

BALL CORP
Form 10-Q
August 04, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 27, 2010

Commission file number 1-7349

BALL CORPORATION

State of Indiana 35-0160610

10 Longs Peak Drive, P.O. Box 5000
Broomfield, CO 80021-2510
303/469-3131

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

Class	Outstanding at June 27, 2010
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Common
Stock, 91,573,637 shares
without par
value

Ball Corporation and Subsidiaries
QUARTERLY REPORT ON FORM 10-Q
For the period ended June 27, 2010

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PARTFINANCIAL INFORMATION

I.

ItemFINANCIAL STATEMENTS

1.

BALL CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(\$ in millions, except per share amounts)	Three Months Ended		Six Months Ended	
	June 27, 2010	June 28, 2009	June 27, 2010	June 28, 2009
Net sales	\$2,007.5	\$1,744.6	\$3,599.8	\$3,170.5
Costs and expenses				
Cost of sales (excluding depreciation)	1,643.1	1,436.1	2,961.3	2,610.4
Depreciation and amortization (Notes 9 and 11)	62.4	58.6	125.1	114.4
Selling, general and administrative	77.6	72.9	156.9	141.9
Business consolidation and other activities (Note 6)	2.3	7.2	1.8	12.2
Gain on sale of investment (Note 5)	–	(34.8)	–	(34.8)
	1,785.4	1,540.0	3,245.1	2,844.1
Earnings before interest and taxes	222.1	204.6	354.7	326.4
Interest expense	(36.6)	(24.7)	(70.5)	(50.5)
Debt refinancing costs (Note 12)	(8.1)	–	(8.1)	–
Total interest expense	(44.7)	(24.7)	(78.6)	(50.5)
Earnings before taxes	177.4	179.9	276.1	275.9
Tax provision	(60.8)	(50.0)	(81.7)	(76.6)
Equity in results of affiliates (Note 4)	28.0	5.2	32.7	2.5
Net earnings from continuing operations	144.6	135.1	227.1	201.8
Discontinued operations, net of tax (Note 5)	(75.6)	(1.6)	(78.7)	1.3
Net earnings	69.0	133.5	148.4	203.1
Less net earnings attributable to noncontrolling interests	–	(0.2)	(0.1)	(0.3)
Net earnings attributable to Ball Corporation	\$69.0	\$133.3	\$148.3	\$202.8
Amounts attributable to Ball Corporation:				
Continuing operations	\$144.6	\$134.9	\$227.0	\$201.5
Discontinued operations	(75.6)	(1.6)	(78.7)	1.3
Net earnings	\$69.0	\$133.3	\$148.3	\$202.8
Earnings per share (Note 16):				
Basic – continuing operations	\$1.57	\$1.44	\$2.45	\$2.16

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Basic – discontinued operations	(0.82)	(0.02)	(0.85)	0.01
Total basic earnings per share	\$0.75	\$1.42	\$1.60	\$2.17
Diluted – continuing operations	\$1.55	\$1.42	\$2.42	\$2.13
Diluted – discontinued operations	(0.81)	(0.02)	(0.84)	0.01
Total diluted earnings per share	\$0.74	\$1.40	\$1.58	\$2.14

See accompanying notes to unaudited condensed consolidated financial statements.

BALL CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(\$ in millions)	June 27, 2010	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$75.0	\$210.6
Receivables, net (Note 7)	1,062.9	534.9
Inventories, net (Note 8)	876.2	881.2
Current derivative contracts (Note 17)	72.4	100.1
Deferred taxes and other current assets	135.8	119.1
Assets held for sale (Note 5)	327.6	416.3
Total current assets	2,549.9	2,262.2
Property, plant and equipment, net (Note 9)	1,656.3	1,751.5
Goodwill (Note 10)	1,887.6	2,008.3
Noncurrent derivative contracts (Note 17)	63.1	80.6
Intangibles and other assets, net (Note 11)	461.4	385.7
Total Assets	\$6,618.3	\$6,488.3
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt and current portion of long-term debt (Notes 7 and 12)	\$550.7	\$312.3
Accounts payable	766.4	581.8
Accrued employee costs	190.6	212.0
Current derivative contracts (Note 17)	76.6	83.2
Other current liabilities	227.7	187.8
Liabilities held for sale (Note 5)	68.8	53.1
Total current liabilities	1,880.8	1,430.2
Long-term debt (Note 12)	2,157.1	2,283.9
Employee benefit obligations (Note 13)	981.0	1,013.2
Noncurrent derivative contracts (Note 17)	32.4	48.0
Deferred taxes and other liabilities	120.6	130.0
Total liabilities	5,171.9	4,905.3
Contingencies (Note 18)		
Shareholders' equity (Notes 14 and 15)		
Common stock (162,153,139 shares issued – 2010; 161,513,274 shares issued – 2009)	859.9	830.8
Retained earnings	2,526.9	2,397.1
Accumulated other comprehensive earnings (loss)	(192.7)	(63.8)
Treasury stock, at cost (70,579,502 shares – 2010; 67,492,705 shares – 2009)	(1,749.3)	(1,582.8)
Total Ball Corporation shareholders' equity	1,444.8	1,581.3
Noncontrolling interests	1.6	1.7
Total shareholders' equity	1,446.4	1,583.0

Total Liabilities and Shareholders' Equity	\$6,618.3	\$6,488.3
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See accompanying notes to unaudited condensed consolidated financial statements.

BALL CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(\$ in millions)	Six Months Ended	
	June 27, 2010	June 28, 2009
Cash Flows from Operating Activities		
Net earnings	\$148.4	\$203.1
Discontinued operations, net of tax	78.7	(1.3)
Adjustments to reconcile net earnings to net cash used in continuing operating activities:		
Depreciation and amortization	125.1	114.4
Business consolidation and other activities, net of cash payments (Note 6)	1.8	9.8
Gain on sale of investment (Note 5)	–	(34.8)
Deferred taxes	(11.4)	(9.0)
Other, net	21.9	9.1
Changes in working capital components (Note 7)	(355.7)	(330.9)
Cash provided by (used in) continuing operating activities	8.8	(39.6)
Cash provided by discontinued operating activities	21.9	48.8
Total cash provided by operating activities	30.7	9.2
Cash Flows from Investing Activities		
Additions to property, plant and equipment		