UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 September 29, 2002

Commission File Number 0-21314

U.S. CAN CORPORATION

(Exact Name of Registrant as Specified in its Charter)

06-1094196
(I.R.S. Employer Identification No.)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

700 EAST BUTTERFIELD ROAD
SUITE 250
LOMBARD, ILLINOIS 60148
(Address of Principal Executive Offices, Including Zip Code)

(630) 678-8000
(Registrant's Telephone Number, Including Area Code)

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 (the "Exchange Act") 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 ☐

As of October 31, 2002, 53,333,333 shares of Common Stock were outstanding.

U.S. CAN CORPORATION AND SUBSIDIARIES

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 29, 2002

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Forward Looking Statements

Certain statements in this report constitute "forward-looking statements" within the meaning of the federal securities laws. Such statements involve known and unknown risks and uncertainties which may cause the Company's actual results, performance or achievements to be materially different than any future results, performance or achievements expressed or implied in this report. By way of example and not limitation and in no particular order, known risks and uncertainties include our substantial debt and ability to generate sufficient cash flows to service our debt; the timing and cost of plant closures; the level of cost reduction achieved through restructuring; the success of new technology; changes in market conditions or product demand; loss of important customers or volume; downward product price movements; changes in raw material costs; and currency fluctuations. In light of these and other risks and uncertainties, the inclusion of a forward-looking statement in this report should not be regarded as a representation by the Company that any future results, performance or achievements will be attained.

U.S. CAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(000's omitted)

	For The Three Months Ended		For The Nine Months Ended	
	September 29, 2002	September 30, 2001	September 29, 2002	September 30, 2001
	(unaudited)			
Net Sales	$ 205,474	$ 204,175	$ 595,136	$ 588,672
Cost of Sales	185,674	180,445	533,475	514,130
Gross Income	19,800	23,730	61,661	74,542
Selling, General and Administrative Expenses	9,373	11,603	28,571	34,638
Special Charges	5,071	(284)	5,071	(284)
Operating Income	5,356	12,411	28,019	40,188
Interest Expense	13,136	14,312	40,979	43,523
Loss Before Income Taxes	(7,780)	(1,901)	(12,960)	(3,335)
Benefit for Income Taxes	(2,551)	(475)	(4,473)	(1,004)
Net Loss Before Preferred Stock Dividends	(5,229)	(1,426)	(8,487)	(2,331)
Preferred Stock Dividend Requirement	(3,158)	(2,862)	(9,213)	(8,379)
Net Loss Attributable to Common Stockholders	$ (8,387)	$ (4,288)	$ (17,700)	$ (10,710)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

U.S. CAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(000's omitted, except per share data)

ASSETS	**September 29, 2002**	**December 31, 2001**
	(Unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	$ 13,852	$ 14,743
Accounts receivable, net of allowances	103,961	95,274
Inventories	110,525	100,676
Deferred income taxes	22,058	21,977
Other current assets	18,531	15,732
Total current assets	268,927	248,402
PROPERTY, PLANT AND EQUIPMENT, less accumulated depreciation and amortization	239,868	239,234
GOODWILL, less accumulated amortization	68,871	66,437
OTHER NON-CURRENT ASSETS	67,915	80,277
Total assets	$ 645,581	$ 634,350
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt and capital lease obligations	$ 27,824	$ 14,983
Accounts payable	100,109	96,685
Accrued expenses	52,678	45,437
Restructuring reserves	17,323	25,945
Income taxes payable	-	1,055
Total current liabilities	197,934	184,105
LONG-TERM DEBT	526,839	521,793
DEFERRED INCOME TAXES PAYABLE	583	1,162
OTHER LONG-TERM LIABILITIES	53,850	53,801
Total liabilities	779,206	760,861
REDEEMABLE PREFERRED STOCK	129,826	120,613
STOCKHOLDERS' EQUITY:		
Common stock, $0.01 par value	533	533
Additional paid in capital	52,800	52,800
Accumulated other comprehensive loss	(37,278)	(38,651)
Accumulated deficit	(279,506)	(261,806)
Total stockholders' equity / (deficit)	(263,451)	(247,124)
Total liabilities and stockholders' equity	$ 645,581	$ 634,350

The accompanying Notes to Consolidated Financial Statements are an integral part of these balance sheets.

U.S. CAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(000's omitted)

	For the Nine Months Ended September 29, 2002	September 30, 2001
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss before preferred stock dividends requirements	$ (8,487)	$ (2,331)
Adjustments to reconcile net loss to net cash used in operating activities –		
Depreciation and amortization	27,320	27,323
Special Charges	5,071	(284)
Deferred income taxes	(4,473)	(1,004)
Change in operating assets and liabilities, net of effect of acquired businesses:		
Accounts receivable	(4,605)	(25,045)
Inventories	(5,040)	149
Accounts payable	(870)	1,297
Accrued expenses	(9,324)	2,570
Other, net	(4,178)	(8,700)
Net cash used in operating activities	(4,586)	(6,025)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures, including restructuring capital	(18,537)	(13,385)
Acquisition of business, net of cash acquired	–	(4,198)
Proceeds from sale of property	5,763	–
Investment in Formametal S.A.	(133)	(7,850)
Net cash used in investing activities	(12,907)	(25,433)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings under the revolving line of credit	18,438	30,300
Borrowings of other debt	7,126	–
Payments of other debt, including capital lease obligations	(8,437)	(2,205)
Net cash provided by financing activities	17,127	28,095
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(525)	126
DECREASE IN CASH AND CASH EQUIVALENTS	(891)	(3,237)
CASH AND CASH EQUIVALENTS, beginning of year	14,743	10,784
CASH AND CASH EQUIVALENTS, end of period	$ 13,852	$ 7,547

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

U.S. CAN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 29, 2002
(Unaudited)

(1) PRINCIPLES OF REPORTING

The consolidated financial statements include the accounts of U.S. Can Corporation (the "Corporation"), its wholly owned subsidiary, United States Can Company ("U.S. Can"), and U.S. Can's subsidiaries (collectively, the "Company"). All significant intercompany balances and transactions have been eliminated. These financial statements, in the opinion of management, include all normal recurring adjustments necessary for a fair presentation. Operating results for any interim period are not necessarily indicative of results that may be expected for the full year. These financial statements should be read in conjunction with the previously filed financial statements and footnotes included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2001. Certain prior year amounts have been reclassified to conform with the 2002 presentation.

NEW ACCOUNTING PRONOUNCEMENTS

On January 1, 2002, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations. SFAS No. 141 modifies the method of accounting for business combinations entered into after June 30, 2001 and addresses the accounting for acquired intangible assets. All business combinations entered into after June 30, 2001, are accounted for using the purchase method.

The Company adopted SFAS No. 142 "Goodwill and Other Intangible Assets" on January 1, 2002. This standard provides accounting and disclosure guidance for acquired intangibles. Under this standard, goodwill and "indefinite-lived" intangibles are no longer amortized, but are tested at least annually for impairment. Effective January 1, 2002, the Company has ceased amortization of goodwill. The Company recorded goodwill amortization of $0.7 million for the third quarter of 2001 and $2.1 million for the nine months ended September 30, 2001. SFAS No. 142 requires the Company to make an initial assessment of goodwill impairment within six months after the adoption date. The initial step is designed to identify potential goodwill impairment by comparing an estimated fair value for each applicable reporting unit to its respective carrying value. For the reporting units where the carrying value exceeds fair value, a second step must be performed by year-end 2002 to measure the amount of the goodwill impairment.

The Company has completed the initial impairment test and has determined that a non-cash impairment charge is required in the Custom & Specialty and International segments. The Company is currently quantifying the amount of the impairment charge. Upon completion of the analysis, the Company will report the charge, retroactive to the first quarter of 2002, as a cumulative effect of a change in accounting. The impairment charge will have no impact on covenant compliance under the Senior Secured Credit Agreement.

Pursuant to SFAS No. 142, the results for 2001 have not been restated. A reconciliation of net income as if SFAS 142 had been adopted is presented below for the three months and nine months ended September 30, 2001.

	Three Months Ended September 30, 2001	**Nine Months Ended September 30, 2001**
	(in thousands)	(in thousands)
Reported Net Loss Attributable to Common Stockholders	$ (4,288)	$ (10,710)
Add back: Goodwill amortization (net of tax)	439	1,420
Adjusted Net Loss Attributable to Common Stockholders	$ (3,849)	$ (9,290)

SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," was issued in August 2001. SFAS No. 144, which addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of, supercedes SFAS No. 121 and is effective for fiscal years beginning after December 15, 2001. The Company adopted this pronouncement on January 1, 2002. There was no impact to the financial position and results of operations of the Company as a result of the adoption.

The FASB issued SFAS No. 146 "Accounting for Costs Associated With Exit or Disposal Activities", in July 2002. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. SFAS No. 146 supercedes the guidance of Emerging Issues Task Force ("EITF") Issue No. 94-3 "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity", which required that liabilities for exit costs be recognized at the date of an entity's commitment to an exit plan. SFAS No. 146 is effective for exit or disposal activities that are initiated after December 31, 2002. The Company will adopt SFAS No. 146 for any exit disposal activities initiated after such date.

(2) SUPPLEMENTAL CASH FLOW INFORMATION

The Company paid interest of approximately $30.9 million and $36.5 million during the nine months ended September 29, 2002 and September 30, 2001, respectively. The Company paid $1.5 million in income taxes during the nine months ended September 29, 2002 and no income taxes were paid for the nine months ended September 30, 2001.

(3) SPECIAL CHARGES

The Company initiated several restructuring programs in 2001, consisting of a voluntary termination program offered to all corporate office salaried employees, the closure of five manufacturing facilities and the consolidation of two Georgia plastics facilities into a new facility.

As of September 29, 2002, the Company has closed a paint can manufacturing facility and a warehouse in Baltimore, Maryland, ceased operations in Dallas, Texas, closed a Custom & Specialty plant located in the Baltimore, Maryland area and closed the Southall, England manufacturing facility. The Company has also closed two plastics facilities in Georgia and transferred production to a new facility in Atlanta, Georgia. The closure of the Burns Harbor, Indiana lithography facility, scheduled to be completed by year-end, will complete the restructuring program established in 2001, as originally planned.

2002

During the third quarter of 2002, the restructuring reserves established in 2001 were reassessed, resulting in an additional charge of approximately $5.1 million. The increased reserves are primarily due to additional employee separation costs of $4.4 million and facility carrying costs of $2.1 million. Additionally, employee separation costs related to our Burns Harbor facility closing have been reassessed, resulting in a reserve reduction of $1.4 million. The increased employee separation costs are primarily due to larger payments made to employees of the Southall, England plant as a result of the extension of the closure period and to the elimination of additional positions in connection with the 2001 corporate termination program. Facility closing costs were reassessed as a result of recent landlord negotiations.

Total cash payments in the first nine months of 2002 were $15.9 million and the Company anticipates spending another $23.3 million over the next several years. The remainder of the reserve consists primarily of employee termination benefits paid over time for approximately 78 salaried and 144 hourly employees (approximately 600 positions were originally identified for elimination), future cash payments for employee benefits as required under union contracts, lease termination and other facility exit costs.

The table below presents the reserve categories and related activity as of September 29, 2002:

	January 1, 2002 Balance	Net Additions	Payments	Other (b)	September 29, 2002 Balance
Employee Separation	$21.2	$3.0	($12.4)	$0.6	$12.4
Facility Closing Costs	10.7	2.1	(3.5)	1.6	10.9
Total	$31.9	$5.1	($15.9)	$2.2	$23.3 (a)

(a) Includes $6.0 million of other long-term liabilities as of September 29, 2002.
(b) Non-cash foreign currency translation impact and facility cost write-off reclassifications.

2001

In connection with the Company's focus on reducing employee-related costs, the Company offered voluntary termination packages, primarily to salaried employees, in the third quarter of 2001 under which 82 positions have been eliminated. A one-time pre-tax charge of $4.6 million for severance and other termination-related costs was recorded in the third quarter of 2001.

During the third quarter of 2001, the Company closed a facility in Baltimore, Maryland and transferred some of its production to another facility located in Baltimore, Maryland. The Company established a pre-tax provision of $2.4 million, including $1.8 million for the non-cash write off of assets related to the facility being consolidated and $0.6 million for related building closure costs.

Based on the lithography needs of the Custom & Specialty business, which has increased as a result of the Olive Can acquisition, the Company decided to keep open a lithography facility, which supports this segment. A reserve for the closure of this lithography facility was established at the end of 1998. Accordingly, this reserve, along with various lesser reserves that were no longer required, were reversed in the third quarter of 2001 in the amount of $7.3 million.

(4) INVENTORIES

All domestic inventories are stated at cost determined by the last-in, first-out ("LIFO") cost method, not in excess of market. Inventories of approximately $54.9 million at September 29, 2002 and $48.1 million at December 31, 2001, at the European subsidiaries are stated at cost determined by the first-in, first-out ("FIFO") cost method, not in excess of market. FIFO cost of LIFO inventories approximated their LIFO value at September 29, 2002 and at December 31, 2001.

Inventories reported in the accompanying balance sheets were classified as follows (000's omitted):

	September 29, 2002	December 31, 2001
Raw materials	$ 26,768	$ 27,216
Work in process	45,880	40,046
Finished goods	37,877	33,414
	$ 110,525	$ 100,676

(5) BUSINESS SEGMENTS

Management monitors and evaluates business performance, customer base and market share for four business segments. The segments have separate management teams and distinct product lines. The Aerosol segment primarily produces steel aerosol containers for personal care, household, automotive, paint and industrial products. The International segment produces aerosol cans in Europe and Latin America (through Formametal S.A., a joint venture in Argentina) as well as steel food packaging in Europe. The Paint, Plastic & General Line segment produces round cans for paint and coatings, oblong cans for such items as lighter fluid and turpentine as well as plastic containers for paint and industrial and consumer products. The

Custom & Specialty segment produces a wide array of functional and decorative tins, containers and other products. In 2002, the Company realigned certain plants from the Paint, Plastic & General Line to the Custom & Specialty segments. The amounts for 2001 were reclassified to reflect the realignment.

The following is a summary of revenues from external customers and income (loss) from operations for the quarterly periods ended September 29, 2002 and September 30, 2001, respectively (000's omitted):

	Three Months Ended		Nine Months Ended	
	September 29, 2002	September 30, 2001	September 29, 2002	September 30, 2001
REVENUES FROM EXTERNAL CUSTOMERS:				
Aerosol	$93,550	$87,037	$276,914	$253,766
International	62,935	59,735	174,886	171,719
Paint, Plastic & General Line	29,862	33,819	91,450	103,338
Custom & Specialty	19,127	23,584	51,886	59,849
Total revenues	$205,474	$204,175	$595,136	$588,672
INCOME (LOSS) FROM OPERATIONS:				
Aerosol	$15,159	$12,345	$43,694	$39,807
International	(10)	1,033	99	7,541
Paint, Plastic & General Line	1,700	4,257	7,326	11,556
Custom & Specialty	(426)	1,840	(152)	3,775
Total Segment Income From Operations	16,423	19,475	50,967	62,679
Corporate Expenses	(11,067)	(7,064)	(22,948)	(22,491)
Interest Expense	(13,136)	(14,312)	(40,979)	(43,523)
Loss Before Income Taxes	$(7,780)	$(1,901)	$(12,960)	$(3,335)

(6) COMPREHENSIVE INCOME (LOSS)

The components of accumulated other comprehensive loss are as follows (000's omitted):

	September 29, 2002	December 31, 2001
Foreign Currency Translation Adjustment	$(32,800) (a)	$(34,501)
Minimum Pension Liability Adjustment	(288)	(288)
Unrealized Loss on Cash Flow Hedges	(4,190)	(3,862)
Total Accumulated Other Comprehensive Loss	$(37,278)	$(38,651)

(a) Includes a $17.9 million devaluation impact related to the investment in Formametal, which will not be settled in the foreseeable future. The Company used the exchange rate of 3.72 pesos per U.S. dollar to calculate the translation adjustment for Formametal.

The components of comprehensive income (loss) for the three and nine months ended September 29, 2002 and September 30, 2001 are as follows (000's omitted):

	Three Months Ended		Nine Months Ended	
	September 29, 2002	September 30, 2001	September 29, 2002	September 30, 2001
Net Loss	$ (5,229)	$ (1,426)	$ (8,487)	$ (2,331)
Unrealized Loss on Cash Flow Hedges (a)	(1,746)	(2,576)	(4,626)	(4,662)
Foreign Currency Translation Adjustment	498	7,146	1,701	(7,093)
Comprehensive Income (Loss)	$ (6,477)	$ 3,144	$ (11,412)	$ (14,086)

(a) Net of reclassification of losses included in net loss of $1.5 million and $4.3 million for the three months and nine months ended September 29, 2002.

(7) SUBSEQUENT EVENTS

On October 24, 2002, the Company announced that Paul Jones had resigned as Chief Executive Officer and Chairman of the Board of the Company and from all other management and board positions with the Company and its subsidiaries. A definitive agreement has not yet been executed, however, potential separation costs are not expected to be material to the Company's financial position or results of operations.

(8) SUBSIDIARY GUARANTOR INFORMATION

The following presents the condensed consolidating financial data for U.S. Can Corporation (the "Parent Guarantor"), United States Can Company (the "Issuer"), USC May Verpackungen Holding Inc. (the "Subsidiary Guarantor"), and the Issuer's European subsidiaries, including May Verpackungen GmbH & Co., KG (the "Non-Guarantor Subsidiaries"), as of September 29, 2002 and December 31, 2001 and for the nine-month periods ended September 29, 2002 and September 30, 2001. Investments in subsidiaries are accounted for by the Parent Guarantor, the Issuer and the Subsidiary Guarantor under the equity method for purposes of the supplemental consolidating presentation. Earnings of subsidiaries are, therefore, reflected in their parent's investment accounts and earnings. This consolidating information reflects the guarantors and non-guarantors of the Issuer's 12 $^{3}/_{8}$% senior subordinated notes due 2010.

The 12 $^{3}/_{8}$% senior subordinated notes are guaranteed on a full, unconditional, unsecured, senior subordinated, joint and several basis by the Parent Guarantor, the Subsidiary Guarantor and any other domestic restricted subsidiary of the Issuer. USC May Verpackungen Holding Inc., which is wholly owned by the Issuer, currently is the only Subsidiary Guarantor. The Parent Guarantor has no assets or operations separate from its investment in the Issuer.

Separate financial statements of the Issuer or the Subsidiary Guarantors have not been presented as management has determined that such information is not material to the holders of the 12 $^{3}/_{8}$% senior subordinated notes.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 29, 2002 (unaudited) (000's omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackungen Holding (Guarantor Subsidiary)	USC Europe/ May Verpackungen GmbH & Co., KG (Non-Guarantor Subsidiaries)	Eliminations	U.S. Can Corporation Consolidated
NET SALES	$ –	$ 420,250	$ –	$ 174,886	$ –	$ 595,136
COST OF SALES	–	369,379	–	164,096	–	533,475
Gross income	–	50,871	–	10,790	–	61,661
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	–	17,880	–	10,691	–	28,571
SPECIAL CHARGES	–	2,367	–	2,704	–	5,071
Operating income (loss)	–	30,624	–	(2,605)	–	28,019
INTEREST EXPENSE	–	34,182	4,886	1,911	–	40,979
EQUITY IN LOSS OF SUBSIDIARIES	(8,487)	(6,291)	(1,120)	–	15,898	–
Loss before income taxes	(8,487)	(9,849)	(6,006)	(4,516)	15,898	(12,960)
BENEFIT FOR INCOME TAXES	–	(1,362)	(2,572)	(539)	–	(4,473)
NET LOSS BEFORE PREFERRED STOCK DIVIDENDS	(8,487)	(8,487)	(3,434)	(3,977)	15,898	(8,487)
PREFERRED STOCK DIVIDEND REQUIREMENT	(9,213)	–	–	–	–	(9,213)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$(17,700)	$ (8,487)	$ (3,434)	$ (3,977)	$ 15,898	$ (17,700)

U.S. CAN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS --- (Continued)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001
(unaudited)
(000's omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackungen Holding (Guarantor Subsidiary)	USC Europe/ May Verpackungen GmbH & Co., KG (Non-Guarantor Subsidiaries)	Eliminations	U.S. Can Corporation Consolidated
NET SALES	$ –	$ 416,953	$ –	$ 171,719	$ –	$ 588,672
COST OF SALES	–	361,814	–	152,316	–	514,130
Gross income	–	55,139	–	19,403	–	74,542
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	–	21,665	1,111	11,862	–	34,638
SPECIAL CHARGES	–	(284)	–	–	–	(284)
Operating income (loss)	–	33,758	(1,111)	7,541	–	40,188
INTEREST EXPENSE	–	36,614	4,885	2,024	–	43,523
EQUITY IN EARNINGS (LOSS) OF SUBSIDIARIES	(2,331)	(579)	2,387	–	523	–
Income (loss) before income taxes	(2,331)	(3,435)	(3,609)	5,517	523	(3,335)
PROVISION (BENEFIT) FOR INCOME TAXES	–	(1,104)	(1,374)	1,474	–	(1,004)
NET INCOME (LOSS) BEFORE PREFERRED STOCK DIVIDENDS	(2,331)	(2,331)	(2,235)	4,043	523	(2,331)
PREFERRED STOCK DIVIDEND REQUIREMENT	(8,379)	–	–	–	–	(8,379)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (10,710)	$ (2,331)	$ (2,235)	$ 4,043	$ 523	$ (10,710)

U.S. CAN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

CONDENSED CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 29, 2002
(unaudited)
(000's omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackungen Holding (Guarantor Subsidiary)	USC Europe/ May Verpackungen GmbH & Co., KG (Non-Guarantor Subsidiaries)	Eliminations	U.S. Can Corporation Consolidated
CURRENT ASSETS:						
Cash and cash equivalents	$ –	$ 8,773	$ –	$ 5,079	$ –	$ 13,852
Accounts receivable	–	55,811	–	48,150	–	103,961
Inventories	–	55,648	(600)	55,477	–	110,525
Deferred income taxes and other assets	–	28,774	2,585	9,230	–	40,589
Total current assets	–	149,006	1,985	117,936	–	268,927
PROPERTY, PLANT AND EQUIPMENT, NET	–	146,956	–	92,912	–	239,868
GOODWILL	–	40,610	1,544	26,717	–	68,871
OTHER NON-CURRENT ASSETS	–	51,347	2,942	13,626	–	67,915
INTERCOMPANY ADVANCES	–	247,751	–	–	(247,751)	–
INVESTMENT IN SUBSIDIARIES	–	15,280	70,956	–	(86,236)	–
Total assets	$ –	$ 650,950	$ 77,427	$ 251,191	$ (333,987)	$ 645,581
CURRENT LIABILITIES:						
Current maturities of long-term debt and capital lease obligations	$ –	$ 10,080	$ –	$ 17,744	$ –	$ 27,824
Accounts payable	–	53,200	–	46,909	–	100,109
Other current liabilities	–	55,839	31	14,131	–	70,001
Total current liabilities	–	119,119	31	78,784	–	197,934
TOTAL LONG-TERM DEBT	854	505,981	–	20,004	–	526,839
OTHER LONG-TERM LIABILITIES	–	46,566	1,079	6,788	–	54,433
REDEEMABLE PREFERRED STOCK	129,826	–	–	–	–	129,826
INTERCOMPANY LOANS	112,055	–	91,212	44,484	(247,751)	–
INVESTMENT IN SUBSIDIARIES	20,716	–	–	–	(20,716)	–
STOCKHOLDERS' EQUITY / (DEFICIT)	(263,451)	(20,716)	(14,895)	101,131	(65,520)	(263,451)
Total liabilities and stockholders' equity	$ –	$ 650,950	$ 77,427	$ 251,191	$ (333,987)	$ 645,581

CONDENSED CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2001
(000's omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackugen Holding (Guarantor Subsidiary)	USC Europe/ May Verpackugen GmbH (Non-Guarantor Subsidiaries)	Eliminations	U.S. Can Corporation Consolidated
CURRENT ASSETS:						
Cash and cash equivalents	$ –	$ 8,249	$ –	$ 6,494	$ –	$ 14,743
Accounts receivable	–	51,806	–	43,468	–	95,274
Inventories	–	52,625	(600)	48,651	–	100,676
Deferred income taxes and other assets	–	26,518	1,049	10,142	–	37,709
Total current assets	–	139,198	449	108,755	–	248,402
PROPERTY, PLANT AND EQUIPMENT, NET	–	152,779	–	86,455	–	239,234
GOODWILL	–	40,611	1,544	24,282	–	66,437
OTHER NON-CURRENT ASSETS	–	62,561	–	17,716	–	80,277
INTERCOMPANY ADVANCES	–	239,414	–	–	(239,414)	–
INVESTMENT IN SUBSIDIARIES	–	11,044	65,779	–	(76,823)	–
Total assets	$ –	$ 645,607	$ 67,772	$ 237,208	$ (316,237)	$ 634,350
CURRENT LIABILITIES:						
Current maturities of long-term debt and capital lease obligations	$ –	$ 12,801	$ –	$ 2,182	$ –	$ 14,983
Accounts payable	–	47,995	–	48,690	–	96,685
Other current liabilities	–	51,834	(1,759)	22,362	–	72,437
Total current liabilities	–	112,630	(1,759)	73,234	–	184,105
TOTAL LONG-TERM DEBT	854	499,339	–	21,600	–	521,793
OTHER LONG-TERM LIABILITIES	–	47,239	514	7,210	–	54,963
REDEEMABLE PREFERRED STOCK	120,613	–	–	–	–	120,613
INTERCOMPANY LOANS	112,056	–	86,775	40,583	(239,414)	–
INVESTMENT IN SUBSIDIARIES	13,601	–	–	–	(13,601)	–
STOCKHOLDERS' EQUITY / (DEFICIT)	(247,124)	(13,601)	(17,758)	94,581	(63,222)	(247,124)
Total liabilities and stockholders' equity	$ –	$ 645,607	$ 67,772	$ 237,208	$ (316,237)	$ 634,350

U.S. CAN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS --- (Continued)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 29, 2002
(unaudited)
(000's omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackungen Holding (Guarantor Subsidiary)	USC Europe / May Verpackungen (Non-Guarantor Subsidiaries)	U.S. Can Corporation Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES	$ –	$ 9,818	$ (5,557)	$ (8,847)	$ (4,586)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	–	(10,391)	–	(8,146)	(18,537)
Proceeds from the sale of property	–	5,645	–	118	5,763
Advances to Formametal S.A.	–	(133)	–	–	(133)
Net cash used in investing activities	–	(4,879)	–	(8,028)	(12,907)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Changes in intercompany advances	–	(8,337)	5,557	2,780	–
Net borrowings under revolving line of credit	–	10,600	–	7,838	18,438
Payments of other long-term debt	–	(6,678)	–	(1,759)	(8,437)
Borrowings of other long-term debt	–	–	–	7,126	7,126
Net cash provided by financing activities	–	(4,415)	5,557	15,985	17,127
EFFECT OF EXCHANGE RATE CHANGES ON CASH	–	–	–	(525)	(525)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	–	524	–	(1,415)	(891)
CASH AND CASH EQUIVALENTS, beginning of period	–	8,249	–	6,494	14,743
CASH AND CASH EQUIVALENTS, end of period	$ –	$ 8,773	$ –	$ 5,079	$ 13,852

U.S. CAN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS --- (Continued)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001
(unaudited)
(000's omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackungen Holding (Guarantor Subsidiary)	USC Europe / May Verpackungen (Non-Guarantor Subsidiaries)	U.S. Can Corporation Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES	$ –	$ 7,748	$ (4,220)	$ (9,553)	$ (6,025)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	–	(10,933)	–	(2,452)	(13,385)
Acquisition of business	–	(4,198)	–	–	(4,198)
Advances to Formametal S.A.	–	(7,850)	–	–	(7,850)
Net cash used in investing activities	–	(22,981)	–	(2,452)	(25,433)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Changes in intercompany advances	–	(8,069)	4,220	3,849	–
Net borrowings under revolving line of credit	–	30,300	–	–	30,300
Payments of long-term debt, including capital lease obligations	–	(5,490)	–	3,285	(2,205)
Net cash (used in) provided by financing activities	–	16,741	4,220	7,134	28,095
EFFECT OF EXCHANGE RATE CHANGES ON CASH	–	–	–	126	126
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	–	1,508	–	(4,745)	(3,237)
CASH AND CASH EQUIVALENTS, beginning of period	–	2,275	–	8,509	10,784
CASH AND CASH EQUIVALENTS, end of period	$ –	$ 3,783	$ –	$ 3,764	$ 7,547

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following narrative discusses the results of operations, liquidity and capital resources for the Company on a consolidated basis. This section should be read in conjunction with the financial statements and footnotes contained within this report and the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (see "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein).

Use of Estimates; Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are used for, but not limited to: allowance for doubtful accounts; inventory valuation; purchase accounting allocations; restructuring amounts; asset impairments; depreciable lives of assets; goodwill impairments; pension assumptions and tax valuation allowances. Future events and their effects cannot be perceived with certainty. Accordingly, our accounting estimates require the exercise of management's current best reasonable judgment based on facts available. The accounting estimates used in the preparation of the Consolidated Financial Statements will change as new events occur, as more experience is acquired, as more information is obtained and as the Company's operating environments change. Significant business or customer conditions could cause material changes to the amounts reflected in our financial statements. Accounting policies requiring significant management judgments include those related to revenue recognition, inventory valuation, accounts receivable allowances, goodwill impairment, restructuring reserves and interest rate exposure.

Revenue is recognized when goods are shipped to the customer. Provisions for discounts, returns, allowances, customer rebates and other adjustments are provided for in the same period as the related revenues are recorded. The Company enters into contractual agreements with certain of its customers for rebates, generally based on annual sales volumes. Should the Company's estimates of the customers' annual sales volumes vary materially from the sales volumes actually realized, provisions for discounts, returns and allowances and customer rebates may vary and therefore revenue may be materially impacted.

Inventories are stated at the lower of cost or market and include material, labor and factory overhead. Costs for United States inventory have been determined using the last-in, first-out ("LIFO") method and costs for Subsidiaries' inventory have been determined by the first-in, first-out ("FIFO") method. The Company estimates reserves for inventory obsolescence and shrinkage based on its judgment of future realization. A large portion of the Company's inventory is manufactured to customer specifications and therefore less likely to become obsolete. Losses may result to the extent the Company manufactures customized products that it is unable to sell.

Management estimates allowances for collectibility related to its accounts receivable based on the customer relationships, the aging and turns of accounts receivable, credit worthiness of customers, credit concentrations and payment history. Despite our best efforts, the inability of a particular customer to pay its debts could impact collectibility of receivables and could have an impact on future revenues if the customer is unable to arrange other financing.

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 142 "Goodwill and Other Intangible Assets" on January 1, 2002. Under this standard, goodwill and "indefinite-lived" intangibles are no longer amortized, but are tested at least annually for impairment. The Company identifies potential impairments of goodwill by comparing an estimated fair value for each applicable business unit to its respective carrying value. The Company has engaged an independent appraisal firm to determine the fair market value of each business. The independent appraisal firm used discussions with management and business unit financial projections as well as external data in developing these fair market values. Although the values were assessed using a variety of internal and external sources, future events may cause reassessments of these values and related goodwill impairments.

The appraisal firm has completed the initial impairment test and has determined that a non-cash impairment charge is required for the Custom & Specialty and International segments. The Company is currently measuring the amount of the impairment charge and will report the charge, retroactive to the first quarter of 2002, upon completion of the assessment.

The impairment charge will have no impact on compliance with covenants under its lending agreements. Goodwill impairment will be tested on an annual basis going forward.

Several restructuring programs are underway in order to streamline operations and reduce costs. The Company has established reserves and recorded charges against such reserves, to cover the costs to implement the programs. The estimated costs were determined based on contractual arrangements, quotes from contractors, similar historical activities and other judgmental determinations. Actual costs may differ from those estimated and, in the third quarter of 2002, an additional provision of $5.1 million was recorded related to the 2001 restructuring programs. See "Results of Operations – Three-month period ended September 29, 2002, as compared to the three-month period ended September 30, 2001" for a description of the reasons for the additional charge. SFAS No. 146 "Accounting for Costs Associated With Exit or Disposal Activities" was issued in July 2002. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. SFAS No. 146 supercedes the guidance of Emerging Issues Task Force ("EITF") Issue No. 94-3 "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity", which required that liabilities for exit costs be recognized at the date of an entity's commitment to an exit plan. SFAS No. 146 is effective for exit or disposal activities that are initiated after December 31, 2002. The Company will adopt SFAS No. 146 for any exit disposal activities initiated after such date.

To manage interest rate exposure, the Company enters into interest rate agreements. The net interest paid or received on these agreements is recognized as interest income or expense. Our interest rate agreements are reported in the Consolidated Financial Statements at fair value using a mark-to-market valuation. Changes in the fair value of the contracts are recorded each period as a component of other comprehensive income. Gains or losses on our interest rate agreements are reclassified as earnings or losses in the period in which earnings are affected by the underlying hedged item. This may result in additional volatility in reported earnings, other comprehensive income and accumulated other comprehensive income. Our interest rate swaps and collars were entered into in 2000, when interest rates were higher than current rates. Accordingly, these contracts are "out of the money" and may require future payments if market interest rates do not return to historical levels. In addition, if rates do increase above historical levels and the counterparties to the agreements default on their obligations under the agreements, our interest expense would increase. The Company does not use financial instruments for trading or speculative purposes.

Results of Operations

Three-month period ended September 29, 2002, as compared to the three-month period ended September 30, 2001

Consolidated net sales for the three months ended September 29, 2002 were $205.5 million as compared to $204.2 million in 2001, an increase of 0.6%. Along business segment lines, Aerosol net sales for third quarter of 2002 increased to $93.6 million from $87.1 million for the same period in 2001, a 7.5% increase, due principally to increased unit volume ($8.6 million), partially offset by the pricing impacts resulting from a change in customer mix and the 2002 effect of pricing concessions granted in 2001 ($2.1 million). International net sales increased to $62.9 million for the third quarter of 2002 from $59.7 million for the third quarter of 2001, an increase of $3.2 million or 5.4%, primarily due to the positive impact of the translation of sales made in foreign currencies ($5.4 million) based upon using the same average U.S dollar exchange rates in effect during the third quarter of 2001 offset by the negative impact of decreased unit volumes ($2.2 million). Paint, Plastic & General Line net sales decreased $3.9 million, from $33.8 million for the third quarter of 2001 to $29.9 million for the third quarter of 2002. This decrease was due primarily to a change in product mix in our Paint, Plastic & General Line business ($2.0 million) coupled with falling resin prices in our plastics business which are contractually passed on to customers ($1.6 million) and decreased volume resulting from the closing of our Dallas plant ($0.3 million). In the Custom & Specialty segment, sales decreased 18.9% from $23.6 million for the third quarter of 2001 to $19.1 million for the third quarter of 2002, driven primarily by a decline in volume.

Consolidated cost of goods sold increased $5.3 million to $185.7 million for the three months ended September 29, 2002 from the same quarter in 2001. The principal reasons for the increase included additional volume in U.S. aerosol ($7.4 million) combined with production inefficiencies in our International operations due to the shutdown of our Southall, England plant ($0.5 million) and the foreign currency translation impact on costs ($4.6 million) based upon using the same average U.S. dollar exchange rates in effect during the third quarter of 2001. These increases were partially offset by cost containment programs in our U.S. production facilities ($5.0 million) and decreased volume in our Custom & Specialty segment ($2.2 million). In some cases, the Custom & Specialty volume decreases have been caused by our production problems, which have prevented us from making and shipping customer orders. These factors caused a 2.0 percentage point decline in the gross profit margin to 9.6% in the third quarter of 2002 from 11.6% for the third quarter of 2001.

As of September 29, 2002, the Company has substantially completed the restructuring programs initiated in 2001. The Company offered voluntary termination programs to corporate office salaried employees, consolidated two Georgia plastics facilities into a new facility and closed four of five planned manufacturing facilities. The Burns Harbor, Indiana lithography facility was closed in the fourth quarter, completing the facility closure program. During the third quarter of 2002, the restructuring reserves established in 2001 were reassessed, resulting in an additional net charge of approximately $5.1 million. The increased reserves are due to additional employee separation costs of $4.4 million and facility carrying costs of $2.1 million. Additionally, employee separation costs primarily related to our Burns Harbor facility closing have been reassessed, resulting in a reserve reduction of $1.4 million. The increased employee separation costs are primarily due to larger payments made to employees of the Southall, England plant as a result of the extension of the closure period and to the elimination of additional positions in connection with the 2001 corporate termination program. Facility closing costs have been reassessed and increased as a result of recent landlord negotiations.

Selling, general and administrative costs decreased from $11.6 million for the third quarter of 2001 to $9.4 million in the third quarter of 2002 primarily due to the lack of goodwill amortization in the third quarter of 2002 and positive results from Company-wide cost saving programs initiated in 2001. In connection with the adoption of SFAS No. 142 “Goodwill and Other Intangible Assets”, the Company has ceased the amortization of goodwill. Third quarter 2001 selling, general and administrative expense included $0.7 million of goodwill amortization.

Interest expense in the third quarter of 2002 decreased 8.2%, or $1.2 million, versus the same period of 2001 due to lower interest rates ($1.6 million) partially offset by the interest expense impact of higher average borrowings ($0.4 million).

Dividends of $3.2 million and $2.9 million were accrued on the redeemable preferred stock for the third quarters of 2002 and 2001, respectively. The terms of our borrowing agreements currently prevent payment of these dividends, and are expected to prevent payment for the next several years.

Nine-month period ended September 29, 2002, as compared to the nine-month period ended September 30, 2001

Net sales for the nine-month period ended September 29, 2002, totaled $595.1 million, a 1.1% increase versus the corresponding period in 2001. Along business segment lines, Aerosol net sales in the first nine months of 2002 were $276.9 million, a 9.1% increase versus the same period last year. The increase is primarily due to an increase in U.S. volumes ($32.5 million) partially offset by the pricing impacts resulting from a change in customer mix and the 2002 effect of pricing concessions granted in 2001 ($9.4 million). International sales increased $3.2 million from $171.7 million for the first nine months of 2001 to $174.9 million for the first nine months of 2002 primarily due to the positive impact of the translation of sales made in foreign currencies ($6.3 million) based upon using the same average U.S dollar exchange rates in effect during the first nine months of 2001 partially offset by decreased aerosol volume in Europe ($3.1 million). Paint, Plastic & General Line segment sales decreased 11.5% to $91.5 million for the nine months ended September 29, 2002. This decrease was due to falling resin prices in our plastics business that are contractually passed on to customers ($5.1 million), changes in product mix ($3.3 million) and lower volume resulting from the closing of our plant in Dallas ($3.4 million). Custom & Specialty sales of $51.9 million decreased from the $59.8 million for the nine months ended September 30, 2001, driven primarily by a decline in volume.

Consolidated cost of goods sold of $533.5 million for the nine months ended September 29, 2002, increased $19.3 million, or 3.8%, from the same period in 2001. The principal reasons for the increase were increased volume experienced in our domestic aerosol business ($27.4 million), operating inefficiencies in the U.K. and Germany ($6.1 million) and the foreign currency translation impact on costs ($5.6 million) based upon using the same average U.S. dollar exchange rates in effect during the nine months ended September 29, 2002. These increases were partially offset by cost containment programs in U.S. production facilities ($12.1 million), the decline in resin prices ($3.7 million) and Custom & Specialty volume declines ($4.0 million). Gross income of $61.7 million for the nine months ended September 29, 2002 decreased $12.9 million, or 17.3%, versus the corresponding period of 2001. Gross profit margin of 10.4% for the first nine months of 2002 decreased 2.3% from the same period in 2001. Factors contributing to the decline in margin percentage included the negative impact of a change in customer and product mix and pricing concessions granted in 2001 (1.4 percentage points), operating costs and inefficiencies in the U.K and Germany (1.7 percentage points) offset by U.S. aerosol volume related efficiencies and cost containment programs (0.8 percentage points).

As discussed above, the Company has substantially completed the restructuring programs initiated in 2001. The Company has also reassessed its reserves related to the 2001 restructuring programs and recorded a net $5.1 million charge in 2002 related to the employee termination and facility carrying costs.

Selling, general, and administrative expenses were $28.6 million in the nine months ended September 29, 2002, a $6.0 million decrease in comparison to the same period of 2001 due to the lack of goodwill amortization in the first nine months of 2002 and positive results from Company-wide cost saving programs initiated in 2001. As previously discussed, the Company has ceased the amortization of goodwill. The goodwill amortization for the first nine months of 2001 was $2.1 million.

Interest expense decreased $2.5 million from $43.5 million for the first nine months of 2001 to $41.0 million for the same period in 2002 due to lower interest rates ($3.9 million) partially offset by the interest expense impact of higher average borrowings ($1.4 million).

Dividends of $9.2 million and $8.4 million were accrued on the redeemable preferred stock in the first nine months of 2002 and 2001, respectively. The terms of our borrowing agreements currently prevent payment of these dividends, and are expected to prevent payment for the next several years.

Liquidity and Capital Resources

During the first nine months of 2002, liquidity needs were met through internally generated cash flow and borrowings made under credit lines. Principal liquidity needs included operating costs, working capital (including restructuring costs) and capital expenditures. Cash flow used in operations was $4.6 million for the nine months ended September 29, 2002, compared to cash used of $6.0 million for the nine months ended September 30, 2001. Cash used in operations included cash restructuring payments of $15.9 million for the first nine months of 2002. The Company anticipates spending another $8.4 million in the fourth quarter of 2002, and $14.9 million over the next several years.

Net cash used in investing activities was $12.9 million for the first nine months of 2002, as compared to $25.4 million for the first nine months of 2001. Investing activities for the nine months ended September 29, 2002, relate primarily to capital spending of $18.5 million, including $8.2 million of capital expenditures in connection with the Company's restructuring programs, offset by the proceeds received from the sale of property, including the final payment received for the sale of our Southall facility of $4.8 million. 2001 investing activities included capital spending, the acquisition of certain assets of Olive Can Company and advances to Formametal S.A. ("Formametal") to finance Formametal's debt repayment and working capital needs.

Net cash provided by financing activities in the first nine months of 2002 was $17.1 million, versus $28.1 million for the same period in 2001. The primary financing sources were borrowings under the revolving credit portion of the Senior Secured Credit Facility and unsecured revolving lines of credit granted by various banks to fund the seasonal working capital requirements of May Verpackungen. The Senior Secured Credit Facility and the Notes contain a number of financial and restrictive covenants. The Company was in compliance with all of the required financial ratios and other covenants as of September 29, 2002. The unsecured revolving lines granted to May Verpackungen may be terminated by the offering banks upon given notice periods. May has agreed to repay €4.5 million of such borrowings by year-end. As agreed, May paid €1.5 million in fiscal October and November and expects to repay €3.0 million in the remainder of the fourth quarter of 2002 with cashflow generated by May.

At September 29, 2002, $66.7 million had been borrowed under the $110.0 million revolving loan portion of the Senior Secured Credit Facility. Letters of Credit of $10.4 million were also outstanding securing the Company's obligations under various insurance programs and other contractual agreements.

At existing levels of operations, cash generated from operations together with amounts to be drawn from the revolving credit facility, are expected to be adequate to meet anticipated debt service requirements, restructuring costs, capital expenditures and working capital needs. Future operating performance and the ability to service or refinance the Notes, to service, extend or refinance the Senior Secured Credit Facility and to redeem or refinance our preferred stock will be subject to future economic conditions and to financial, business and other factors, many of which are beyond management's control.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Management does not believe the Company's exposure to market risk has significantly changed since year-end 2001.

Item 4. *Controls and Procedures*

Within the 90-day period prior to the date of this report, under the supervision and with the participation of the Chief Operating Officer and the Primary Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934. Based on and as of the time of such evaluation, the Company's management, including the Chief Operating Officer and the Primary Financial Officer, concluded that the Company's disclosure controls and procedures are effective and timely in alerting them to material information relating to the Company required to be included in the Company's reports filed or submitted under the Exchange Act. There have been no significant changes in the Company's internal controls or in other factors which could significantly affect internal controls subsequent to the time of such evaluation.

PART II

OTHER INFORMATION

Item 1. *Legal Proceedings*

New Castle, PA Self-Discovery

In May 2002, the Company met with Pennsylvania Department of Environmental Protection (PDEP) officials and reached an agreement in principle to resolve this matter by entering into a Consent Assessment of Civil Penalty for a de minimis amount. The Company and PDEP have negotiated a definitive agreement memorializing their agreement in principle and, on October 25, 2002, the Company paid the first of two installments due under the agreement. The second installment is due April 23, 2003.

National Labor Relations Board/IPJO Case

The Company has agreed with the United Steelworkers of America to settle this inter-plant job opportunity case. On May 30, 2002, the National Labor Relations Board approved the settlement. Under the settlement, the Company has paid $1.8 million in backpay and interest, as well as make certain pension adjustments that are not expected to have a material effect on the Company. The payments were substantially made in July 2002.

Item 6. ***Exhibits and Reports On Form 8-K***

(a) Exhibits

10 (a) Compromise agreement and general release between the Company and David R. Ford dated June 30, 2002.

10 (b) Separation agreement and general release between the Company and J. Michael Kirk dated October 16, 2002.

99.1 Certification of Chief Operating Officer (Principal Executive Officer) Pursuant to 18 U.S.C. 1350

99.2 Certification of Primary Financial Officer (Principal Financial Officer) Pursuant to 18 U.S.C. 1350

(b) Reports on Form 8-K

(i) The Company filed a Current Report on Form 8-K on July 26, 2002 reporting that on July 24, 2002, the Company's board of directors, upon the recommendation of the audit committee, agreed to dismiss Arthur Andersen LLP as the Company's independent auditors and engaged Deloitte & Touche LLP as the Company's new independent auditors.

SIGNATURES

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

U.S. CAN CORPORATION

Date: November 12, 2002

By: /s/ John L. Workman
John L. Workman
Chief Operating Officer
(Principal Executive Officer)

By: /s/ Sandra K. Vollman
Sandra K. Vollman
Senior Vice President and
Primary Financial Officer
(Principal Financial Officer)

CERTIFICATIONS

Chief Operating Officer Certification

I, John L. Workman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U.S. Can Corporation;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financials condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function);

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 12, 2002

/s/ John L. Workman

John L. Workman
Chief Operating Officer
(Principal Executive Officer)

<u>Primary Financial Officer Certification</u>

I, Sandra K. Vollman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U.S. Can Corporation;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financials condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    a. designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function);

    a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b. any fraud, whether or not material, that involves management or other employees who have significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 12, 2002

<u>/s/ Sandra K. Vollman</u>

Sandra K. Vollman
Senior Vice President and
Primary Financial Officer
(Principal Financial Officer)