"Current Market Price" of publicly traded shares of Common Stock or any other class of capital stock or other security of the Corporation or any other issuer for any day shall mean the last reported sales price, regular way, or, in the event that no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in either case as reported on the New York Stock Exchange Composite Tape or, if such security is not listed or admitted to trading on the New York Stock Exchange, on the principal national securities exchange on which such security is listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ") or, if such security is not quoted on such National Market System, the average of the closing bid and asked prices on each such day in the over-the-counter market as reported by NASDAQ or, if bid and asked prices for such security on each such day shall not have been reported through NASDAQ, the average of the bid and asked prices for such day as furnished by any New York Stock Exchange member firm regularly making a market in such security selected for such purpose by the Board of Directors of the Corporation or a committee thereof, in each case, on each trading day during the Adjustment Period.

"Adjustment Period" shall mean the period of five (5) consecutive trading days preceding, and including, the date as of which the Fair Market Value of a security is to be determined. The "Fair Market Value" of any security which is not publicly traded or of any other property shall mean the fair value thereof as determined by an independent investment banking or appraisal firm experienced in the valuation of such securities or property selected in good faith by the Board of Directors or a committee thereof, or, if no such investment banking or appraisal firm is in the good faith judgment of the Board of Directors or such committee available to make such determination, as determined in good faith by the Board of Directors or such committee.

"Extraordinary Distribution" shall mean any dividend or other distribution to holders of Common Stock (effected while any of the shares of the Series B Preferred Stock are outstanding) (i) of cash where the aggregate amount of such cash dividend or distribution together with the amount of all cash dividends and distributions made during the preceding period of 12 months, when combined with the aggregate amount of all Pro Rata Repurchases (for this purpose, including only that portion of the aggregate purchase price of such Pro Rata Repurchase which is in excess of the Fair Market Value of the Common Stock repurchased as determined on the applicable expiration date (including all extensions thereof) of any tender offer or exchange offer which is a Pro Rata Repurchase, or the date of purchase with respect to any other Pro Rata Repurchase which is not a tender offer or exchange offer made during such period), exceeds twelve and one-half percent (12½%) of the aggregate Fair Market Value of all shares of Common Stock outstanding on the day before the ex-dividend date with respect to such Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary Distribution which is paid other than in cash; *provided,* that in no event shall a regularly scheduled quarterly dividend not exceeding 125% of the average quarterly dividend for the four quarters immediately preceding such dividend constitute an Extraordinary Distribution resulting in an adjustment of the Conversion Price hereunder, and/or (ii) of any shares of capital stock of the Corporation (other than shares of Common Stock), other securities of the Corporation (other than securities of the type referred to in paragraph (B) or (C) of this Section 9), evidences of indebtedness of the Corporation or any other person or any other property (including shares of any subsidiary of the Corporation) or any combination thereof. The Fair Market Value of an Extraordinary Distribution for purposes of paragraph (D) of this Section 9 shall be equal to the sum of the Fair Market Value of such Extraordinary Distribution plus the amount of any cash dividends (other than regularly scheduled dividends not exceeding 125% of the aggregate quarterly dividends for the preceding period of 12 months) which are not Extraordinary Distributions made during such 12-month period and not previously included in the calculation of an adjustment pursuant to paragraph (D) of this Section 9.

"Fair Market Value" shall mean, as to shares of Common Stock or any other class of capital stock or securities of the Corporation or any other issuer which are publicly traded, the average of the Current Market Prices of such shares or securities for each day of the Adjustment Period.

"Non-Dilutive Amount" in respect of any issuance, sale or exchange by the Corporation of any right or warrant to purchase or acquire shares of Common Stock (including any security convertible into or exchangeable for shares of Common Stock) shall mean the difference between (i) the product of the Fair Market Value of a share of Common Stock on the day preceding the first public announcement of such issuance, sale or exchange multiplied by the maximum number of shares of Common Stock which could be acquired on such date upon the exercise in full of such rights and warrants (including upon the conversion or exchange of all such convertible or exchangeable securities), whether or not exercisable (or convertible or exchangeable) at such date, and (ii) the aggregate amount payable pursuant to such right or warrant to purchase or acquire such maximum number of shares of Common Stock; *provided, however,* that in no event shall the Non-Dilutive Amount be less than zero. For purposes of the foregoing sentence, in the case of a security convertible into or exchangeable for shares of Common Stock, the amount payable pursuant to a right or warrant to purchase or acquire shares of Common Stock shall be the Fair Market Value of such security on the date of the issuance, sale or exchange of such security by the Corporation.

"Pro Rata Repurchase" shall mean any purchase of shares of Common Stock by the Corporation or any subsidiary thereof, whether for cash, shares of capital stock of the Corporation, other securities of the Corporation, evidences of indebtedness of the Corporation or any other person or any other property (including shares of a subsidiary of the Corporation), or any combination thereof, effected while any of the shares of Series B Preferred Stock are outstanding, pursuant to any tender offer or exchange offer subject to Section 13(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any successor provision of law, or pursuant to any other offer available to substantially all holders of Common Stock, other than any such purchase effected prior to June 29, 1989; *provided, however,* that no purchase of shares by the Corporation or any subsidiary thereof made in open market transactions shall be deemed a Pro Rata Repurchase. For purposes of this paragraph (G) of this Section 9, shares shall be deemed to have been purchased by the Corporation or any subsidiary thereof "in open market transactions" if they have been purchased substantially in accordance with the requirements of Rule 10b-18 as in effect under the Exchange Act on the date shares of Series B Preferred Stock are initially issued by the Corporation, or on such other terms and conditions as the Board of Directors or a committee thereof shall have determined are reasonably designed to prevent such purchases from having a material effect on the trading market for the Common Stock.

(H) In the event that the Board of Directors of the Corporation adjusts the number of outstanding shares of Series B Preferred Stock in accordance with Section 3 hereof, then in lieu of any other adjustment to the Conversion Price pursuant to this Section 9, the Board of Directors of the Corporation may make such other adjustments as they deem appropriate. The determination of the Board of Directors of the Corporation as to whether an adjustment should be made pursuant to the foregoing sentence of this paragraph (H), and, if so, as to what adjustment should be made and when, shall be final and binding on the Corporation and all shareholders of the Corporation.

(I) Whenever an adjustment to the Conversion Price and the related voting rights of Series B Preferred Stock is required pursuant to this Amendment, the Corporation shall forthwith place on file with the transfer agent for the Common Stock and the Series B Preferred Stock, and with the Secretary of the Corporation, a statement signed by two officers of the Corporation stating the adjusted Conversion Price determined as provided herein and the resulting conversion ratio, and the voting rights (as appropriately adjusted), of the Series B Preferred Stock. Such statement shall set forth in reasonable detail such facts as shall be necessary to show the reason and the manner of computing such adjustment, including any determination of Fair Market Value involved in such computation. Promptly after each adjustment to the Conversion Price and the related voting rights of the shares of the Series B Preferred Stock, the Corporation shall mail a notice thereof and of the then prevailing conversion ratio to each holder of shares of Series B Preferred Stock.

Section 10. Ranking; Attributable Capital and Adequacy of Surplus; Retirement of Shares

(A) The Series B Preferred Stock shall rank senior to the Common Stock as to the payment of dividends and the distribution of assets on liquidation, dissolution and winding up of the Corporation, and, unless otherwise provided in the Amended Articles, as the same may be amended, or a Certificate of Amendment relating to a subsequent series of Preferred Stock without par value, of the Corporation, the Series B Preferred Stock shall rank junior to all series of the Corporation's Preferred Stock, without par value, as to the payment of dividends and the distribution of assets on liquidation, dissolution or winding up.

(B) In addition to any vote of shareholders required by law or by Section 3(B) of this Amendment, the vote of the holders of a majority of the outstanding shares of Series B Preferred Stock shall be required to increase the par value of the Common Stock or otherwise increase the capital of the Corporation allocable to the Common Stock for the purpose of the Indiana Business Corporation Law ("BCL") if, as a result thereof, the surplus of the Corporation for purposes of the BCL would be less than the amount of Preferred Dividends that would accrue on the then outstanding shares of Series B Preferred Stock during the following three years.

(C) Any shares of Series B Preferred Stock acquired by the Corporation by reason of the conversion or redemption of such shares as herein provided, or otherwise so acquired, shall be retired as shares of Series B Preferred Stock and restored to the status of authorized but unissued shares of Preferred Stock, without par value, of the Corporation, undesignated as to series, and may thereafter be reissued as part of a new series of such Preferred Stock as permitted by law.

Section 11. Miscellaneous

(A) All notices referred to herein shall be in writing, and all notices hereunder shall be deemed to have been given upon the earlier of delivery thereof if by hand delivery, by courier or by standard form of telecommunication or three (3) Business Days after the mailing thereof if sent by registered mail (unless first-class mail shall be specifically permitted for such notice under the terms hereof) with postage prepaid, addressed: (i) if to the Corporation, to its office at 345 South High Street, P.O. Box 2407, Muncie, Indiana 47302-0407 (Attention: General Counsel), or to the transfer agent for the Series B Preferred Stock, or other agent of the Corporation designated as permitted hereby or (ii) if to any holder of the Series B Preferred Stock or Common Stock, as the case may be, to such holder at the address of such holder as listed in the stock record books of the Corporation (which may include the records of any transfer agent for the Series B Preferred Stock or Common Stock, as the case may be) or (iii) to such other address as the Corporation or any such holder, as the case may be, shall have designated by notice similarly given.

(B) The term "Common Stock" as used in this Amendment means the Corporation's Common Stock, without par value, as the same exists at the date of filing of this Amendment, or any other class of stock resulting from successive changes or reclassifications of such Common Stock consisting solely of changes in par value, or from par value to no par value, or from no par value to par value. In the event that, at any time as a result of an adjustment made pursuant to Section 9 hereof, the holder of any share of Series B Preferred Stock upon thereafter surrendering such shares for conversion, shall become entitled to receive

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any shares or other securities of the Corporation other than shares of Common Stock, the Conversion Price in respect of such other shares or securities so receivable upon conversion of Series B Preferred Stock shall thereafter be adjusted, and shall be subject to further adjustment from time to time, in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Common Stock contained in Section 9 hereof, and the provisions of Sections 1 through 8, 10 and 11 of this Amendment with respect to the Common Stock shall apply on like or similar terms to any such other shares or securities.

(C) The Corporation shall pay any and all stock transfer and documentary stamp taxes that may be payable in respect of any issuance or delivery of shares of Series B Preferred Stock or shares of Common Stock or other securities issued on account of Series B Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax which may be payable in respect of any transfer involved in the issuance or delivery of shares of Series B Preferred Stock or Common Stock or other securities in a name other than that in which the shares of Series B Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any person with respect to any such shares or securities other than a payment, to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the person otherwise entitled to such issuance, delivery or payment has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

(D) In the event that a holder of shares of Series B Preferred Stock shall not by written notice designate the name in which shares of Common Stock to be issued upon conversion of such shares should be registered or to whom payment upon redemption of shares of Series B Preferred Stock should be made or the address to which the certificate or certificates representing such shares, or such payment, should be sent, the Corporation shall be entitled to register such shares, and make such payment, in the name of the holder of such Series B Preferred Stock as shown on the records of the Corporation and to send the certificate or certificates representing such shares, or such payment, to the address of such holder shown on the records of the Corporation.

(E) Unless otherwise provided in the Amended Articles of Incorporation, as the same may be amended, of the Corporation, all payments in the form of dividends, distributions on voluntary or involuntary dissolution, liquidation or winding up or otherwise made upon the Series B Preferred Stock and any other stock ranking on a parity with the Series B Preferred Stock with respect to such dividend or distribution shall be pro rata, so that amounts paid per share of Series B Preferred Stock and such other stock shall in all cases bear to each other the same ratio that the required dividends, distributions or payments, as the case may be, then payable per share on the Series B Preferred Stock and such other stock bear to each other.

(F) The Corporation may appoint, and from time to time discharge and change, a transfer agent for the Series B Preferred Stock. Upon any such appointment or discharge of a transfer agent, the Corporation shall send notice thereof by hand delivery, by courier, by standard form of telecommunication or by first-class mail (postage prepaid), to each holder of record of Series B Preferred Stock.

Section B. Issue and Consideration for Capital Stock

1. The Board of Directors shall have authority to authorize and direct the issuance by the Corporation of shares of Common Stock and Preferred Stock at such times, in such amounts, to such persons, for such consideration, and upon such terms and conditions as it may determine, subject to the restrictions, limitations, conditions and requirements imposed by the provisions of these Amended Articles, by the provisions of the resolutions authorizing the issuance of any series of shares of Preferred Stock adopted by the Board of Directors, or by the provisions of The Indiana General Corporation Act.

2. When payment of the consideration for which any share or shares of stock so authorized to be issued shall have been received by the Corporation, such share or shares shall be declared and taken to be fully paid and not liable to any further call or assessment, and the holder or holders thereof shall not be liable for any further payments thereon.

Section C. No Preemptive Rights

The shareholders shall have no preemptive rights to subscribe to or purchase any additional issues of shares of the capital stock of the Corporation nor any shares of the capital stock of the Corporation purchased or acquired by the Corporation and not canceled but held as treasury stock.

ARTICLE VII

Voting Rights of Capital Stock

Section A. Common Stock

Each owner of record (as of the record date fixed by the Bylaws or the Board of Directors for any such determination of shareholders) of shares of the Common Stock shall have one (1) vote for each share of Common Stock standing in his, her or its name on the books of the Corporation with respect to each matter to be voted on, including the election of Directors and on matters referred to the shareholders, in any meeting of the shareholders.

Section B. Preferred Stock

Subject to the requirements of The Indiana General Corporation Act or applicable regulations of the New York Stock Exchange, Inc., the Midwest Stock Exchange, Inc., or other exchanges on which the Corporation’s capital stock may be listed, holders of Preferred Stock shall have such voting rights as may be determined and designated by the Board of Directors in accordance with Article VI of these Amended Articles of Incorporation.

Section C. No Cumulative Voting

No holder of shares of Common Stock shall have any right of cumulative voting.

ARTICLE VIII

Stated Capital

The amount of stated capital of the Corporation at the time of filing of these Amended Articles is at least One Thousand Dollars ($1,000).

ARTICLE IX

Directors

Section A. Number and Term

The maximum number of directors shall be fifteen (15) and the minimum number shall be nine (9). The exact number may from time to time be specified by the Bylaws of the Corporation at not less than nine (9) nor more than fifteen (15). If the number of directors is not specified by the Bylaws, the number shall be twelve (12). Subject to the rights, if any, of the holders of shares of any class or series of Preferred Stock then outstanding to elect directors under specified circumstances as may be required by The Indiana General Corporation Act or applicable regulations of the New York Stock Exchange, Inc., the Midwest Stock Exchange, Inc., or other exchanges on which the Corporation's capital stock may be listed, the directors shall be classified, with respect to the time for which they severally hold office, into three (3) classes, as nearly equal in number as possible, as shall be specified by the Bylaws, one (1) class to be originally elected for a term expiring at the Annual Meeting of Shareholders to be held in 1986, another class to be originally elected for a term expiring at the Annual Meeting of Shareholders to be held in 1987, and another class to be originally elected for a term expiring at the Annual Meeting of Shareholders to be held in 1988, with each director to hold office until his successor is elected and qualified. At each Annual Meeting of Shareholders of the Corporation, the successor of each director whose term expires at that Meeting shall be elected to hold office for a term expiring at the Annual Meeting of Shareholders held in the third year following the year of his election, or until his successor is elected and qualified.

Section B. Qualifications

Directors need not be shareholders of the Corporation. A majority of the directors at any time shall be citizens of the United States.

Section C. Vacancies

Subject to the rights, if any, of the holders of shares of any class or series of Preferred Stock then outstanding to elect directors under specified circumstances as may be required by The Indiana General Corporation Act or applicable regulations of the New York Stock Exchange, Inc., the Midwest Stock Exchange, Inc., or other exchanges on which the Corporation's capital stock may be listed, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new

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directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section D. Removal

Subject to the rights, if any, of the holders of any class or series of Preferred Stock then outstanding to elect directors under specified circumstances as may be required by The Indiana General Corporation Act or applicable regulations of the New York Stock Exchange, Inc., the Midwest Stock Exchange, Inc., or other exchanges on which the Corporation's capital stock may be listed, any director may be removed from office, but only for cause and only by the affirmative vote of the holders of at least three-fourths of the combined voting power of the outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

Section E. Amendment

Notwithstanding anything contained in these amended Articles of Incorporation to the contrary, the affirmative vote of the holders of at least three-fourths of the combined voting power of the outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or adopt any provision inconsistent with or to repeal this Article IX.

ARTICLE X

Names and Addresses of Directors

The names and post-office addresses of the Corporation's Board of Directors holding office at the time of adoption of these Amended Articles are as follows:

Name	Number and Street	City and State
Howard M. Dean	3600 North River Road	Franklin Park, Illinois
John W. Fisher	345 South High Street	Muncie, Indiana
Richard M. Gillett	One Vandenberg Center	Grand Rapids, Michigan
Henry C. Goodrich	1900 Fifth Avenue, North	Birmingham, Alabama
A. Malcolm McVie	3731 Bay Road, North Drive	Indianapolis, Indiana
Robert H. Mohlman	3860 East 79th Street	Indianapolis, Indiana
Alvin M. Owsley, Jr.	3000 One Shell Plaza	Houston, Texas
William L. Peterson	345 South High Street	Muncie, Indiana
Richard M. Ringoen	345 South High Street	Muncie, Indiana
Delbert C. Staley	.400 Westchester Avenue	White Plains, New York
William P. Stiritz	Checkerboard Square	St. Louis, Missouri

ARTICLE XI

Names and Addresses of the Chairman of the Board, the President and Chief Executive Officer, and the Corporate Secretary

The names and post-office addresses of the Corporation's Chairman of the Board, the President and Chief Executive Officer, and the Corporate Secretary at the time of adoption of these Amended Articles are as follows:

Name	Number and Street	City and State
John W. Fisher Chairman of the Board	345 South High Street	Muncie, Indiana

Richard M. Ringoen President and Chief Executive Officer	345 South High Street	Muncie, Indiana
George A. Sissel Corporate Secretary	345 South High Street	Muncie, Indiana

ARTICLE XII

Provisions for Regulations of Business and Conduct of Affairs of the Corporation

Section A. Meetings

Meetings of the shareholders and the directors of this Corporation may be held either within or without the State of Indiana, and at such place as the Bylaws shall provide or, in default of such provisions, at such place as the Board of Directors shall designate.

Section B. Indemnification

Indemnification of directors, officers and employees shall be as follows:

1. The Corporation shall indemnify each person who is or was a director, officer or employee of the Corporation, or of any other corporation, partnership, joint venture, trust or other enterprise which he is serving or served in any capacity at the request of the Corporation, against any and all liability and reasonable expense that may be incurred by him in connection with or resulting from any claim, actions, suit or proceeding (whether actual or threatened, brought by or in the right of the corporation or such other corporation, partnership, joint venture, trust or other enterprise, or otherwise, civil, criminal, administrative, investigative, or in connection with an appeal relating thereto), in which he may become involved, as a party or otherwise, by reason of his being or having been a director, officer or employee of the Corporation or of such other corporation, partnership, joint venture, trust or other enterprise or by reason of any past or future action taken or not taken in his capacity as such director, officer or employee, whether or not he continues to be such at the time such liability or expense is incurred, provided that such person acted in good faith and in a manner he reasonably believed to be in the best interests of the Corporation or such other corporation, partnership, joint venture, trust or other enterprise, as the case may be, and, in addition, in any criminal action or proceedings, had no reasonable cause to believe that his conduct was unlawful. Notwithstanding the foregoing, there shall be no indemnification (a) as to amounts paid or payable to the Corporation or such other corporation, partnership, joint venture, trust or other enterprise, as the case may be, for or based upon the director, officer or employee having gained in fact any personal profit or advantage to which he was not legally entitled; (b) as to amounts paid or payable to the Corporation for an accounting of profits in fact made from the purchase or sale of securities of the corporation within the meaning of Section 16 (b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any state statutory law; or (c)with respect to matters as to which indemnification would be in contravention of the laws of the State of Indiana or of the United States of America whether as a matter of public policy or pursuant to statutory provisions.

2. Any such director, officer or employee who has been wholly successful, on the merits or otherwise, with respect to any claim, action, suit or proceeding of the character described herein shall be entitled to indemnification as of right, except to the extent he has otherwise been indemnified. Except as provided in the preceding sentence, any indemnification hereunder shall be granted by the Corporation, but only if (a) the Board of Directors, acting by a quorum consisting of directors who are not parties to or who have been wholly successful with respect to such claim, action, suit or proceeding, shall find that the director, officer or employee has met the applicable standards of conduct set forth in paragraph 1 of this Section B of Article XII; or (b) outside legal counsel engaged by the Corporation (who may be regular counsel of the Corporation) shall deliver to the corporation its written opinion that such director, officer or employee has met such applicable standards of conduct; or (c) a court of competent jurisdiction has determined that such director, officer or employee has met such standards, in an action brought either by the Corporation, or by the director, officer or employee seeking indemnification, applying *de novo* such applicable standards of conduct. The termination of any claim, action, suit or proceeding, civil or criminal, by judgment, settlement (whether with or without court approval) or conviction or upon a plea of guilty or of *nolo contendere*, or its equivalent, shall not create a presumption that a director, officer or employee did not meet the applicable standards of conduct set forth in paragraph 1 of this Section B of Article XII.

3. As used in this Section B of Article XII, the term “liability” shall mean amounts paid in settlement or in satisfaction of judgments or fines or penalties, and the term “expense” shall include, but shall not be limited to, attorneys’ fees and disbursements, incurred in connection with the claim, action, suit or proceeding. The Corporation may advance expenses to, or where appropriate may at its option and expense undertake the defense of, any such director, officer or employee upon receipt of an undertaking by or on behalf of such person to repay such expenses if it should ultimately be determined that the person is not entitled to indemnification under this Section B of Article XII.

4. The provisions of this Section B of Article XII shall be applicable to claims, actions, suits or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after the adoption hereof. If several claims, issues or matters of action are involved, any such director, officer or employee may be entitled to indemnification as to some matters even though he is not so entitled as to others. The rights of indemnification provided hereunder shall be in addition to any rights to which any director, officer or employee concerned may otherwise be entitled by contract or as a matter of law, and shall inure to the benefit of the heirs, executors and administrators of any such director, officer or employee.

ARTICLE XIII

Fair Price, Form of Consideration and Procedural Safeguards for Certain Related Party Business Combinations

Section A. Higher Vote Required for Certain Related Party Business Combinations

1. In addition to any affirmative vote required by law or under these Amended Articles of Incorporation, and except as otherwise expressly provided in Section B of this Article XIII, any Related Party Business Combination (as hereinafter defined) shall require the affirmative vote of the holders of at least three-fourths of the Voting Stock (as hereinafter defined), voting together as a single class. For purposes of this Article XIII, each share of Voting Stock shall have the number of votes granted to it pursuant to these Amended Articles of Incorporation.

2. Such affirmative votes shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage or separate class vote may be specified, by law or in any agreement with any national securities exchange or otherwise.

Section B. When Higher Vote Not Required

The provisions of Section A of this Article XIII shall not be applicable to any particular Related Party Business Combination, and such Related Party Business Combination shall require only such affirmative vote as is required by law or any other provision of these Amended Articles of Incorporation or the Bylaws of the Corporation, or any agreement with any national securities exchange, if all of the conditions specified in either of the following subparagraphs 1 or 2 are met:

1. *Approval of Disinterested Directors*. The Related Party Business Combination shall have been expressly approved by a majority (whether such approval is made prior to or subsequent to the acquisition of beneficial ownership of the Voting Stock that caused the Related party, as hereinafter defined, to become a Related Party) of the Disinterested Directors (as hereinafter defined); or

2. *Fair Price, Form of Consideration and Procedural Requirements*. All of the following conditions shall have been met:

(A) The aggregate amount of the cash and the Fair Market Value (as hereinafter defined) as of the date of the consummation of the Related Party Business Combination (the "Consummation Date") of consideration other than cash to be received per share by holders of shares of any class or series of Capital Stock (as hereinafter defined) in such Related Party Business Combination shall be at least equal to the highest of the following (it being intended that the requirements of this subparagraph 2. (A) shall be required to be met with respect to every class or series of outstanding Capital Stock, whether or not the Related Party has previously acquired beneficial ownership of any shares of a particular class or series of Capital Stock):

(1) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by or on behalf of the Related Party for any shares of such class or series of Capital Stock acquired by or on behalf of the Related Party (a) within the two-year period immediately prior to the first public announcement of the proposal of the Related Party Business Combination (the "Announcement Date") or (b) in the transaction in which it became a Related Party, whichever is higher;

(2) the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date or on the date on which the Related Party became a Related Party (the "Determination Date"), whichever is higher;

(3) (if applicable) the price per share equal to the Fair Market Value per share of such class or series of Capital Stock determined pursuant to the immediately preceding clause (2), multiplied by the ratio calculated by dividing (a) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by or on behalf of the Related Party for any share of such class or series of Capital Stock in connection with the acquisition by the Related party of beneficial ownership of shares of such class or series of Capital Stock within the two-year period immediately prior to the Announcement Date by (b) the Fair Market Value per share of

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such class or series of Capital Stock on the first day in such two-year period on which the Related Party acquired beneficial ownership of any share of such class or series of Capital Stock;

(4) in the case of Common Stock, the Corporation's net income per share of Common Stock for the four full consecutive fiscal quarters immediately preceding the Announcement Date, multiplied by the higher of the then price/earnings multiple (if any) of such Related Party or the highest price/earnings multiple of the corporation within the two-year period immediately preceding the Announcement Date (such price/earnings multiples being determined as customarily computed and reported in the financial community); or

(5) in the case of any class or series of Capital Stock other than Common Stock,, the highest preferential amount per share to which the holders of shares of such class or series of Capital Stock are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

All per share prices shall be adjusted for any intervening stock splits, stock dividends and reverse stock splits.

(B) The consideration to be received by holders of a particular class or series of Capital Stock shall be in cash or in the same form as the Related Party has previously paid for shares of such particular stock. If the Related Party has paid for shares of any class or series of Capital Stock with varying forms of consideration, the form of consideration for such particular stock shall be either cash or the form used to acquire the largest number of shares of such particular stock previously acquired by it.

(C) After such Related Party has become a Related Party and prior to the Consummation Date:

(1) there shall have been (a) no reduction in the annual rate of dividends paid on the Common Stock (except as necessary to reflect any subdivision of Common Stock), except as approved by a majority of the Disinterested Directors, and (b) an increase in such annual rate of dividends as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of the Common Stock, unless the failure so to increase such annual rate is approved by a majority of the Disinterested Directors;

(2) there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) payable in accordance with the terms of any other outstanding class or series of Capital Stock, except as approved by a majority of the Disinterested Directors; and

(3) such Related Party shall have not become the beneficial owner of any additional shares of Capital Stock, except as part of the transaction which results in such Related Party becoming a Related Party.

(D) After such Related Party has become a Related Party, such Related Party shall not have received the benefit, directly or indirectly (except proportionately as a shareholder), of any loans, advances, guaranties, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation, whether in anticipation of or in connection with such Related Party Business Combination, or otherwise.

(E) A proxy or information statement describing the proposed Related Party Business Combination and complying with the requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to public shareholders of the Corporation at least 30 calendar days prior to the consummation of such Related Party Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions). The proxy or information statement shall contain on the first page thereof, in a prominent place, any statement as to the advisability (or inadvisability) of the Related Party Business Combination that the Disinterested Directors, or any of them, may choose to make and, if deemed advisable by a majority of the Disinterested Directors, the opinion of an investment banking firm selected by a majority of the disinterested Directors as to the fairness (or not) of the terms of the Related Party Business Combination from a financial point of view to the holders of the shares of any class or series of Capital Stock other than the Related party and its Affiliates or Associates (as hereinafter defined), such investment banking firm to be paid a reasonable fee for its services by this Corporation.

(F) Such Related Party shall not have made any major change in the Corporation's business or equity capital structure without the approval of a majority of the Disinterested Directors.

Section C. Definitions for Article XIII

For the purposes of this Article XIII:

1. The term "Related Party Business Combination" shall mean any transaction referred to in one or more of the following:

(A) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with (1) any Related Party or (2) any other corporation (whether or not itself a Related Party) which is, or after such merger or consolidation would be, an Affiliate or Associate (as hereinafter defined) of any Related Party; or

(B) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Related Party or any Affiliate or Associate of any Related Party of any assets of the Corporation or any subsidiary having an aggregate Fair Market Value of Ten Million Dollars ($10,000,000) or more; or

(C) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities having an aggregate Fair Market Value of Ten Million Dollars ($10,000,000) or more of the Corporation or any subsidiary to any Related Party or any Affiliate or Associate of any Related Party in exchange for cash, securities or other property (or combination thereof); or

(D) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of any Related Party or any Affiliate or Associate of any Related Party; or

(E) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving a Related Party or any Affiliate or Associate of any Related Party) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Related Party or any Affiliate or Associate of any Related Party; or

(F) any agreement, contract or other arrangement providing for any one or more of the actions specified in the foregoing clauses (A) through (E).

2. The term "Related Party" shall mean any person (other than the Corporation or any Subsidiary, and other than any profit-sharing, employee stock ownership or other employee benefit plan of the Corporation or any Subsidiary or any trustee of or fiduciary with respect to any such plan when acting in such capacity) who or which:

(A) is the beneficial owner (as hereinafter defined) of more than ten percent (10%) of the voting power of the outstanding Voting Stock; or

(B) is an Affiliate or Associate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of ten percent (10%) or more of the voting power of the then outstanding Voting Stock; or

(C) is an assignee of or has otherwise succeeded to any shares of Voting Stock which were at any time within the two-year period immediately prior to the date in question beneficially owned by any Related Party, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933, as amended.

For purposes of determining whether a person is a Related Party, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of Section C.4., hereof, but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

3. The term "person" shall mean any individual, firm, partnership, trust, corporation or other entity and shall include any group comprised of any person and any other person with whom such person or any Affiliate or Associate of such person has any agreement, arrangement or understanding, directly or indirectly, for the purpose of acquiring, holding, voting or disposing of Voting Stock.

4. A person shall be a "beneficial owner" of any Voting Stock:

(A) which such person or any of its Affiliates or Associates beneficially owns, directly or indirectly; or

(B) which such person or any of its Affiliates or Associates has (1) the right to acquire (whether such right is exercisable immediately or only after the passage of time)

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pursuant to any agreement, arrangement, understanding or relationship or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; or (2) the right to vote pursuant to any agreement, arrangement, understanding or relationship; or (3) the right to invest, including the power to dispose or to direct the disposition of, pursuant to any agreement, arrangement, understanding or relationship; or

(C) which is beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement, understanding or relationship for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

5. The term "Affiliate," used to indicate a relationship with a specified person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

6. The term "Associate," used to indicate a relationship with a specified person, shall mean:

(A) any corporation or organization (other than the Corporation or a Subsidiary) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity securities; or

(B) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; or

(C) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person; or

(D) any person who is a director or officer of such specified person or any of its parents or subsidiaries (other than the Corporation or a Subsidiary).

7. The term “Subsidiary” shall mean any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Related Party set forth in Section C.2., hereof, the term “Subsidiary” shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

8. The term “Disinterested Director” shall mean:

(A) any member of the Board of Directors of the Corporation who is unaffiliated with the Related Party and was a member of the Board of Directors prior to the time that the Related Party became a Related Party; or

(B) any successor of a Disinterested Director who is unaffiliated with the Related Party and is recommended to succeed a Disinterested Director by a majority of Disinterested Directors then on the Board of Directors.

9. The term “Fair Market Value” shall mean:

(A) in the case of stock, the highest closing sale price during the 30-calendar-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, Inc., or, if such stock is not listed on such Exchange, on the principal United State securities exchange registered under the Securities Exchange Act of 1934, as amended, on which such stock is listed or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-calendar-day period preceding the date in question on the National Association of Securities Dealers, Inc., Automated Quotations System or any system then in use, or if no such quotation is available, the Fair Market Value on the date in question of a share of such stock as determined by a majority of the disinterested Directors in good faith; and

(B) in the case of property other than cash or stock, the Fair Market Value of such property on the date in question as determined by a majority of the Disinterested Directors in good faith.

10. The term “Capital Stock” shall mean all Capital Stock of the Corporation authorized to be issued from time to time under Article V of these Amended Articles of Incorporation, and the term “Voting Stock” shall mean the then outstanding shares of Capital Stock of the Corporation entitled to vote generally in the election of directors.

11. In the event of any Related Party Business Combination in which the Corporation survives, the phrase “other consideration to be received” as used in Sections B.2. (A) and B.2. (B) of this Article XIII shall include the shares of Common Stock and/or the shares of any other class or series of Capital Stock retained by the holders of such shares.

Section D. Determination by the Disinterested Directors

A majority of the Disinterested Directors or, if there should be no Disinterested Directors, a majority of the directors, shall have the power and duty to determine for the purposes of this Article XIII, on the basis of information known to them after reasonable inquiry:

1. Whether a person is a Related Party;

2. The number of shares of Voting Stock beneficially owned by any person;

3. Whether a person is an Affiliate or Associate of another;

4. Whether the assets which are the subject of any Related Party Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Related Party Business Combination has, an aggregate Fair Market Value of Ten Million Dollars ($10,000,000) or more; and

5. Such other matters with respect to which a determination is required under this Article XIII.

A majority of the Disinterested Directors or, if there should be no Disinterested Directors, a majority of the directors shall have the further power to interpret all of the terms and provisions of this Article XIII.

Section E. Effect on Fiduciary Obligations

1. Nothing contained in this Article XIII shall be construed to relieve any Related Party from any fiduciary obligation imposed by law.

2. The fact that any Related Party Business Combination complies with the provisions of Section B. of this Article XIII shall not be construed to impose any fiduciary duty, obligation or responsibility on the Board of Directors, or any member thereof, to approve such Related Party Business Combination or recommend its adoption or approval to the shareholders of the Corporation, nor shall such compliance limit, prohibit or otherwise restrict in any manner the Board of Directors, or any member thereof, with respect to evaluations of or actions and responses taken with respect to such Related Party Business Combination.

Section F. Amendment

Notwithstanding any other provision of law, these Amended Articles of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser vote may be specified by law, these Amended Articles of Incorporation or the Bylaws of the Corporation, and in addition to any affirmative vote of holders of any class or series of Capital Stock of the Corporation then outstanding which is required by law or by or pursuant to these Amended Articles of Incorporation, the affirmative vote of the holders of at least three-fourths of the combined voting power of the shares of the outstanding Voting Stock, voting together as a single class, shall be required to amend or repeal, or adopt any provisions inconsistent with, this Article XIII; provided, however, that this Section F. shall not apply to, and such three-fourths vote shall not be required for, any amendment, repeal or adoption unanimously recommended by the Board of Directors if all such directors are persons who would be eligible to serve as Disinterested Directors within the meaning of this Article XIII.

ARTICLE XIV

Effect of Amended Articles

These Amended Articles shall supersede and take the place of the heretofore existing Amended Articles of Incorporation of the Corporation.

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Ball Corporation
10 LONGS PEAK DRIVE
BROOMFIELD, COLORADO 80021-2510

Exhibit 12

Ball Corporation and Subsidiaries
Ratio of Earnings to Fixed Charges

($ in millions)	2015	2014	2013	2012	2011
Earnings before taxes	$ 345.5	$ 645.6	$ 583.6	$ 595.6	$ 659.8
Plus:					
Interest expensed and capitalized *(a)*	272.5	198.1	215.5	201.1	185.1
Interest expense within rent	20.6	25.6	23.8	22.8	22.1
Amortization of capitalized interest	3.9	3.5	4.5	4.4	4.1
Distributed income of equity investees	2.0	0.6	1.6	0.8	1.7
Less:					
Interest capitalized	(12.8)	(5.1)	(3.7)	(6.2)	(8.0)
Adjusted earnings	$ 631.7	$ 868.3	$ 825.3	$ 818.5	$ 864.8
Fixed charges *(b)*	293.1	223.7	239.3	223.9	207.2
Ratio of earnings to fixed charges	2.2x	3.9x	3.4x	3.7x	4.2x

(a) Amounts do not include interest for unrecognized tax benefits related to uncertain tax positions.
(b) Fixed charges include interest expensed and capitalized as well as interest expense within rent.

Exhibit 14

REVISED JULY 29, 2015

Ball Corporation Executive Officers and
Board of Directors Business Ethics Statement

For years employees, officers and directors have operated under the Ball Corporation ("Ball" or "Corporation") Board of Directors Policies, which rely on fundamental legal and business principles for the conduct of Ball's business. In addition, all employees of Ball, including the Chief Executive Officer, Chief Financial Officer and Controller, have been subject to a code of business ethics which served as a reminder of the ethical commitments of all employees. The original Code of Business Ethics applicable to employees was endorsed by the Ball Board of Directors (the "Board") in April 1994 and has been reviewed and revised periodically since 1994.

In addition, the Securities and Exchange Commission ("SEC") has disclosure rules and the New York Stock Exchange ("NYSE") has Listing Standards which make it desirable for a separate business ethics statement to be in place for the Executive Officers and Directors of Ball.

Goals

Executive Officers and Directors of Ball should conduct their business affairs on behalf of Ball using the highest level of ethics and principles towards the goal of achieving business success within the law, Ball Board policies and ethics standards. The Board or committees of its choosing should oversee and the Executive Officers of Ball should seek to ensure that adequate internal control over financial reporting and appropriate disclosure controls and procedures are in place for Ball.

The reputation of Ball for honesty and fair dealing should be continued. The conduct of Executive Officers and Directors should be lawful and in accordance with any applicable Ball Board policies and ethics standards.

Conflicts of Interest

Each Executive Officer and Director shall conduct himself or herself with high ethical standards to avoid a conflict of interest with the Corporation or its stockholders.

A conflict of interest, in the broad sense, may arise where an individual's position or responsibilities on behalf of the Corporation present an opportunity for personal gain (including with respect to such person's family members) apart from the normal rewards of employment or service as an Executive Officer or Director of Ball. It may also arise where an individual's personal interests are so inconsistent with the Corporation's interests that the latter become secondary, or otherwise conflict with his or her proper loyalties to the Corporation. Areas which require specific attention are:

- **Personal Financial Interest**

  Executive Officers and Directors should avoid any outside commercial interests which might influence their official decisions or actions. Such outside commercial interests could include (a) a financial interest in an enterprise which has business relations with the Corporation if such financial interest represents a significant part of the net worth of the individual or enterprise; and (b) an investment in another business which competes with any of the Corporation's interests if such investment represents a significant part of the net worth of the individual or of the net value of the other business. In short, financial activity in any form which would involve or suggest "self dealing" should be avoided.

- **Inside Information**

  Executive Officers and Directors shall refrain from the purchase or sale of the Corporation's securities or from involvement in any outside transaction which is influenced by confidential information or special knowledge of the Corporation's activities. Confidential information or special knowledge would be that which is not generally known or available to the public and is material.

- **Gratuities**

  Each Executive Officer and Director should not place himself or herself under actual or apparent obligation to anyone by accepting or permitting those close to him/her to accept gifts or other favors where it might appear that they were given for the purpose of improperly influencing the individual in the performance of his/her duties.

- **Outside Activities**

  Executive Officers and Directors should avoid outside employment or activities which would substantially impair the effective performance of their obligations to the Corporation, either because of excessive demands on their time, or because of their assumption of outside commitments is contrary to their commitments to the Corporation.

Finally, material conflict of interest situations do occasionally present themselves and those that do are hopefully inadvertent. Where only potential, they should be avoided by personal foresight and planning. Where actual, they should be eliminated promptly upon their discovery, and full disclosure should be made to the Chairman of the Board who will deal with the matter.

Corporate Opportunity

Executive Officers and Directors should advance the legitimate interests of Ball. Executive Officers and Directors should not take for themselves, or their families, business opportunities that are discerned through the use of Ball property, information or position or use Ball property, information or position for their personal gain without full prior disclosure to the Chairman of the Board who will deal with the matter. Executive Officers and Directors should avoid competing with Ball without full prior disclosure to the Chairman of the Board who will deal with the matter.

Confidential Business Information

Executive Officers and Directors of Ball should maintain the confidentiality of business information imparted to them in the course of their service to Ball, except to advance the legitimate business interests of Ball or where disclosure is legally mandated.

Use of Company Assets

The Board or committees of its choosing oversees and the Directors and Executive Officers are responsible for the protection of Ball's assets and their efficient use. Executive Officers and Directors should use Ball assets for legitimate business purposes of Ball and not for any unlawful or improper purpose.

No Personal Loans to Executive Officers and Directors

The Corporation will comply with the provision of the Sarbanes-Oxley Act of 2002 prohibiting the extension of credit in the form of personal loans to Executive Officers and Directors of Ball.

Full, Fair, Accurate, Timely, and Understandable Disclosure

The Board or committees of its choosing oversees and the appropriate Executive Officers are responsible for designing or causing the design and establishing and maintaining internal control over financial reporting and disclosure controls and procedures of Ball, maintenance of financial information consistent with U.S. generally accepted accounting principles, SEC rules and regulations and Ball policy and procedures and the prevention and detection of fraud by employees who have a significant role in the internal control over financial reporting or disclosure controls and procedures of Ball.

Compliance with Laws and Regulations

Ball policy is to comply with all laws and regulations applicable to its business. Executive Officers and Directors should comply with all laws and regulations in any country in which they are so acting. Laws and regulations may sometimes be ambiguous or difficult to interpret. Questions concerning interpretation or compliance should be referred to the Law Department, who may refer such question to the General Counsel for appropriate action.

Transactions with Related Persons

The Corporation and its Executive Officers and Directors will comply with all SEC and NYSE requirements concerning transactions between the Corporation and "related persons", as defined in the applicable SEC and NYSE rules. To facilitate compliance with such requirements, the following procedures will be followed for the review, approval or ratification of any transaction required to be reported under the applicable rules: (a) each Executive Officer and Director shall promptly report to the Chairman of the Board any transaction undertaken or contemplated by such officer or director, by any beneficial owner of five percent or more of the Corporation's voting securities or by any immediate family member; (b) the Chairman of the Board will refer the transaction to the General Counsel for review and recommendations; (c) after receipt of such review and recommendations, the Chairman of the Board shall bring the matter forward at the next meeting of the Nominating/Corporate Governance Committee to consider whether the transaction in question should be approved, ratified, suspended, revoked or terminated; and (d) in reviewing each transaction, the Chairman, the General Counsel and the Committee shall apply all relevant laws, rules, good corporate practice and the provisions of this Ethics Statement, including in particular those pertaining to conflicts of interest.

Existing Ball Policy and Ethics

Executive Officers and employee Directors of Ball remain subject to the Business Ethics booklets, Ball policies and compliance requirements applicable to Ball employees.

Compliance with Statement

Executive Officers and Directors of Ball are expected to comply with this Business Ethics Statement. Amendments may only be made by the Nominating/Corporate Governance Committee of the Board or the entire Board. Such amendments will be disclosed in a manner which complies with SEC and NYSE requirements.

Violations and Waivers

The Chairman of the Board or his/her designate will be the focal point for coordinating and delivering the needed information to the appropriate committee of the Board or the disinterested members of the entire Board to address violations of this statement, requests for waivers of relevant portions of this statement or implied waivers of portions of this statement. Executive Officers and Directors are expected to cooperate as required in the development of the needed information. The Chair of the Nominating/Corporate Governance Committee, with the assistance of the General Counsel, will be the focal point for coordinating and delivering the needed information to the appropriate committee of the Board or the disinterested members of the entire Board to address any of the above with regard to the Chairman of the Board.

The entire Nominating/Corporate Governance Committee or all of the disinterested Directors of the Board shall be the only bodies authorized to grant waivers or implied waivers regarding this Business Ethics Statement. Such waivers or implied waivers will be disclosed in a manner which complies with SEC and NYSE requirements.

Reporting Concerns

Interested parties, including employees of the Corporation, may communicate in writing concerns under this Business Ethics Statement including accounting, internal control over financial reporting, disclosure controls and procedures, auditing, legal and ethical matters.

- Concerns related to accounting, internal control over financial reporting, disclosure controls and procedures, auditing and legal matters should be sent to the Chair of the Audit Committee, c/o Corporate Secretary by mail to P.O. Box 5000, Broomfield, CO 80038-5000 or via facsimile transmission to (303) 460-2691. Anonymous submissions or submissions marked confidential should be sent by mail. In addition, any employee may report concerns through the Corporation's compliance Hot Line as set out in the Corporation's Business Ethics handbook.

- All other concerns related to this Business Ethics Statement should be sent to the Chairman of the Board or the Chair Nominating/Corporate Governance Committee, as appropriate, c/o Corporate Secretary at the above addresses.

The Chairman of the Board or the Chair of the appropriate committee may instruct the Corporate Secretary to review, sort and summarize communications submitted by mail to assist the Board and the appropriate committee in addressing the communications.

Exhibit 21

SUBSIDIARIES OF BALL CORPORATION (Public Reporting) (1)

December 31, 2015

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

Name	State or Country of Incorporation or Organization	Percentage (2) Ownership Direct & Indirect
AUK Holding Ltd.	United Kingdom	100%
Ball Advanced Aluminum Technologies Canada Inc.	Quebec	100%
Ball Advanced Aluminum Technologies Canada L.P.	Quebec	100%
Ball Advanced Aluminum Technologies Corp.	Delaware	100%
Ball Advanced Aluminum Technologies Holding Canada Inc.	New Brunswick	100%
Ball Aerocan CZ s.r.o.	Czech Republic	100%
Ball Aerocan Europe S.A.S.	France	100%
Ball Aerocan France S.A.S	France	100%
Ball Aerocan Mexico S.A. de C.V.	Mexico	100%
Ball Aerocan Operations	Luxembourg	100%
Ball Aerocan UK Ltd.	United Kingdom	100%
Ball Aerosol and Specialty Container Holding Corporation	Delaware	100%
Ball Aerosol and Specialty Container Inc.	Delaware	100%
Ball Aerosol Packaging Argentina S.A.	Argentina	100%
Ball Aerospace & Technologies Corp.	Delaware	100%
Ball Americas Holdings B.V.	Netherlands	100%
Ball Asia Pacific (Beijing) Metal Container Limited	PRC	100%
Ball Asia Pacific (Foshan) Metal Container Limited	PRC	100%
Ball Asia Pacific (Hubei) Metal Container Limited	PRC	95.7%
Ball Asia Pacific (Qingdao) Metal Container Limited	PRC	100%
Ball Asia Pacific Investments Limited	Hong Kong	100%
Ball Asia Pacific Limited	Hong Kong	100%
Ball Asia Pacific (Shenzhen) Metal Container Limited	PRC	100%
Ball Asia Pacific (Taicang) Plastic Containers Limited	PRC	100%
Ball Asia Pacific (Tianjin) Plastic Containers Limited	PRC	100%
Ball Asia Services Limited	Delaware	100%
Ball Atlantic Enterprises Corp.	Canada	100%
Ball Brazil Holdings Participacões Ltda	Brazil	100%
Ball (Barbados) Holdings Limited	Barbados	100%
Ball Canada Plastics Container Corp.	Canada	100%
Ball Capital Corp. II	Delaware	100%
Ball Cayman Limited	Cayman Islands	100%
Ball Company	United Kingdom	100%
Ball Container LLC	Delaware	100%
Ball Delaware Holdings, LLC	Delaware	100%
Ball Delaware Holdings S.C.S.	Luxembourg	100%
Ball Europe GmbH	Switzerland	100%
Ball Europe Ltd.	United Kingdom	100%
Ball European Holdings S.a.r.l.	Luxembourg	100%
Ball (France) Holdings S.A.S.	France	100%
Ball (France) Investment Holdings S.A.S.	France	100%
Ball Glass Containers, Inc.	Delaware	100%
Ball Holdings Corp.	Delaware	100%
Ball Holdings LLC	Delaware	100%
Ball International Holdings B.V.	Netherlands	100%
Ball International, LLC	Delaware	100%
Ball International Partners S.C.S.	Luxembourg	100%
Ball Investment Holdings S.a.r.l.	Luxembourg	100%
Ball JV LLC	Delaware	100%
Ball (Luxembourg) Finance S.a.r.l.	Luxembourg	100%
Ball Metal Beverage Container Corp.	Colorado	100%
Ball Metal Container Corporation	Indiana	100%
Ball Metal Food Container Corp.	Delaware	100%
Ball Metal Food Container (Oakdale), LLC	Delaware	100%
Ball Mexico Holdings Corp. S. de R.L. de C.V.	Mexico	100%
Ball North America Corp.	Canada	100%
Ball Nova Scotia Holdings Limited Partnership	Canada	100%
Ball Packaging, LLC	Colorado	100%
Ball Packaging Europe GmbH	Germany	100%
Ball Packaging Europe Associations GmbH	Germany	100%
Ball Packaging Europe Belgrade d.o.o.	Serbia	100%
Ball Packaging Europe Beteiligungs GmbH	Germany	100%
Ball Packaging Europe France S.A.S.	France	100%
Ball Packaging Europe Handelsgesellschaft m.b.H.	Austria	100%

Ball Packaging Europe Holding B.V.	Netherlands	100%
Ball Packaging Europe Holding GmbH & Co. KG	Germany	100%
Ball Packaging Europe Lublin Sp. z o.o.	Poland	100%
Ball Packaging Europe Managing GmbH	Germany	100%
Ball Packaging Europe Metall GmbH	Germany	100%
Ball Packaging Europe Oss B.V.	Netherlands	100%
Ball Packaging Europe Radomsko Sp. z o.o.	Poland	100%
Ball Packaging Europe Rostov LLC	Russia	100%
Ball Packaging Europe UK Ltd.	United Kingdom	100%
Ball Packaging India Private Limited	India	100%
Ball Packaging Products Canada Corp.	Canada	100%
Ball Pan-European Holdings, LLC.	Delaware	100%
Ball Southeast Asia Holdings (Singapore) PTE LTD.	Singapore	100%
Ball (Swiss) Holding GmbH	Switzerland	100%
Ball Technologies Holdings Corp.	Colorado	100%
Ball Technology Services Corporation	California	100%
Ball Trading France S.A.S.	France	100%
Ball Trading Germany GmbH	Germany	100%
Ball Trading Netherlands B.V.	Netherlands	100%
Ball Trading Poland Sp. z o.o.	Poland	100%
Ball Trading Spain S.L.	Spain	100%
Ball Trading UK Ltd.	United Kingdom	100%
Ball UK Acquisition Limited	England	100%
Ball (UK) Holdings Ltd.	United Kingdom	100%
Copal S.A.S	France	51%
Foshan Packaging Holdings Limited	Hong Kong	100%
FTB Corporate Services Limited	Hong Kong	100%
FTB Packaging Limited	Hong Kong	100%
Gainer Developments Ltd.	BVI	100%
Glensanda Company Limited	Hong Kong	100%
Greater China Trading Ltd.	Cayman Islands	100%
Heekin Can, Inc.	Colorado	100%
Jambalaya S.A.	Uruguay	60.1%
Latapack-Ball Embalagens Ltda.	Brazil	60.1%
Latapack S.A.	Brazil	100%
Latas De Aluminio Ball, Inc.	Delaware	100%
Litografica San Luis S.A.	Argentina	100%
MCP Beverage Packaging Limited	Hong Kong	100%

MCP Device Limited	BVI	100%
MCP Intellectual Property Holdings Limited	BVI	100%
M.C. Packaging (Hong Kong) Limited	Hong Kong	100%
New Well Holdings Limited	Hong Kong	100%
Qingdao M.C. Packaging Limited	PRC	100%
Rayeil International Limited	BVI	100%
recan Fund	Serbia	100%
recan GmbH	Germany	100%
recan Organizacja Odzysku S.A.	Poland	100%
recan UK Ltd.	United Kingdom	100%
Sario Grundstucks-Vermietungsgesellschaft mbH & CO. Objekt Elfi	Germany	99%
Seghimet S.A.	Argentina	100%
USC May Verpackungen Holding Inc.	Delaware	100%
Wise Champion Investments Limited	Hong Kong	100%

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

Lam Soon-Ball Yamamura	Taiwan	8%
Rocky Mountain Metal Container, LLC	Colorado	50%
TBC-Ball Beverage Can Holdings Limited	Hong Kong	50%
TBC-Ball Beverage Can Vietnam Limited	Vietnam	50%
Thai Beverage Can Ltd.	Thailand	7%
Sekopak d.o.o. Belgrade	Serbia	11%
Öko-Pannon	Hungary	3%
Eko-Kom	Czech Republic	10%
Eco-Rom	Romania	7.7%
Forum Getränkedose	Germany	25%

(1) In accordance with Regulation S-K, Item 601(b)(21)(ii), the names of certain subsidiaries have been omitted from the foregoing lists. The unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as defined in Regulation S-X, Rule 1-02(w).

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

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in Amendment No. 1 to the Registration Statement on Form S-3 to Form S-16 (No. 2-62247), Registration Statement on Form S-3 (Nos. 33-3027, 33-16674, 33-19035, 333-129292 and 333-208235) and Registration Statement on Form S-8 (Nos. 33-40199, 33-15639, 333-26361, 333-62550, 333-67180, 333-150457, 333-188116 and 333- 204061) of Ball Corporation of our report dated February 16, 2016 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Denver, Colorado
February 16, 2016

Exhibit 24

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 John A. Hayes, Scott C. Morrison and Shawn M. Barker, 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: February 16, 2016

/s/ John A. Hayes
John A. Hayes — Officer

/s/ Scott C. Morrison
Scott C. Morrison — Officer

/s/ Shawn M. Barker
Shawn M. Barker — Officer

/s/ Robert W. Alspaugh
Robert W. Alspaugh — Director

/s/ Michael J. Cave
Michael J. Cave — Director

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

/s/ John A. Hayes
John A. Hayes — Chairman of the Board and Director

/s/ R. David Hoover
R. David Hoover — Director

/s/ Georgia R. Nelson
Georgia R. Nelson — Director

/s/ George M. Smart
George M. Smart — Director

/s/ Theodore M. Solso
Theodore M. Solso — Director

/s/ Stuart A. Taylor II
Stuart A. Taylor II — Director

Certification

I, John A. Hayes, certify that:

1. I have reviewed this Annual Report on Form 10-K of Ball Corporation;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2016

/s/ John A. Hayes
John A. Hayes
Chairman, President and Chief Executive Officer

Exhibit 31.2

Certification

I, Scott C. Morrison, certify that:

1. I have reviewed this Annual Report on Form 10-K of Ball Corporation;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2016

/s/ Scott C. Morrison

Scott C. Morrison
Senior Vice President and Chief Financial Officer

Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350
and Rule 13a-14(b) or Rule 15d-14(b)

My name is John A. Hayes and I am the Chairman, President and Chief Executive Officer of Ball Corporation (the “Company”).

I hereby certify pursuant to 18 U.S.C. Section 1350 as adopted by Section 906 of the Sarbanes–Oxley Act of 2002 that to the best of my knowledge and belief:

(1) the Annual Report on Form 10-K for the year ended December 31, 2015, filed with the U.S. Securities and Exchange Commission on February 16, 2016 (“Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of Ball Corporation as of, and for, the periods presented in the Report.

/s/ John A. Hayes
John A. Hayes
Chairman, President and Chief Executive Officer
Ball Corporation

Date: February 16, 2016

This certification, which accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350
and Rule 13a-14(b) or Rule 15d-14(b)

My name is Scott C. Morrison and I am the Senior Vice President and Chief Financial Officer of Ball Corporation (the “Company”).

I hereby certify pursuant to 18 U.S.C. Section 1350 as adopted by Section 906 of the Sarbanes—Oxley Act of 2002 that to the best of my knowledge and belief:

(1) the Annual Report on Form 10-K for the year ended December 31, 2015, filed with the U.S. Securities and Exchange Commission on February 16, 2016 (“Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of Ball Corporation as of, and for, the periods presented in the Report.

/s/ Scott C. Morrison
Scott C. Morrison
Senior Vice President and Chief Financial Officer
Ball Corporation

Date: February 16, 2016

This certification, which accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the Reform Act), Ball is hereby filing cautionary statements identifying important factors that could cause Ball's actual results to differ materially from those projected in forward-looking statements of Ball. Forward-looking statements may be made in several different contexts; for example, in the quarterly and annual earnings news releases, the quarterly earnings conference calls hosted by the company, public presentations at investor and credit conferences, the company's Annual Report and in annual and periodic communications with investors. The Form 10-K may contain forward-looking statements. As time passes, the relevance and accuracy of forward-looking statements may change. You are advised to consult any further disclosures Ball makes on related subjects in our 10-K, 10-Q and 8-K reports to the Securities and Exchange Commission. The Reform Act defines forward-looking statements as statements that express or imply an expectation or belief and contain a projection, plan or assumption with regard to, among other things, future revenues, income, earnings per share, cash flow or capital structure. Such statements of future events or performance involve estimates, assumptions and uncertainties, and are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause Ball's actual results to differ materially from those contained in forward-looking statements made by or on behalf of Ball.

Some important factors that could cause Ball's actual results or outcomes to differ materially from those expressed or implied and discussed in forward-looking statements include, but are not limited to:

· Fluctuation in customer and consumer growth, demand and preferences, particularly during the months when the demand for metal beverage beer and soft drink cans is heaviest; customer and supplier consolidation, power and supply chain influence; loss of one or more major customers or suppliers or changes to contracts with one or more customers or suppliers; manufacturing overcapacity or under capacity; failure to achieve anticipated productivity improvements or cost reductions including those associated with capital expenditures; changes in climate and weather; fruit, vegetable and fishing yields; interest rates affecting our debt; labor strikes and work stoppages; antitrust, intellectual property, consumer and other litigation; level of maintenance and capital expenditures; capital availability; economic conditions; and acts of war, terrorism or catastrophic events.

· Competition in pricing and the possible decrease in, or loss of, sales resulting therefrom.

· The timing and extent of regulation or deregulation; competition in each line of business; product development and introductions; and technology changes.

· Ball's ability or inability to have available sufficient production capacity in a timely manner.

· Overcapacity in metal container industry production facilities and its impact on costs, pricing and financial results.

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

· Regulatory action or laws including tax, environmental, health and workplace safety, including in respect of climate change, or chemicals or substances used in raw materials or in the manufacturing process, particularly publicity concerning Bisphenol-A, or BPA, a chemical used in the manufacture of epoxy coatings applied to many types of containers (including certain of those products produced by the company).

· Regulations and standards, including changes in generally accepted accounting principles or their interpretation.

· Loss contingencies related to income and other tax matters, including those arising from audits performed by national and local tax authorities.

· The availability and cost of raw materials, supplies, power and natural resources needed for the production of metal containers as well as aerospace products.

· Changes in senior management; increases and trends in various employee benefits and labor costs, including pension, medical and health care costs incurred in the countries in which Ball has operations; rates of return projected and earned on assets and discount rates used to measure future obligations and expenses of the company's defined retirement plans; and changes in the company's pension plans.

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

· The ongoing European recession, and its effects on liquidity, credit risk, asset values and the economy; international business and market risks (including foreign exchange rates or tax rates); political and economic instability in various markets, including periodic sell-offs on global equity markets; restrictive trade practices of national governments; the imposition of duties, taxes or other government charges by national governments; exchange controls; ongoing uncertainties surrounding sovereign debt of various European countries, as well as rating agency downgrades of various governments' debt; and ongoing uncertainties and other effects surrounding the U.S. government budget, funding, cutbacks and debt limit, as well as any potential government shutdowns or the impact of any threats of such shutdowns.

· Changes in foreign exchange rates of the currencies in the countries in which the company and its joint ventures carry on business.

· Undertaking successful and unsuccessful acquisitions, joint ventures and divestitures and the integration activities associated with acquisitions and joint ventures, including, with respect to the proposed Rexam PLC (Rexam) acquisition, the effect of the announcement of the acquisition on Ball's business relationships, operating results and business generally; the occurrence of any event or other circumstances that could give rise to the termination of our definitive agreement with Rexam in respect of the acquisition; the outcome of any legal proceedings that may be instituted against Ball related to the definitive agreement with Rexam; and the failure to satisfy conditions to completion of the acquisition of Rexam, including the receipt of all required regulatory approvals.

· The ability or inability to achieve technological and product extensions or new technological and product advances in the company's businesses.

· Delays, extensions and technical uncertainties, as well as schedules of performance associated with contracts for aerospace products and services, and the success or lack of success of satellite launches and the businesses and governments associated with aerospace products, services and launches.

· The authorization, funding and availability and returns of government contracts and the nature and continuation of those contracts and related services provided thereunder, as well as the delay, cancellation or termination of contracts for the United States government, other customers or other government contractors.

- Actual versus estimated business consolidation and investment exit costs and the estimated net realizable values of assets associated with such activities; and goodwill impairment.

- Changes to unaudited results due to statutory audits of our financial statements or management’s evaluation of the company’s internal controls over financial reporting.