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 28, 2003

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 November 3, 2003, 53,333.333 shares of Common Stock were outstanding.

U.S. CAN CORPORATION AND SUBSIDIARIES

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 28, 2003

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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 From 10-K for the fiscal year ended December 31, 2002 and filed with the Securities and Exchange Commission in March 2003, 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 28, 2003	September 29, 2002	September 28, 2003	September 29, 2002
	(unaudited)			
Net Sales	$ 204,508	$ 205,474	$ 613,710	$ 595,136
Cost of Sales	183,783	185,674	546,931	533,475
Gross Income	20,725	19,800	66,779	61,661
Selling, General and Administrative Expenses	8,829	9,373	27,166	28,571
Special Charges	(791)	5,071	830	5,071
Operating Income	12,687	5,356	38,783	28,019
Interest Expense	14,643	12,122	40,876	37,942
Bank Financing Fees	2,507	1,014	4,535	3,037
Loss Before Income Taxes	(4,463)	(7,780)	(6,628)	(12,960)
Provision (Benefit) for Income Taxes	(167)	(2,551)	2,707	(4,473)
Net Loss Before Cumulative Effect of Accounting Change	(4,296)	(5,229)	(9,335)	(8,487)
Cumulative Effect of Accounting Change, net of income taxes	-	-	-	(18,302)
Net Loss Before Preferred Stock Dividends	(4,296)	(5,229)	(9,335)	(26,789)
Preferred Stock Dividend Requirement	(3,485)	(3,158)	(10,131)	(9,213)
Net Loss Attributable to Common Stockholders	$ (7,781)	$ (8,387)	$ (19,466)	$ (36,002)

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 28, 2003	December 31, 2002
	(unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	$ 10,016	$ 11,790
Accounts receivable, net of allowances	110,026	89,986
Inventories	103,638	105,635
Deferred income taxes	6,811	7,730
Other current assets	8,483	14,466
Total current assets	238,974	229,607
PROPERTY, PLANT AND EQUIPMENT, less accumulated depreciation and amortization	233,296	241,674
GOODWILL	27,384	27,384
DEFERRED INCOME TAXES	27,265	29,340
OTHER NON-CURRENT ASSETS	54,989	50,821
Total assets	$ 581,908	$ 578,826
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt and capital lease obligations	$ 30,136	$ 26,153
Accounts payable	84,764	94,537
Accrued expenses	53,739	51,446
Restructuring reserves	5,453	11,990
Income taxes payable	771	958
Total current liabilities	174,863	185,084
LONG TERM DEBT	533,756	523,529
LONG TERM LIABILITIES PURSUANT TO EMPLOYEE BENEFIT PLANS	75,342	74,574
OTHER LONG-TERM LIABILITIES	6,644	6,352
Total liabilities	790,605	789,539
REDEEMABLE PREFERRED STOCK, 200,000 shares authorized, 106,667 shares issued & outstanding	143,265	133,133
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	(39,726)	(51,076)
Accumulated deficit	(365,569)	(346,103)
Total stockholders' equity / (deficit)	(351,962)	(343,846)
Total liabilities and stockholders' equity	$ 581,908	$ 578,826

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 28, 2003	For the Nine Months Ended September 29, 2002
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss before preferred stock dividend requirements	$ (9,335)	$ (26,789)
Adjustments to reconcile net loss to net cash used in operating activities –		
Depreciation and amortization	28,159	27,320
Special charges	830	5,071
Cumulative effect of accounting change	–	18,302
Deferred income taxes	991	(6,389)
Change in operating assets and liabilities, net of effect of acquired businesses:		
Accounts receivable	(16,134)	(4,605)
Inventories	6,105	(5,040)
Accounts payable	(13,687)	(870)
Accrued expenses	(2,397)	(9,324)
Other, net	3,176	(2,262)
Net cash used in operating activities	(2,292)	(4,586)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures including restructuring capital	(9,853)	(18,537)
Proceeds from sale of property	5,429	5,763
Investment in Formametal S.A.	–	(133)
Net cash used in investing activities	(4,424)	(12,907)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of 10 $^{7}/_{8}$% senior secured notes	125,000	–
Net borrowings (payments) under the revolving line of credit	(30,100)	10,600
Borrowings of other debt	3,498	14,964
Payment of Tranche A loan	(27,294)	(4,000)
Payment of Tranche B loan	(47,206)	(500)
Payments of other debt, including capital lease obligations	(11,025)	(3,937)
Payments of debt financing costs	(6,455)	–
Net cash provided by financing activities	6,418	17,127
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(1,476)	(525)
DECREASE IN CASH AND CASH EQUIVALENTS	(1,774)	(891)
CASH AND CASH EQUIVALENTS, beginning of year	11,790	14,743
CASH AND CASH EQUIVALENTS, end of period	$ 10,016	$ 13,852

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 28, 2003
(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". 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, 2002.

Certain prior year amounts have been reclassified to conform with the 2003 presentation. Additionally, results for the first nine months of 2002 were restated related to the Company's adoption of Statement of Financial Accounting Standards (SFAS) No. 142 "Goodwill and Other Intangible Assets" on January 1, 2002. Under the standard, goodwill and "indefinite-lived" intangibles are no longer amortized, but are tested annually for impairment. During the fourth quarter of 2002, the Company determined the amount of its goodwill impairment and recorded a pre-tax goodwill impairment charge of $39.1 million ($18.3 million, net of tax) effective as of January 1, 2002. The charge has been presented as a cumulative effect of a change in accounting principle.

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, 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 three and nine months ended September 28, 2003 and September 29, 2002.

	Three Months Ended		Nine Months Ended	
	September 28, 2003	September 29, 2002	September 28, 2003	September 29, 2002
Net Loss Before Preferred Stock Dividends…………………………	$ (4,296)	$ (5,229)	$ (9,335)	$ (26,789)
Stock-Based Compensation Cost, net of tax………………………….	(20)	(38)	(60)	(114)
Pro-Forma Net Loss Before Preferred Stock Dividends………………..…	$ (4,316)	$ (5,267)	$ (9,395)	$ (26,903)

NEW ACCOUNTING PRONOUNCEMENTS

SFAS No. 145 "Rescission of FASB Statements No. 4, 44, and 46, Amendment of FASB Statement No. 13, and Technical Corrections" was issued in April 2002 and is effective for fiscal years beginning after May 15, 2002. This statement eliminates the current requirement that gains and losses on extinguishment of debt be classified as extraordinary items in the statement of operations. Instead, the statement requires that gains and losses on extinguishment of debt be evaluated against the criteria in APB Opinion 30 to determine whether or not such gains or losses should be classified as an extraordinary item. The statement also contains other corrections to authoritative accounting literature in SFAS 4, 44 and 46. In accordance with the pronouncement, the Company adopted the standard on January 1, 2003. There was no impact to the Company's 2003 or 2002 financial position and results of operations as a result of the adoption.

The Financial Accounting Standards Board (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. As discussed in Note 3, the Company recorded restructuring charges in 2003 in accordance with the provisions of SFAS No. 146.

In May 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies accounting for derivative instruments including certain derivative instruments embedded in other contracts and hedging activities under SFAS No. 133. It is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The adoption of this standard did not impact the Company's financial position or results of operations.

In May 2003, the FASB issued SFAS No. 150, "Accounting For Certain Financial Instruments with Characteristics of Both Liabilities and Equity" which establishes standards for how an issuer of financial instruments classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances) if, at inception, the monetary value of the obligation is based solely or predominantly on a fixed monetary amount known at inception, variations in something other than the fair value of the issuer's equity shares or variations inversely related to changes in the fair value of the issuer's equity shares. This Statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. In accordance with the pronouncement, the Company adopted the standard on June 30, 2003. At September 28, 2003, the Company had $143.3 million of redeemable preferred stock. However, as the Company's redeemable preferred stock does not contain an unconditional obligation requiring the Company to redeem it by transferring assets at a specified or determinable date, or upon an event certain to occur, the adoption of SFAS No. 150 did not have an impact on the Company's financial position or results of operations.

(2) SUPPLEMENTAL CASH FLOW INFORMATION

The Company paid interest of approximately $30.7 million and $30.9 million for the nine months ended September 28, 2003 and September 29, 2002, respectively. The Company paid $1.3 million in income taxes for the nine months ended September 28, 2003 and $1.5 million for the nine months ended September 29, 2002.

(3) SPECIAL CHARGES

2003

During the first nine months of 2003, the Company recorded net special charges of $0.8 million. $1.0 million of the charges were recorded in the first quarter of 2003 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. $0.6 million of the charges were recorded in the second quarter of 2003 related to additional severance costs for a previously terminated employee at May Verpackungen. During the third quarter of 2003, the Company recorded a net restructuring benefit of $0.8 million. The net benefit includes a $0.2 million charge related to management position elimination costs at May Verpackungen offset by a reserve reduction of $1.0 million in connection with a reassessment of previously established reserves related to the closing in 2002 of the Burns Harbor facility.

The Company recorded the 2003 charges in accordance with SFAS No. 146, "Accounting for Costs Associated With Exit or Disposal Activities." SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred rather than at the commitment date. The adoption of SFAS No. 146 did not have a material effect on the timing of the special charges recorded in the first nine months of 2003. Total cash payments in the first nine months of 2003 were $7.3 million (primarily severance and facility shut down costs) and the Company anticipates spending another $9.2 million over the next several years. The remaining reserve consists primarily of employee termination benefits paid over time for approximately 28 salaried and 43 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 September 28, 2003:

	January 1, 2003 Balance	Net Additions(b)	Cash Payments	September 28, 2003 Balance
Employee Separation	$9.2	$1.0	$(4.5)	$5.7
Facility Closing Costs	6.5	(0.2)	(2.8)	3.5
Total	$15.7	$0.8	$(7.3)	$9.2 (a)

(a) Includes $3.7 million classified as other long-term liabilities as of September 28, 2003.

(b) Includes a reserve reduction of $1.0 million in connection with a reassessment of previously established reserves related to the closing in 2002 of the Company's Burns Harbor facility.

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 were 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 were reassessed, resulting in a reserve reduction of $1.4 million. The increased employee separation costs were 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. The remainder of the reserve consisted 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(c)	Cash 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 classified as other long-term liabilities as of September 29, 2002.

(b) Non-cash foreign currency translation impact and the reversal of $1.5 million of asset write-offs previously expensed in the 2001 restructuring.

(c) Includes a reserve reduction of $1.4 million in connection with a reassessment of previously established reserves related to the closing in 2002 of the Company's Burns Harbor facility.

(4) 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 $51.5 million at September 28, 2003 and $48.1 million at December 31, 2002 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 28, 2003 and at December 31, 2002.

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

	September 28, 2003	December 31, 2002
Raw materials	$ 21,790	$ 23,492
Work in process	43,507	46,435
Finished goods	38,341	35,708
	$ 103,638	$ 105,635

(5) DEBT OBLIGATIONS

On July 22, 2003, United States Can Company completed an offering of $125 million of 10 $^{7}/_{8}$% Senior Secured Notes due 2010 ("Second Priority Senior Secured Notes"). The Notes are secured, on a second priority basis, by substantially all of the collateral that currently secures the Company's Senior Secured Credit Facility. The Company used the $125 million in proceeds generated from the offering to prepay $23.3 million of its Tranche A term loan, $46.7 million of its Tranche B term loan and to reduce its borrowings under its revolving credit facility by $55.0 million. The repayments under the revolving credit facility did not reduce the $110.0 million amount available for borrowings under the facility.

The Company also amended its Senior Secured Credit Facility to permit the offering of the Second Priority Senior Secured Notes and adjust certain financial covenants, among other things. These amendments also permit, from time to time and subject to certain conditions, the Company to make borrowings under its revolving credit facility for repurchases of a portion of its outstanding 12 3/8% senior subordinated notes. The Company has paid approximately $6.4 million of fees and expenses related to the offering and senior secured credit facility amendment through September 28, 2003, and expects to incur approximately $1.2 million of additional fees and expenses. These fees (net of the $1.2 million that has been expensed as discussed below) will be amortized over the life of the applicable borrowings.

Bank financing fees include the amortization of deferred financing fees and, for the third quarter of 2003 and the 2003 year to date periods, $1.2 million of the fees related to the amendment of the Senior Secured Credit Facility that were paid and expensed by the Company.

The Senior Secured Credit Facility, the Second Priority Senior Secured Notes and the 12 $^{3}/_{8}$% Senior Subordinated Notes due 2010 ("Senior Subordinate Notes") contain a number of financial and restrictive covenants. The covenants for the Senior Secured Credit Facility were amended on July 22, 2003, effective as of June 29, 2003. Under the Company's Senior Secured Credit Facility, it 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. The Company was in compliance with all of the required financial ratios and other covenants under each facility, as amended, at September 28, 2003.

May Verpackungen ("May") has various bank facilities originating under loan agreements dated between 1996 and 1999. These agreements provided for up to ten-year terms with floating interest rates, and among other things, included provisions for the banks (i) to terminate the credit lines upon giving notice and (ii) rightfully demand security for the credit lines, have a negative pledge from May not to grant security without the bank's approval and the requirement that any bank lending to May be treated on terms no less favorable than any other bank's loans to May.

During April 2003 due to the decrease in May's earnings since its acquisition by the Company and their lack of comfort in lending to a foreign-owned company, May's lenders made a formal demand for security under May's credit facilities. On April 30, 2003, May granted two of its banks a collateral interest in its inventory and accounts receivable in exchange for their agreement to allow the continuation of facilities in the amount of €11.8 million. May's lenders have verbally agreed to extend the existing facilities through November 30, 2003. In addition, May made payments of €1.5 million on May 7, 2003 and €1.0 million on June 30, 2003 in full payment of term loans for which one of May's lenders demanded early payment in accordance with terms of the borrowings. These term loans were guaranteed by U.S. Can. May is currently in the process of finalizing an accounts receivable factoring arrangement which will be effective later this year, pending final documentation. May also expects to maintain smaller lines of credit for seasonal working capital needs. The Company expects to complete these arrangements by December 31, 2003 and believes the existing lenders will further extend the current facilities through December 31, 2003 if necessary. If the Company is unable to complete the factoring arrangements, the Company will need to provide financing for May from other sources including potential further extensions from the current bank group. There can be no assurance that the Company will enter into the factoring arrangement, that May's lenders will continue to extend the current facilities if a factoring arrangement is not completed, or that funds will be available from other sources to finance May's requirements, each of which could have a material adverse effect on our financial position.

(6) 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.

The following is a summary of revenues from external customers and income (loss) from operations for the three and nine month periods ended September 28, 2003 and September 29, 2002, respectively (000's omitted):

	Three Months Ended		Nine Months Ended	
	September 28, 2003	September 29, 2002	September 28, 2003	September 29, 2002
REVENUES FROM EXTERNAL CUSTOMERS:				
Aerosol	$88,535	$93,550	$272,081	$276,914
International	72,627	62,935	206,492	174,886
Paint, Plastic & General Line	28,437	29,862	90,795	91,450
Custom & Specialty	14,909	19,127	44,342	51,886
Total revenues	$204,508	$205,474	$613,710	$595,136
INCOME (LOSS) FROM OPERATIONS:				
Aerosol	$14,754	$15,159	$46,141	$43,694
International	(354)	(10)	(821)	99
Paint, Plastic & General Line	2,293	1,700	10,155	7,326
Custom & Specialty	1,428	(426)	2,282	(152)
Total Segment Income From Operations	18,121	16,423	57,757	50,967
Unallocated Selling, General & Administrative Expenses (a)	(6,225)	(5,996)	(18,144)	(17,877)
Corporate Expenses (b)	791	(5,071)	(830)	(5,071)
Interest Expense	(14,643)	(12,122)	(40,876)	(37,942)
Bank Financing Fees	(2,507)	(1,014)	(4,535)	(3,037)
Loss Before Income Taxes	$(4,463)	$(7,780)	$(6,628)	$(12,960)

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

(b) Represents special charges for the entire Company. Management does not evaluate segment performance including such charges. See Note (3) for further information on the Company's special charges.

(7) COMPREHENSIVE NET INCOME (LOSS)

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

	September 28, 2003	December 31, 2002
Foreign Currency Translation Adjustment	$(16,606)	$(25,044)
Minimum Pension Liability Adjustment	(22,863)	(22,346)
Unrealized Loss on Cash Flow Hedges	(257)	(3,686)
Total Accumulated Other Comprehensive Loss	$(39,726)	$(51,076)

The components of comprehensive loss for the three and nine months ended September 28, 2003 and September 29, 2002 are as follows (000's omitted):

	Three Months Ended		Nine Months Ended	
	September 28, 2003	September 29, 2002	September 28, 2003	September 29, 2002
Net Loss Before Preferred Stock Dividends	$ (4,296)	$ (5,229)	$ (9,335)	$ (26,789)
Unrealized Gain (Loss) on Cash Flow Hedges (a)	1,199	(294)	3,429	(328)
Foreign Currency Translation Adjustment	99	498	7,921	1,701
Comprehensive Income (Loss)	$ (2,998)	$ (5,025)	$ 2,015	$ (25,416)

(a) Net of reclassification of losses included in interest expense of $1.7 million and $1.5 million for the three months ended September 28, 2003 and September 29, 2002, respectively and $4.9 million and $4.3 million for the nine months ended September 28, 2003 and September 29, 2002, respectively.

(8) COMMITMENTS AND CONTINGENCIES

Environmental

United States Can has been named as a potentially responsible party for costs incurred in the clean-up of a groundwater plume partially extending underneath United Sates Can's former site in San Leandro, California. United States Can is a party to an indemnity agreement related to this matter with the owner of the property. Extensive soil and groundwater investigative work has been performed at this site in a coordinated sampling event in 1999. The results of the sampling were inconclusive as to the source of the contamination. In November 2002, as part of a larger sampling scheme, the State requested that the Company sample existing monitoring wells at the San Leandro property. The Company completed the sampling and received the results in the first quarter of 2003. These results generally show that the concentration of contamination is declining, which the Company views as a positive development. While the State of California has not yet commented on either the 1999 or the 2003 sampling results, the Company believes that the principal source of contamination is unrelated to its past operations.

Legal

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

Walter Schmidt, former finance director at May sued for unfair dismissal following termination of his employment contract. The contract had a five-year term and Schmidt remains in pay status through its notice period, ending January 31, 2005. Mr. Schmidt claimed that he also is due a severance settlement of five years' salary at the end of the notice period. In July 2002, the labor courts of first instance ruled that Mr. Schmidt's notice date and termination should be effective December 31, 2005, and that the severance settlement is due at that time. On January 7, 2003, May appealed this ruling. In June 2003, a German appeals court heard the appeal and advised the parties that it would rule in Schmidt's favor. In August 2003, the appeals court issued an opinion finding that the judgment could not be overturned and that no further appeal would be allowed. Payments to Mr. Schmidt will be made over time in accordance with the terms of his contract.

(9) 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 28, 2003 and December 31, 2002 and for the nine months ended September 28, 2003 and September 29, 2002. 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 and 10 $^{7}/_{8}$% senior secured notes.

The 12 $^{3}/_{8}$% senior subordinated notes and 10 $^{7}/_{8}$% senior secured 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 and 10 $^{7}/_{8}$% senior secured notes.

U.S. CAN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 28, 2003
(unaudited)
(000's omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackungen Holding (Guarantor Subsidiaries)	USC Europe/ May Verpackungen GmbH & Co., KG (Non-Guarantor Subsidiaries)	Eliminations	U.S. Can Corporation Consolidated
NET SALES	$ –	$ 407,218	$ –	$ 206,492	$ –	$ 613,710
COST OF SALES	–	348,640	–	198,291	–	546,931
Gross income	–	58,578	–	8,201	–	66,779
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	–	18,144	–	9,022	–	27,166
SPECIAL CHARGES	–	(500)	–	1,330	–	830
Operating income (loss)	–	40,934	–	(2,151)	–	38,783
INTEREST EXPENSE	–	33,640	4,788	2,448	–	40,876
BANK FINANCING FEES	–	4,535	–	–	–	4,535
EQUITY IN LOSS OF SUBSIDIARIES	(9,335)	(10,927)	(4,519)	–	24,781	–
Loss before income taxes	(9,335)	(8,168)	(9,307)	(4,599)	24,781	(6,628)
PROVISION FOR INCOME TAXES	–	1,167	–	1,540	–	2,707
NET LOSS BEFORE PREFERRED STOCK DIVIDENDS	(9,335)	(9,335)	(9,307)	(6,139)	24,781	(9,335)
PREFERRED STOCK DIVIDEND REQUIREMENT	(10,131)	–	–	–	–	(10,131)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (19,466)	$ (9,335)	$ (9,307)	$ (6,139)	$ 24,781	$ (19,466)

U.S. CAN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

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 Subsidiaries)	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	–	30,624	–	(2,605)	–	28,019
INTEREST EXPENSE	–	31,145	4,886	1,911	–	37,942
BANK FINANCING FEES	–	3,037	–	–	–	3,037
EQUITY IN LOSS OF SUBSIDIARIES	(26,789)	(16,419)	(15,965)	–	59,173	–
Loss before income taxes	(26,789)	(19,977)	(20,851)	(4,516)	59,173	(12,960)
PROVISION (BENEFIT) FOR INCOME TAXES	–	(1,362)	(2,572)	(539)	–	(4,473)
NET LOSS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(26,789)	(18,615)	(18,279)	(3,977)	59,173	(8,487)
CUMULATIVE EFFECT OF ACCOUNTING CHANGE, net of income taxes	–	(8,174)	4,717	(14,845)	–	(18,302)
NET LOSS BEFORE PREFERRED STOCK DIVIDENDS	(26,789)	(26,789)	(13,562)	(18,822)	59,173	(26,789)
PREFERRED STOCK DIVIDEND REQUIREMENT	(9,213)	–	–	–	–	(9,213)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (36,002)	$ (26,789)	$ (13,562)	$ (18,822)	$ 59,173	$ (36,002)

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

CONDENSED CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 28, 2003
(unaudited)
(000s omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackungen Holding (Guarantor Subsidiaries)	USC Europe/ May Verpackungen GmbH & Co., KG (Non-Guarantor Subsidiaries)	Eliminations	U.S. Can Corporation Consolidated
CURRENT ASSETS:						
Cash and cash equivalents	$ –	$ 8,954	$ –	$ 1,062	$ –	$ 10,016
Accounts receivable	–	51,990	–	58,036	–	110,026
Inventories	–	52,178	(600)	52,060	–	103,638
Deferred income taxes	–	4,596	1,977	238	–	6,811
Other current assets	–	4,864	–	3,619	–	8,483
Total current assets	–	122,582	1,377	115,015	–	238,974
NET PROPERTY, PLANT AND EQUIPMENT	–	139,118	–	94,178	–	233,296
GOODWILL	–	27,384	–	–	–	27,384
DEFERRED INCOME TAXES	–	26,197	606	462	–	27,265
OTHER NON-CURRENT ASSETS	–	40,821	–	14,168	–	54,989
INTERCOMPANY ADVANCES	–	249,605	–	–	(249,605)	–
INVESTMENT IN SUBSIDIARIES	–	–	60,507	–	(60,507)	–
Total assets	$ –	$ 605,707	$ 62,490	$ 223,823	$ (310,112)	$ 581,908
CURRENT LIABILITIES						
Current maturities of long-term debt	$ –	$ 1,010	$ –	$ 29,126	$ –	$ 30,136
Accounts payable	–	31,176	–	53,588	–	84,764
Other current liabilities	–	44,833	31	15,099	–	59,963
Total current liabilities	–	77,019	31	97,813	–	174,863
TOTAL LONG TERM DEBT	854	532,902	–	–	–	533,756
LONG TERM LIABILITIES PURSUANT TO EMPLOYEE BENEFIT PLANS	–	44,431	672	30,239	–	75,342
OTHER LONG-TERM LIABILITIES	–	3,627	–	3,017	–	6,644
PREFERRED STOCK	143,265	–	–	–	–	143,265
INTERCOMPANY LOANS	112,056	–	119,652	17,897	(249,605)	–
INVESTMENT IN SUBSIDIARIES	95,787	43,515	–	–	(139,302)	–
STOCKHOLDERS' EQUITY / (DEFICIT)	(351,962)	(95,787)	(57,865)	74,857	78,795	(351,962)
Total liabilities and stockholders' equity	$ –	$ 605,707	$ 62,490	$ 223,823	$ (310,112)	$ 581,908

CONDENSED CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2002
(unaudited)
(000s 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	$ –	$ 5,707	$ –	$ 6,083	$ –	$ 11,790
Accounts receivable	–	43,623	–	46,363	–	89,986
Inventories	–	57,500	(600)	48,735	–	105,635
Deferred income taxes	–	5,535	1,977	218	–	7,730
Other current assets	–	6,184	–	8,282	–	14,466
Total current assets	–	118,549	1,377	109,681	–	229,607
NET PROPERTY, PLANT AND EQUIPMENT	–	147,588	–	94,086	–	241,674
GOODWILL	–	27,384	–	–	–	27,384
DEFERRED INCOME TAXES	–	28,312	606	422	–	29,340
OTHER NON-CURRENT ASSETS	–	37,904	–	12,917	–	50,821
INTERCOMPANY ADVANCES	–	240,791	–	–	(240,791)	–
INVESTMENT IN SUBSIDIARIES	–	–	61,360	–	(61,360)	–
Total assets	$ –	$ 600,528	$ 63,343	$ 217,106	$ (302,151)	$ 578,826
CURRENT LIABILITIES						
Current maturities of long-term debt	$ –	$ 11,078	$ –	$ 15,075	$ –	$ 26,153
Accounts payable	–	47,901	–	46,636	–	94,537
Other current liabilities	–	48,389	31	15,974	–	64,394
Total current liabilities	–	107,368	31	77,685	–	185,084
TOTAL LONG TERM DEBT	854	503,238	–	19,437	–	523,529
LONG TERM LIABILITIES PURSUANT TO EMPLOYEE BENEFIT PLANS	–	44,603	672	29,299	–	74,574
OTHER LONG-TERM LIABILITIES	–	3,714	–	2,638	–	6,352
PREFERRED STOCK	133,133	–	–	–	–	133,133
INTERCOMPANY LOANS	112,057	–	114,864	13,870	(240,791)	–
INVESTMENT IN SUBSIDIARIES	97,802	39,407	–	–	(137,209)	–
STOCKHOLDERS' EQUITY / (DEFICIT)	(343,846)	(97,802)	(52,224)	74,177	75,849	(343,846)
Total liabilities and stockholders' equity	$ –	$ 600,528	$ 63,343	$ 217,106	$ (302,151)	$ 578,826

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

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 28, 2003
(unaudited)
(000s omitted)

	U.S. Can Corporation (Parent)	United States Can Company (Issuer)	USC May Verpackungen Holding (Subsidiary Guarantor)	USC Europe / May Verpackungen (Non-Guarantor Subsidiaries)	U.S. Can Corporation Consolidated
CASH FLOWS (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ –	$ 6,682	$ (9,307)	$ 333	$ (2,292)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	–	(8,028)	–	(1,825)	(9,853)
Proceeds from sale of property.	–	256	–	5,173	5,429
Net cash (used in) provided by investing activities	–	(7,772)	–	3,348	(4,424)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Changes in intercompany advances	–	(8,803)	9,307	(504)	–
Issuance of 10 $^7/_8$% senior secured notes	–	125,000	–	–	125,000
Net payments under revolving line of credit	–	(30,100)	–	–	(30,100)
Borrowings of other debt	–	–	–	3,498	3,498
Payment of Tranche A loan	–	(27,294)	–	–	(27,294)
Payment of Tranche B loan	–	(47,206)	–	–	(47,206)
Payments of other long-term debt	–	(805)	–	(10,220)	(11,025)
Payments of debt financing costs	–	(6,455)	–	–	(6,455)
Net cash (used in) provided by financing activities	–	4,337	9,307	(7,226)	6,418
EFFECT OF EXCHANGE RATE CHANGES ON CASH	–	–	–	(1,476)	(1,476)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	–	3,247	–	(5,021)	(1,774)
CASH AND CASH EQUIVALENTS, beginning of year	–	5,707	–	6,083	11,790
CASH AND CASH EQUIVALENTS, end of period	$ –	$ 8,954	$ –	$ 1,062	$ 10,016

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)
(000s 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 (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ –	$ 14,663	$ (5,557)	$ (13,692)	$ (4,586)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	–	(10,391)	–	(8,146)	(18,537)
Proceeds from the sale of property	–	800	–	4,963	5,763
Investment in Formametal S.A.	–	(133)	–	–	(133)
Net cash used in investing activities	–	(9,724)	–	(3,183)	(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	–	–	10,600
Borrowings of other long-term debt	–	–	–	14,964	14,964
Payment of Tranche A loan	–	(4,000)	–	–	(4,000)
Payment of Tranche B loan	–	(500)	–	–	(500)
Payments of other long-term debt	–	(2,178)	–	(1,759)	(3,937)
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 year	–	8,249	–	6,494	14,743
CASH AND CASH EQUIVALENTS, end of period	$ –	$ 8,773	$ –	$ 5,079	$ 13,852

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, 2002 (see "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein).

Critical Accounting Policies; Use of Estimates

The preparation of 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: 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, tax valuation allowances, pension benefit obligations and interest rate exposure.

The Company’s critical accounting policies are described in Note (2) to its audited consolidated financial statements. Significant business or customer conditions could cause material changes to the amounts reflected in the Company’s 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, the Company has not historically been required to make material adjustments to its rebate accruals. The Company generally assumes that customers will achieve the highest level of rebate that has been negotiated unless we have a high level of certainty that this will not occur. Therefore, it is unlikely that adjustments of estimated rebates to actual earned rebates will have a materially adverse impact on revenues. 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. Management also estimates allowances for collectibility related to its accounts receivable. These allowances are based on the customer relationships, the aging and turns of accounts receivable, credit worthiness of customers, credit concentrations and payment history. Despite the Company’s 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.

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.

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 (3) 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**.** At September 28, 2003, $9.2 million of reserves for these programs were included in the Company's consolidated balance sheet. $5.5 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. $3.7 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.

In 2003, an additional net charge of $0.8 million was recorded related to position elimination costs in the U.S. and Europe. The Company recorded the charge in accordance with SFAS No. 146, "Accounting for Costs Associated With Exit or Disposal Activities." 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. The adoption of SFAS No. 146 did not have a material effect on the timing of the special charges recorded in the first nine months of 2003.

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.

Due to a history of operating losses in certain foreign countries coupled with the deferred tax assets that arose in connection with the restructuring programs and goodwill impairment charges, the Company determined that it could not conclude that it was "more likely than not" that all of the deferred tax assets of certain of its foreign operations would be realized in the foreseeable future. Accordingly, during the fourth quarter of 2002, the Company established a valuation allowance of $44.7 million to provide for the estimated unrealizable amount of its deferred tax assets as of December 31, 2002. The Company will continue to assess the valuation allowance and, to the extent it is determined that such allowance is no longer required, these deferred tax assets will be recognized in the future.

As of December 31, 2002, after the provision of the valuation allowance, the Company had $34.4 million of net deferred tax assets included in its consolidated balance sheet. The majority of the net deferred tax assets results from net operating loss carryforwards in the United States. The carrforwards expire in 2020 through 2022. At current tax rate, the Company must generate $89.4 million of taxable income in order to realize the benefits of these net operating losses. The Company has estimated that it will generate the taxable income required to realize the deferred tax assets related to these losses. If the Company were to assume that it would not generate any taxable income, it would be required to provide a valuation allowance for $34.4 million.

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 postretirement benefit plans using actuarial models requires the use of estimates and assumptions regarding numerous factors, including 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 our reported expense or liability for pensions or postretirement 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 postretirement benefit expense. A 1% decrease in the Company's discount rate would have caused the Company's 2002 pension expense to increase by approximately $02 million and the Company's special charge related to the pension benefit impact of a facility closing would have increased by approximately $0.3 million. A 1% decrease in the Company's assumed return on plan assets would have increased the Company's pension expense by approximately $0.3 million. At December 31, 2002, the Company reduced its discount rate related to its U.S. plan by 0.5%. This increased the Company's annual 2003 pension and postretirement benefit expense by approximately $0.5 million.

As required under the Company's senior secured credit facility, the Company entered 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 loss. 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. The Company's interest rate swaps and collars were entered into in 2000, when interest rates were higher than current rates. Accordingly, these contracts were "out of the money" and the Company paid $5.8 million in 2002 and $6.2 million in 2003 through the October 10, 2003 expiration date of these agreements. As of October 10, 2003, the Company no longer has any interest rate instruments. The Company does not use financial instruments for trading or speculative purposes.

Results of Operations

Three month period ended September 28, 2003, as compared to the three month period ended September 29, 2002

The following table presents the Company's Revenue and Gross Income by segment for the third quarter of 2003 as compared to the third quarter of 2002.

For the three months ended September 28, 2003 and September 29, 2002

	Revenue		Gross Income		Percentage to Sales	
	2003	2002	2003	2002	2003	2002
Aerosol	$ 88,535	$ 93,550	$ 14,754	$ 15,159	16.7%	16.2%
International	72,627	62,935	2,250	3,367	3.1%	5.3%
Paint, Plastic, & General Line	28,437	29,862	2,293	1,700	8.1%	5.7%
Custom & Specialty	14,909	19,127	1,428	(426)	9.6%	-2.2%
Total	$204,508	$205,474	$ 20,725	$ 19,800	10.1%	9.6%

Consolidated net sales for the three months ended September 28, 2003 were $204.5 million as compared to $205.5 million in the corresponding period in 2002. Along business segment lines, Aerosol net sales for third quarter of 2003 decreased to $88.5 million from $93.6 million for the same period in 2002, a 5.4% decrease, due to decreased unit volume. International net sales increased to $72.6 million for the third quarter of 2003 from $62.9 million for the third quarter of 2002, an increase of $9.7 million or 15.4%. The increase was primarily due to the positive impact of the translation of sales made in foreign currencies ($8.3 million) based upon using the same average U.S dollar exchange rates in effect during the third quarter of 2002 along with increased May Verpackungen unit volume ($2.4 million) partially offset by the negative impact of decreased European aerosol unit volume in the third quarter ($1.0 million). Paint, Plastic & General Line net sales decreased $1.4 million, from $29.9 million for the third quarter of 2002 to $28.4 million for the third quarter of 2003. This decrease was due primarily to a decrease in volume ($2.3 million) partially offset by increasing resin prices in our plastics business, which are contractually passed on to customers ($0.9 million). In the Custom & Specialty segment, sales decreased 22.1% from $19.1 million for the third quarter of 2002 to $14.9 million for the third quarter of 2003, driven primarily by a decline in volume.

Consolidated gross income increased $0.9 million for the three months ended September 28, 2003 from the same quarter in 2002. Along business segment lines, Aerosol gross income dollars decreased by $0.4 million while the percentage to sales increased from 16.2% to 16.7%, primarily due to the positive impact of operational efficiencies relating to the restructuring programs ($1.9 million), offset by the gross margin impact of the sales decrease ($0.8 million) and a related overhead absorption impact of decreased production volumes ($1.5 million) . The International segment gross income decreased $1.1 million versus the same period in 2002 and the percentage to sales decreased from 5.3% to 3.1%. The decline was driven by increased materials and production costs which cannot be passed through to customers at May Verpackungen ($0.7 million). The positive benefit of the Southall plant closure in the third quarter of 2002 ($1.0 million) was offset by the impact of operational inefficiencies in the U.K. and France ($1.4 million). The operational inefficiencies were caused by lower production levels and increased costs caused by a European heat wave and customer volume losses in the U.K. The Paint, Plastic & General Line segment gross income increased $0.6 million versus the same period in 2002. The percentage to net sales increased from 5.7% in 2002 to 8.1% in 2003. The improvement was driven by the positive impact of restructuring programs and other cost reduction programs. The Custom & Specialty segment gross income increased to $1.4 million, compared to a loss of $0.4 million in 2002. The improvement was driven by a restructuring program benefit ($0.2 million) and other cost reduction programs and operational improvements ($1.6 million).

Selling, general and administrative costs decreased from $9.4 million for the third quarter of 2002 to $8.8 million in the third quarter of 2003 primarily due to positive results from Company-wide cost saving programs.

During the third quarter of 2003, the Company recorded a net restructuring benefit of $0.8 million. The net benefit includes a $0.2 million charge related to management position elimination costs at May Verpackungen, offset by a reserve reduction of $1.0 million in connection with a reassessment of previously established reserved related to the closing in 2002 of the Company's Burns Harbor facility. Total cash payments in the third quarter of 2003 were $1.3 million (primarily severance and facility shut down costs) and the Company anticipates spending another $9.2 million over the next several years.

	June 29, 2003 Balance	Net Reductions(b)	Cash Payments	September 28, 2003 Balance
Employee Separation	$7.5	$(0.6)	$(1.2)	$5.7
Facility Closing Costs	3.8	(0.2)	(0.1)	3.5
Total	$11.3	$(0.8)	$(1.3)	$9.2 (a)

(a) Includes $3.7 million classified as other long-term liabilities as of September 28, 2003.

(b) Includes a reserve reduction of $1.0 million in connection with a reassessment of previously established reserves related to the closing in 2002 of the Company's Burns Harbor facility.

Interest expense in the third quarter of 2003 increased 20.8%, or $2.5 million, versus the same period of 2002 due to higher interest rates ($1.1 million) and the interest expense impact of higher average borrowings ($1.4 million).

Bank financing fees for the third quarter of 2003 were $2.5 million as compared to $1.0 million for the third quarter of 2002. The 2003 third quarter increase was due to $1.2 million of fees incurred and expensed by the Company to amend its Senior Secured Credit Facility. In addition, during the third quarter of 2003 the Company incurred approximately $5.2 million of fees and expenses related to the offering and senior secured credit facility amendment which will be amortized over the life of the applicable borrowings. The Company expects to incur an additional $1.2 million of fees and expenses related to the offering and senior secured credit facility during the remainder of 2003. The amortization of these fees and all other deferred financing fees is included in bank financing fees.

During the third quarter of 2003, the Company recorded an income tax benefit of $0.2 million versus a benefit of $2.6 million recorded for the same period of 2002. During the fourth quarter of 2002, the Company recorded a valuation allowance 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 third quarter 2003 losses of those operations.

Payment in kind dividends of $3.5 million and $3.2 million on the redeemable preferred stock were recorded in the third quarter of 2003 and 2002, respectively.

Nine month period ended September 28, 2003, as compared to the nine month period ended September 29, 2002

The following table presents the Company's Revenue and Gross Income by segment for the first nine months of 2003 as compared to the first nine months of 2002.

For the nine months ended September 28, 2003 and September 29, 2002

	Revenue		Gross Income		Percentage to Sales	
	2003	2002	2003	2002	2003	2002
Aerosol	$272,081	$276,914	$ 46,141	$ 43,694	17.0%	15.8%
International	206,492	174,886	8,201	10,793	4.0%	6.2%
Paint, Plastic, & General Line	90,795	91,450	10,155	7,326	11.2%	8.0%
Custom & Specialty	44,342	51,886	2,282	(152)	5.1%	-0.3%
Total	$613,710	$595,136	$ 66,779	$ 61,661	10.9%	10.4%

Net sales for the nine-month period ended September 28, 2003, totaled $613.7 million, a 3.1% increase versus the corresponding period in 2002. Along business segment lines, Aerosol net sales in the first nine months of 2003 were $272.1 million, a 1.7% decrease versus the same period last year. The decrease is primarily due to a decrease in U.S. volumes ($8.2 million) partially offset by the pricing impacts resulting from a change in customer and product mix ($3.2 million). International sales increased $31.6 million from $174.9 million for the first nine months of 2002 to $206.5 million for the first nine months of 2003 primarily 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 nine months of 2002. Paint, Plastic & General Line segment sales decreased $0.7 million to $90.8 million for the nine months ended September 28, 2003. This decrease was due primarily to the negative impact of a decrease in paint volume ($5.1 million) partially offset by an increase in plastics volume ($2.2 million) and increasing resin prices in our plastics business ($2.2 million) which are contractually passed on to customers. Custom & Specialty sales of $44.3 million decreased from the $51.9 million for the nine months ended September 29, 2002, driven primarily by a decline in volume.

Consolidated gross income increased $5.1 million for the nine-month period ended September 28, 2003 from the same period in 2002. Along business segment lines, Aerosol gross income increased by $2.4 million and the percentage to sales increased from 15.8% to 17.0%. The increase in dollars and percentage to sales was driven by the positive impact of restructuring programs ($4.7 million) partially offset by decreased volume and the related margin and overhead absorption impacts ($2.3 million). The International segment gross income decreased $2.6 million versus the same period in 2002 and the percentage to sales decreased from 6.2% to 4.0%. The decline in dollars and percentage to net sales was driven by increased material and production costs which cannot be passed through to customers at May Verpackungen ($2.8 million). The positive benefit of the Southall plant closure in the third quarter of 2002 ($3.0 million) was offset by the negative impact of volume losses, primarily in the U.K. ($2.8 million). The Paint, Plastic & General Line segment gross income increased $2.8 million versus the same period in 2002. The percentage to net sales increased from 8.0% in 2002 to 11.2% in 2003. The improvement is driven by restructuring program benefits ($0.7 million), other plastics cost reductions ($1.7 million) and reduced manufacturing support costs ($0.4 million). The Custom & Specialty segment gross income increased to $2.3 million compared to a loss of $0.2 million in 2002. The improvement was driven by a restructuring program benefit of $0.6 million and other cost reduction programs of $1.9 million.

Selling, general, and administrative expenses were $27.2 million in the first nine months of 2003, a $1.4 million decrease in comparison to the same period of 2002 due to positive results from Company-wide cost saving programs.

During the first nine months of 2003, the Company recorded net special charges of $0.8 million. $1.0 million of the charges were recorded in the first quarter of 2003 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. $0.6 million of the charges were recorded in the second quarter of 2003 related to potential additional severance costs for a previously terminated employee at May Verpackungen. During the third quarter of 2003, the Company recorded a net restructuring benefit of $0.8 million. The net benefit includes a $0.2 million charge related to management position elimination costs at May Verpackungen offset by a reserve reduction of $1.0 million in connection with a reassessment of previously established reserves related to the closing in 2002 of the Burns Harbor facility. Total cash payments in the first nine months of 2003 were $7.3 million (primarily severance and facility shut down costs) and the Company anticipates spending another $9.2 million over the next several years. The remaining reserve consists primarily of employee termination benefits paid over time for approximately 28 salaried and 43 hourly employees (approximately 600 positions were originally identified for elimination) and other ongoing facility exit costs. The Company recorded the charges in accordance with SFAS No. 146, "Accounting for Costs Associated With Exit or Disposal Activities." SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred rather than at the commitment date. The adoption of SFAS No. 146 did not have a material effect on the timing of the special charges recorded in the first nine months of 2003.

The table below presents the reserve categories and related activity as of September 28, 2003:

	January 1, 2003 Balance	Net Additions(b)	Cash Payments	September 28, 2003 Balance
Employee Separation	$9.2	$1.0	$(4.5)	$5.7
Facility Closing Costs	6.5	(0.2)	(2.8)	3.5
Total	$15.7	$0.8	$(7.3)	$9.2 (a)

(a) Includes $3.7 million classified as other long-term liabilities as of September 28, 2003.

(b) Includes a reserve reduction of $1.0 million in connection with a reassessment of previously established reserves related to the closing in 2002 of the Company's Burns Harbor facility.

Interest expense increased $3.0 million from $37.9 million for the first nine months of 2002 to $40.9 million for the same period in 2003 due to higher interest rates ($0.6 million) and the interest expense impact of higher average borrowings ($2.4 million).

Bank financing fees for the first nine months of 2003 were $4.5 million as compared to $3.0 million for the third quarter of 2002. The 2003 increase was due to $1.2 million of fees incurred and expensed by the Company to amend its Senior Secured Credit Facility. In addition, during 2003 the Company incurred approximately $5.2 million of fees and expenses related to the offering and senior secured credit facility amendment which will be amortized over the life of the applicable borrowings. The Company expects to incur an additional $1.2 million of fees and expenses related to the offering and senior secured credit facility during the remainder of 2003. The amortization of these fees and all other deferred financing fees is included in bank financing fees.

Income tax expense was $2.7 million for the first nine months of 2003 versus an income tax benefit of $4.5 million for the first nine months of 2002. During the fourth quarter of 2002, the Company recorded a valuation allowance 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 nine months of 2003 losses of those operations.

Payment in kind dividends of $10.1 million and $9.2 million on the redeemable preferred stock were recorded in the first nine months of 2003 and 2002, respectively.

Liquidity and Capital Resources

During the first nine months of 2003, liquidity needs were met through borrowings made under credit lines and proceeds from the sale of a facility. Principal liquidity needs included operating costs, working capital and capital expenditures. Cash flow used by operations was $2.3 million for the nine months ended September 28, 2003, compared to cash used of $4.6 million for the nine months ended September 29, 2002. The decreased use of cash by operations is due primarily to the decrease in the net loss.

Net cash used in investing activities was $4.4 million for the first nine months of 2003 as compared to $12.9 million (primarily capital spending) for the first nine months of 2002. Investing activities in the first nine months of 2003 included capital spending of $9.9 million, including $1.6 million in conjunction with the Company's restructuring programs, offset by the proceeds received from the sale of property of $5.4 million. Investing activities in the first nine months of 2002 included capital spending of $18.5 million, including $8.3 million in connection with the Company's restructuring programs, offset by proceeds from the sale of property, including the final payment received for the sale of the Southall facility of $4.8 million. Proceeds received from the sale of property during the first nine months 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 nine months of 2003 was $6.4 million, versus $17.1 million for the same period in 2002. The primary financing sources of cash were borrowings under the revolving line of credit as part of the Senior Secured Credit Facility, after application of the repayments as discussed below.

On July 22, 2003, the Company completed an offering of $125 million of 10 7/8% Senior Secured Notes due 2010. The Notes are secured, on a second priority basis, by substantially all of the collateral that currently secures the Company's Senior Secured Credit Facility.

The Company also amended its Senior Secured Credit Facility to permit the offering of the Second Priority Senior Secured Notes and adjust certain financial covenants, among other things. These amendments also permit, from time to time and subject to certain conditions, the Company to make borrowings under its revolving credit facility for repurchases of a portion of its outstanding 12 3/8% senior subordinated notes in open market or privately negotiated purchases.

The Company used the $125 million in proceeds generated from the offering to prepay $23.3 million of its Tranche A term loan, $46.7 million of its Tranche B term loan and to reduce its borrowings under its revolving credit facility by $55.0 million. The repayments under the revolving credit facility did not reduce the $110.0 million amount available for borrowings under the facility. The prepayments under the Tranche A term loan were applied in direct order of maturity and will eliminate quarterly principal payments through December 2005. Through September 28, 2003, the Company has incurred and re-borrowed approximately $6.4 million under its Senior Secured Credit Facility in connection with the fees and expenses related to the offering and the amendment of its Senior Secured Credit Facility. In addition, the Company expects to incur and re-borrow an additional $1.2 million for other fees and expenses related to the original offering of the notes.

At September 28, 2003, $39.6 million had been borrowed under the $110.0 million revolving loan portion of the Senior Secured Credit Facility. Letters of Credit of $11.6 million were also outstanding securing the Company’s obligations under various insurance programs and other contractual agreements. In addition, the Company had $10.0 million of cash and cash equivalents at quarter end.

May Verpackungen (“May”) has various bank facilities originating under loan agreements dated between 1996 and 1999. These agreements provided for up to ten-year terms with floating interest rates, and among other things, included provisions for the banks to terminate the credit lines upon giving notice, rightfully demand security for the credit lines, have a negative pledge from May not to grant security without the bank’s approval and the requirement that any bank lending to May be treated on terms no less favorable than any other bank’s borrowings by May.

During April 2003 due to the decrease in May’s earnings since its acquisition by the Company and their lack of comfort in lending to a foreign-owned company, May’s lenders made a formal demand for security under May’s credit facilities. On April 30, 2003, May granted two of its banks a collateral interest in its inventory and accounts receivable in exchange for their agreement to allow the continuation of facilities in the amount of €11.8 million. May’s lenders have verbally agreed to extend the existing facilities through November 30, 2003. In addition, May made payments of €1.5 million on May 7, 2003 and €1.0 million on June 30, 2003 in full payment of term loans for which one of May’s lenders demanded early payment in accordance with terms of the borrowings. These term loans were guaranteed by U.S. Can. May is currently in the process of finalizing an accounts receivable factoring arrangement which will be effective later this year, pending final documentation. May also expects to maintain smaller lines of credit for seasonal working capital needs. The Company expects to complete these arrangements by December 31, 2003 and believes the existing lenders will further extend the current facilities through December 31, 2003 if necessary. If the Company is unable to complete the factoring arrangements, the Company will need to provide financing for May from other sources including potential further extensions from the current bank group. There can be no assurance that the Company will enter into the factoring arrangement, that May’s lenders will continue to extend the current facilities if a factoring arrangement is not completed, or that funds will be available from other sources to finance May’s requirements, each of which could have a material adverse effect on our financial position. As of October 26, 2003, there was approximately €5.2 million outstanding under these facilities.

At existing levels of operations and assuming the renegotiation of the May facilities, 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.

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 2002.

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

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES. The Company’s management, with the participation of the Company’s chief executive officer and chief financial officer, has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Company’s chief executive officer and chief financial officer have concluded that as of such date, the Company’s disclosure controls and procedures were designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms and were effective.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING. There was no change in the Company’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

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.

Litigation

Walter Schmidt, former finance director at May sued for unfair dismissal following termination of his employment contract. The contract had a five-year term and Schmidt remains in pay status through its notice period, ending January 31, 2005. Mr. Schmidt claims that he also is due a severance settlement of five years' salary at the end of the notice period. In July 2002, the labor courts of first instance ruled that Mr. Schmidt's notice date and termination should be effective December 31, 2005, and that the severance settlement is due at that time. On January 7, 2003, May appealed this ruling. In June 2003, a German appeals court heard the appeal and advised the parties that it would rule in Schmidt's favor. In August 2003, the appeals court issued an opinion finding that the judgment could not be overturned and that no further appeal would be allowed. Payments to Mr. Schmidt will be made over time in accordance with the terms of his contract.

Environmental Matters

Our operations are subject to environmental laws in the United States and abroad, including the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act and similar state and foreign laws. 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, 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 such 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.

Under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), and similar state statutes, an owner or operator of real property or a person who arranges for disposal of hazardous substances may be liable for the costs of removing or remediating hazardous substance contamination. Liability may be imposed under these statutes regardless of whether the owner or operator owned or operated the real property at the time of the release of the hazardous substances and regardless of whether the release or disposal was in compliance with law at the time of the occurrence. We are not aware of any current material claims under CERCLA or similar state statutes against us. We have been however designated as a potentially responsible party ("PRP") at nine superfund sites in the United States. The Company is a de minimus participant at eight of these sites and has entered into de minimus settlements at them. The ninth site is the San Leandro, California remedial action matter. As a potentially responsible party, we are or may be legally responsible, strictly, jointly and severally with other members of the PRP group, for the cost of environmental remediation of these sites. Based on currently available data, we believe our contribution to these sites was, in most cases, minimal.

We have been named as a PRP for costs incurred in the clean-up of a regional groundwater plume ("the San Leandro Plume") partially extending underneath a property located in San Leandro, California, formerly a site of one of our can assembly plants. The remedial action order for the San Leandro, California site was issued by the State of California Department of Toxic Substances Control (DTSC) in 1996. The remedial action order was issued to three entities – the Company, the former owner / operator of the site, and the current owner, who purchased the site from the Company. The San Leandro site is located within the San Leandro Plume. A number of other CERCLA sites are located within the San Leandro Plume, including the Caterpillar Site, the Singer-Fiden Site, the Factor Avenue Site and the 139th Avenue Site / Century Plating. With regard to the San Leandro site, both the former owner / operator and the current owner tendered the remedial action order to the Company for indemnification. With regard to the former owner / operator, the Company acquired its former San Leandro, California facility from the former owner / operator when the Company was formed. When it acquired the San Leandro, California facility, the Company assumed certain liabilities subject to indemnification by the former owner / operator for claims made on or before December, 1986. In general, and for this particular site, the State of California is not bound by the private agreement between the Company and the former owner / operator. Consequently, 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. In its 1994 agreement with the current owner, 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 / operator or the current owner contains any caps or limits. Since 1996, the Company has expended approximately $250,000 for site investigation of the San Leandro site and for reimbursement of oversight costs associated with the San Leandro Plume.

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. We, 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. We 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.

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

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

(a) Exhibits

4.1 Indenture dated as of October 4, 2000 between United States Can Company and Bank One Trust Company, N.A. as Trustee (Exhibit 4.1 to the current report on Form 8-K, filed on October 18, 2000). (1)

4.2 Indenture dated as of July 22, 2003 among U.S. Can Corporation, United States Can Company, USC May Verpackungen Holding Inc. and Wells Fargo Bank Minnesota, National Association (Exhibit 4.3 to the current report on Form 8-K, filed on July 22, 2003). (1)

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

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. 1350

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(1) Incorporated by reference.

(b) Reports on Form 8-K

(i) The Company furnished to the Commission a Current Report on Form 8-K on July 10, 2003 to announce that the Company's wholly owned subsidiary United States Can Company intended to offer $125 million of new second priority senior secured notes. The Company also announced that the Company had received consent from its lenders to amend its senior secured credit facility. Furthermore, the Company announced that its German subsidiary, May Verpackungen, had obtained extensions of the maturity dates of its credit facilities to August 30, 2003. A copy of the Company's press release announcing the offering and amendment was attached to the Current Report.

(ii) The Company furnished to the Commission a Current Report on July 22, 2003 to announce that its wholly owned subsidiary United States Can Company had completed the offering of $125 million of 10 $^{7}/_{8}$% senior secured notes and that the Company's senior secured credit facility had been amended. A copy of the indenture, registration rights agreement, amendment and press release were attached to the Current Report.

(iii) The Company furnished to the Commission a Current Report on Form 8-K on August 1, 2003 to announce its results of operations for the period ended June 29, 2003. The Company's second quarter 2003 earnings press release was attached to the Current Report.

(iv) The Company furnished to the Commission a Current Report on Form 8-K on September 19, 2003 to report reclassifications in the Company's 2002 annual financial statements in accordance with Statement of Financial Accounting Standards No. 145, "Rescission of FASB Statements No. 4, 44, and 46, Amendment of FASB Statement No. 13, and Technical Corrections". A copy of the Company's restated audited financial statements for the fiscal year ended December 31, 2002 were attached to the Current Report.

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 5, 2003

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