UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A
Amendment No. 1

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended April 4, 2004

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 ☒

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of May 10, 2004, 53,333.333 shares of Common Stock were outstanding.

U.S. CAN CORPORATION AND SUBSIDIARIES

FORM 10-Q/A

FOR THE QUARTERLY PERIOD ENDED APRIL 4, 2004

TABLE OF CONTENTS

EXPLANATORY NOTE

This Form 10-Q/A amends and restates the original Form 10-Q, which was filed with the Securities and Exchange Commission on May 13, 2004, including the restatement of the Company’s financial statements for the quarters ended April 4, 2004 and March 30, 2003. See Note (2) to the Consolidated Financial Statements and Management’s Discussion and Analysis of Financial Condition and Results of Operations – Restatements.

INCLUSION OF FORWARD-LOOKING INFORMATION

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 general economic and business conditions; the Company’s substantial debt and ability to generate sufficient cash flows to service its debt; the Company’s compliance with the financial covenants contained in its various debt agreements; changes in market conditions or product demand; the level of cost reduction achieved through restructuring and capital expenditure programs; changes in raw material costs and availability; downward selling price movements; currency and interest rate fluctuations; increases in the Company’s leverage; the Company’s ability to effectively integrate acquisitions; changes in the Company’s business strategy or development plans; the timing and cost of plant closures; the success of new technology; and increases in the cost of compliance with laws and regulations, including environmental laws and regulations. In light of these and other risks and uncertainties as described under “Risk Factors” in the Company’s Annual Report on Form 10-K/A for the fiscal year ended December 31, 2003 and filed with the Securities and Exchange Commission on November 18, 2004, 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 Quarterly Period Ended	
	As Restated (See Note (2))	
	April 4, 2004	March 30, 2003
	(Unaudited)	
Net Sales	$ 213,467	$ 199,153
Cost of Sales	193,715	178,878
Gross profit	19,752	20,275
Selling, General and Administrative Expenses	9,804	9,287
Special Charges	482	758
Operating income	9,466	10,230
Interest Expense	12,717	13,068
Bank Financing Fees	1,378	1,014
Loss before income taxes	(4,629)	(3,852)
Provision for Income Taxes	332	580
Net Loss	(4,961)	(4,432)
Preferred Stock Dividend Requirement	(3,824)	(3,246)
Net Loss Attributable to Common Stockholders	$ (8,785)	$ (7,678)

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		As Restated (See Note (2)) April 4, 2004		December 31, 2003
		(Unaudited)		
CURRENT ASSETS:				
Cash and cash equivalents	$	5,297	$	22,964
Accounts receivable, net of allowances		88,401		81,393
Inventories		98,023		95,140
Other current assets		17,978		14,713
Total current assets		209,699		214,210
PROPERTY, PLANT AND EQUIPMENT, less accumulated depreciation and amortization		239,405		247,489
GOODWILL		27,384		27,384
DEFERRED INCOME TAXES		31,135		30,816
OTHER NON-CURRENT ASSETS		52,848		54,519
Total assets	$	560,471	$	574,418
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Current maturities of long-term debt and capital lease obligations	$	25,068	$	23,457
Accounts payable		95,087		98,411
Accrued expenses		46,096		50,695
Restructuring reserves		2,125		3,412
Income taxes payable		391		362
Total current liabilities		168,767		176,337
LONG TERM DEBT		535,511		535,767
LONG TERM LIABILITIES PURSUANT TO EMPLOYEE BENEFIT PLANS		71,976		71,779
OTHER LONG-TERM LIABILITIES		5,568		5,492
Total liabilities		781,822		789,375
REDEEMABLE PREFERRED STOCK, 200,000 shares authorized, 106,667 shares issued & outstanding		150,779		146,954
STOCKHOLDERS' EQUITY:				
Common stock, $10.00 par value, 100,000 shares authorized, 53,333 shares issued &outstanding		533		533
Additional paid in capital		52,800		52,800
Accumulated other comprehensive loss		(29,558)		(28,124)
Accumulated deficit		(395,905)		(387,120)
Total stockholders' equity / (deficit)		(372,130)		(361,911)
Total liabilities and stockholders' equity	$	560,471	$	574,418

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 Quarterly Period Ended As Restated (See Note (2))	
	April 4, 2004	**March 30, 2003**
CASH FLOWS FROM OPERATING ACTIVITIES:	**(Unaudited)**	
Net loss	$ (4,961)	$ (4,432)
Adjustments to reconcile net income to net cash used for operating activities:		
Depreciation and amortization	11,198	9,182
Special Charges	482	758
Deferred income taxes	(508)	726
Change in operating assets and liabilities, net of effect of acquired and disposed of businesses:		
Accounts receivable	(7,882)	(11,205)
Inventories	(4,182)	(1,089)
Accounts payable	(1,693)	6,022
Accrued expenses	(6,188)	890
Other, net	(2,349)	(1,628)
Net cash used for operating activities	(16,083)	(776)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(3,719)	(3,858)
Proceeds from the sale of property	1,018	5,186
Net cash provided by (used for) investing activities	(2,701)	1,328
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings under revolving lines of credit	-	200
Payments of other long-term debt, including capital lease obligations	(602)	(5,492)
Borrowings of other debt	2,169	478
Net cash provided by (used for) financing activities	1,567	(4,814)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(450)	(403)
DECREASE IN CASH AND CASH EQUIVALENTS	(17,667)	(4,665)
CASH AND CASH EQUIVALENTS, beginning of period	22,964	11,690
CASH AND CASH EQUIVALENTS, end of period	$ 5,297	$ 7,025

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
April 4, 2004
(Unaudited)

(1) PRINCIPLES OF REPORTING

The consolidated financial statements include the accounts of U.S. Can Corporation (the "Corporation" or "U.S. Can"), its wholly owned subsidiary, United States Can Company ("United States Can"), and United States Can's subsidiaries (the "Subsidiaries"). The consolidated group is referred to herein as "the Company", "we", "us", or "our". 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 financial statements and footnotes included in the Corporation's Annual Report on Form 10-K/A for the year ended December 31, 2003. Certain prior year amounts have been reclassified to conform with the 2004 presentation.

STOCK-BASED COMPENSATION

The Company periodically issues stock options under the U.S. Can 2000 Equity Incentive Plan. The Company continues to utilize the intrinsic fair value method under APB Opinion No. 25 to account for its stock-based compensation plan; therefore, no compensation costs are recognized in the Company's financial statements for options granted.

In accordance with SFAS No. 148 "Accounting for Stock-Based Compensation – Transition and Disclosure", the following table presents (in thousands) what the Company's net loss would have been had the Company determined compensation costs using the fair value-based accounting method for the quarters ended April 4, 2004 and March 30, 2003.

	For The Quarterly Periods Ended	
	April 4, 2004	March 30, 2003
Net Loss………………………….….	$ (4,961)	$ (4,432)
Stock-Based Compensation Cost, net of tax – fair value method……...	(30)	(20)
Pro-Forma Net Loss…………………	$ (4,991)	$ (4,452)

(2) RESTATEMENT

These financial statements reflect adjustments to the Company's financial information previously reported on Form 10-Q for the quarterly period ended April 4, 2004.

In August 2004, and subsequent to the issuance of its consolidated financial statements for the quarterly period ended April 4, 2004, the Company became aware of certain issues relating to its Laon, France manufacturing facility following the departure of the facility's financial controller. Following this discovery, management informed its Board of Directors and its Audit Committee. The Audit Committee, with the assistance of outside legal advisors and accounting consultants, conducted a review of the operations and financial condition of the Company's facility in Laon, France. That review and work performed by the Company identified certain accounting and financial reporting improprieties and related material errors in the Company's financial statements, all related to the Laon, France facility. The effects of the restatement are set forth below:

	For the quarterly period ended	
	April 4, 2004	March 30, 2003
Net Loss, as reported	$(2,498)	$(4,037)
Understatements of product costs and expenses	(2,115)	-
Reductions in asset values to net realizable values	382	117
Underaccruals of liabilities	(751)	(369)
Other	21	(143)
Net Loss, as restated	$(4,961)	$(4,432)

Understatements of product costs and expenses – Cost of Sales was understated by underreporting expenses incurred and manufacturing variances, and by miscalculations of the cost of products sold. The errors were reflected primarily by underreporting of accounts payable and current maturities of long term debt and overreporting of cash and accounts receivable in the consolidated balance sheets.

Reductions in asset values to net realizable values – Assets (primarily accounts receivable and inventories) that should have been written off or should have been reported at reduced amounts were not adjusted in the requisite accounting periods in accordance with accounting principles generally accepted in the United States. This resulted in a reduction to the net loss in the first quarter of 2003 and 2004, as amounts originally recognized in each of these periods were recognized in earlier periods on a restated basis.

Underaccruals of liabilities – Amounts accrued for taxes other than income taxes, vacation and other employee related liabilities were understated in all periods.

The following table presents the impact of the restatement adjustments discussed above on the Consolidated Statement of Operations for the quarterly periods ended April 4, 2004 and March 30, 2003.

	For the Quarterly Periods Ended			
	April 4, 2004		March 30, 2003	
	AS RESTATED	AS PREVIOUSLY REPORTED	AS RESTATED	AS PREVIOUSLY REPORTED
Net Sales	$ 213,467	$ 213,428	$ 199,153	$ 198,890
Cost of Sales	193,715	191,033	178,878	177,546
Gross profit	19,752	22,395	20,275	21,344
Selling, General and Administrative Expenses	9,804	9,997	9,287	9,676
Special Charges	482	522	758	1,030
Operating income	9,466	11,876	10,230	10,638
Interest Expense	12,717	12,670	13,068	13,088
Bank Financing Fees	1,378	1,378	1,014	1,014
Loss before income taxes	(4,629)	(2,172)	(3,852)	(3,464)
Provision for Income Taxes	332	326	580	573
Net Loss	(4,961)	(2,498)	(4,432)	(4,037)
Preferred Stock Dividend Requirement	(3,824)	(3,824)	(3,246)	(3,246)
Net Loss Available to Common Stockholders	$ (8,785)	$ (6,322)	$ (7,678)	$ (7,283)

The following table presents the impact of the restatement adjustments discussed above on the Consolidated Balance Sheet on a condensed basis as of April 4, 2004:

ASSETS	April 4, 2004 (Unaudited) AS RESTATED	April 4, 2004 (Unaudited) AS PREVIOUSLY REPORTED
CURRENT ASSETS:		
Cash and cash equivalents	$ 5,297	$ 5,633
Accounts receivables, net of allowances	88,401	94,805
Inventories	98,023	98,609
Other current assets	17,978	18,207
Total current assets	209,699	217,254
PROPERTY, PLANT AND EQUIPMENT, less accumulated depreciation and amortization	239,405	235,324
OTHER NON-CURRENT ASSETS	111,367	111,370
Total assets	$ 560,471	$ 563,948
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt and capital lease obligations	$ 25,068	$ 19,992
Accounts payable	95,087	88,853
Accrued expenses	46,096	40,955
Other current liabilities	2,516	3,311
Total current liabilities	168,767	153,111
LONG TERM DEBT	535,511	535,511
OTHER LONG-TERM LIABILITIES	77,544	79,024
Total liabilities	781,822	767,646
PREFERRED STOCK	150,779	150,779
STOCKHOLDERS' EQUITY (a)	(372,130)	(354,477)
Total liabilities and stockholders' equity	$ 560,471	$ 563,948

(a) "As Restated" amounts include the cumulative impact due to the restatement of the net loss and the impact of the changes in the consolidated balance sheet on the foreign currency translation adjustment.

(3) SUPPLEMENTAL CASH FLOW INFORMATION

The Company paid interest of approximately $21.9 million and $3.3 million for the quarterly periods ended April 4, 2004 and March 30, 2003, respectively. The Company paid $0.6 million in income taxes for the quarterly period ended April 4, 2004 and $0.3 million for the quarterly period ended March 30, 2003.

(4) SPECIAL CHARGES

2004

During the first quarter of 2004, the Company recorded a restructuring charge of $0.5 million related to position elimination costs in Europe. The position eliminations consisted of 23 employees and include eliminations related to an early termination program in one European facility and a product line profitability review program in our German food can business. Total cash payments in the first quarter of 2004 were $1.6 million (primarily severance and facility shut down costs) and the Company anticipates spending another $6.7 million over the next several years. The remaining reserve consists primarily of employee termination benefits paid over time for approximately eight salaried and 44 hourly employees and other ongoing facility exit costs.

The table below presents the reserve categories and related activity as of April 4, 2004:

	January 1, 2004 Balance	Additions	Cash Payments	Other (b)	April 4, 2004 Balance
Employee Separation	$4.3	$0.5	$(1.3)	$(0.1)	$3.4
Facility Closing Costs	3.6	-	(0.3)	-	3.3
Total	$7.9	$0.5	$(1.6)	$(0.1)	$6.7 (a)

(a) Includes $4.6 million classified as other long-term liabilities as of April 4, 2004.
(b) Non-cash foreign currency translation impact

2003

During the first quarter of 2003, the Company recorded a restructuring charge of $0.8 million related to position elimination costs in the U.S. and Europe. The position eliminations consisted of 16 employees, including two management level employees and an early termination program in one European facility. Total cash payments in the first quarter of 2003 were $4.4 million (primarily severance and facility shut down costs). The remaining reserve consisted primarily of employee termination benefits to be paid over time for approximately 33 salaried and 51 hourly employees (approximately 600 positions were originally identified for elimination) and other ongoing facility exit costs.

The table below presents the reserve categories and related activity as of March 30, 2003:

	January 1, 2003 Balance	Net Additions	Cash Payments	March 30, 2003 Balance
Employee Separation	$9.4	$0.8	$(2.6)	$7.6
Facility Closing Costs	6.5	-	(1.8)	4.7
Total	$15.9	$0.8	$(4.4)	$12.3 (a)

(a) Includes $3.8 million classified as other long-term liabilities as of March 30, 2003.

(5) INVENTORIES

All domestic inventories are stated at cost determined by the last-in, first-out ("LIFO") cost method, not in excess of market. Subsidiaries' inventories of approximately $44.7 million at April 4, 2004 and $42.4 million at December 31, 2003 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 April 4, 2004 and at December 31, 2003.

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

	April 4, 2004	December 31, 2003
Raw materials	$ 20,289	$ 21,872
Work in process	40,343	38,635
Finished goods	37,391	34,633
	$ 98,023	$ 95,140

(6) COMPREHENSIVE NET LOSS

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

	April 4, 2004	December 31, 2003
Foreign Currency Translation Adjustment	$(8,477)	$(7,479)
Minimum Pension Liability Adjustment	(21,081)	(20,645)
Total Accumulated Other Comprehensive Loss	$(29,558)	$(28,124)

The components of comprehensive loss for the quarterly periods ended April 4, 2004 and March 30, 2003 are as follows (000's omitted):

	For the Quarterly Periods Ended	
	April 4, 2004	March 30, 2003
Net Loss	$ (4,961)	$ (4,432)
Foreign Currency Translation Adjustment	(1,434)	2,131
Unrealized Gain on Cash Flow Hedges (a)	--	1,030
Comprehensive Loss	$ (6,395)	$ (1,271)

(a) Net of reclassification of losses included in net loss of $1.6 million for the first quarter of 2003.

(7) BENEFIT PLANS

The Company maintains separate noncontributory defined benefit and defined contribution pension plans covering most domestic hourly employees and all domestic salaried personnel, respectively. It is the Company's policy to fund accrued pension and defined contribution plan costs in compliance with ERISA or the applicable foreign requirements.

The net periodic pension cost was as follows for the first quarter of 2004 and 2003 (000's omitted):

U.S.

	April 4, 2004	March 30, 2003
Service cost	$ 287	$ 227
Interest cost	724	679
Return on assets	(683)	(569)
Recognized loss	28	68
Recognized prior service cost	94	94
Net periodic pension cost	$ 450	$ 499

Non-U.S.

	April 4, 2004	March 30, 2003
Service cost	$ 88	$ 77
Interest cost	1,129	938
Return on assets	(864)	(655)
Recognized loss	208	197
Net periodic pension cost	$ 561	$ 557

The Company provides health and life insurance benefits for certain domestic retired employees in connection with collective bargaining agreements.

Net periodic postretirement benefit costs for the Company's U.S. postretirement benefit plans for the quarters ended April 4, 2004 and March 30, 2003, included the following components (000's omitted):

U.S.

	April 4, 2004	March 30, 2003
Service cost	$ 80	$ 66
Interest cost	369	372
Recognized loss	52	34
Recognized prior service cost	(226)	(226)
Net periodic pension cost	$ 275	$ 246

The Company made $0.2 million in contributions to its U.S. based pension plan and $0.3 million of contributions to its non-U.S. based pension plans in the first quarter of 2004. In addition, the Company made payments under its postretirement benefit plan of $0.4 million in the first quarter of 2004. The Company does not anticipate its 2004 contributions to any of its plans to be significantly different from the amounts previously disclosed in the Company's consolidated financial statements for the year ended December 31, 2003.

(8) BUSINESS SEGMENTS

Management monitors and evaluates 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 in the U.S. for personal care, household, automotive, paint and industrial products. The International segment produces aerosol cans in the 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 in the U.S. for paint and coatings, oblong cans for items such 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 the U.S. The Company notes that financial information used to produce its financial statements is not recorded or reconciled on a product line basis, therefore it is not practicable for the Company to disclose revenues by product line.

The following is a summary of revenues from external customers and loss from operations for the quarterly periods ended April 4, 2004 and March 30, 2003, respectively (000's omitted):

	April 4, 2004	March 30, 2003
REVENUES FROM EXTERNAL CUSTOMERS:		
Aerosol	$ 92,155	$ 88,778
International	78,398	63,328
Paint, Plastic & General Line	33,426	31,245
Custom & Specialty	9,488	15,802
Total revenues	$ 213,467	$ 199,153
INCOME (LOSS) FROM OPERATIONS:		
Aerosol	$ 14,585	$ 14,008
International	(1,418)	(1,509)
Paint, Plastic & General Line	3,472	4,185
Custom & Specialty	(347)	551
Total Segment Income From Operations	16,292	17,235
Unallocated Selling, General & Administrative Expenses (a)	(6,344)	(6,247)
Special Charges (b)	(482)	(758)
Interest Expense	(12,717)	(13,068)
Bank Financing Fees	(1,378)	(1,014)
Loss before income taxes	$ (4,629)	$ (3,852)

(a) Represents domestic Selling, General & Administrative expenses. The Company does not allocate these costs to its domestic segments.

(b) Management does not evaluate segment performance including such charges. See Note (4) for further information on the Company's special charges.

(9) COMMITMENTS AND CONTINGENCIES

Environmental

United States Can has been named as a potentially responsible party for costs incurred in the clean-up of the San Leandro Plume, a regional groundwater plume partially extending underneath United Sates Can's former site in San Leandro, California. When the Company acquired the San Leandro facility, it assumed certain liabilities subject to indemnification by the former owner / operator for claims made on or before December 1986. The former owner / operator tendered its obligations under the remedial action order to the Company. The Company accepted the tender with reservation of any legal rights it may have to seek contribution or reimbursement. The Company is a party to an indemnity agreement related to this matter with the current owner of the property, who purchased the property from the Company. In its 1994 agreement with the current owner, the Company agreed to defend and indemnify the current owner and their successors and assigns for any claims, including investigative or remedial action, required by any governmental agency that regulates hazardous substances. Neither the agreement with the former owner or the operator contains any caps or limits. Extensive soil and groundwater investigative work has been performed on the San Leandro Plume, including at the San Leandro site. Currently, the State of California is overseeing remediation at an offsite source of contamination of the San Leandro Plume. Periodically, the State of California conducts regional sampling to monitor the efficacy of the remediation. The Company, along with other PRPs, participated in a coordinated sampling event in 1999. In November 2002, as part of a larger sampling scheme, the State of California requested that we sample existing monitoring wells at the San Leandro property. The Company completed a round of sampling in December 2002. The 2002 sampling results generally show that the concentration of contamination is declining, which we view as a positive development. While the State has not yet commented on either the 1999 or the 2002 sampling results, we believe that the source of contamination is unrelated to our past operations. The Company receives quarterly invoices from the State of California for its oversight work and for the regional sampling. At this time, the Company is unable to estimate reasonably possible losses related to the San Leandro site or to the San Leandro Plume, but believes the sampling supports its position that the groundwater contamination in the San Leandro Plume is unrelated to its past operation. To date, the Company has not been required to implement any remedial action at the San Leandro site.

Legal

The Company is involved in litigation from time to time in the ordinary course of our business. In our opinion, the litigation is not material to our financial condition or results of operations.

(10) SUBSEQUENT EVENTS

On April 22, 2004, U.S. Can Corporation announced that George V. Bayly, a member of the Company's Board of Directors, had been named Chief Executive Officer of U.S. Can Corporation and that John Workman would step down from his position as Chief Executive Officer. Mr. Bayly began overseeing the daily operations of U.S. Can on April 22nd. Definitive agreements have not yet been executed with Mr. Bayly or Mr. Workman; however, potential employment and separation costs are not expected to be material to the Company's financial position or results of operations.

(11) 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 April 4, 2004 and December 31, 2003 and for the quarterly periods ended April 4, 2004 and March 30, 2003. The information as of April 4, 2004, and for the quarterly periods ended April 4, 2004 and March 30, 2003 has been restated (see Note (2)). 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 10 7/8% Senior Secured Notes and 12 3/8% Senior Subordinated Notes.

The 10 7/8% Senior Secured Notes and 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 10 7/8% Senior Secured Notes and 12 3/8% Senior Subordinated Notes.

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

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
RESTATED FOR THE QUARTERLY PERIOD ENDED APRIL 4, 2004
(unaudited)
(000's omitted)

	Restated U.S. Can Corporation (Parent)	Restated United States Can Company (Issuer)	USC May Verpackungen Holding (Guarantor Subsidiaries)	Restated USC Europe/ May Verpackungen GmbH & Co., KG (Non-Guarantor Subsidiaries)	Restated Eliminations	Restated U.S. Can Corporation Consolidated
NET SALES	$ –	$135,069	$ –	$ 78,398	$ –	$213,467
COST OF SALES	–	117,359	–	76,356	–	193,715
Gross profit	–	17,710	–	2,042	–	19,752
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	–	6,344	–	3,460	–	9,804
SPECIAL CHARGES	–	–	–	482	–	482
Operating income	–	11,366	–	(1,900)	–	9,466
INTEREST EXPENSE	–	10,922	1,353	442	–	12,717
BANK FINANCING FEES	–	1,288	–	90	–	1,378
EQUITY IN LOSS OF SUBSIDIARIES	(4,961)	(4,374)	(822)	–	10,157	–
Loss before income taxes	(4,961)	(5,218)	(2,175)	(2,432)	10,157	(4,629)
PROVISION (BENEFIT) FOR INCOME TAXES	–	(257)	75	514	–	332
NET LOSS	(4,961)	(4,961)	(2,250)	(2,946)	10,157	(4,961)
PREFERRED STOCK DIVIDEND REQUIREMENT	(3,824)	–	–	–	–	(3,824)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (8,785)	$ (4,961)	$ (2,250)	$ (2,946)	$10,157	$ (8,785)

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

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
RESTATED FOR THE QUARTERLY PERIOD ENDED MARCH 30, 2003
(unaudited)
(000's omitted)

	Restated U.S. Can Corporation (Parent)	Restated United States Can Company (Issuer)	USC May Verpackungen Holding (Guarantor Subsidiaries)	Restated USC Europe/ May Verpackungen GmbH & Co., KG (Non-Guarantor Subsidiaries)	Restated Eliminations	Restated U.S. Can Corporation Consolidated
NET SALES	$ –	$135,825	$ –	$ 63,328	$ –	$199,153
COST OF SALES	–	117,080	–	61,798	–	178,878
Gross profit	–	18,745	–	1,530	–	20,275
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	–	6,248	–	3,039	–	9,287
SPECIAL CHARGES	–	527	–	231	–	758
Operating income	–	11,970	–	(1,740)	–	10,230
INTEREST EXPENSE	–	10,628	1,596	844	–	13,068
BANK FINANCING FEES	–	1,014	–	–	–	1,014
EQUITY IN LOSS OF SUBSIDIARIES	(4,432)	(4,636)	(2,001)	–	11,069	–
Loss before income taxes	(4,432)	(4,308)	(3,597)	(2,584)	11,069	(3,852)
PROVISION FOR INCOME TAXES	–	124	–	456	–	580
NET LOSS	(4,432)	(4,432)	(3,597)	(3,040)	11,069	(4,432)
PREFERRED STOCK DIVIDEND REQUIREMENT	(3,246)	–	–	–	–	(3,246)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (7,678)	$ (4,432)	$ (3,597)	$ (3,040)	$11,069	$ (7,678)

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

CONDENSED CONSOLIDATING BALANCE SHEET
RESTATED AS OF APRIL 4, 2004
(unaudited)
(000s omitted)

	Restated U.S. Can Corporation (Parent)	Restated United States Can Company (Issuer)	USC May Verpackungen Holding (Subsidiary Guarantor)	Restated USC Europe/ May Verpackungen GmbH (Non-Guarantor Subsidiaries)	Restated Eliminations	Restated U.S. Can Corporation Consolidated
CURRENT ASSETS:						
Cash and cash equivalents	$ –	$ 1,608	$ –	$ 3,689	$ –	$ 5,297
Accounts receivable	–	51,591	–	36,810	–	88,401
Inventories	–	53,274	–	44,749	–	98,023
Other current assets	–	5,798	–	12,180	–	17,978
Total current assets	–	112,271	–	97,428	–	209,699
NET PROPERTY, PLANT AND EQUIPMENT	–	140,202	–	99,203	–	239,405
GOODWILL	–	27,384	–	–	–	27,384
DEFERRED INCOME TAXES	–	31,009	–	126	–	31,135
OTHER NON-CURRENT ASSETS	–	38,382	–	14,466	–	52,848
INTERCOMPANY ADVANCES	–	262,230	–	–	(262,230)	–
INVESTMENT IN SUBSIDIARIES	–	–	59,493	–	(59,493)	–
Total assets	$ –	$ 611,478	$ 59,493	$ 211,223	$ (321,723)	$ 560,471
CURRENT LIABILITIES						
Current maturities of long-term debt	$ –	$ 2,033	$ –	$ 23,035	$ –	$ 25,068
Accounts payable	–	37,124	–	57,963	–	95,087
Restructuring reserves	–	1,678	–	447	–	2,125
Income taxes payable	–	–	–	391	–	391
Other current liabilities	–	30,789	–	15,307	–	46,096
Total current liabilities	–	71,624	–	97,143	–	168,767
TOTAL LONG TERM DEBT	854	534,657	–	–	–	535,511
LONG-TERM LIABILITIES PURSUANT TO EMPLOYEE BENEFIT PLANS	–	41,018	930	30,028	–	71,976
OTHER LONG-TERM LIABILITIES	–	2,594	–	2,974	–	5,568
PREFERRED STOCK	150,779	–	–	–	–	150,779
INTERCOMPANY LOANS	112,055	–	123,023	27,152	(262,230)	–
INVESTMENT IN SUBSIDIARIES	108,442	70,027	–	–	(178,469)	–
STOCKHOLDERS' EQUITY	(372,130)	(108,442)	(64,460)	53,926	118,976	(372,130)
Total liabilities and stockholders' equity	$ –	$ 611,478	$ 59,493	$ 211,223	$ (321,723)	$ 560,471

CONDENSED CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2003
(000's omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackungen Holding (Subsidiary Guarantor)	USC Europe/ May Verpackungen GmbH (Non-Guarantor Subsidiaries)	Eliminations	U.S. Can Corporation Consolidated
CURRENT ASSETS:						
Cash and cash equivalents	$ –	$ 16,854	$ –	$ 6,110	$ –	$ 22,964
Accounts receivable	–	44,157	–	37,236	–	81,393
Inventories	–	52,739	–	42,401	–	95,140
Other current assets	–	7,126	–	7,587	–	14,713
Total current assets	–	120,876	–	93,334	–	214,210
NET PROPERTY, PLANT AND EQUIPMENT	–	143,777	–	103,712	–	247,489
GOODWILL	–	27,384	–	–	–	27,384
DEFERRED INCOME TAXES	–	30,685	–	131	–	30,816
OTHER NON-CURRENT ASSETS	–	39,570	–	14,949	–	54,519
INTERCOMPANY ADVANCES	–	260,962	–	–	(260,962)	–
INVESTMENT IN SUBSIDIARIES	–	–	61,961	–	(61,961)	–
Total assets	$ –	$ 623,254	$ 61,961	$ 212,126	$ (322,923)	$ 574,418
CURRENT LIABILITIES						
Current maturities of long-term debt	$ –	$ 2,379	$ –	$ 21,078	$ –	$ 23,457
Accounts payable	–	42,237	–	56,174	–	98,411
Restructuring reserves	–	2,831	–	581	–	3,412
Income taxes payable	–	–	–	362	–	362
Other current liabilities	–	35,683	–	15,012	–	50,695
Total current liabilities	–	83,130	–	93,207	–	176,337
TOTAL LONG TERM DEBT	854	534,913	–	–	–	535,767
LONG-TERM LIABILITIES PURSUANT TO EMPLOYEE BENEFIT PLANS	–	41,069	930	29,780	–	71,779
OTHER LONG-TERM LIABILITIES	–	2,594	–	2,898	–	5,492
PREFERRED STOCK	146,954	–	–	–	–	146,954
INTERCOMPANY LOANS	112,056	–	121,595	27,311	(260,962)	–
INVESTMENT IN SUBSIDIARIES	102,047	63,595	–	–	(165,642)	–
STOCKHOLDERS' EQUITY	(361,911)	(102,047)	(60,564)	58,930	103,681	(361,911)
Total liabilities and stockholders' equity	$ –	$ 623,254	$ 61,961	$ 212,126	$ (322,923)	$ 574,418

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

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
RESTATED FOR THE QUARTERLY PERIOD ENDED APRIL 4, 2004
(unaudited)
(000s omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackungen Holding (Subsidiary Guarantor)	Restated USC Europe / May Verpackungen (Non-Guarantor Subsidiaries)	Restated U.S. Can Corporation Consolidated
CASH FLOWS USED FOR OPERATING ACTIVITIES	$ –	$(11,040)	$ (2,250)	$ (2,793)	$ (16,083)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	–	(3,354)	–	(365)	(3,719)
Proceeds from sale of property	–	1,018	–	–	1,018
Net cash used for investing activities	–	(2,336)	–	(365)	(2,701)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Changes in intercompany advances	–	(1,268)	2,250	(982)	–
Payments of other long-term debt	–	(602)	–	–	(602)
Borrowings of other debt	–	–	–	2,169	2,169
Net cash (used for) provided by financing activities	–	(1,870)	2,250	1,187	1,567
EFFECT OF EXCHANGE RATE CHANGES ON CASH	–	–	–	(450)	(450)
DECREASE IN CASH AND CASH EQUIVALENTS	–	(15,246)	–	(2,421)	(17,667)
CASH AND CASH EQUIVALENTS, beginning of period	–	16,854	–	6,110	22,964
CASH AND CASH EQUIVALENTS, end of period	$ –	$ 1,608	$ –	$ 3,689	$ 5,297

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS RESTATED FOR THE QUARTERLY PERIOD ENDED MARCH 30, 2003 (unaudited) (000s omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackungen Holding (Subsidiary Guarantor)	Restated USC Europe / May Verpackungen (Non-Guarantor Subsidiaries)	Restated U.S. Can Corporation Consolidated
CASH FLOWS (USED FOR) PROVIDED BY OPERATING ACTIVITIES	$ –	$ 3,463	$ (3,601)	$ (638)	$ (776)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	–	(2,782)	–	(1,076)	(3,858)
Proceeds from sale of property	–	13	–	5,173	5,186
Net cash (used for) provided by investing activities	–	(2,769)	–	4,097	1,328
CASH FLOWS FROM FINANCING ACTIVITIES:					
Changes in intercompany advances	–	(2,513)	3,601	(1,088)	–
Net borrowings under revolving line of credit	–	200	–	–	200
Payments of other long-term debt	–	(265)	–	(5,227)	(5,492)
Borrowings of other debt	–	–	–	478	478
Net cash (used for) provided by financing activities	–	(2,578)	3,601	(5,837)	(4,814)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	–	–	–	(403)	(403)
DECREASE IN CASH AND CASH EQUIVALENTS	–	(1,884)	–	(2,781)	(4,665)
CASH AND CASH EQUIVALENTS, beginning of period	–	5,707	–	5,983	11,690
CASH AND CASH EQUIVALENTS, end of period	$ –	$ 3,823	$ –	$ 3,202	$ 7,025

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/A for the fiscal year ended December 31, 2003 (see "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein).

Restatements

This Form 10-Q/A amends and restates the following sections of the original Form 10-Q, which was filed with the Securities and Exchange Commission on May 13, 2004 (the "Original 10-Q"):

Part I

- Item 1. Financial Statements
- Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
- Item 4. Controls and Procedures.

Part II

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

The Company has restated its financial statements as of and for the years ended December 31, 2003 and 2002, and for the first quarter of 2004 (the "Restatement") to reflect adjustments to its previously reported financial information for such periods. The foregoing items have been amended to reflect the effects of the Restatement and have not been updated to reflect other events occurring after the filing of the Original Form 10-Q or to modify or update those disclosures affected by subsequent events, except for those disclosures provided in Note (2) to Consolidated Financial Statements included in Item 1 of this Form 10-Q/A. As a result, you should read this Form 10-Q/A in conjunction with the Company's Form 10-K/A for the year ended December 31, 2003 (the "December 2003 10-K") and the Company's periodic reports filed under the Securities and Exchange Act of 1934 (the "Exchange Act") following the filing of this Form 10-Q/A. This Form 10-Q/A reflects balances and amounts on a restated basis. For the convenience of the reader, this Form 10-Q/A amends in its entirety the Original 10-Q, but does not restate or update the disclosure contained herein to reflect any events that occurred at a later date other than that set forth above.

For a discussion of the individual adjustments contained in the Restatement, see "Item 1. Financial Statements -- Note (2) Restatements."

In August 2004, and subsequent to the issuance of its consolidated financial statements for the quarterly period ended April 4, 2004, the Company became aware of certain issues relating to its Laon, France manufacturing facility following the departure of the facility's financial controller. Following this discovery, management immediately informed the Company's Board of Directors and its Audit Committee, which conducted a review of these issues assisted by outside legal advisors and accounting consultants, and also promptly informed the Company's independent auditors, Deloitte & Touche LLP. That review and work performed by the Company identified certain accounting and financial reporting improprieties and related material errors in the Company's financial statements, all related to the Laon, France facility. On September 30, 2004, the Company disclosed its intent to restate its financial statements for the years ended December 31, 2002 and 2003 and for the quarterly period ended April 4, 2004. Those changes are reflected in this Restatement.

The principal effects of the Restatement are:

- Increases in the reported amounts of cost of sales, causing corresponding increases in net loss of $5.9 million and $7.8 million for the years ended December 31, 2002, and December 31, 2003, respectively, and $0.4 million and $2.5 million for the quarterly periods ended March 30, 2003 and April 4, 2004, respectively;
- Decreased working capital, principally as a result of decreased accounts receivable and increased accounts payable and accrued expenses; and
- Increased short-term borrowings by $5.1 million in the aggregate as of April 4, 2004.

The Company did not amend its Annual Report on Form 10-K or Quarterly Reports on Form 10-Q for periods affected by the Restatement that ended prior to December 31, 2003, and the financial statements and related financial information and disclosures contained in those reports should no longer be relied upon.

Use of Estimates; Critical Accounting Policies

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States 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: customer rebate accruals included in allowance for doubtful accounts; inventory valuation; restructuring amounts; asset impairments; 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. Accounting policies requiring significant management judgments include those related to revenue recognition, inventory valuation, rebate accruals, goodwill impairment, restructuring reserves, tax valuation allowances, pension benefit obligations and interest rate exposure.

The Company's critical accounting policies are described in Note (2) to the audited Consolidated Financial Statements contained within the Company's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2003. Significant business or customer conditions could cause material changes to the amounts reflected in our financial statements. For example, 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, revenue may be materially impacted, however, we have not historically been required to make material adjustments to our rebate accruals. Similarly, a large portion of the Company's inventory is manufactured to customer specifications. Other inventory is generally less specific and saleable to multiple customers. However, losses may result should the Company manufacture customized products, which it is unable to sell. Since raw materials inventory is generally not customer-specific, losses would generally relate to work in progress and finished goods inventory. An increase of 1% in the level of reserves for work in progress and finished goods inventory would result in a pretax charge of less than $1 million. The Company has not historically experienced major deviations in the level of reserve for unsaleable inventory, except in the case of discontinued product lines.

Statement of Financial Accounting Standards (SFAS) No. 142 "Goodwill and Other Intangible Assets" requires that goodwill and "indefinite-lived" intangibles are not amortized but are tested at least annually for impairment. On an ongoing basis, the Company reviews its operations for indications of potential goodwill impairment and annually tests its goodwill for impairment under SFAS 142 in November of each year. The Company identifies potential impairments of goodwill by comparing an estimated fair value for each applicable business unit to its respective carrying value. Although the values are assessed using a variety of internal and external sources, future events may cause reassessments of these values and related goodwill impairments. The Company currently has $27.4 million of goodwill relating to its Aerosol and Paint, Plastic and General Line segments included in its consolidated balance sheet. As of December 31, 2003, a 10% decrease in the Company's assessment of the fair value of the Aerosol or Paint, Plastic and General Line businesses would have caused no impairment of the goodwill related to that segment.

In accordance with SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," we continually review whether events and circumstances subsequent to the acquisition of any long-lived assets have occurred that indicate the remaining estimated useful lives of those assets may warrant revision or that the remaining balance of those assets may not be recoverable. If events and circumstances indicate that the long-lived assets should be reviewed for possible impairment, we use projections to assess whether future cash flows or operating income (before amortization) on an undiscounted basis related to the tested assets is likely to exceed the recorded carrying amount of those assets, to determine if a write-down is appropriate. Should an impairment be identified, a loss would be reported to the extent that the carrying value of the impaired assets exceeds their fair values as determined by valuation techniques appropriate in the circumstances that could include the use of similar projections on a discounted basis. Our estimates of future cash flows are based on historical performance, our assessment of the impact of economic and industry-specific trends and Company-prepared projections. These estimates are highly likely to change from period to period based on performance and changes in market and economic conditions. A significant decline in our assessment of future cash flows and a significant decline in our assessment of the fair value of long-lived assets could cause us to record material impairment losses.

As more fully described in Note (4) to the Consolidated Financial Statements, several restructuring programs were implemented 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. During 2004, the Company recorded a charge of $0.5 million related to position elimination costs in Europe. As of April 4, 2004, $6.7 million of reserves for restructuring programs were included in the Company's consolidated balance sheet. $3.4 million of these reserves related to employee separation costs for employees that have already been separated. As these payments will be made over time, actual payments may not reflect the amounts accrued but they are unlikely to vary materially. $3.3 million of the reserve relates to future costs related to facilities that the Company has closed. The Company has made assumptions regarding the period of time that it will require to dispose of these facilities. In most cases, the Company has included costs through the life of the leases. If the Company disposes of or subleases the facilities earlier than expected, the Company will reduce the level of the reserve.

The Company accounts for income taxes using the asset and liability method under which deferred income tax assets and liabilities are recognized for the tax consequences of "temporary differences" between the financial statement carrying amounts and the tax bases of existing assets and liabilities and operating losses and tax credit carry forwards. On an ongoing basis, the Company evaluates its deferred tax assets to determine whether it is more likely than not that such assets will be realized in the future and records valuation allowances against the deferred tax assets for amounts which are not considered more likely than not to be realized. The estimate of the amount that is more likely than not to be realized requires the use of assumptions concerning the amounts and timing of the Company's future income by taxing jurisdiction. Actual results may differ from those estimates.

The Company relies upon actuarial models to calculate its pension and post-retirement benefit obligations and the related effects on operations. Accounting for pensions and post-retirement benefit plans using actuarial models requires the use of estimates and assumptions regarding numerous factors, including the discount rate, the long-term rate of return on plan assets, health care cost increases, retirement ages, mortality and employee turnover. On an annual basis, the Company evaluates these critical assumptions and makes changes to them as necessary to reflect the Company's experience. In any given year, actual results could differ from actuarial assumptions made due to economic and other factors which could impact the amount of expense or liability for pensions or postretirement benefits the Company reports.

Two of the critical assumptions in determining the Company's reported expense or liability for pensions or post-retirement benefits are the discount rate and the long-term expected rate of return on plan assets. The use of a lower discount rate and a lower long-term expected rate of return on plan assets would increase the present value of benefit obligations and increase pension expense and post-retirement benefit expense. A 1% decrease in the Company's discount rate would have caused the Company's 2003 pension expense and post-retirement expense to increase by approximately $1.2 million. A 1% decrease in our assumed return on plan assets would have increased our pension expense by approximately $0.3 million. At December 31, 2003, the Company reduced its discount rate related to its U.S. plans by 0.5%. This increased the Company's annual 2004 pension expense and post-retirement expense by approximately $0.6 million.

Results of Operations

The following table presents the Company's Revenue and Gross Profit by segment for the first quarter of 2004 as compared to the first quarter of 2003.

	For the three months ended April 4, 2004 and March 30, 2003					
	Revenue		Gross Profit		Percentage to Sales	
	2004	2003	2004	2003	2004	2003
Aerosol	$ 92,155	$ 88,778	$ 14,585	$ 14,008	15.8%	15.8%
International	78,398	63,328	2,042	1,531	2.6%	2.4%
Paint, Plastic & General Line	33,426	31,245	3,472	4,185	10.4%	13.4%
Custom & Specialty	9,488	15,802	(347)	551	(3.7)%	3.5%
Total	$ 213,467	$ 199,153	$ 19,752	$ 20,275	9.3%	10.2%

Consolidated net sales for the first quarter ended April 4, 2004 were $213.5 million compared to $199.2 million in the first quarter of 2003, an increase of 7.2%. Along business segment lines, Aerosol net sales for the first quarter of 2004 increased to $92.2 million from $88.8 million for the same period in 2003, a 3.8% increase, due to increased unit volume ($4.5 million) offset by changes in customer and product mix ($1.1 million). International net sales increased to $78.4 million for the first quarter of 2004 from $63.3 million for the first quarter of 2003, an increase of $15.1 million or 23.8%. The increase was due to the positive impact of the translation of sales made in foreign currencies based upon using the same average U.S. dollar exchange rates in effect during the first quarter of 2003 ($10.8 million), an increase in volume ($3.1 million) and the positive impact of a change in product mix ($1.2 million). Paint, Plastic & General Line net sales increased $2.2 million to $33.4 million for the first quarter of 2004 from $31.2 million for the first quarter of 2003. This increase was due to an increase in plastics volume ($0.9 million) and increasing resin prices in our plastics business ($1.9 million), which are contractually passed on to customers, partially offset by the negative impact of decreased metal can volume ($0.6 million). In the Custom & Specialty segment, sales decreased 40.0% from $15.8 million for the first quarter of 2003 to $9.5 million for the first quarter of 2004, driven primarily by a decline in volume.

Consolidated gross profit decreased $0.5 million for the quarter ended April 4, 2004 from the same quarter in 2003. Along business segment lines, Aerosol gross profit dollars increased by $0.6 million while the percentage to sales remained the same at 15.8%. The increase in Aerosol gross profit dollars was due to an increase in volume in the first quarter of 2004 versus the same period of 2003 partially offset by increased raw material costs associated with steel surcharges as discussed in the "Liquidity and Capital Resources" section. The International segment gross profit increased $0.5 million versus the same period in 2003 and the percentage to sales increased to 2.6% from 2.4%. The increase in International gross profit was primarily due to increased International volume ($0.8 million) and cost reduction programs and other operational efficiency improvements ($0.3 million), partially offset by accelerated depreciation related to production lines to be idled in conjunction with the German food can business product line profitability review ($0.6 million). The Paint, Plastic & General Line segment gross profit decreased $0.7 million versus the same period in 2003. The percentage to net sales decreased from 13.4% in 2003 to 10.4% in 2004. The decrease in dollars and percentage was due to a change in demand in the first quarter of 2004 to less profitable product lines ($0.8 million) along with an increase in corporate allocated expenses ($0.2 million), partially offset by volume related efficiencies in our plastics business ($0.3 million). The Custom & Specialty segment gross profit decreased to a loss of $(0.3) million, compared to income of $0.6 million in the first quarter of 2003. The decline was driven primarily by the overhead absorption impact of producing fewer units due to a decline in volume ($1.9 million) partially offset by cost reduction programs and operational improvements ($1.0 million).

Selling, general and administrative costs were $9.8 million or 4.6% of sales in the first quarter of 2004 compared to $9.3 million or 4.7% of sales in the first quarter of 2003. The increase in selling, general and administrative costs in the first quarter is primarily due to the negative impact of the translation of expenses incurred in foreign currencies to U.S. dollars.

During the first quarter of 2004, the Company recorded a restructuring charge of $0.5 million related to position elimination costs in Europe. The position eliminations consisted of 23 employees and include eliminations related to an early termination program in one European facility and a product line profitability review program in our German food can business. Total cash payments in the first quarter of 2004 were $1.6 million (primarily severance and facility shut down costs) and the Company anticipates spending another $6.7 million over the next several years. The majority of these cash payments relate to restructuring programs completed in previous years, for which the Company has already realized the associated cost savings. The remaining reserve consists primarily of employee termination benefits paid over time for approximately eight salaried and 44 hourly employees and other ongoing facility exit costs.

The table below presents the reserve categories and related activity as of April 4, 2004:

	January 1, 2004 Balance	Additions	Cash Payments	Other (b)	April 4, 2004 Balance
Employee Separation	$4.3	$0.5	$(1.3)	$(0.1)	$3.4
Facility Closing Costs	3.6	-	(0.3)	-	3.3
Total	$7.9	$0.5	$(1.6)	$(0.1)	$6.7 (a)

(a) Includes $4.6 million classified as other long-term liabilities as of April 4, 2004.
(b) Non-cash foreign currency translation impact

Interest expense in the first three months of 2004 decreased 2.7%, or $0.4 million, versus the same period of 2003. The decrease is due primarily to the expiration of the Company's interest rate protection agreements in the fourth quarter of 2003 ($1.5 million) partially offset by higher interest rates due to the issuance of the 10 7/8% Senior Secured Notes in July 2003 ($0.9 million) and higher average borrowings ($0.2 million) during the period. Bank financing fees for the first quarter of 2004 were $1.4 million as compared to $1.0 million for the first quarter of 2003, due to the amortization of deferred financing costs related to the 10 7/8% Senior Secured Notes.

Income tax expense was $0.3 million for the first quarter of 2004 versus income tax expense of $0.6 million for the first quarter of 2003. The Company had previously (in 2002 and 2003) recorded valuation allowances as it could not conclude that it is "more likely than not" that all of the deferred tax assets of certain of its foreign operations will be realized in the foreseeable future. Accordingly, the Company did not record an income tax benefit related to the first quarter 2004 and 2003 losses of the applicable operations.

Payment in kind dividends of $3.8 million and $3.2 million on the redeemable preferred stock were recorded for the first quarters of 2004 and 2003, respectively.

Liquidity and Capital Resources

During the first quarter of 2004, liquidity needs were met through cash on hand and internally generated cash flow. Principal liquidity needs included operating costs, working capital and capital expenditures. Cash flow used by operations was $16.1 million for the three months ended April 4, 2004 compared to cash used of $0.8 million for the three months ended March 30, 2003. The increased use of cash by operations is due primarily to increases in working capital, including the payment of $10.6 million of interest payments on our 12 3/8% Senior Subordinated debt in the first fiscal quarter of 2004 versus the second fiscal quarter of 2003.

Net cash used for investing activities was $2.7 million for the first quarter of 2004 compared to net cash provided of $1.3 million for the first quarter of 2003. First quarter 2004 investing activities include capital spending of $3.7 million offset by the net proceeds received from the March 2004 sale of our closed Dallas, Texas facility of $1.0 million. Proceeds received from the sale of property during the first quarter of 2003 are composed primarily of the payment received for the sale of the Company's Daegeling, Germany facility, which was sold at the end of 2002.

Net cash provided by financing activities in the first three months of 2004 was $1.6 million versus net cash used of $4.8 million for the same period in 2003. The primary first quarter 2004 sources of cash were borrowings under the revolving line of credit granted by one of May Verpackungen's lenders and short-term borrowings by our facility in Laon, France, both to fund working capital requirements.

Starting in the fourth quarter of 2003, many domestic and foreign steel suppliers began experiencing a shortage of coke, an important component of the steel-making process. The shortage is due to many factors, which include the growing Chinese steel market and a fire at a coal mine in the U.S., which produces coke. The shortage is expected to continue in at least the near future. While we cannot predict the long-term effects the shortage will have on our tin-plate costs, the shortage has caused some steel manufacturers to charge a surcharge on steel, which has increased our tin-plate prices.

Some customer contracts allow us to pass tin-plated steel price increases through to our customers. We informed our customers of steel related price increases to be effective in the second quarter of 2004, and expect the future impact of the current level of unrecovered steel price increases to be immaterial. However, customer contracts may limit pass-throughs and also may require us to match other competitive bids.

At April 4, 2004, $42.1 million was outstanding under the $110.0 million revolving loan portion of the Senior Secured Credit Facility. Letters of Credit of $12.7 million were also outstanding securing the Company's obligations under various insurance programs and other contractual agreements. In addition, the Company had $5.3 million of cash and cash equivalents at quarter end.

The Senior Secured Credit Facility, the 10 7/8% Senior Secured Notes and the 12 3/8% Senior Subordinated Notes contain a number of financial and restrictive covenants. Under our Senior Secured Credit Facility, the Company is required to meet certain financial tests, including achievement of a minimum EBITDA level, a minimum interest coverage ratio, a minimum fixed charge coverage ratio and a maximum leverage ratio. The restrictive covenants limit the Company's ability to incur debt, pay dividends or make distributions, sell assets or consolidate or merge with other companies. As of April 4, 2004, the Company reported that it was in compliance with its covenants under the aforementioned facilities. On a restated basis, the Company was not in compliance with certain of its financial ratios under the Senior Secured Credit Facility; however, subsequent to April 4, 2004, the Company refinanced its senior debt and was in compliance with the financial covenants of its new senior debt facility for all relevant periods.

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, unexpected capital expenditures, investments, acquisitions 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.

The Company's amended Senior Secured Credit Facility permits, from time to time and subject to certain conditions, the redemption of the subordinated debt. The Company intends to pursue opportunistic repurchases of its outstanding 12 3/8% Senior Subordinated Notes as time and circumstances permit, subject to market conditions, the trading price of the 12 3/8% Senior Subordinated Notes and the terms of the Company's Senior Secured Credit Facility.

The Company continually evaluates all areas of its operations for ways to improve profitability and overall Company performance. In connection with these evaluations, management considers numerous alternatives to enhance the Company's existing business including, but not limited to acquisitions, divestitures, capacity realignments and alternative capital structures.

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 2003.

Item 4. ***Controls and Procedures***

As of April 4, 2004, the Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operations of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded, as of April 4, 2004, that the Company's disclosure controls and procedures were effective for recording, processing, summarizing and reporting the information the Company discloses in the reports that the Company files with the Commission.

During the quarter ended April 4, 2004, there was no change in the Company's internal controls over financial reporting that materially affected, or was reasonably likely to materially affect, the Company's internal controls over financial reporting.

Subsequent to April 4, 2004, and as a result of inquiries regarding accounting and financial reporting issues at its Laon, France facility, the Company determined that it would restate its financial statements for the years ended December 2002 and 2003, and the quarter ended April 4, 2004 (the "Restatement"). In addition, in connection with the Restatement, the Company's auditors, Deloitte & Touche LLP, delivered a letter to the Company regarding "material weaknesses" in the Company's internal controls concerning oversight of its European operations, in particular its Laon, France facility. For a discussion of the restatement adjustments, see "Item 1. Financial Statements – Note (2) Restatements."

In connection with the Restatement process and the inquiry by the Audit Committee, the Company has carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, including an evaluation of such controls and procedures at a number of its other facilities, and has concluded that the controls and procedures at such other facilities, and at the Company's corporate headquarters, are superior to those that existed at its Laon, France facility. The Company has initiated the implementation of various measures to strengthen its internal controls and has added more structure to the financial oversight of its European operations, including its facility in France. The Company believes that, in connection with this effort, it has substantially strengthened the organization and personnel of the senior financial and control functions in Europe and adopted more rigorous policies and procedures with respect to its financial reporting.

The Company will continue to evaluate the effectiveness of its controls and procedures on an ongoing basis, including consideration of recommendations identified through the investigation, and will implement further actions as necessary in its continuing efforts to strengthen the control process.

The Company's management is committed to continuing to improve the state of its controls and procedures, corporate governance and financial reporting. Other than as described above, since the evaluation date by the Company's management of its internal controls, there have not been any significant changes in the internal controls or in other factors that could significantly affect the internal controls.

PART II

OTHER INFORMATION

Item 1. *Legal Proceedings*

Environmental Matters

Our operations are subject to environmental laws in the United States and abroad, relating to pollution, the protection of the environment, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. Our capital and operating budgets include costs and expenses associated with complying with these laws, including the acquisition, maintenance and repair of pollution control equipment, and routine measures to prevent, contain and clean up spills of materials that occur in the ordinary course of our business. In addition, some of our production facilities require environmental permits that are subject to revocation, modification and renewal. We believe that we are in substantial compliance with environmental laws and our environmental permit requirements, and that the costs and expenses associated with this compliance are not material to our business. However, additional operating costs and capital expenditures could be incurred if, among other developments, additional or more stringent requirements relevant to our operations are promulgated.

Occasionally, contaminants from current or historical operations have been detected at some of our present and former sites. Although we are not currently aware of any material claims or obligations with respect to these sites, the detection of additional contamination or the imposition of cleanup obligations at existing or unknown sites could result in significant liability.

We have been designated as a potentially responsible party under Superfund laws at various sites in the United States, including a former can plant located in San Leandro, California. As a potentially responsible party, we are or may be legally responsible, jointly and severally with other members of the potentially responsible party group, for the cost of environmental remediation at these sites. Based on currently available data, we believe our contribution to the sites designated under U.S. Superfund law was, in most cases, minimal. With respect to San Leandro, we believe the principal source of contamination is unrelated to our past operations.

Based upon currently available information, the Company does not expect the effects of environmental matters to be material to its financial position.

Litigation

We are involved in litigation from time to time in the ordinary course of our business. In our opinion, the litigation is not material to our financial condition or results of operations.

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

(a) Exhibits

31.1 Certification of Chief Executive Officer Pursuant to Section 13a-15 of the Securities and Exchange Act of 1934

31.2 Certification of Chief Financial Officer Pursuant to Section 13a-15 of the Securities and Exchange Act of 1934

(b) Reports on Form 8-K

(i) The Company furnished to the Commission a Current Report on Form 8-K on February 24, 2004 to announce its results of operations for the period ended December 31, 2003. The Company’s fourth quarter 2004 earnings press release was attached to the Current Report. Subsequent to the filing of this report, the Company restated its financial statements and the disclosures in the report should no longer be relied upon.

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 17, 2004

By: /s/ Sandra K. Vollman
Sandra K. Vollman
Senior Vice President and
Chief Financial Officer
(Duly authorized officer and principal financial officer)