

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549  
FORM 10-Q/A

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

--

OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended JUNE 30, 2002  
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OR

\_\_\_\_ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

JARDEN CORPORATION

DELAWARE	0-21052	35-1828377
State of Incorporation	Commission File Number	IRS Identification Number

555 THEODORE FREMD AVENUE  
RYE, NEW YORK 10580

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (914) 967-9400  
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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No \_\_\_\_

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

Class -----	Outstanding at August 2, 2002 -----
Common Stock, par value \$.01 per share	14,255,837 shares

EXPLANATORY NOTE

This amendment to the Registrant's Annual Report on Form 10-Q for the quarterly period ended June 30, 2002 is being filed to reflect more reportable segments than previously filed. All information in this Form 10-Q/A is as of June 30, 2002, and does not reflect, unless otherwise noted, any subsequent information or events other than the change mentioned above.

JARDEN CORPORATION  
Quarterly Report on Form 10-Q  
For the period ended June 30, 2002

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

JARDEN CORPORATION  
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME  
(in thousands, except per share amounts)

	Three Month Period Ended		Six Month Period Ended	
	June 30, 2002	July 1, 2001	June 30, 2002	July 1, 2001
Net sales.....	\$105,113	\$ 90,598	\$152,677	\$159,625
Costs and expenses				
Cost of sales.....	62,850	65,921	97,904	120,013
Selling, general and administrative expenses.....	24,547	13,898	32,924	26,274
Goodwill amortization.....	-	1,625	-	3,250
Special charges (credits) and reorganization expenses .....	-	(2,016)	-	(3,668)
Operating earnings.....	17,716	11,170	21,849	13,756
Interest expense, net.....	3,753	3,047	4,985	6,171
Income before taxes and minority interest.....	13,963	8,123	16,864	7,585
Provision for income taxes.....	5,875	3,095	1,584	2,890
Minority interest in consolidated subsidiary .....	-	(83)	-	(178)
Net income.....	\$ 8,088	\$ 5,111	\$ 15,280	\$ 4,873
Basic earnings per share.....	\$ .58	\$ .40	\$ 1.11	\$ .38
Diluted earnings per share.....	\$ .56	\$ .40	\$ 1.09	\$ .38
Weighted average shares outstanding:				
Basic.....	14,011	12,715	13,723	12,695
Diluted.....	14,337	12,744	14,058	12,718

See accompanying notes to consolidated financial statements.

JARDEN CORPORATION  
 UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (in thousands)

	Three Month Period Ended		Six Month Period Ended	
	June 30, 2002	July 1, 2001	June 30, 2002	July 1, 2001
	----	----	----	----
Net income.....	\$ 8,088	\$ 5,111	\$ 15,280	\$ 4,873
Foreign currency translation.....	1,139	292	1,124	(50)
Interest rate swap unrealized gain (loss)				
Transition adjustment.....	-	-	-	45
Change during period.....	-	(197)	-	(865)
Maturity of interest rate swaps.....	-	-	524	-
	-----	-----	-----	-----
Comprehensive income.....	\$ 9,227	\$ 5,206	\$ 16,928	\$ 4,003
	=====	=====	=====	=====

See accompanying notes to unaudited consolidated financial statements.

JARDEN CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(in thousands, except per share amounts)

	June 30, 2002	December 31, 2001
	----- (Unaudited)	----- (Note 1)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents.....	\$ 38,618	\$ 6,376
Accounts receivable, net.....	43,247	13,628
Inventories, net.....	49,358	26,994
Income taxes receivable.....	1,006	16,252
Deferred taxes on income.....	5,632	4,832
Prepaid expenses and other current assets.....	7,520	3,134
	-----	-----
Total current assets.....	145,381	71,216
	-----	-----
Noncurrent assets:		
Property, plant and equipment, at cost.....	136,280	131,244
Accumulated depreciation.....	(92,096)	(87,701)
	-----	-----
Intangibles, net.....	44,184	43,543
Deferred taxes on income.....	124,885	15,487
Other assets.....	9,355	25,417
	-----	-----
Total assets.....	\$337,668	\$160,945
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt and current portion of long-term debt.....	\$ 14,602	\$ 28,500
Accounts payable.....	24,678	14,197
Accrued salaries, wages and employee benefits.....	10,196	9,252
Other current liabilities.....	26,229	11,232
	-----	-----
Total current liabilities.....	75,705	63,181
	-----	-----
Noncurrent liabilities:		
Long-term debt.....	198,999	56,375
Other noncurrent liabilities.....	4,760	6,260
	-----	-----
Total noncurrent liabilities.....	203,759	62,635
	-----	-----
Commitments and contingencies.....	-	-
Stockholders' equity:		
Common stock (\$.01 par value, 15,926 and 15,926 shares issued and 14,254 and 12,796 shares outstanding at June 30, 2002 and December 31, 2001, respectively).....	159	159
Additional paid-in capital.....	34,609	41,694
Retained earnings.....	48,004	32,724
Notes receivable for stock purchases.....	(5,008)	-
Accumulated other comprehensive loss:		
Cumulative translation adjustment.....	183	(941)
Minimum pension liability.....	(397)	(397)
Interest rate swap.....	-	(524)
	-----	-----
	77,550	72,715
Less treasury stock (1,672 and 3,130 shares at cost at June 30, 2002 and December 31, 2001, respectively).....	(19,346)	(37,586)
	-----	-----
Total stockholders' equity.....	58,204	35,129
	-----	-----
Total liabilities and stockholders' equity.....	\$337,668	\$160,945
	=====	=====

See accompanying notes to unaudited consolidated financial statements.

JARDEN CORPORATION  
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)

	Six month period ended	
	June 30, 2002	July 1, 2001
Cash flows from operating activities		
Net income.....	\$ 15,280	\$ 4,873
Reconciliation of net income to net cash provided by operating activities:		
Depreciation.....	4,539	7,459
Amortization.....	250	3,377
Special charges (credits) and reorganization expenses.....	-	(5,056)
Deferred employee benefits.....	(1,892)	502
Deferred income taxes.....	475	-
Non-cash interest expense.....	923	217
Other, net.....	385	(301)
Changes in working capital components (including tax refunds of \$38,458 in 2002).....	27,193	4,133
Net cash provided by operating activities.....	47,153	15,204
Cash flows from financing activities		
Proceeds from revolving credit borrowings.....	25,200	22,450
Payments on revolving credit borrowings.....	(34,600)	(25,950)
Proceeds from bond issuance.....	147,654	-
Payments on long-term debt.....	(75,475)	(12,059)
Proceeds from issuance of senior long-term debt.....	50,000	-
Debt issue and amendment costs.....	(7,499)	(637)
Proceeds from issuance of common stock.....	3,544	413
Net cash provided by (used in) financing activities.....	108,824	(15,783)
Cash flows from investing activities		
Additions to property, plant and equipment.....	(3,070)	(6,551)
Acquisition of Tilia, net of cash acquired.....	(120,665)	-
Proceeds from the surrender of insurance contracts.....	-	6,706
Insurance proceeds from property casualty.....	-	1,535
Loans to former officers.....	-	(4,059)
Other, net.....	-	25
Net cash used in investing activities.....	(123,735)	(2,344)
Net increase (decrease) in cash and cash equivalents.....	32,242	(2,923)
Cash and cash equivalents, beginning of period.....	6,376	3,303
Cash and cash equivalents, end of period.....	\$ 38,618	\$ 380
	=====	=====

See accompanying notes to unaudited consolidated financial statements.

JARDEN CORPORATION  
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2002

1. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Certain information and footnote disclosures, including significant accounting policies normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States, have been condensed or omitted. In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments considered necessary for a fair presentation of the results for the interim periods presented. Results of operations for the periods shown are not necessarily indicative of results for the year, particularly in view of the seasonality for home food preservation products. The accompanying unaudited consolidated financial statements should be read in conjunction with the Consolidated Financial Statements and Notes to Consolidated Financial Statements of Jarden Corporation (formerly Alltrista Corporation) (the "Company" or "Jarden") included in the Company's latest annual report.

On a stand alone basis, without the consolidation of its subsidiaries, the Company has no independent assets or operations. The guarantees by its subsidiaries of the 9 3/4% senior subordinated notes ("Notes"), which are discussed in Note 4, are full and unconditional and joint and several. The subsidiaries that are not guarantors of the Notes are minor. There are no significant restrictions on the Company's or the guarantors' ability to obtain funds from their respective subsidiaries by dividend or loan.

The Company recognizes revenue when title transfers. In most cases, title transfers when product is shipped. For certain customers, depending on the agreed terms of sale, title transfers when the product is received by the customer.

All earnings per share amounts have been retroactively adjusted to give effect to a 2-for-1 split of the Company's outstanding shares of common stock that was effected in the second quarter of 2002.

Certain reclassifications have been made in the Company's financial statements of prior years to conform to the current year presentation. These reclassifications have no impact on previously reported net income.

2. INVENTORIES

Inventories at June 30, 2002 and December 31, 2001 were comprised of the following (in thousands):

	June 30, 2002	December 31, 2001
	-----	-----
Raw materials and supplies.....	\$ 3,074	\$ 5,563
Work in process.....	7,105	4,746
Finished goods.....	39,179	16,685
	-----	-----
Total inventories.....	\$ 49,358	\$ 26,994
	=====	=====

3. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

In July 2001, the Financial Accounting Standards Board (FASB) issued Statements of Financial Accounting Standards No. 141 (SFAS 141), Business Combinations, and No. 142 (SFAS 142), Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized, but will be subject to annual impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives. The Company applied the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. The Company has performed the first of the required impairment tests of goodwill and indefinite lived intangible assets and, based on the results, has not recorded any charges related to the adoption of SFAS 142.

During the three months ended June 30, 2002, in connection with the acquisition of the business of Tilia International, Inc. and its subsidiaries Tilia, Inc. and Tilia Canada, Inc. (collectively "Tilia"), the Company capitalized the following intangible assets: \$53.2 million of goodwill, \$50.9 million for the FoodSaver(R) brand and \$5.5 million for Tilia's manufacturing process expertise (see Note 4). Such capitalized amounts and certain working capital and deferred tax balances are preliminary and will be finalized by the

Company during 2002. The only intangible asset subject to amortization is the manufacturing process expertise, which will be amortized over a period of 8 years at approximately \$0.7 million per year.

As a result of the adoption of SFAS 142 the Company did not record goodwill amortization and no impairment losses were recognized for the three and six month periods ended June 30, 2002. Amortization of the intangible asset for the Tilia manufacturing processes in the amount of \$0.2 million was recorded in both the three and six month periods ended June 30, 2002, and was included in selling, general and administrative expenses. Goodwill amortization of approximately \$1.6 million and \$3.3 million had been recorded in the three and six month periods ended July 1, 2001.

As of June 30, 2002, \$15.5 million of intangible assets are included in the domestic consumables segment and \$104.4 million are included in the FoodSaver(R) segment. For the three and six month periods ended July 1, 2001, goodwill amortization of \$1.3 million and \$2.7 million, respectively, related to entities that were disposed of in 2001, which had been included in the other segment. The remaining goodwill amortization for these 2001 periods related to the domestic consumables segment.

Net income and earnings per share amounts on an adjusted basis to reflect the add back of goodwill and other intangible assets amortization would be as follows (in thousands, except for per share amounts):

	Three month period ended		Six month period ended	
	June 30, 2002	July 1, 2001	June 30, 2002	July 1, 2001
Reported net income.....	\$8,088	\$ 5,111	\$ 15,280	\$ 4,873
Add back: goodwill amortization (net of tax expense of \$622 and \$1,244, respectively) .....	-	1,003	-	2,006
Adjusted net income.....	\$8,088	\$ 6,114	\$ 15,280	\$ 6,879
Basic earnings per share:				
Reported net income.....	\$ 0.58	\$ 0.40	\$ 1.11	\$ 0.38
Goodwill amortization.....	-	0.08	-	0.16
Adjusted net income.....	\$ 0.58	\$ 0.48	\$ 1.11	\$ 0.54
Diluted earnings per share:				
Reported net income.....	\$ 0.56	\$ 0.40	\$ 1.09	\$ 0.38
Goodwill amortization.....	-	0.08	-	0.16
Adjusted net income.....	\$ 0.56	\$ 0.48	\$ 1.09	\$ 0.54

The adoption of SFAS 141 did not have a material impact on the Company's results of operations or financial position.

In August 2001, the FASB issued Statement of Financial Accounting Standard No. 144 (SFAS 144), Accounting for the Impairment or Disposal of Long-Lived Assets, effective for fiscal years beginning after December 15, 2001. This standard superceded Statement of Financial Accounting Standard No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, and provided a single accounting model for long-lived assets to be disposed of. The new standard also superceded the provisions of APB Opinion No. 30 with regard to reporting the effects of a disposal of a segment of a business and required expected future operating losses from discontinued operations to be displayed in discontinued operations in the period(s) in which the losses are incurred. SFAS 144 was effective for the Company beginning with the first quarter of 2002 and its adoption did not have a material impact on the Company's results of operations or financial position.

#### 4. ACQUISITIONS AND DIVESTITURES

Effective November 26, 2001, the Company sold the assets of its Triangle, TriEnda and Synergy World plastic thermoforming operations ("TPD Assets") to Wilbert, Inc. for \$21.0 million in cash, a \$1.9 million non-interest bearing one-year note as well as the assumption of certain identified liabilities.

Effective November 1, 2001, the Company sold its majority interest in Microlin, LLC ("Microlin"), for \$1,000 in cash plus contingent consideration based upon future performance through December 31, 2012 and the cancellation of future funding requirements.



The combined net sales of TPD Assets and Microlin included in the Company's historical results were \$18.2 million and \$37.0 million for the three and six month periods ended July 1, 2001, respectively. Operating losses associated with these businesses were \$2.4 million and \$5.0 million for the three and six month periods ended July 1, 2001, respectively.

On April 24, 2002, the Company completed its acquisition of the business of Tilia, pursuant to an asset purchase agreement (the "Acquisition"). Based in San Francisco, California, Tilia is a developer, manufacturer and marketer of a patented vacuum packaging system for home use, primarily for food storage, under the FoodSaver(R) brand. The Acquisition was entered into as part of the Company's plan to pursue growth in food preservation and branded domestic consumer products. Pursuant to the Acquisition, the Company acquired Tilia for approximately \$145 million in cash and \$15 million in seller debt financing. Note 3 includes a discussion of the intangible assets that were recorded in connection with the Acquisition. As of June 30, 2002, the Company had incurred transaction fees in the amount of approximately \$4.1 million, including transaction bonuses paid to certain officers in the aggregate amount of \$0.9 million, principally consisting of transaction bonuses paid to Martin E. Franklin, our Chairman and Chief Executive Officer, in the amount of \$0.5 million and Ian Ashken, our Vice Chairman, Chief Financial Officer, and Secretary, in the amount of \$0.3 million. In addition, the Acquisition includes an earn-out provision with a potential payment in cash or Company common stock of up to \$25 million payable in 2005, provided that certain earnings performance targets are met.

Due to the Company having effective control of Tilia as of April 1, 2002, the results of Tilia have been included in the Company's results from such date. The Company recorded \$0.6 million of imputed interest expense in the second quarter of 2002 to reflect the financing that would have been required for the period from the effective date (April 1, 2002) to the date of closing (April 24, 2002). The imputed interest expense reduced the amount of goodwill recorded.

The Acquisition was financed by (i) an offering of \$150 million of Notes to qualified institutional buyers in a private placement pursuant to Rule 144A under the Securities Act of 1933, (ii) a refinancing of the Company's existing indebtedness with a new \$100 million five-year senior secured credit facility, which includes a \$50 million term loan facility and a \$50 million revolving credit facility ("New Credit Agreement") and (iii) cash on hand.

The Notes were issued at a discount such that the Company received approximately \$147.7 million in net proceeds. The Notes will mature on May 1, 2012, however, on or after May 1, 2007, the Company may redeem all or part of the Notes at any time at a redemption price ranging from 100% to 104.875% of the principal amount, plus accrued and unpaid interest and liquidated damages, if any. Prior to May 1, 2005, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds from certain public equity offerings at a redemption price of 109.75% of the principal amount, plus accrued and unpaid interest and liquidated damages, if any. Interest on the Notes accrues at the rate of 9.75% per annum and is payable semi-annually in arrears on May 1 and November 1, commencing on November 1, 2002.

The revolving credit facility and the term loan facility bear interest at a rate equal to (i) the Eurodollar Rate pursuant to an agreed formula or (ii) a Base Rate equal to the higher of (a) the Bank of America prime rate and (b) the federal funds rate plus .50%, plus, in each case, an applicable margin ranging from 2.00% to 2.75% for Eurodollar Rate loans and from .75% to 1.5% for Base Rate loans.

The New Credit Agreement contains certain restrictions on the conduct of the Company's business, including, among other things restrictions, generally, on: incurring debt; making investments; exceeding certain agreed upon capital expenditures; creating or suffering liens; completing certain mergers; consolidations and sales of assets and with permitted exceptions, acquisitions; declaring dividends; redeeming or prepaying other debt; and certain transactions with affiliates. The New Credit Agreement also requires the Company to maintain certain financial covenants.

As of June 30, 2002, the Company had drawn down \$50 million under the term loan facility, but had not drawn down the \$50 million available under the revolving credit facility of the New Credit Agreement, although the Company had used an amount of approximately \$4.1 million of availability for the issuance of letters of credit.

As of June 30, 2002, the Company had incurred costs in connection with the issuance of the Notes and the New Credit Agreement of approximately \$7.5 million.

The following unaudited pro forma financial information gives pro forma effect to the sale of the TPD Assets and Microlin with the related tax refunds and the acquisition of Tilia with the related financings as if they had been consummated as of the beginning of each period presented. The unaudited pro forma information presented does not exclude special charges (credits) and reorganization expenses from the three and six month periods ended July 1, 2001 or the net \$4.9 million income tax valuation allowance released from the three and six month periods ended June 30, 2002 (in thousands of dollars, except per share data).

	Three month period ended		Six month period ended	
	June 30, 2002 As reported	July 1, 2001 Pro Forma	June 30, 2002 Pro Forma	July 1, 2001 Pro Forma
Net sales.....	\$105,113	\$103,984	\$191,202	\$194,798
Net income.....	8,088	6,040	16,631	10,627
Diluted earnings per share.....	0.56	0.47	1.18	0.84

#### 5. INCOME TAXES

As a result of the losses arising from the sale of the TPD Assets, the Company recovered in January 2002 approximately \$15.7 million of federal income taxes paid in 1999 and 2000 by utilizing the carryback of a tax net operating loss generated in 2001. On March 9, 2002, The Job Creation and Workers Assistance Act of 2002 was enacted which provides, in part, for the carryback of 2001 net operating losses for five years instead of the previous two year period. As a result, the Company filed for an additional refund of \$22.8 million, of which \$22.2 million was received in March 2002 and the remainder was received in April 2002.

At December 31, 2001, the federal net operating losses were recorded as a deferred tax asset with a valuation allowance of \$5.4 million. Such valuation allowance was released in the first quarter of 2002. Second quarter 2002 tax expense includes a \$0.5 million reversal of a portion of the release of the valuation allowance recorded in the first quarter of 2002. As a result of this, for the six months ended June 30, 2002, a net \$4.9 million of the valuation allowance has been released, resulting in a reduction of the Company's effective tax rate.

#### 6. CONTINGENCIES

The Company is involved in various legal disputes in the ordinary course of business. In addition, the Environmental Protection Agency has designated the Company as a potentially responsible party, along with numerous other companies, for the clean up of several hazardous waste sites. Based on currently available information, the Company does not believe that the disposition of any of the legal or environmental disputes the Company is currently involved in will require material capital or operating expenditures or will otherwise have a material adverse effect upon the financial condition, results of operations, cash flows or competitive position of the Company. It is possible, that as additional information becomes available, the impact on the Company of an adverse determination could have a different effect.

#### 7. EXECUTIVE LOAN PROGRAM

On January 24, 2002, Martin E. Franklin, Chairman and Chief Executive Officer, and Ian G.H. Ashken, Vice Chairman, Chief Financial Officer and Secretary exercised 600,000 and 300,000 non-qualified stock options, respectively, which had been granted under the Company's 2001 Stock Option Plan. The Company issued these shares out of its treasury stock account. The exercises were accomplished via loans from the Company under its Executive Loan Program. The principal amounts of the loans are \$3.3 million and \$1.6 million, respectively, and bear interest at 4.125% per annum. The loans are due on January 23, 2007 and are classified within the stockholders' equity section. The loans may be repaid in cash, shares of the Company's common stock, or a combination thereof.

#### 8. RESTRICTED STOCK PROGRAM

During the first quarter of 2002, restricted shares of common stock in the aggregate amount of 143,500 were issued to certain officers and key employees of the Company under its 1998 Long-Term Equity Incentive Plan, as amended and restated. The restrictions on 140,000 of these shares shall lapse upon the Company's common stock achieving a set price, currently \$35 per share, or on a change in control. The restrictions on the remaining 3,500 shares will lapse ratably over 5 years of employment with the Company.

## 9. SPECIAL CHARGES (CREDITS) AND REORGANIZATION EXPENSES

During the first quarter of 2001, certain participants in the Company's deferred compensation plans agreed to forego balances in those plans in exchange for loans from the Company in the same amounts. The loans, which were completed during 2001, bear interest at the applicable federal rate and require the individuals to secure a life insurance policy having the death benefit equivalent to the amount of the loan payable to the Company. All accrued interest and principal on the loans will be payable upon the death of the participant and their spouse. The Company recognized \$1.9 million and \$2.2 million of pre-tax income during the first and second quarters of 2001, respectively, related to the discharge of the deferred compensation obligations.

The Company also incurred \$0.2 million and \$1.2 million of costs during the first and second quarters of 2001, respectively, to evaluate strategic options. Additionally, the Company's divested TPD Assets division recognized a gain of \$1.0 million from an insurance recovery in the second quarter of 2001.

## 10. EARNINGS PER SHARE CALCULATION

Basic earnings per share are computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted earnings per share are calculated based on the weighted average number of outstanding common shares plus the dilutive effect of stock options as if they were exercised and restricted common stock.

A computation of earnings per share is as follows (in thousands, except per share data):

	Three month period ended		Six month period ended	
	June 30, 2002	July 1, 2001	June 30, 2002	July 1, 2001
Net income.....	\$8,088	\$5,111	\$ 15,280	\$ 4,873
Weighted average shares outstanding.....	14,011	12,715	13,723	12,695
Additional shares assuming conversion of stock options and restricted common stock...	326	29	335	23
Weighted average shares outstanding assuming conversion.....	14,337	12,744	14,058	12,718
Basic earnings per share.....	\$ .58	\$ .40	\$ 1.11	\$ .38
Diluted earnings per share.....	\$ .56	\$ .40	\$ 1.09	\$ .38

## 11. SEGMENT INFORMATION

Following the sale of the TPD Assets and Microlin and the third quarter 2001 appointment of new executive management, the Company reorganized its business into two segments, consumer products and materials based, to reflect the new business and management strategy. Subsequent to the issuance of the Company's June 30, 2002 consolidated financial statements and the acquisition of Tilia, the Company revised its business segment information to report five business segments within these two groups. Prior periods have been reclassified to conform to the current segment definitions.

The consumer products group consists of the vacuum packaging and domestic consumables segments. In the vacuum packaging segment, which was acquired in April 2002, the Company is a developer, manufacturer and marketer of the FoodSaver(R) line which is the U.S. market leader in home vacuum packaging systems and accessories. In the domestic consumables segment, the Company markets a line of home food preservation products under the Ball(R), Kerr(R) and Bernardin(R) brands including home canning jars, metal closures, and accessories, which are distributed through a wide variety of retail outlets.

The materials based group consists of the metals, injection molded plastics and other segments. The metals segment is the largest producer of zinc strip in the United States. The injection molded plastics segment manufactures injection molded plastic parts used in medical, pharmaceutical and consumer products. The other segment includes the manufacturing of non-injection molded plastic parts and other immaterial business activities. For the three and six month periods ended July 1, 2001, the other segment also included the businesses which comprised the TPD Assets and Microlin.

Net sales, operating earnings and assets employed in operations by segment are summarized as follows (thousands of dollars):

	Three month period ended		Six month period ended	
	June 30, 2002	July 1, 2001	June 30, 2002	July 1, 2001
Net sales:				
Vacuum packaging .....	\$ 31,342	\$ --	\$ 31,342	\$ --
Domestic consumables .....	44,181	42,785	64,032	62,151
Total consumer products group .....	75,523	42,785	95,374	62,151
Metals .....	11,745	11,739	20,731	25,375
Injection molded plastics .....	10,355	9,910	21,711	19,954
Other .....	7,519	26,302	15,363	52,672
Total materials based group .....	29,619	47,951	57,805	98,001
Intercompany .....	(29)	(138)	(502)	(527)
Total net sales.....	<u>\$ 105,113</u>	<u>\$ 90,598</u>	<u>\$152,677</u>	<u>\$ 159,625</u>
Operating earnings (loss):				
Vacuum packaging .....	\$ 3,197	\$ --	\$ 3,197	\$ --
Domestic consumables .....	9,328	8,273	9,854	8,071
Total consumer products group .....	12,525	8,273	13,051	8,071
Metals .....	2,608	1,794	3,686	4,662
Injection molded plastics .....	803	420	1,576	544
Other .....	1,769	(1,353)	3,532	(3,209)
Total materials based group .....	5,180	861	8,794	1,997
Intercompany .....	11	20	4	20
Unallocated corporate expenses(1) .....	--	2,016	--	3,668
Total operating earnings .....	17,716	11,170	21,849	13,756
Interest expense, net .....	3,753	3,047	4,985	6,171
Income before taxes and minority interest .....	<u>\$ 13,963</u>	<u>\$ 8,123</u>	<u>\$ 16,864</u>	<u>\$ 7,585</u>
Assets employed in operations:			June 30, 2002	December 31, 2002
Vacuum packaging .....			\$153,754	\$ --
Domestic consumables .....			64,605	50,943
Total consumer products group .....			218,359	50,943
Metals .....			17,194	15,096
Injection molded plastics .....			27,960	28,715
Other .....			12,145	11,341
Total materials based group .....			57,299	55,152
Total assets employed in operations .....			275,658	106,095
Corporate (2) .....			62,010	54,850
Total assets .....			<u>\$337,668</u>	<u>\$160,945</u>

(1) Unallocated corporate expenses in 2001 comprise of special charges (credits) and reorganization expenses.

(2) Corporate assets primarily include cash and cash equivalents, amounts relating to benefit plans, deferred tax assets and corporate facilities and equipment.

## 12. DERIVATIVE FINANCIAL INSTRUMENTS

The Company's derivative activities do not create additional risk because gains and losses on derivative contracts offset losses and gains on the assets, liabilities and transactions being hedged. As derivative contracts are initiated, the Company designates the instruments individually as either a fair value hedge or a cash flow hedge. Management reviews the correlation and effectiveness of its derivatives on a periodic basis.

Under its prior senior credit facility, as amended ("Old Credit Agreement"), the Company used interest rate swaps to manage a portion of its exposure to short-term interest rate variations with respect to the London Interbank Offered Rate ("LIBOR") on its term debt obligations. The Company designated the interest rate swaps as cash flow hedges. Gains and losses related to the effective portion of the interest rate swaps were reported as a component of other comprehensive income and reclassified into earnings in the same period the hedged transaction affected earnings. Because the terms of the swaps exactly matched the terms of the underlying debt, the swaps were perfectly effective. The interest rate swap agreements expired in March 2002.

In conjunction with the Notes (See Note 4), on April 24, 2002, the Company entered into a \$75 million interest rate swap to receive a fixed rate of interest and pay a variable rate of interest based upon LIBOR. The initial effective rate of interest on this swap is 6.05% and will be recalculated effective November 1, 2002. This contract is considered to be a hedge against changes in the fair value of the Company's fixed-rate debt obligation. Accordingly, the interest rate swap contract will be reflected at fair value in the Company's consolidated balance sheet and the related portion of fixed-rate debt being hedged will be reflected at an amount equal to the sum of its carrying value plus an adjustment representing the change in fair value of the debt obligations attributable to the interest rate risk being hedged. The fair market value of the interest rate swap as of June 30, 2002 was approximately \$1.3 million and is included as an asset within other assets in the consolidated balance

sheet, with a corresponding offset to long-term debt. In addition, changes during any accounting period in the fair value of this interest rate swap, as well as offsetting changes in the adjusted carrying value of the related portion of fixed-rate debt being hedged, will be recognized as adjustments to interest expense in the Company's consolidated statements of income. The net effect of this accounting on the Company's operating results is that interest expense on the portion of fixed-rate debt being hedged is generally recorded based on variable interest rates. The Company is exposed to credit loss in the event of non-performance by the counter party, a large financial institution, however, the Company does not anticipate non-performance by the counter party.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### MANAGEMENT AND CORPORATE OFFICE REORGANIZATION

On September 24, 2001, our board of directors appointed Martin E. Franklin as our Chairman and Chief Executive Officer and Ian G.H. Ashken as our Vice Chairman, Chief Financial Officer and Secretary. On October 15, 2001, we announced the closing of our Indianapolis, Indiana corporate office. In the first quarter of 2002, corporate functions were transitioned to our new headquarters in Rye, New York and our consumer products location in Muncie, Indiana.

Following the sale of our Triangle, TriEnda and Synergy World plastic thermoforming operations ("TPD Assets") and the third quarter 2001 appointment of new executive management, we reorganized our business into two groups: Consumer Products and Materials Based. Within these two groups there are currently a total of five business segments, two of which are in the consumer products group and three of which are in the materials based group. Prior periods have been reclassified to conform to the current segment definitions.

### ACQUISITION AND RELATED FINANCING

On April 24, 2002, we completed our acquisition of the business of Tilia International, Inc. and its subsidiaries Tilia, Inc. and Tilia Canada, Inc. (collectively "Tilia"), pursuant to an asset purchase agreement (the "Acquisition"). Based in San Francisco, California, Tilia is a developer, manufacturer and marketer of a patented vacuum packaging system for home use, primarily for food storage, under the FoodSaver(R) brand. The Acquisition was entered into as part of our plan to pursue growth in food preservation and branded domestic consumer products. Pursuant to the Acquisition, we acquired Tilia for approximately \$145 million in cash and \$15 million in seller debt financing. Note 3 of the accompanying financial statements includes a discussion of the intangible assets that were recorded in connection with the Acquisition. As of June 30, 2002, we had incurred transaction fees in the amount of approximately \$4.1 million, including transaction bonuses paid to certain officers in the aggregate amount of \$0.9 million, principally consisting of transaction bonuses paid to Martin E. Franklin, our Chairman and Chief Executive Officer, in the amount of \$0.5 million and Ian Ashken, our Vice Chairman, Chief Financial Officer, and Secretary, in the amount of \$0.3 million. In addition, the Acquisition includes an earn-out provision with a potential payment in cash or our common stock of up to \$25 million payable in 2005, provided that certain earnings performance targets are met.

Due to the Company having effective control of Tilia as of April 1, 2002, the results of Tilia have been included in the Company's results from such date. The Company recorded \$0.6 million of imputed interest expense in the second quarter of 2002 to reflect the financing that would have been required for the period from the effective date (April 1, 2002) to the date of closing (April 24, 2002). The imputed interest expense reduced the amount of goodwill recorded.

The Acquisition was financed by (i) an offering of \$150 million of 9 3/4% senior subordinated notes ("Notes") to qualified institutional buyers in a private placement pursuant to Rule 144A under the Securities Act of 1933, (ii) a refinancing of our existing indebtedness with a new \$100 million five-year senior secured credit facility, which includes a \$50 million term loan facility and a \$50 million revolving credit facility ("New Credit Agreement") and (iii) cash on hand. See "Financial Condition, Liquidity and Capital Resources" below for further information.

### DIVESTITURES

Effective November 26, 2001, we sold the TPD Assets to Wilbert, Inc. for \$21.0 million in cash, a \$1.9 million non-interest bearing one-year note as well as the assumption of certain identified liabilities.

As a result of the losses arising from the sale of the TPD Assets, we recovered in January 2002 approximately \$15.7 million of federal income taxes paid in 1999 and 2000 by utilizing the carryback of a tax net operating loss generated in 2001. On March 9, 2002, The Job Creation and Workers Assistance Act of 2002 was enacted which provides, in part, for the carryback of 2001 net operating losses for five years instead of the previous two year period. As a result, we filed for an additional refund of \$22.8 million, of which \$22.2 million was received in March 2002 and the remainder was received in April 2002.

Effective November 1, 2001, we sold our majority interest in Microlin, LLC, a developer of proprietary battery and fluid delivery technology, for \$1,000 in cash plus contingent consideration based upon future performance through December 31, 2012 and the cancellation of future funding requirements.

The combined net sales of TPD Assets and Microlin included in the Company's historical results were \$18.2 million and \$37.0 million for the three and six month periods ended July 1, 2001, respectively. Operating losses associated with these businesses were \$2.4 million and \$5.0 million for the three and six month periods ended July 1, 2001, respectively.

#### RESULTS OF OPERATIONS - COMPARISON OF SECOND QUARTER 2002 TO SECOND QUARTER 2001

We reported net sales of \$105.1 million for the second quarter of 2002, a 16.0% increase from net sales of \$90.6 million in the second quarter of 2001. Second quarter 2002 operating earnings of \$17.7 million increased 58.6% from second quarter 2001 operating earnings of \$11.2 million. In second quarter 2002, our consumer products group reported \$75.5 million in net sales and \$12.5 million in operating earnings, while our materials based group reported \$29.6 million in net sales and \$5.2 million in operating earnings.

Net sales of our consumer products group increased by \$32.7 million in the second quarter of 2002 compared to the second quarter of 2001. This increase was principally the result of the addition of the vacuum packaging business. In addition, sales in the domestic consumables segment increased by \$1.4 million due to sales volume increases.

Net sales within the materials based group decreased by \$18.3 million in the second quarter of 2002 compared to the second quarter of 2001, of which the divestiture of the TPD Assets and Microlin accounted for most of the change in the other segment. Sales within the injection molded plastics segment increased by \$0.4 million due to sales volume increases. Sales in the Metals segment were approximately the same between the two periods.

Gross margin percentages increased to 40.2% in the second quarter of 2002 from 27.2% in the second quarter of 2001, reflecting the higher gross margins of the acquired vacuum packaging business, the lower gross margins of the disposed TPD Assets and Microlin businesses and cost efficiency increases in all our other divisions.

Selling, general and administrative expenses increased from \$13.9 million in the second quarter of 2001 to \$24.5 million in the second quarter of 2002. Expenses within our consumer products group increased as a result of the addition of the vacuum packaging business. Expenses within our materials based group decreased primarily due to the divestiture of TPD Assets and Microlin and lower expenses in the remaining divisions. Selling, general and administrative expenses as a percentage of net sales increased from 15.3% in the second quarter of 2001 to 23.4% for the second quarter of 2002. The increase in the percentage resulted primarily from the higher percentage of the acquired FoodSaver(R) business, partially offset by the higher percentage of the divested TPD Assets and Microlin businesses in the other segment.

We incurred net special charges (credits) and reorganization expenses of \$(2.0) million in the second quarter of 2001, comprising of \$2.2 million in pre-tax income related to the discharge of certain deferred compensation obligations and \$1.0 million of gain from insurance recovery, partially offset by \$1.2 million of costs to evaluate strategic options.

As a result of the adoption of SFAS 142, we did not record goodwill amortization for the three month period ended June 30, 2002. Goodwill amortization of approximately \$1.6 million had been recorded in the three month period ended July 1, 2001.

Net interest expense increased to \$3.8 million for the second quarter of 2002 compared to \$3.0 million in the same period last year primarily due to us recording \$0.6 million of imputed interest expense in connection with the acquisition of Tilia. In the second quarter of 2002 our weighted average interest rate was lower than it was in the second quarter of 2001, which was offset by the higher average debt levels outstanding in the second quarter of 2002 compared to the second quarter of 2001.

Second quarter 2002 tax expense includes a \$0.5 million reversal of the release of the valuation allowance recorded in the first quarter of 2002. Excluding this valuation allowance, our effective tax rate was approximately 38% in both the second quarter of 2002 and the second quarter of 2001. Additionally, net income for the second quarter of 2002 would have been \$8.6 million or \$0.60 diluted earnings per share if this valuation allowance reversal was excluded.

#### RESULTS OF OPERATIONS - COMPARISON OF YEAR TO DATE 2002 TO YEAR TO DATE 2001

We reported net sales of \$152.7 million for the first six months of 2002, a 4.4% decrease from net sales of \$159.6 million in the first six months of 2001. Operating earnings of \$21.8 million for the first six months of 2002 increased 58.8% from operating earnings of \$13.8 million for the first six months of 2001. In the first six months of 2002, our consumer products group reported \$95.4 million in net sales and \$13.1 million in operating earnings, while our materials based group reported \$57.8 million in net sales and \$8.8 million in operating earnings.

Net sales of our consumer products group increased by \$33.2 million in the first six months of 2002 compared to the first six months of 2001. This increase was principally the result of the addition of the vacuum packaging business. In addition, sales in the domestic consumables segment increased by \$1.9 million due to sales volume increases.

Net sales within the materials based group decreased by \$40.2 million in the first six





months of 2002 compared to the first six months of 2001, of which the divestiture of the TPD Assets and Microlin accounted for most of the change in the other segment. Additionally, sales of the metals segment decreased by \$4.6 million, due primarily to reduced sales to the U.S. Mint in connection with its inventory reduction program for all coinage. Sales of the injection molded plastics segment increased by \$1.8 million, due principally to favorable volume increases.

Gross margin percentages increased to 35.9% in the first six months of 2002 from 24.8% in the first six months of 2001, reflecting the higher gross margins of the acquired vacuum packaging business, the lower gross margins of the disposed TPD Assets and Microlin businesses in the other segment and cost efficiency increases throughout the Company.

Selling, general and administrative expenses increased from \$26.3 million in the first six months of 2001 to \$32.9 million in the first six months of 2002. Expenses within our consumer products group increased as a result of the addition of the vacuum packaging business. Expenses within our materials based group decreased primarily due to the divestiture of TPD Assets and Microlin in the other segment and lower expenses in the remaining segments. Selling, general and administrative expenses as a percentage of net sales increased from 16.5% in the first six months of 2001 to 21.6% for the first six months of 2002. The increase in the percentage resulted from the higher percentage of the acquired FoodSaver(R) business, partially offset by cost savings in our corporate office function and lower selling, general and administrative costs as a percentage of sales in the materials based group.

We incurred net special charges (credits) and reorganization expenses of \$(3.7) million in the first six months of 2001, comprising of \$4.1 million in pre-tax income related to the discharge of certain deferred compensation obligations and \$1.0 million of gain from insurance recovery, partially offset by \$1.4 million of costs to evaluate strategic options.

As a result of the adoption of SFAS 142, we did not record goodwill amortization for the six month period ended June 30, 2002. Goodwill amortization of approximately \$3.2 million had been recorded in the six month period ended July 1, 2001.

Net interest expense of \$5.0 million for the first six months of 2002 was lower than the \$6.2 million recorded in the same period last year primarily due to lower levels of outstanding debt in the first quarter of 2002 compared to the same period in 2001, partially offset by higher interest expense in the second quarter of 2002 compared to the same period in 2001 as discussed above in Results of Operations - Comparison of Second Quarter 2002 to Second Quarter 2001.

At December 31, 2001, we had federal net operating losses that were recorded as a deferred tax asset with a valuation allowance of \$5.4 million. Due to the impact of the Job Creation Act and the tax refunds that we received as a result, a net \$4.9 million of this valuation allowance was released in the first six months of 2002 resulting in an income tax provision of \$1.6 million. Excluding the release of this valuation allowance, our effective tax rate was approximately 38% in both the first six months of 2002 and the first six months of 2001. Our net income for the first six months of 2002 would have been \$10.4 million or \$0.74 diluted earnings per share if this valuation allowance release was excluded.

#### FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2002, our senior credit facility, as amended ("Old Credit Agreement"), provided for a revolving credit facility of \$40 million and a term loan which amortized periodically as required by the terms of the agreement. During first quarter 2002, as required by the November 2001 amendment to the Old Credit Agreement, \$15 million of the tax refunds we received were used to repay a portion of the term loan.

Interest on borrowings under the Old Credit Agreement's term loan and the revolving credit facilities were based upon fixed increments over adjusted LIBOR or the agent bank's alternate borrowing rate as defined in the agreement. The agreement also required the payment of commitment fees on the unused balance. As of July 1, 2001, the outstanding borrowings under our credit facility were \$109.0 million.

In May 1999, we entered into a three-year interest rate swap with an initial notional value of \$90 million. The swap effectively fixed the interest rate on approximately 60% of our term debt at a maximum rate of 7.98% for the three-year period. The swap matured and was terminated in March 2002.

The Old Credit Agreement was replaced as a result of the Acquisition, which was financed by (i) the offering of \$150 million of Notes, (ii) the New Credit Agreement and (iii) cash on hand.

The Notes were issued at a discount such that we received approximately \$147.7 million in net proceeds. The Notes will mature on May 1, 2012, however, on or after May 1, 2007, we may redeem all or part of the Notes at any time at a redemption price ranging from 100% to 104.875% of the principal amount, plus accrued and unpaid interest and liquidated damages, if any. Prior to May 1, 2005, we may redeem up to 35% of the aggregate principal amount of the Notes with the

net cash proceeds from certain public equity offerings at a redemption price of 109.75% of the principal amount, plus accrued and unpaid interest and liquidated damages, if any. Interest on the Notes accrues at the rate of 9.75% per annum and is payable semi-annually in arrears on May 1 and November 1, commencing on November 1, 2002.

In conjunction with the Notes, on April 24, 2002, we entered into a \$75 million interest rate swap to receive a fixed rate of interest and pay a variable rate of interest based upon LIBOR. The initial effective rate of interest on this swap is 6.05% and will be recalculated effective November 1, 2002. This contract is considered to be a hedge against changes in the fair value of our fixed-rate debt obligation. Accordingly, the interest rate swap contract will be reflected at fair value in our consolidated balance sheet and the related portion of fixed-rate debt being hedged will be reflected at an amount equal to the sum of its carrying value plus an adjustment representing the change in fair value of the debt obligations attributable to the interest rate risk being hedged. The fair market value of the interest rate swap as of June 30, 2002 was approximately \$1.3 million and is included as an asset within other assets in the consolidated balance sheet, with a corresponding offset to long-term debt. In addition, changes during any accounting period in the fair value of this interest rate swap, as well as offsetting changes in the adjusted carrying value of the related portion of fixed-rate debt being hedged, will be recognized as adjustments to interest expense in our Company's consolidated statements of income. The net effect of this accounting on our operating results is that interest expense on the portion of fixed-rate debt being hedged is generally recorded based on variable interest rates. We are exposed to credit loss in the event of non-performance by the counter party, a large financial institution, however, we do not anticipate non-performance by the counter party.

The revolving credit facility and the term loan facility bear interest at a rate equal to (i) the Eurodollar Rate pursuant to an agreed formula or (ii) a Base Rate equal to the higher of (a) the Bank of America prime rate and (b) the federal funds rate plus .50%, plus, in each case, an applicable margin ranging from 2.00% to 2.75% for Eurodollar Rate loans and from .75% to 1.5% for Base Rate loans.

The New Credit Agreement contains certain restrictions on the conduct of our business, including, among other things restrictions, generally, on:

- o incurring debt;
- o making investments;
- o exceeding certain agreed upon capital expenditures;
- o creating or suffering liens;
- o completing certain mergers;
- o consolidations and sales of assets and with permitted exceptions, acquisitions;
- o declaring dividends;
- o redeeming or prepaying other debt; and
- o certain transactions with affiliates.

The New Credit Agreement also requires our Company to maintain certain financial covenants.

As of June 30, 2002, we had drawn down \$50 million under the term loan facility, but had not drawn down the \$50 million available under the revolving credit facility of the New Credit Agreement, although we have used an amount of approximately \$4.1 million of availability for the issuance of letters of credit.

As of June 30, 2002, we had incurred costs in connection with the issuance of the Notes and the New Credit Agreement of approximately \$7.5 million.

Working capital (defined as current assets less current liabilities) increased to \$69.7 million at June 30, 2002 from \$17.2 million at July 1, 2001 due primarily to: the tax refunds of \$38.5 million that we received, the working capital of Tilia and a lower amount of current portion of debt, partially offset by the working capital of the TPD Assets and reduced levels of inventory in our domestic consumables segment caused by an additional focus on just-in-time purchasing.

Accounts receivable, accounts payable and inventories increased in the six-month period ended June 30, 2002, due primarily to the acquisition of Tilia and the customary build-up in anticipation of seasonal home food preservation activity.

Capital expenditures were \$3.1 million in the first six months of 2002 compared to \$6.6 million for the same period in 2001 and are largely related to maintaining facilities, improving manufacturing efficiencies and the installation of new packaging lines for the domestic consumables segment. As of June 30, 2002, we have capital expenditure commitments of approximately \$5.7 million, of which \$4.2 million relates to the installation of the new packaging line.

We believe that our existing funds, cash generated from our operations and our debt facility, are adequate to satisfy our working capital and capital expenditure requirements for the foreseeable future. However, we may raise additional capital from time to time to take advantage of favorable conditions in the capital markets or in connection with our corporate development activities.

#### CONTINGENCIES

We are involved in various legal disputes in the ordinary course of business. In addition, the Environmental Protection Agency has designated our Company as a potentially responsible party, along with numerous other companies, for the clean up of several hazardous waste sites. Based on currently available information, we do not believe that the disposition of any of the legal or environmental disputes our Company is currently involved in will require material capital or operating expenditures or will otherwise have a material adverse effect upon the financial condition, results of operations, cash flows or competitive position of our Company. It is possible, that as additional information becomes available, the impact on our Company of an adverse determination could have a different effect.

#### FORWARD-LOOKING INFORMATION

From time to time, we may make or publish forward-looking statements relating to such matters as anticipated financial performance, business prospects, technological developments, new products, and similar matters. Such statements are necessarily estimates reflecting management's best judgment based on current information. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. Such statements are usually identified by the use of words or phrases such as "believes," "anticipates," "expects," "estimates," "planned," "outlook," and "goal." Because forward-looking statements involve risks and uncertainties, our actual results could differ materially. In order to comply with the terms of the safe harbor, we note that a variety of factors could cause our actual results and experience to differ materially from the anticipated results or other expectations expressed in forward-looking statements.

While it is impossible to identify all such factors, the risks and uncertainties that may affect the operations, performance and results of our business include the following:

- o Our significant indebtedness could adversely affect our financial health, and prevent us from fulfilling our obligations under the Notes and the New Credit Agreement;
- o We will require a significant amount of cash to service our indebtedness. Our ability to generate cash depends on many factors beyond our control;
- o Reductions, cancellations or delays in customer purchases would adversely affect our profitability;
- o We may be adversely affected by the trend towards retail trade consolidation;
- o Sales of some of our products are seasonal and weather related;
- o Competition in our industries may hinder our ability to execute our business strategy, achieve profitability, or maintain relationships with existing customers;
- o If we fail to develop new or expand existing customer relationships, our ability to grow our business will be impaired;
- o Our operations are subject to a numbers of Federal, state and local environmental regulations;
- o We may be adversely affected by remediation obligations mandated by applicable environmental laws;
- o We depend on key personnel;
- o We enter into contracts with the United States government and other governments;
- o Our operating results can be adversely affected by changes in the cost or availability of raw materials;
- o Our business could be adversely affected because of risks which are particular to international operations;
- o We depend on our patents and proprietary rights;

- o Certain of our employees are represented by labor unions; and
- o Any other factors which may be identified from time to time in our periodic SEC filings and other public announcements.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statement, we do not intend to update forward-looking statements.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

In general, business enterprises can be exposed to market risks including fluctuations in commodity prices, foreign currency values, and interest rates that can affect the cost of operating, investing, and financing. The Company's exposures to these risks are low. The majority of the Company's zinc business is conducted on a tolling basis whereby customers supply zinc to the Company for processing, or supply contracts provide for fluctuations in the price of zinc to be passed on to the customer.

The Company, from time to time, invests in short-term financial instruments with original maturities usually less than fifty days. The Company is exposed to short-term interest rate variations with respect to Eurodollar or Base Rate on its term and revolving debt obligations and LIBOR on its interest rate swap. The initial effective rate of interest on the interest swap is 6.05% for the period through November 1, 2002, at which point the swap will be repriced based upon the current LIBOR plus a 400 basis points spread at such time. The Company is exposed to credit loss in the event of non-performance by the counter party, a large financial institution, however, the Company does not anticipate non-performance by the counter party.

Changes in Eurodollar or LIBOR interest rates would affect the earnings of the Company either positively or negatively depending on the changes in short-term interest rates. Assuming that Eurodollar and LIBOR rates each increased 100 basis points over period end rates on the outstanding term debt and interest rate swap, the Company's interest expense would have increased by approximately \$0.3 million for both the six month periods ended June 30, 2002 and July 1, 2001, respectively. The amount was determined by considering the impact of the hypothetical interest rates on the Company's borrowing cost, short-term investment rates, interest rate swap and estimated cash flow. Actual changes in rates may differ from the assumptions used in computing this exposure.

The Company does not invest or trade in any derivative financial or commodity instruments, nor does it invest in any foreign financial instruments.

## PART II. OTHER INFORMATION

### Item 2. Changes in Securities and Use of Proceeds

On May 2, 2002, our board of directors adopted resolutions approving a 2-for-1 split of our shares of common stock. Stockholders of record at the close of business on May 20, 2002 received, on or about June 3, 2002, one additional share of our common stock for every share of our common stock held.

On April 30, 2002, each of our then non-employee directors, including Douglas W. Huehme, Richard L. Molen, Lynda W. Popwell, Patrick W. Rooney, David L. Swift, and Robert L. Wood, was granted an option to purchase 2,000 shares of our common stock (after giving effect to the stock split) under our 1998 Long-Term Equity Incentive Plan, as amended and restated, and 2,000 shares of our common stock (after giving effect to the stock split) under our 2001 Stock Option Plan, as amended. As a result of Mr. Rooney's retirement, effective May 30, 2002, all of the options granted to him on April 30, 2002 were terminated. In addition, options to purchase an aggregate of 56,000 shares of our common stock were granted to our employees on April 15, 2002 and April 24, 2002. These were private transactions not involving a public offering that were exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 4(2) thereof. At the time of issuance, the foregoing securities were deemed to be restricted securities for purposes of the Securities Act.

### Item 4. Submission of Matters to a Vote of Security Holders

We held our annual meeting of stockholders on May 30, 2002. Of the 7,020,309 shares of common stock entitled to vote at the meeting, 6,381,431 shares of common stock were present in person or by proxy and entitled to vote. Such number of shares represented approximately 90.9% of our outstanding shares of common stock. Listed below are the matters voted upon at our annual meeting of stockholders and the respective voting results:

	Voted FOR	Withheld	Abstained/ Broker Non-Votes
-----			
Election of Class III Directors for three-year terms expiring in 2005			
Douglas W. Huehme.....	6,337,200	44,231	-
Robert L. Wood.....	5,388,205	993,226	-
Irwin D. Simon.....	6,362,464	18,967	-
	Voted FOR	Voted AGAINST	Withheld/ Abstained/ Broker Non-Votes
-----			
Approval of the amendment to our restated certificate of incorporation to change our name from "Alltrista Corporation" to "Jarden Corporation".....	6,281,147	71,833	28,448
Ratification of the appointment of Ernst & Young LLP as our independent auditors for the year ending December 31, 2002....	6,369,124	2,939	9,368

Our board of directors is currently comprised of each of the Class I Directors, including Martin E. Franklin and David L. Swift, the Class II Directors, including Ian G.H. Ashken, Richard L. Molen, and Lynda W. Popwell, and the Class III Directors listed in the table above.

Stockholders of record at the close of business on April 5, 2002 were entitled to vote at the annual meeting of stockholders and, therefore, the number of shares represented at the meeting does not reflect the 2-for-1 stock split.

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

Exhibit - - - - -	Description - - - - -
3.1	Restated Certificate of Incorporation of Jarden Corporation (filed as Exhibit 3.1 to Jarden's Annual Report on Form 10-K, filed with the Commission on March 27, 2002 and incorporated herein by reference).
3.2	Certificate of Amendment of Restated Certificate of Incorporation of Jarden Corporation (filed as Exhibit 3.2 to Jarden's Current Report on Form 8-K, filed with the Commission on June 4, 2002 and incorporated herein by reference).
3.3	Bylaws of Jarden Corporation (filed as Exhibit C to Jarden's Definitive Proxy Statement, filed with the Commission on November 26, 2001 and incorporated herein by reference).
4.1	Indenture, dated as of April 24, 2002, among Jarden, Alltrista Newco Corporation, Alltrista Plastics Corporation, Alltrista Unimark, Inc., Alltrista Zinc Products, L.P., Caspers Tin Plate Company, Hearthmark, Inc., Lafayette Steel & Aluminum Corporation, LumenX Corporation, Penn Video, Inc., Quoin Corporation, Tilia, Inc., Tilia Direct, Inc., Tilia International, Inc., TriEnda Corporation, and Unimark Plastics, Inc. (the "Domestic Subsidiaries"), and The Bank of New York, as trustee (filed as Exhibit 4.1 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
4.2	Registration Rights Agreement, dated as of April 24, 2002, among Jarden, the Domestic Subsidiaries, and Banc of America Securities LLC, CIBC World Markets Corp., and NatCity Investments, Inc., a representatives of the several initial purchasers (filed as Exhibit 10.13 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
10.1	Credit Agreement, dated as of April 24, 2002, among Jarden, Bank of America, N.A., as Administrative Agent, Swing Line Lender, and L/C Issuer, Canadian Imperial Bank of Commerce, as Syndication Agent, National City Bank of Indiana, as Documentation Agent, and the other Lenders party thereto, including The Bank of New York, Fleet National Bank, Harris Trust and Savings Bank, U.S. Bank National Association, Allfirst Bank, Transamerica Business Capital Corporation, and Union Federal Bank of Indianapolis (filed as Exhibit 10.1 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
10.2	Guaranty Agreement, dated as of April 24, 2002, by the Domestic Subsidiaries to Bank of America, N.A., as administrative agent (filed as Exhibit 10.2 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
10.3	Security Agreement dated as of April 24, 2002, among Jarden, the Domestic Subsidiaries, and Bank of America, N.A., as administrative agent (filed as Exhibit 10.3 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
10.4	Intellectual Property Security Agreement, dated as of April 24, 2002, among Jarden, the Domestic Subsidiaries, and Bank of America, N.A., as administrative agent (filed as Exhibit 10.4 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
10.5	Securities Pledge Agreement, dated as of April 24, 2002, among Jarden, Quoin Corporation, Alltrista Newco Corporation, Caspers Tin Plate Company, and Bank of America, NA., as administrative agent (filed as Exhibit 10.5 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).

- 10.6 Asset Purchase Agreement, dated as of March 27, 2002, among Jarden, Tilia International, Inc., Tilia, Inc., Tilia Canada, Inc., and Andrew Schilling (filed as Exhibit 10.6 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
- 10.7 Amendment No. 1 to the Asset Purchase Agreement, dated as of April 24, 2002, among Jarden, Tilia International, Inc., Tilia, Inc., Tilia Canada, Inc., and Andrew Schilling (filed as Exhibit 10.7 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
- 10.8 Unsecured Subordinated Note, dated as of April 24, 2002, by Jarden in favor of Tilia International, Inc. in the principal amount of \$5,000,000 (filed as Exhibit 10.8 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
- 10.9 Unsecured Subordinated Note, dated as of April 24, 2002, by Jarden in favor of Tilia International, Inc. in the principal amount of \$10,000,000 (filed as Exhibit 10.9 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
- 10.10 Escrow Agreement, dated as of April 24, 2002, among Jarden, Tilia International, Inc., Tilia, Inc., Tilia Canada, Inc., Andrew Schilling, and J. P. Morgan Trust Company, National Association, as escrow agent (filed as Exhibit 10.10 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
- 10.11 Long Term Escrow Agreement, dated as of April 24, 2002, among Jarden, Tilia International, Inc., Andrew Schilling, and J. P. Morgan Trust Company, National Association, as escrow agent (filed as Exhibit 10.11 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
- 10.12 Purchase Agreement, dated as of April 10, 2002, among Jarden, the Domestic Subsidiaries and Banc of America Securities LLC, CIBC World Markets Corp., and NatCity Investments, Inc., as representatives of the several initial purchasers (filed as Exhibit 10.12 to Jarden's Current Report on Form 8-K, filed with the Commission on May 9, 2002 and incorporated herein by reference).
- # 10.13 Alltrista Corporation 1998 Long-Term Equity Incentive Plan, as amended and restated. \*
- # 10.14 Alltrista Corporation 2001 Stock Option Plan (filed as Exhibit 10.6 to Jarden's Quarterly Report on Form 10-Q, filed with the Commission on November 14, 2001 and incorporated herein by reference).
- # 10.15 Amendment No. 1 to the Alltrista Corporation 2001 Stock Option Plan. \*
- + 10.16 Amendment No. 1 to Employment Agreement, dated April 24, 2002, between Jarden and Martin E. Franklin. \*
- + 10.17 Amendment No. 1 to Employment Agreement, dated April 24, 2002, between Jarden and Ian G.H. Ashken. \*
- + 10.18 Restricted Stock Award Agreement, dated January 2, 2002, between Jarden and Martin E. Franklin.\*
- + 10.19 Amendment No. 1 to Restricted Stock Award Agreement, dated February 7, 2002, between Jarden and Martin E. Franklin. \*
- + 10.20 Amendment No. 2 to Restricted Stock Award Agreement, dated April 15, 2002, between Jarden and Martin E. Franklin. \*
- + 10.21 Amendment No. 3 to Restricted Stock Award Agreement dated July 25, 2002 between Jarden and Martin E. Franklin. \*



- + 10.22            Restricted Stock Award Agreement, dated January 2, 2002, between Jarden and Ian G.H. Ashken.\*
- + 10.23            Amendment No. 1 to Restricted Stock Award Agreement, dated February 7, 2002, between Jarden and Ian G.H. Ashken. \*
- + 10.24            Amendment No. 2 to Restricted Stock Award Agreement, dated April 15, 2002, between Jarden and Ian G.H. Ashken. \*
- + 10.25            Amendment No. 3 to Restricted Stock Award Agreement dated July 25, 2002 between Jarden Corporation and Ian G.H. Ashken. \*
- 99.1              Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. \*

\* Filed herewith.

# This represents a compensatory plan.

+ This represents a management contract.

b. Reports on Form 8-K

We filed a Current Report on Form 8-K (Date of Event - April 24, 2002) on May 9, 2002, with respect to Items 2, 5, and 7, relating to the completed acquisition of the business of Tilia, the refinancing of our existing senior indebtedness with a new senior credit facility, and the issuance of our 9 3/4% senior subordinated notes due 2012 to qualified institutional buyers in the aggregate principal amount of \$150 million. We filed (a) audited consolidated balance sheets of Tilia as of December 31, 2000 and 2001 and related consolidated statements of operations, shareholders' equity and cash flows for each of the years ended December 31, 1999, 2000 and 2001 and (b) unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2001 of Jarden which gives effect to the acquisition of Tilia as if it had occurred on January 1, 2001.

We filed a Current Report on Form 8-K (Date of Event - May 30, 2002) on June 4, 2002, with respect to Items 5 and 7, relating to, respectively, our change of name from "Alltrista Corporation" to "Jarden Corporation" and the 2-for-1 split of our issued shares of common stock.

SIGNATURE

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.

JARDEN CORPORATION

Date: October 16, 2002

By: /s/ Ian G.H. Ashken

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Ian G.H. Ashken  
Vice Chairman,  
Chief Financial  
Officer and  
Secretary

CERTIFICATIONS

1. I have reviewed this quarterly report on Form 10-Q of Jarden Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

Date: October 16, 2002

/s/ Martin E. Franklin  
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Martin E. Franklin  
Chief Executive Officer

1. I have reviewed this quarterly report on Form 10-Q of Jarden Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

Date: October 16, 2002

/s/ Ian G.H. Ashken  
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Ian G.H. Ashken  
Chief Financial Officer

ALLTRISTA CORPORATION  
1998 LONG-TERM EQUITY INCENTIVE PLAN  
(AS AMENDED AND RESTATED AS OF NOVEMBER 8, 2001)

ARTICLE I  
ESTABLISHMENT AND PURPOSE

Section 1.01. Establishment and Term of Plan. Alltrista Corporation, an Indiana corporation ("Alltrista" or the "Company"), has established the Alltrista Corporation 1998 Long-Term Equity Incentive Plan (the "Plan"), effective as of January 1, 1998, subject to the approval of the Plan at the next Annual Meeting of Shareholders of Alltrista Corporation by the holders of a majority of the shares of Alltrista common stock entitled to vote at that meeting.

Section 1.02. Purpose. The Plan is designed to promote the interests of Alltrista Corporation (the "Company"), its subsidiaries, and its shareholders by providing stock-based incentives to selected key employees and Non-Employee Directors who are expected to contribute materially to the success of the Company and its subsidiaries. The purpose of the Plan is to provide a means of rewarding outstanding performance and to provide an opportunity to increase the personal ownership interest of its key employees and Non-Employee Directors in the continued success of the Company. The Company believes that the Plan will assist its efforts to attract and retain quality employees and Non-Employee Directors.

ARTICLE II  
DEFINITIONS

Section 2.01. Definitions. When capitalized in this Plan, unless the context otherwise requires:

- (a) "Award" means a grant made to a Participant pursuant to Article VI of this Plan.
- (b) "Award Agreement" means a written instrument between the Company and a Participant evidencing an Award and prescribing the terms, conditions, and restrictions applicable to the Award.
- (c) "Board of Directors" means the Board of Directors of Alltrista Corporation as constituted at any time.
- (d) "Change In Control" means the first to occur of the following events:
  - (i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, or any company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as

their ownership of stock of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30 percent or more of the combined voting power of the Company's then outstanding securities;

(ii) at any time during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new director (other than a director whose initial assumption of office in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company, including but not limited to Messrs. Martin E. Franklin and Ian G.H. Ashken) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of the Company approve a merger or consolidation of the Company with any other company, other than (1) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50 percent of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires 50 percent or more of the combined voting power of the Company's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(e) "Code" means the Internal Revenue Code of 1986, as amended.

(f) "Committee" means a committee consisting of two or more non-employee directors (within the meaning of Rule 16b-3 of the 1934 Securities Exchange Act) designated by the Board of Directors.

(g) "Common Share" means a share of common stock of Alltrista Corporation.

(h) "Common Shares Outstanding" means the total number of Common Shares outstanding as reflected in the Company's financial statements as of the most recent fiscal year-end.

(i) "Company" means Alltrista Corporation.

- (j) "Director" means a director of the Company.
- (k) "Director Option" means a right to purchase Common Shares granted to a Director pursuant to Article VII.
- (l) "Disabled" or "Disability" means a permanent disability as defined in the applicable long-term disability plan of the Company; except that "Disabled" or "Disability" with respect to Director Options shall mean total and permanent disability as defined in Section 22(e)(3) of the Code.
- (m) "Employee" means any individual employed by the Company or any of its Subsidiaries, including officers and Employees who are members of the Board of Directors of the Company or any of its Subsidiaries.
- (n) "Fair Market Value" of Common Shares means the value of the Common Shares determined by the Committee, or pursuant to rules established by the Committee on a basis consistent with regulations under the Code.
- (o) "Incentive Stock Options" means stock options which qualify under and meet the requirements of Section 422 of the Code.
- (p) "Non-Employee Director" means any Director of the Company who is not an Employee of the Company or any of its Subsidiaries.
- (q) "Non-Qualified Stock Options" means stock options which do not qualify under or meet the requirements of Section 422 of the Code.
- (r) "Participant" means any person to whom an Award has been granted under this Plan.
- (s) "Plan" means this Alltrista Corporation 1998 Long-Term Equity Incentive Plan authorized by the Board of Directors at its meeting held on January 30, 1998, as such Plan from time to time may be amended as herein provided.
- (t) "Restricted Stock" means an Award of Common Shares that are nontransferable and are subject to a substantial risk of forfeiture.
- (u) "Retirement" means, in the case of an Employee, the termination of all employment with the Company and its subsidiaries for any reason other than death after the day on which the employee has attained age 55. Retirement means, in the case of a Non-Employee Director, termination of all service as a Director for any reason other than death or Total Disability after the Director has reached age 70.
- (v) "Rule 16b-3" means Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

- (w) "Stock Appreciation Right" has the meaning given to it in Section 6.02(b).
- (x) "Stock Equivalent Unit" means an Award that is valued by reference to the value of Common Shares.
- (y) "Stock Options" means the Incentive Stock Options and the Non-Qualified Stock Options issued pursuant to the Plan.
- (z) "Subsidiary" means any company (other than the Company) in an unbroken chain of companies beginning with the Company if, at the date of grant, each of the companies other than the last company in the unbroken chain owns stock possessing 50 percent or more of the total combined voting power of all classes of stock in one of the other companies in such chain.

### ARTICLE III ADMINISTRATION

Section 3.01. Administrative Committee. The Plan shall be administered by the Committee, which shall serve at the pleasure of the Board of Directors. The Committee shall have full authority to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt such rules and regulations for administering the Plan as it may deem necessary to comply with the requirements of the Plan or any applicable law.

Section 3.02. Powers of the Committee. The Committee shall, subject to the terms of this Plan, have the authority to: (i) select the eligible employees who shall receive Awards, (ii) grant Awards (other than Director Options), (iii) determine the types and sizes of Awards to be granted to employees, (iv) determine the terms, conditions, vesting periods, and restrictions applicable to Awards (other than Director Options), (v) adopt, alter, and repeal administrative rules and practices governing this Plan, (vi) interpret the terms and provisions of this Plan and any Awards granted under this Plan, (vii) prescribe the forms of any Award Agreements or other instruments relating to Awards, and (viii) otherwise supervise the administration of this Plan. The Committee may delegate any of its authority to any other person or persons that it deems appropriate with respect to awards granted to employees who are not officers of the Company.

Section 3.03. Actions of the Committee. All actions taken and all interpretations and determinations made in good faith by the Committee, or made by any other person or persons to whom the Committee has delegated authority, shall be final and binding upon all Participants, the Company, and all other interested persons. All decisions by the Committee shall be made with the approval of not less than a majority of its members. Members of the Committee who are eligible for Awards may vote on any matters affecting the administration of the Plan or the grant of any Awards pursuant to the Plan, except that no such member shall act upon the granting of an Award to himself; but any such member may be counted in determining the existence of a quorum of the Committee.

ARTICLE IV  
ELIGIBILITY

Section 4.01. Employees. Any employee of the Company or any of its Subsidiaries who, in the judgment of the Committee serves the Company or a Subsidiary in a key executive, administrative, professional, or technical capacity, shall be eligible for the grant of Awards (other than Director Options). The selection of the employees to receive Awards (other than Director Options) shall be within the discretion of the Committee. More than one Award may be granted to the same employee.

Section 4.02. Non-Employee Directors. All Non-Employee Directors are eligible for the grant of Director Options, as provided in Section 7 of this Plan. Non-Employee Directors are not, however, eligible for the grant of any Awards other than Director Options.

ARTICLE V  
SHARES SUBJECT TO AWARDS; ADJUSTMENT

Section 5.01. Number of Common Shares. The shares subject to the Awards and other provisions of the Plan shall be the Company's authorized, but unissued, or reacquired Common Shares. The aggregate number of Common Shares that may be subject to Awards granted under this Plan shall not exceed 581,383, or 437,040, being the number of shares under the Plan net of shares issued and outstanding. No employee of the Company may receive options or stock appreciation rights covering more than 400,000 Common Shares in any calendar year.

The assumption of awards granted by an organization acquired by the Company, or the grant of Awards under this Plan in substitution for any such awards, shall not reduce the number of Common Shares available for the grant of Awards under this Plan. Common Shares subject to an Award that is forfeited, terminated, or canceled without having been exercised (other than Common Shares subject to a Stock Option that is canceled upon the exercise of a related Stock Appreciation Right) shall again be available for grant under this Plan, subject to the limitations noted in the foregoing paragraph of this Section 5.01.

Section 5.02. Adjustment. In the event of any change in the Common Shares by reason of a merger, consolidation, reorganization, recapitalization, or similar transaction, or in the event of a stock split-up, spin-off, split-off, stock dividend, or distribution to shareholders (other than normal cash dividends), the Committee shall adjust the number and class of shares that may be issued under this Plan, the aggregate number of Common Shares that may be issued under the Plan upon the exercise of Incentive Stock Options, the number and class of shares subject to outstanding Awards, the exercise price applicable to outstanding Awards, and the Fair Market Value of the Common Shares and other value determinations applicable to outstanding Awards, as appropriate. All determinations made by the Committee with respect to adjustments under this Section 5.02 shall be conclusive and binding for all purposes of the Plan.



ARTICLE VI  
AWARDS

Section 6.01. Grant of Awards. Awards authorized under this Article VI may be granted pursuant to another incentive program which incorporates by reference the terms and conditions of this Plan. Awards may be granted singly or in combination or tandem with other Awards. Awards may also be granted in replacement of, or in substitution for, other awards granted by the Company whether or not such other awards were granted under this Plan; without limiting the foregoing, if a Participant pays all or part of the exercise price or taxes associated with an Award by the transfer of Common Shares or the surrender of all or part of an Award (including the Award being exercised), the Committee may, in its discretion, grant a new Award to replace the Common Shares that were transferred or the Award that was surrendered. The Company may assume awards granted by an organization acquired by the Company or may grant Awards in replacement of, or in substitution for, any such awards.

Section 6.02. Types of Awards. Awards may include, but are not limited to, the following:

(a) Director Option. A right to purchase Common Shares granted to a Director pursuant to Article VII of this Plan.

(b) Stock Appreciation Right. A right to receive a payment, in cash or Common Shares, equal to the excess of (A) the Fair Market Value, or other specified valuation, of a specified number of Common Shares on the date the right is exercised over (B) the Fair Market Value, or other specified valuation, on the date the right is granted, all as determined by the Committee. The right may be conditioned upon the occurrence of certain events, such as a Change In Control, or may be unconditional, as determined by the Committee.

(c) Stock Award. An Award that is made in Common Shares, Restricted Stock, or Stock Equivalent Units or that is otherwise based on, or valued in whole or in part by reference to, the Common Shares. All or part of any Stock Award may be subject to conditions, restrictions, and risks of forfeiture, as and to the extent established by the Committee. Stock Awards may be based on the Fair Market Value of the Common Shares, or on other specified values or methods of valuation, as determined by the Committee.

(d) Stock Option. A right to purchase a specified number of Common Shares, during a specified period, and at a specified exercise price, all as determined by the Committee. A Stock Option may be an Incentive Stock Option or a Non-Qualified Stock Option. In addition to the terms, conditions, vesting periods, and restrictions established by the Committee in the Award Agreement, Incentive Stock Options must comply with the requirements of Section 422 of the Code, Section 6.03(f), and this Article VI.

Section 6.03. Term and Conditions of Awards; Agreements. Awards granted under the Plan shall be evidenced by a written agreement ("Award Agreement") executed by the Company and the Participant, which shall contain such terms and be in such form as the Committee may from time to time approve, subject to the following limitations and conditions;

(a) Number of Shares. The Award Agreement shall state, as appropriate, the type and total number of shares (i) granted, (ii) with respect to which Stock Appreciation Rights or Stock Equivalent Units are granted, and/or (iii) with respect to which Stock Options are granted.

(b) Award Prices. The Award Agreement shall state, as applicable, the price per share of the Common Shares with respect to which Stock Options are issued and the Fair Market Value or other appropriate valuation of Common Shares with respect to which Stock Appreciation Rights are issued. The price or other value shall be determined by the Committee. For Incentive Stock Options, the exercise price shall satisfy all of the requirements of the Code and of Section 6.03(f) of this Plan.

(c) Payment of Exercise Price; Deferral. The exercise price of a Stock Option (other than an Incentive Stock Option), Director Option, Stock Appreciation Right, and any Stock Award for which the Committee has established an exercise price may be paid in cash, by the transfer of Common Shares, by the surrender of all or part of an Award (including the Award being exercised), or by a combination of these methods, as and to the extent permitted by the Committee. The exercise price of an Incentive Stock Option may be paid in cash, by the transfer of Common Shares, or by a combination of these methods, as and to the extent permitted by the Committee at the time of grant, but may not be paid by the surrender of all or part of an Award. The Committee may prescribe any other method of paying the exercise price that it determines to be consistent with applicable law and the purpose of this Plan.

With the approval of the Committee, the delivery of the Common Shares, cash, or any combination thereof subject to an Award (other than Director Options) may be deferred, either in the form of installments or a single future delivery. The Committee may also permit selected Participants to defer the payment of some or all of their Awards, as well as other compensation, in accordance with procedures established by the Committee to assure that the recognition of taxable income is deferred under the Code. Deferred amounts may, to the extent permitted by the Committee, be credited as cash or Stock Equivalent Units. The Committee may also establish rules and procedures for the crediting of interest on deferred cash payments and dividend equivalents on Awards.

(d) Issuance of Shares and Compliance with Securities Laws. The Company may postpone the issuance and delivery of certificates representing shares until (a) the admission of such shares to listing on any stock exchange on which shares of the Company of the same class are then listed and (b) the completion of such registration or other qualification of such shares under any state or federal law, rule, or regulation as the Company shall determine to be necessary or advisable, which registration or other qualification the Company shall use its best efforts to complete; provided, however, a person purchasing shares pursuant to the Plan has no right to require the Company to register the Common Shares under federal or state securities laws at any time. Any person purchasing shares pursuant to the Plan may be required to make such representations and furnish such information as may, in the opinion of counsel for the Company, be appropriate to permit the Company, in light of the existence or

non-existence with respect to such shares of an effective registration under the Securities Act of 1933, as amended, or any similar state statute, to issue the shares in compliance with the provisions of those or any comparable acts.

(e) Rights as a Shareholder. Unless otherwise provided by the Board of Directors or the Committee, a Participant shall have rights as a shareholder with respect to shares covered by an Award, including voting rights or rights to dividends, only upon the date of issuance of a certificate to him and, if payment is required, only after such shares are fully paid.

(f) Incentive Stock Options. To the extent any Award granted pursuant to this Plan contains an Incentive Stock Option, the following limitations and conditions shall apply to such Incentive Stock Option and the Award Agreement relating thereto in addition to the terms and conditions provided herein:

- (i) Price. The price of an Incentive Stock Option shall be an amount per share not less than the Fair Market Value per share of the Common Shares on the date of granting of the option. In the case of Incentive Stock Options granted to an employee of the Company who is a 10% Shareholder, the option price shall be an amount per share not less than one hundred ten percent (110%) of the Fair Market Value per share of the Common Shares on the date of the granting of the Incentive Stock Option.
- (ii) Exercise Period. Unless terminated earlier pursuant to other terms and provisions of the Award Agreement, the term of each Incentive Stock Option shall expire within the period prescribed in the agreement relating thereto, which shall not be more than five (5) years from the date the Incentive Stock Option is granted, if the Participant is a 10% Shareholder, and not more than ten (10) years from the date the Incentive Stock Option is granted, if the Participant is not a 10% Shareholder.
- (iii) Limitation on Grants. No Incentive Stock Option shall be granted under this Plan after January 30, 2008.
- (iv) Limitation on Transferability. No Incentive Stock Option shall be assignable or transferable except by will or under the laws of descent and distribution. During the lifetime of a Participant, the Incentive Stock Option shall be exercisable only by the Participant and may not be transferred or assigned pursuant to a qualified domestic relations order.
- (v) Maximum Exercise Rule. The aggregate Fair Market Value (determined at the time the option is granted) of the shares with respect to which Incentive Stock Options are exercisable for the first time by an employee during any calendar year under all such plans of the Company and any parent or subsidiary corporation of the Company shall not exceed One Hundred Thousand Dollars (\$100,000).

(g) Termination of Awards Under Certain Conditions. The Committee may cancel any unexpired, unpaid, or deferred Awards at any time, if the Participant is not in compliance with all applicable provisions of this Plan or with any Award Agreement or if the Participant, whether or not he or she is currently employed by the Company, engages in any of the following activities without the prior written consent of the Company:

- (i) Directly or indirectly renders services to or for an organization, or engages in a business that is, in the judgment of the Committee, in competition with the Company.
- (ii) Discloses to anyone outside of the Company, or uses for any purpose other than the Company's business, any confidential or proprietary information or material relating to the Company, whether acquired by the Participant during or after employment with the Company.

The Committee may, in its discretion and as a condition to the exercise of an Award, require a Participant to acknowledge in writing that he or she is in compliance with all applicable provisions of this Plan and of any Award Agreement and has not engaged in any activities referred to in clauses (i) and (ii) above.

(h) Nontransferability. Unless otherwise determined by the Committee and provided in the Award Agreement, (i) no Award granted under this Plan may be transferred or assigned by the Participant to whom it is granted other than by will, pursuant to the laws of descent and distribution, or pursuant to a qualified domestic relations order, and (ii) an Award granted under this Plan may be exercised, during the Participant's lifetime, only by the Participant or by the Participant's guardian or legal representative

Section 6.04. Election to Defer Grant or Receipt of Award. Notwithstanding any provision herein to the contrary, the Committee may provide, in any Award Agreement or in any program granting Awards under this Plan, that the Participant may elect to defer receipt of the Award as provided in the Award Agreement or program.

ARTICLE VII  
DIRECTOR OPTIONS

Section 7.01. Grant of Director Options.

(a) Administration. A committee formed by only those Directors other than Non-Employee Directors shall have full authority to administer Director Options, including authority to require that any Non-Employee Director sign an Award Agreement as a condition of receiving a Director Option.

(b) Granting of Director Options. Each individual serving as a Non-Employee Director on April 30 in any year after 1998 shall automatically receive a Director Option, effective on such date.

Section 7.02. Number of Common Shares Subject to Each Director Option. Each Director Option shall entitle the Non-Employee Director the right to purchase 1,000 Common Shares on the terms and conditions specified herein.

Section 7.03. Exercise Price. The exercise price of the Common Shares subject to each Director Option shall be the Fair Market Value of the Common Shares at the date of grant.

Section 7.04. Date Director Options Become Exercisable. Unless otherwise established by the Board of Directors, each Director Option shall become exercisable in full twelve months after the date of grant; provided, however, all Director Options shall become exercisable in full (i) upon a Change in Control, (ii) in accordance with the terms of Section 7.06, or (iii) upon attainment by the Non-Employee Director of age 70.

Section 7.05. Expiration Date. Unless terminated earlier pursuant to the terms of this Plan, each Director Option shall terminate, and the right of the holder to purchase Common Shares upon exercise of the Director Option shall expire, at the close of business on the tenth anniversary date of the date of grant

Section 7.06. Continuous Service as a Director. No Director Option may be exercised unless the Non-Employee Director to whom the Director Option was granted has continued to be a Non-Employee Director from the time of grant through the time of exercise, except as provided in Section 7.04 and this Section 7.06.

(a) Termination. If the service in office of a Non-Employee Director is terminated for any reason other than those set forth in Section 7.06(b) and 7.06(c) hereof, the holder of the Director Option may exercise the Director Option only within the 30-day period immediately following such termination and only to the extent such Director Option was exercisable at the date of such termination.

(b) Retirement or Disability. If the service in office of a Non-Employee Director is terminated due to the Retirement or Disability of the Non-Employee Director, then the Non-

Employee Director, or his legal representative if he becomes incapacitated, shall have the right to exercise the Director Option in full prior to the earlier of (i) twelve months after the date of the Non-Employee Director's Retirement or Disability and (ii) the expiration of the Director Option.

(c) Death. If the service in office of a Non-Employee Director is terminated due to the death of the Non-Employee Director, the Non-Employee Director's estate, executor, administrator, personal representative, or beneficiary shall have the right to exercise the Director Option in full prior to the earlier of (i) twelve months after the date of the Non-Employee Director's death and (ii) the expiration of the Director Option.

(d) Employed by Company. If a Non-Employee Director ceases to be a Non-Employee Director by reason of his or her employment by the Company, the Director Option granted to that Non-Employee Director shall be treated the same as Stock Options held by employees and shall continue to be exercisable prior to the expiration of the Director Option, subject to the limitations on exercise following termination of employment established by the Committee pursuant to Article IX of this Plan.

#### ARTICLE VIII TAX WITHHOLDING OBLIGATIONS

Prior to the payment of an Award, the Corporation may withhold, or require a Participant to remit to the Corporation, an amount sufficient to pay any federal, state, and local withholding taxes associated with the Award. The Committee may, in its discretion and subject to such rules as the Committee may adopt, permit a Participant to pay any or all withholding taxes associated with the Award in cash, by the transfer of Common Shares, by the surrender of all or part of an Award (including the Award being exercised), or by a combination of these methods

#### ARTICLE IX TERMINATION OF EMPLOYMENT

Section 9.01. Termination of Employment. Unless the Committee provides otherwise in the Award Agreement, if a Participant's employment with the Company or a Subsidiary terminates for any reason other than Retirement, Disability, or death of the Participant, he may, but only within the 30-day period immediately following such termination of employment and in no event later than the expiration date specified in the Award Agreement, exercise his Award to the extent that he was entitled to exercise at the date of such termination. The transfer of an employee from the employ of the Company to a Subsidiary, or vice versa, or from one Subsidiary to another Subsidiary shall not be deemed a termination of employment for purpose of the Plan.

Section 9.02. Retirement or Disability. Unless the Committee provides otherwise in the Award Agreement, if a Participant's employment with the Company or any Subsidiary terminates due to Retirement or Disability, he may, but only within the two-year period immediately following such termination of employment and in no event later than the expiration date

specified in the Award Agreement, exercise his Award to the extent that he was entitled to exercise it at the date of such termination. Unless the Committee provides otherwise in the Award Agreement, if the Award being exercised under this paragraph is an Incentive Stock Option, it may be exercised as such only during the three-month period immediately following such Retirement or Disability and in no event later than the expiration date specified in the Award Agreement. During the remainder of the two-year period (or, if shorter, the exercise period specified in the Award Agreement), the option may be exercised as a Non-Qualified Stock Option.

Section 9.03. Death. Unless the Committee provides otherwise in the Award Agreement, if a Participant dies (whether prior to or after termination of employment) while he is entitled to exercise an Award, it may be exercised within the twelve-month period immediately following the Participant's death by the person or persons to whom his rights to it shall pass by his will or by the applicable laws of descent and distribution; provided, however, that no such Award may be exercised after the expiration date specified in the Award Agreement. Unless the Committee provides otherwise in the Award Agreement, if the Award being exercised under this paragraph is an Incentive Stock Option, it may be exercised as such only during the three-month period immediately following the Participant's death and in no event later than the expiration date specified in the Award Agreement. During the remainder of such twelve-month period (or, if shorter, the exercise period specified in the Award Agreement), the option may be exercised as a Non-Qualified Stock Option.

#### ARTICLE X CHANGE IN CONTROL

Unless and to the extent the terms and conditions of a change in control agreement between the Company and a Participant provide otherwise, in the event of a Change In Control of the Company, unless and to the extent otherwise determined by the Board of Directors, (i) all Stock Appreciation Rights, Stock Options, and other Stock Purchase Rights then outstanding will become fully exercisable as of the date of the Change In Control, and (ii) all restrictions and conditions applicable to Restricted Stock and other Stock Awards will be deemed to have been satisfied as of the Date of the Change In Control. Any such determination by the Board of Directors that is made after the occurrence of a Change In Control will not be effective unless a majority of the Directors then in office were in office at the beginning of a period of 24 consecutive months and the determination is approved by a majority of such Directors.

#### ARTICLE XI AMENDMENT OF PLAN, AWARDS

Section 11.01. Amendment, Suspension, or Termination of this Plan. The Board of Directors may from time to time amend, suspend, or terminate this Plan at any time and, in accordance with such amendments, may thereupon change terms and conditions of any Awards not theretofore issued. Shareholder approval for any such amendment will be required only to

the extent necessary to satisfy the rules of the New York Stock Exchange, or any national exchange on which the Common Shares are listed, or to satisfy any applicable federal or state law or regulation.

Section 11.02. Amendment of Outstanding Awards. The Committee may, in its discretion, amend the terms of any Award (other than a Director Option), prospectively or retroactively, but no such amendment may impair the rights of any Participant without his or her consent. Shareholder approval for any such amendment will be required only to the extent necessary to satisfy the rules of the New York Stock Exchange, or any national exchange on which the Common Shares are listed, or to satisfy any applicable federal or state law or regulation. The Committee may, in whole or in part, waive any restrictions or conditions applicable to, or accelerate the vesting of, any Award (other than a Director Option).

#### ARTICLE XII MISCELLANEOUS

Section 12.01. Governing Law. The interpretation, validity, and enforcement of this Plan will, to the extent not otherwise governed by the Code or the securities laws of the United States, be governed by the laws of the State of Indiana.

Section 12.02. Rights of Employees. Nothing in this Plan will confer upon any Participant the right to continued employment by the Company or limit in any way the Company's right to terminate any Participant's employment at will.

#### ARTICLE XIII PAYMENTS TO A TRUST

The Committee is authorized, but is not required, to cause to be established one or more trusts to which the Committee may make payments of amounts due or to become due to Participants in this Plan.



AMENDMENT NO. 1  
TO THE  
ALLTRISTA CORPORATION  
-----  
2001 STOCK OPTION PLAN

The following amendments are hereby made to the Alltrista Corporation 2001 Stock Option Plan (the "Plan"):

Section 2.01(d) of the Plan is hereby amended in its entirety and replaced by the following new Section 2.01(d):

"(d) "Committee" means either (i) the committee consisting of two or more non-employee Directors (within the meaning of Rule 16b-3 of the 1934 Securities Exchange Act, as amended) designated by the Board of Directors to administer the Plan or (ii) the Board of Directors."

Section 5.02(d) of the Plan is hereby amended in its entirety and replaced by the following new Section 5.02(d):

"(d) The Committee may, in its discretion, grant additional Options to any Executive Officer or Independent Director."

Section 5.04 of the Plan is hereby amended in its entirety and replaced by the following new Section 5.04:

"Section 5.04. Vesting of Stock Options. Except as provided below, Options shall vest and become exercisable on the earlier of (i) the first date after the grant date on which the Fair Market Value of a Common Share equals or exceeds seventeen dollars (\$17.00) or (ii) the seventh anniversary of the date of grant. All vesting with respect to Options held by a particular Optionee shall cease upon such Optionee's termination of employment or service with the Company. The Options shall expire on the earlier of (i) the tenth anniversary of the date of grant or (ii) the date that is one year after the Optionee terminates his or her employment or directorship with the Company. Notwithstanding anything herein to the contrary, one-half of Mr. Franklin's and Mr. Ashken's Options, respectively, shall terminate immediately on the earlier of (i) their voluntary resignation from service with the Company, respectively, if such resignation occurs on or before March 31, 2002, (ii) the date set forth in Section 6.02 on account of death or (iii) the tenth anniversary of the date of grant. The remainder of Messrs. Franklin's and Ashken's Options shall expire on the earlier of (i) the date set forth in Section 6.02 on account of death or (ii) tenth anniversary of the date of grant. Notwithstanding the foregoing, the Committee shall have the authority to determine, in its discretion, the vesting and exercisability schedule of additional Options granted at the Committee's discretion pursuant to Section 5.02(d) above."

The Plan was amended by the Board of Directors of Alltrista Corporation as of April 23, 2002.

Certification

The undersigned, being the Secretary of Alltrista Corporation, a Delaware corporation, hereby certifies that the foregoing is a true and complete copy of Amendment No. 1 to the 2001 Stock Option Plan, as duly adopted by the Board of Directors of the Company on April 23, 2002, and that said Amendment No. 1 to Alltrista Corporation 2001 Stock Option Plan is in full force and effect on the date hereof, without further amendment or modification.

/s/ Ian Ashken

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Ian Ashken, Secretary of  
Alltrista Corporation

AMENDMENT NO.1  
TO  
EMPLOYMENT AGREEMENT  
-----  
Dated January 1, 2002

THIS Amendment (the "Amendment"), dated as of April 24, 2002, is entered into between Alltrista Corporation, a Delaware corporation (the "Company") and Martin E. Franklin, (the "Employee").

WITNESSETH:

WHEREAS, the Employee and the Company are parties to that certain Employment Agreement dated as of January 1, 2002 (the "Agreement"); and

WHEREAS, the parties mutually desire to amend the Agreement on the terms and conditions set forth more fully below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, the Company and the Employee hereby agree as follows:

1. Section 4 of the Agreement is hereby amended in its entirety to read as follows:

Compensation and Benefits. During the term of this Agreement, as amended, the Company shall pay to the Employee, and the Employee shall accept from the Company, as compensation for the performance of services under this Agreement and the Employee's observance and performance of all of the provisions hereof, a salary of \$500,000 per year (the "Base Compensation"). The Base Compensation shall be reviewed annually and shall be increased by a minimum of the Consumer Price Index. The Employee shall be eligible for a bonus package based on performance. The decision as to whether to pay the Employee a bonus based on operations, as well as the amounts and terms of any such bonus package, shall be determined by the Compensation Committee of the Board of Directors as part of its annual budget review process. The bonus program shall give Employee the opportunity to earn up to 50% of Base Compensation each year for achieving the Company's earnings per share budget and up to 100% of Base Compensation for achieving 110% of the Company's earnings per share budget. In addition, the Employee shall be eligible to receive a bonus of up to 100% of Base Compensation for services specifically performed relating to acquisitions or other corporate transactions undertaken by the Company in any year. Any transaction bonus shall be determined by the Compensation Committee of the Board of Directors, based on the work performed by the Employee in regards to any particular transaction. The Employee's salary shall be payable in accordance with the normal payroll practices of the Company and shall be subject to withholding for applicable taxes and other amounts. During the term of this Agreement, the Employee shall be entitled to participate in or benefit from, in accordance with the eligibility and other provisions thereof, such medical, insurance, and other fringe benefit plans or policies as the Company may make

available to, or have in effect for, its personnel with commensurate duties from time to time. This will include maintaining a split-dollar life insurance policy (the "Life Insurance Policy") on the Employee in the amount of \$5 million, the annual premium not to exceed \$35,000. The Company retains the rights to terminate or alter any such plans or policies, other than the Life Insurance Policy, from time to time. The Employee shall also be entitled to vacations, sick leave and other similar benefits in accordance with policies of the Company from time to time in effect for personnel with commensurate duties.

In addition to the benefits noted above the employee shall receive a grant of 50,000 restricted shares of the Company's common stock (the "Restricted Stock") on the effective date of this agreement. The restrictions shall lapse upon the earlier of (i) the date that the stock price of the common stock of the Company equals or exceeds a set price, initially twenty-five dollars (\$25.00) or (ii) the date there is a change of control (as defined in Section 2.01 of the 1998 Restricted Stock Plan) of the Company. The number of shares granted and the target share price of \$25.00 shall be adjusted for changes in the common stock as outlined in Section 5.05 of the Restricted Stock Plan or as otherwise mutually agreed in writing between the parties. The terms of the Restricted Stock shall be set forth in a Restricted Stock Award Agreement. Future restricted share grants shall be considered by the compensation committee of the Board of Directors on an annual basis.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement as of the date set forth above.

ALLTRISTA CORPORATION

By: /s/ Ian G.H. Ashken  
-----

Its: Vice Chairman, Chief  
Financial Officer, and Secretary  
-----

/s/ Martin E. Franklin  
-----  
Martin E. Franklin

AMENDMENT NO.1  
TO  
EMPLOYMENT AGREEMENT  
-----  
Dated January 1, 2002

THIS Amendment (the "Amendment"), dated as of April 24, 2002, is entered into between Alltrista Corporation, a Delaware corporation (the "Company") and Ian G.H. Ashken, (the "Employee").

WITNESSETH:

WHEREAS, the Employee and the Company are parties to that certain Employment Agreement dated as of January 1, 2002 (the "Agreement"); and

WHEREAS, the parties mutually desire to amend the Agreement on the terms and conditions set forth more fully below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, the Company and the Employee hereby agree as follows:

1. Section 4 of the Agreement is hereby amended in its entirety to read as follows:

Compensation and Benefits. During the term of this Agreement, as amended, the Company shall pay to the Employee, and the Employee shall accept from the Company, as compensation for the performance of services under this Agreement and the Employee's observance and performance of all of the provisions hereof, a salary of \$300,000 per year (the "Base Compensation"). The Base Compensation shall be reviewed annually and shall be increased by a minimum of the Consumer Price Index. The Employee shall be eligible for a bonus package based on performance. The decision as to whether to pay the Employee a bonus based on operations, as well as the amounts and terms of any such bonus package, shall be determined by the Compensation Committee of the Board of Directors as part of its annual budget review process. The bonus program shall give Employee the opportunity to earn up to 50% of Base Compensation each year for achieving the Company's earnings per share budget and up to 100% of Base Compensation for achieving 110% of the Company's earnings per share budget. In addition, the Employee shall be eligible to receive a bonus of up to 100% of Base Compensation for services specifically performed relating to acquisitions or other corporate transactions undertaken by the Company in any year. Any transaction bonus shall be determined by the Compensation Committee of the Board of Directors, based on the work performed by the Employee in regards to any particular transaction. The Employee's salary shall be payable in accordance with the normal payroll practices of the Company and shall be subject to withholding for applicable taxes and other amounts. During the term of this Agreement, the Employee shall be entitled to participate in or benefit from, in accordance with the eligibility and other provisions thereof, such medical, insurance, and other fringe benefit plans or policies as the Company may make

available to, or have in effect for, its personnel with commensurate duties from time to time. This will include maintaining a split-dollar life insurance policy (the "Life Insurance Policy") on the Employee in the amount of \$3 million, the annual premium not to exceed \$30,000. The Company retains the rights to terminate or alter any such plans or policies, other than the Life Insurance Policy, from time to time. The Employee shall also be entitled to vacations, sick leave and other similar benefits in accordance with policies of the Company from time to time in effect for personnel with commensurate duties.

In addition to the benefits noted above the employee shall receive a grant of 20,000 restricted shares of the Company's common stock (the "Restricted Stock") on the effective date of this agreement. The restrictions shall lapse upon the earlier of (i) the date that the stock price of the common stock of the Company equals or exceeds a set price, initially twenty-five dollars (\$25.00) or (ii) the date there is a change of control (as defined in Section 2.01 of the 1998 Restricted Stock Plan) of the Company. The number of shares granted and the target share price of \$25.00 shall be adjusted for changes in the common stock as outlined in Section 5.05 of the Restricted Stock Plan or as otherwise mutually agreed in writing between the parties. The terms of the Restricted Stock shall be set forth in a Restricted Stock Award Agreement. Future restricted share grants shall be considered by the compensation committee of the Board of Directors on an annual basis.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement as of the date set forth above.

ALLTRISTA CORPORATION

By: /s/ Martin E. Franklin  
-----

Its: Chairman and Chief Executive Officer  
-----

/s/ Ian G.H. Ashken  
-----  
Ian G.H. Ashken

ALLTRISTA CORPORATION  
RESTRICTED STOCK AWARD AGREEMENT

January 2, 2002

Martin E. Franklin,  
62 Rye Ridge Rd,  
Harrison, NY 10528

Dear Martin:

Effective January 1, 2002, you have been awarded 50,000 shares of Alltrista Corporation common stock under the Alltrista Corporation 1998 Restricted Stock Plan ("Plan"). The grant is subject to the terms and conditions of the Plan, which is attached, and this Restricted Stock Award Agreement.

1. Restrictions. Notwithstanding Section 5.02(b) of the Plan which is inapplicable to this grant, the restrictions shall lapse upon the earlier of (i) the date that the stock price of the common stock of the Company equals or exceeds twenty-five dollars (\$25.00) or (ii) the date there is a change of control (as defined in Section 2.01 of the Plan) of the Company. The number of shares granted and the target share price of \$25.00 shall be adjusted for changes in the common stock as outlined in Section 5.05 of the Plan or as otherwise mutually agreed in writing between the parties.

2. Withholding of Taxes. Your award will be subject to any federal, state, or local taxes of any kind required by law at the time the restrictions referred to in the preceding paragraph lapse. By accepting this award, you agree that you will provide for the applicable tax withholding by one of the following methods: (i) writing a check to the Corporation equal to the required withholding amount or (ii) having the Corporation retain or accept delivery from you of common shares (whether or not such common shares are subject to this award) having a fair market value (pursuant to the Plan) equal to the amount of the withholding obligation.

3. Rights as Shareholder. You will have certain rights as a Corporation shareholder with respect to shares subject to the award, including the right to vote and the right to receive dividends, if any, subject, however to the terms, conditions, and restrictions described in this Agreement or the Plan. Notwithstanding the preceding sentence, the Corporation will hold the certificate for shares awarded pursuant to the Plan until the restrictions with respect to the shares have lapsed.

Congratulations on your award and thank you for your continuing support and dedication.

Sincerely,

/s/ Ian G. H. Ashken

- - - - -

Ian G. H. Ashken  
Vice Chairman and Chief Financial Officer

- - - - -

ACCEPTANCE OF  
RESTRICTED STOCK AWARD AGREEMENT

I hereby accept the terms and provisions of this Agreement. I acknowledge that I have received a copy of the Alltrista Corporation 1998 Restricted Stock Plan, represent that I am familiar with the terms and provisions thereof, and accept the common stock granted under this Agreement, subject to the terms and provisions of this Agreement and the Plan. I hereby agree to accept as binding, conclusive, and final all decisions or interpretations of the Committee upon any questions arising under the Plan.

January 2, 2002  
- - - - -

Date

/s/ Martin E. Franklin  
- - - - -  
Signature

TO BE EFFECTIVE, ONE COPY OF YOUR SIGNED AND DATED AGREEMENT  
MUST BE RETURNED TO:  
J. DAVID TOLBERT  
ALLTRISTA CORPORATION  
345 S. HIGH STREET, SUITE 201  
MUNCIE, IN 47305

AMENDMENT NO.1  
TO  
RESTRICTED STOCK AWARD AGREEMENT  
-----

THIS Amendment (the "Amendment"), dated as of February 7, 2002, to the Restricted Stock Award Agreement, dated January 2, 2002, is entered into between Alltrista Corporation, a Delaware corporation (the "Company") and Martin E. Franklin, (the "Employee").

WITNESSETH:

WHEREAS, the Employee and the Company are parties to that certain Restricted Stock Award Agreement effective as of January 1, 2002 (the "Agreement"); and

WHEREAS, the parties mutually desire to amend the Agreement on the terms and conditions set forth more fully below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, the Company and the Employee hereby agree as follows:

1. Section 1 of the Agreement is hereby amended to change the \$25.00 price per share at which the restrictions lapse, to \$35.00 per share.

2. Except as expressly amended by this Amendment, the Agreement shall remain in full force and effect as the same was in effect immediately prior to the effectiveness of this Amendment.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement as of the date set forth above.

ALLTRISTA CORPORATION

By:   /s/ Ian G.H. Ashken  
-----

Its: Vice Chairman, Chief  
     Financial Officer, and Secretary  
-----

/s/ Martin E. Franklin  
-----  
Martin E. Franklin



AMENDMENT NO.2  
TO  
RESTRICTED STOCK AWARD AGREEMENT  
-----

THIS Amendment (the "Amendment"), dated as of April 15, 2002, to the Restricted Stock Award Agreement, dated January 2, 2002, is entered into between Alltrista Corporation, a Delaware corporation (the "Company") and Martin E. Franklin, (the "Employee").

WITNESSETH:

WHEREAS, the Employee and the Company are parties to that certain Restricted Stock Award Agreement effective as of January 1, 2002, as amended, (the "Agreement"); and

WHEREAS, the parties mutually desire to amend the Agreement on the terms and conditions set forth more fully below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, the Company and the Employee hereby agree as follows:

1. Section 1 of the Agreement is hereby amended to change the \$35.00 price per share at which the restrictions lapse, to \$45.00 per share.

2. Except as expressly amended by this Amendment, the Agreement shall remain in full force and effect as the same was in effect immediately prior to the effectiveness of this Amendment.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement as of the date set forth above.

ALLTRISTA CORPORATION

By:   /s/ Ian G.H. Ashken  
-----

Its: Vice Chairman, Chief Financial  
     Officer, and Secretary  
-----

/s/ Martin E. Franklin  
-----  
Martin E. Franklin

AMENDMENT NO.3  
TO  
RESTRICTED STOCK AWARD AGREEMENT  
-----

THIS Amendment (the "Amendment"), dated as of July 25, 2002, to the Restricted Stock Award Agreement, dated January 2, 2002, is entered into between Jarden Corporation, a Delaware corporation (the "Company") and Martin E. Franklin, (the "Employee").

WITNESSETH:

WHEREAS, the Employee and the Company are parties to that certain Restricted Stock Award Agreement effective as of January 1, 2002, as amended, (the "Agreement"); and

WHEREAS, the parties mutually desire to amend the Agreement on the terms and conditions set forth more fully below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, the Company and the Employee hereby agree as follows:

1. Section 1 of the Agreement is hereby amended to change the pre-split \$45.00 price per share at which the restrictions lapse, to \$35.00 per share on a post- split basis.

2. Except as expressly amended by this Amendment, the Agreement shall remain in full force and effect as the same was in effect immediately prior to the effectiveness of this Amendment.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement as of the date set forth above.

JARDEN CORPORATION

By:    /s/ Ian G.H. Ashken  
-----

Its: Vice Chairman, Chief Financial  
Officer, and Secretary  
-----

/s/ Martin E. Franklin  
-----  
Martin E. Franklin

ALLTRISTA CORPORATION  
RESTRICTED STOCK AWARD AGREEMENT

January 2, 2002

Ian G.H. Ashken  
22 Bluewater Hill  
Westport CT 06880

Dear Ian:

Effective January 1, 2002, you have been awarded 20,000 shares of Alltrista Corporation common stock under the Alltrista Corporation 1998 Restricted Stock Plan ("Plan"). The grant is subject to the terms and conditions of the Plan, which is attached, and this Restricted Stock Award Agreement.

1. Restrictions. Notwithstanding Section 5.02(b) of the Plan which is inapplicable to this grant, the restrictions shall lapse upon the earlier of (i) the date that the stock price of the common stock of the Company equals or exceeds twenty-five dollars (\$25.00) or (ii) the date there is a change of control (as defined in Section 2.01 of the Plan) of the Company. The number of shares granted and the target share price of \$25.00 shall be adjusted for changes in the common stock as outlined in Section 5.05 of the Plan or as otherwise mutually agreed in writing between the parties.

2. Withholding of Taxes. Your award will be subject to any federal, state, or local taxes of any kind required by law at the time the restrictions referred to in the preceding paragraph lapse. By accepting this award, you agree that you will provide for the applicable tax withholding by one of the following methods: (i) writing a check to the Corporation equal to the required withholding amount or (ii) having the Corporation retain or accept delivery from you of common shares (whether or not such common shares are subject to this award) having a fair market value (pursuant to the Plan) equal to the amount of the withholding obligation.

3. Rights as Shareholder. You will have certain rights as a Corporation shareholder with respect to shares subject to the award, including the right to vote and the right to receive dividends, if any, subject, however to the terms, conditions, and restrictions described in this Agreement or the Plan. Notwithstanding the preceding sentence, the Corporation will hold the certificate for shares awarded pursuant to the Plan until the restrictions with respect to the shares have lapsed.

Congratulations on your award and thank you for your continuing support and dedication.

Sincerely,

/s/ Martin E. Franklin

-----  
Martin E. Franklin  
Chairman and Chief Executive Officer

-----  
ACCEPTANCE OF  
RESTRICTED STOCK AWARD AGREEMENT

I hereby accept the terms and provisions of this Agreement. I acknowledge that I have received a copy of the Alltrista Corporation 1998 Restricted Stock Plan, represent that I am familiar with the terms and provisions thereof, and accept the common stock granted under this Agreement, subject to the terms and provisions of this Agreement and the Plan. I hereby agree to accept as binding, conclusive, and final all decisions or interpretations of the Committee upon any questions arising under the Plan.

January 2, 2002  
-----  
Date

/s/ Ian G. H. Ashken  
-----  
Signature

TO BE EFFECTIVE, ONE COPY OF YOUR SIGNED AND DATED AGREEMENT  
MUST BE RETURNED TO:  
J. DAVID TOLBERT  
ALLTRISTA CORPORATION  
345 S. HIGH STREET, SUITE 201  
MUNCIE, IN 47305

AMENDMENT NO.1  
TO  
RESTRICTED STOCK AWARD AGREEMENT  
-----

THIS Amendment (the "Amendment"), dated as of February 7, 2002, to the Restricted Stock Award Agreement, dated January 2, 2002, is entered into between Alltrista Corporation, a Delaware corporation (the "Company") and Ian G. H. Ashken, (the "Employee").

WITNESSETH:

WHEREAS, the Employee and the Company are parties to that certain Restricted Stock Award Agreement effective as of January 1, 2002 (the "Agreement"); and

WHEREAS, the parties mutually desire to amend the Agreement on the terms and conditions set forth more fully below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, the Company and the Employee hereby agree as follows:

1. Section 1 of the Agreement is hereby amended to change the \$25.00 price per share at which the restrictions lapse, to \$35.00 per share.

2. Except as expressly amended by this Amendment, the Agreement shall remain in full force and effect as the same was in effect immediately prior to the effectiveness of this Amendment.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement as of the date set forth above.

ALLTRISTA CORPORATION

By: /s/ Martin E. Franklin  
-----

Its: Chairman and Chief Executive Officer  
-----

/s/ Ian G.H. Ashken  
-----  
Ian G.H. Ashken

AMENDMENT NO.2  
TO  
RESTRICTED STOCK AWARD AGREEMENT  
-----

THIS Amendment (the "Amendment"), dated as of April 15, 2002, to the Restricted Stock Award Agreement, dated January 2, 2002, is entered into between Alltrista Corporation, a Delaware corporation (the "Company") and Ian G. H. Ashken, (the "Employee").

WITNESSETH:

WHEREAS, the Employee and the Company are parties to that certain Restricted Stock Award Agreement effective as of January 1, 2002, as amended, (the "Agreement"); and

WHEREAS, the parties mutually desire to amend the Agreement on the terms and conditions set forth more fully below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, the Company and the Employee hereby agree as follows:

1. Section 1 of the Agreement is hereby amended to change the \$35.00 price per share at which the restrictions lapse, to \$45.00 per share.

2. Except as expressly amended by this Amendment, the Agreement shall remain in full force and effect as the same was in effect immediately prior to the effectiveness of this Amendment.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement as of the date set forth above.

ALLTRISTA CORPORATION

By: /s/ Martin E. Franklin

Its: Chairman and Chief Executive Officer

/s/ Ian G.H. Ashken

-----  
Ian G.H. Ashken

AMENDMENT NO.3  
TO  
RESTRICTED STOCK AWARD AGREEMENT

THIS Amendment (the "Amendment"), dated as of July 25, 2002, to the Restricted Stock Award Agreement, dated January 2, 2002, is entered into between Jarden Corporation, a Delaware corporation (the "Company") and Ian G. H. Ashken, (the "Employee").

WITNESSETH:

WHEREAS, the Employee and the Company are parties to that certain Restricted Stock Award Agreement effective as of January 1, 2002, as amended, (the "Agreement"); and

WHEREAS, the parties mutually desire to amend the Agreement on the terms and conditions set forth more fully below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, the Company and the Employee hereby agree as follows:

1. Section 1 of the Agreement is hereby amended to change the pre-split \$45.00 price per share at which the restrictions lapse, to \$35.00 per share on a post- split basis.

2. Except as expressly amended by this Amendment, the Agreement shall remain in full force and effect as the same was in effect immediately prior to the effectiveness of this Amendment.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement as of the date set forth above.

JARDEN CORPORATION

By:   /s/ Martin E. Franklin  
-----

Its:   Chairman and Chief Executive Officer  
-----

/s/ Ian G.H. Ashken  
-----  
Ian G.H. Ashken

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Jarden Corporation (the "Company") on Form 10-Q for the period ended June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Martin E. Franklin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Martin E. Franklin

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Martin E. Franklin  
Chief Executive Officer  
October 16, 2002

In connection with the Quarterly Report of Jarden Corporation (the "Company") on Form 10-Q for the period ended June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ian G.H. Ashken, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ian G.H. Ashken

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Ian G.H. Ashken  
Chief Financial Officer  
October 16, 2002