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Great. Thank you, Nelson, and good morning, everyone. This is Ball Corporation's conference call regarding the company's fourth quarter and full year 2017 results.

The information provided during this call will contain forward-looking statements, including estimates related to the impact of the U.S. Tax Cuts and Jobs Act. Actual results or outcomes may differ materially from those that may be expressed or implied. Some factors that could cause the results or outcomes to differ are in the company's latest 10-K and in other company SEC filings as well as the company news releases. If you don't already have our fourth quarter and full year 2017 earnings release, it's available on our website at ball.com.

Information regarding the use of non-GAAP financial measures may also be found in the Notes section of today's earnings release. The release also includes a table summarizing business consolidation and other activities as well as a reconciliation of comparable operating earnings and diluted earnings per share calculations.

Joining me on the call today are Scott Morrison, Senior Vice President and CFO; and Dan Fisher, Senior Vice President and COO of our global beverage business. I'll provide some brief introductory remarks. Dan will discuss the global beverage packaging performance. Scott will discuss key financial metrics, and then I'll finish up with comments on our food and aerosol and aerospace businesses as well as our outlook for 2018.

We were very pleased with our strong fourth quarter comparable operating earnings and free cash flow. Each of our public reporting segments were up year-over-year from an earnings perspective and much of the hard work in terms of cost out and value in for each of our businesses continue to show up. While we're pleased with this performance, we are not surprised.

Since the closing of the acquisition, there have been questions and opinions regarding our ability to hit our 2017 and 2019 comparable EBITDA and free cash flow targets. When we closed on the acquisition of Rexam 18 months ago, we had a pro forma comparable EBITDA of just over $1.5 billion and laid out a three and a half year plan to increase that by the end of 2019 to $2 billion while generating free cash flow in excess of $1 billion. We also said that we expected to generate 2017 comparable EBITDA of $1.75 billion to $1.85 billion, free cash flow in excess of $750 million. Along the way, we knew that there would be ups and downs, but we're confident and had conviction that these targets were achievable. Nothing has changed in our view.

In the 18 months since then, we indeed have had our ups and downs. In the ups column, we have met or exceeded our initial synergies in terms of G&A, sourcing and footprint activities. We have had exceptional performance from our South American business, continued improvement from our European business, greater stability in terms of North American CSD volumes, continued strong growth in craft, sparkling water and other emerging categories; and strong growth in Central America particularly, Mexico. We've had good aluminum aerosol growth and continued strong performance from our aerospace business.

In the downs column, we have had and continue to face headwinds in terms of domestic U.S. beer consumption. Difficult
manufacturing performance in our food and aerosol business in the first half of 2017 that is now behind us; challenging food industry dynamics, supply disruptions in North American beverage due to the hurricanes last fall, volatile volumes in our AMEA beverage can business, driven by governmental regulation, carbonation tax and economic disruptions; and continued pricing pressures in China.

However, because and in spite of all of these, we achieved or exceeded our 2017 targets. Our long-term strategy is intact. As we go forward, we will continue to execute our long-term strategy of growing our earnings through a mix of volume, price, cost and supply-demand and innovation management, generating higher free cash flow, reinvesting in EVA dollar value creating growth projects and returning excess free cash flow to our shareholders through dividends and share repurchases.

Now as we look back over the fourth quarter of 2017, several highlights include: the beverage can continues to win versus other substrates across the globe, depending on geography and on beverage segment, this is due in part to the economic value creation of the can to our customers and their consumers, its recycling and sustainable attributes relative to other substrates, the superior product protection that the can provides the beverage itself and the overall efficiency the can provides from a freight, distribution, warehousing and retail shelf perspective.

We continue to believe that the can has much further runway to capture a greater share of the packaging mix. Dan Fisher will amplify that a bit more later. In addition to lowering our G&A cost structure and achieving sourcing savings, we recognized cost savings from the beverage can plant network optimizations in North America and Europe. We continue to improve manufacturing efficiencies in our tinplate businesses and saw a slight pull-forward of certain food can shipments in the fourth quarter in advance of anticipated raw material hikes, and we achieved record contracted backlog of $1.75 billion in our aerospace business.

Going into 2018, it's on us to execute on our existing plans to maximize the value of each of our businesses, broadening our geographic footprint, aligning with the right customers and markets, expanding in the new products and capabilities, leveraging our technical know-how and positioning our products as the most sustainable on the segments in which we operate.

Key areas of emphasis for us will be the successful start-ups of our Goodyear, Arizona and Madrid, Spain beverage can facilities, effectively managing our various beverage can footprint initiatives, positioning the can as the most sustainable package in the world in which we live, successfully managing the growth and investment in our aerospace business, profitably growing our aluminum aerosol businesses and improving the profitability of our food can and China beverage can businesses.

Thanks to all of our 18,000 plus employees, who helped the company achieve these results with numerous customer awards and once again, being recognized as an industry leader on the Dow Jones Sustainability Index and on the Corporate Equality Index. And with that, I'll turn it over to Dan

Daniel W. Fisher  
Senior VP & COO of Global Metal Beverage Packaging

Thanks, John. As we begin 2018, our global beverage businesses are poised to execute on numerous growth projects, network optimizations and product launches. Our global beverage can volumes grew nearly 2% in 2017 and almost 2.5% in the fourth quarter, led by South America, Europe and our specialty portfolio.

The beverage can is the most environmentally sustainable and capable package in our customers' lineup, and you will continue to hear us promote these qualities to consumers and customers alike. John referenced the disciplined growth investments and efficiency activities going on across each of our regional segments. Project teams are aligned, on budget and on schedule. Moving to the individual segments.

So much get said about continued pressure on domestic mass beer declines. Ball's North American segment volumes
were flat versus the industry, which was down slightly, and this is largely due to continued growth in Mexican imports, craft, sparkling water and brands using specialty containers to promote their products. And let's not forget that Ball is well positioned with the two fastest-growing segments of the U.S. beer industry, which are Mexican imports and craft, and that the beverage can continues to win versus other substrates.

In 2017, cans picked up another 1.5% of share from glass. The North American team did a great job in the fourth quarter, and they recorded good financial results despite the lingering effect of higher freight rates. In advance of our second half 2018 plant network optimization, where we will add no new net capacity and tighten 12-ounce supply-demand, we will be contemplating line speedups and other efficiency programs at remaining facilities across the network.

With this in mind, our first quarter utilization rates will likely be lower than fourth quarter. We have a busy and exciting year in North America, and the team is much more on its toes as we position ourselves for additional fixed cost savings in 2018 and beyond.

Our South American business had a really nice quarter. Segment volume grew mid-teens versus mid-teens decline in fourth quarter 2016. In addition to better weather, the overall beer consumption trends in Brazil stabilized and our customers further emphasize cans over glass across South America, with cans growing share of the beer segment from 43% to 45% in Brazil and even higher package share gains in other surrounding countries.

To further support beverage can growth in countries surrounding Brazil and having a multiyear contract in place, we're building a beverage can plant in Paraguay to serve its needs as well as continued growth in Argentina and Bolivia.

In Brazil, our resulting disciplined response to competitive behavior will likely lead to Ball's volume growing slower than the market rate during 2018. Despite this comment, year-to-date demand trends have remained quite favorable in advance of Carnival, and I would expect, will remain strong through the World Cup. I do anticipate tougher year-over-year comps in the second half for our Brazil business due to the profit recorded on the ends manufacturing contract that supported the divestment business going away and challenging year-over-year volume comparisons.

The European business, once again, saw mid-single-digit volume growth led by Russia and Spain. Our ongoing plant construction in Spain is right on track with the plant likely starting up late May, early June, which is a bit ahead of schedule. Our near and long-term initiatives to get segment performance back to where Ball's legacy business was, are on track and the cost savings from the German plant closure will anniversary in early August.

The ongoing finance transformation projects will largely be complete by year-end 2018, which will contribute to planned G&A savings in 2019. The European team finished the year strong, both from a free cash flow and earnings perspective, and I'm sure everyone is looking forward to the World Cup being held in Russia, where we have a nice presence in an outstanding regional team.

In AMEA, demand volatility remains with full year volume down mid-teens, yet the team continues to do a great job dealing with the complexity. As we look forward in the region, we are lowering our cost structure and helping certain governments understand how legacy laws on their books are stifling job growth and impeding environmentally friendly packaging growth.

Our China business continues to be cash flow positive, and we will continue to exercise a disciplined approach in this market, and prune larger chunks of capital when appropriate.

In summary, our global beverage business posted strong results to close the year. We have a feeling of momentum across most of our regional businesses. We know what we need to do in 2018, and our multiyear thesis for acquiring Rexam and deploying growth capital remains intact.
Thank you again to all of our teams around the globe. With that, I'll turn it over to Scott.

Scott C. Morrison  
Senior VP & CFO

Thanks, Dan. Comparable fourth quarter 2017 earnings were $0.60 versus $0.44 in 2016, a 36% improvement. And full year 2017 comparable earnings per diluted share improved 17% from $1.74 in 2016 to $2.04 in 2017.

Fourth quarter comparable diluted earnings per share reflect solid operational performance across every segment and lower corporate costs. Full year results were driven by strong operating results at our largest global beverage businesses and our aerospace business, offset by slightly lower food and aerosol segment performance and higher year-over-year interest expense. Details are provided in the Notes section of today’s earnings release and additional information will be provided in our 10-K.

Net debt ended the year at $6.5 billion, which was right on top of our expectation after $200 million of pension funding and retuning over $200 million to shareholders and despite $275 million of unfavorable FX impact on foreign-denominated debt.

We exceeded our free cash flow goal for 2017, coming in at $922 million after spending $556 million in CapEx. Activities to squeeze working capital out of the balance sheet were incredibly successful and a team effort across all our businesses.

As we think about 2018, we expect full year 2018 comparable EBITDA to be pretty much a straight line into our 2019 goal of $2 billion of EBITDA. Free cash flow is expected to be in the range of $900 million after spending at least $600 million of CapEx supporting the completion of the Goodyear, Madrid and Paraguay plants as well as the aerospace expansion.

Full year 2018 interest expense will be in the range of $295 million. The full year effective tax rate on comparable earnings will be in the range of 23%, based our current estimates of the impact of U.S. tax reform. And corporate undistributed will be in the range of $115 million for full year 2018.

The cash is showing up. So in addition to our ongoing quarterly cash dividends, we're planning for our share buyback to step up as well. Our initial estimates are for $350 million of share buybacks in 2018, largely, but not exclusively in the second half of the year, given the timing of our seasonal working capital build. We feel good about where we are. And at this early stage in the year, we look forward to returning even more value to shareholders in 2019 and beyond. And with that, I'll turn it back to you, John.

John A. Hayes  
Chairman, President & CEO

Great. Thanks, Scott. Our aerospace business reported an improved fourth quarter results, driven by solid contract performance and the continuing ramp-up on new contracts. We've been saying that the Ball Aerospace team is winning new work and it now has translated into contracted backlog. Our staffing levels will continue to increase in 2018 as we ramp up on these key wins.

The aerospace team has done a wonderful job, leveraging the capabilities of our customer focus, world-class technology and know-how and talent in year-over-year profitable earnings growth, which will extend beyond 2018.

Now as we look forward for our corporation. As mentioned previously, we are on track to achieve our 2019 targets largely through the stated synergy benefits from the transaction, continued growth of our beverage can, improved performance from the food and aerosol business and the ramp-up of new business in aerospace.
From a synergy perspective, recall that we had a 3.5-year plan to realize $300 million of net synergies. Phase I and II of synergy capture would be in the form of G&A office reduction and sourcing synergies, which would come within the first 18 months of the closing of the acquisition. We are currently at or above our targets in both of these phases, still have more synergy opportunities that we should realize on the sourcing side in 2018 as well as realizing our shared services G&A efficiencies in late 2018 and 2019.

Phase III is our footprint work, which would come in years one through three following the closure of the acquisition. We have already closed the Recklinghausen, Germany and Reidsville, North Carolina facilities and have announced three plant closures in the U.S. We are also building new plants in Arizona, Spain, Paraguay and in our joint venture in Panama and are installing new lines in several other plants, including Texas and Mexico. Once realized, we should be above our goals for this phase. Phase IV is to leverage any commercial benefits from the transaction, including but not limited to, providing our customers anything, anywhere, anytime with respect to product, service, innovation and other discriminators.

We did not count on any synergies in this area. And if we're able to realize some, we said it would be in the back end and beyond of the three and a half year planning period. We are delivering on our commitments and see a path to further growth beyond 2019, as our newly deployed in 2018 growth capital hits its stride. And with that, Nelson, we're ready for questions.
Question and Answer

Operator


Mehul M. Dalia  
Robert W. Baird & Co. Incorporated, Research Division

This is actually Mehul Dalia sitting in for Ghansham. First question on EBITDA, I guess, your EBITDA comments imply $1.6 billion in EBITDA for 2018. Is that right? And how should we think about the cadence on a quarterly basis just given there's a lot of moving parts with plant additions and shuttering throughout the year?

Scott C. Morrison  
Senior VP & CFO

No, I don't think the number you're referencing is right. In the back of the earnings release, I think it rolls up to $1.752 billion. I take that and add $2 billion and divide by two, that should kind of get you where I was referring to.

John A. Hayes  
Chairman, President & CEO

Yes, said another way. We finished the year about $1.75 billion. We said by '19 we'd hit $2 billion. So split the difference between two, that's a good guidepost for 2018. I think, as we said in the first half of 2018, we actually have some good momentum going into it. When we go through, there is going to be some ups and downs. But we continue to expect a continued improvement in each of the quarters. I think as we get to the second half of the year with the fall, with no longer providing the ends as we talked about in South America that will be a little bit of a headwind in South America. But at the same time, if we execute correctly, we'll be ramping up in some of our other cost-out initiatives in North America as well as continuing our cost-out initiatives in Europe. And so remember, it's February right now. So I think it's premature to give any additional guidance, but that's what we see as we're sitting here right now.

Mehul M. Dalia  
Robert W. Baird & Co. Incorporated, Research Division

Okay, great. And sorry, I did the calculation wrong, but that makes sense. And just one follow-on. Can you be help -- your expectations for Brazilian growth in 2018. How much lower do you expect that to be for you guys on a relative basis?

Daniel W. Fisher  
Senior VP & COO of Global Metal Beverage Packaging

Yes. Well, I don't expect it to be lower. I expect it to be higher on a year-over-year basis. I think we will, with the new market entrant that that we gave guidance on in our last earnings call, I expect all the participants to have a slower growth profile than the overall growth in the marketplace.

John A. Hayes  
Chairman, President & CEO

Yes, the Brazilians in particular, but also surrounding countries, the growth in that was quite strong. We mentioned in South America, we had 13% to 15% growth in the fourth quarter. And for the full year, it was close to just under 10%. We don't expect that to continue. But I do think in the first half of the year, with the World Cup coming up, we'll continue to see some strength. But in the second half of the year, we're going to be facing some very difficult comps. And I think
as Dan alluded to, with the new competitor in there, we expect to be growing at a rate lower than the overall market for 2018.

Mehul M. Dalia  
Robert W. Baird & Co. Incorporated, Research Division

All right. I guess, my question wasn't clear. I think that's what I was trying to ask. So how much lower do you expect it to be versus the market in 2018?

John A. Hayes  
Chairman, President & CEO

It's premature to tell. What I would say is probably a couple of points, 3% to 4% points lower than the overall growth of the market. But that's just a guess. Because here's the reality. We have a new competitor coming on. They're adding a couple of new lines into that market, which is about $1.5 billion. We understand that they're in the process of ramping up, and we understand that's largely contracted. Much of that business came out of Ball's business, but we still see overall growth well in excess of that. So we're going to see some growth in our business, just not as great because we face that headwind.

Daniel W. Fisher  
Senior VP & COO of Global Metal Beverage Packaging

The other signal to point to is if you go back to the last World Cup, there will be a winner and a loser from a retail presence and a customer. We don't know who that's going to be at this point. That makes the answering that question a lot harder, given the year and the events that are going to take place.

Operator

Our next question comes from the line of Tyler Langton with JPMorgan.

Tyler J. Langton  
JP Morgan Chase & Co, Research Division

Just had a question on the free cash flow guide for 2018. Scott, give us a sense, I guess, how much working capital is baked into that $900 million number?

Scott C. Morrison  
Senior VP & CFO

I think we really overachieved in '17 and getting a lot of the working capital out. So I still expect the benefit in '18, but it's probably more like $100 million in '18.

Tyler J. Langton  
JP Morgan Chase & Co, Research Division

Got it. And then just of in South America. Dan, I don't know if you can give any -- I know that the third-party sales of ends are benefiting. Can you give us a sense like how much, I guess, they benefited 4Q results and sort of what you expect for 2018?

John A. Hayes  
Chairman, President & CEO

Yes, what we were trying to say it's tough to parse out because we've had that since closing the acquisition. What we're saying is part of the divestiture, the company we sold it to is going to be building their own capacity. We expect that to
be coming online sometime in mid-2018. So we’ve actually been selling them ends mid-’16 through mid-’18. In the second half of ’18, we won’t be selling those ends.

**Tyler J. Langton**  
*JP Morgan Chase & Co, Research Division*

Okay. And then just final question on CapEx. Give me just -- I know it's going to be a little bit higher in '18. Is $500 million still sort of a, depending on projects, a good run rate kind of for 2018 and beyond?

**Scott C. Morrison**  
*Senior VP & CFO*

No, we said in ‘18, we'll probably spend a little over $600 million, in the range of $600 million, because we've got the big projects at Goodyear, finishing up Spain and getting that up and running, some specialty investments and then all the aerospace capital that we're spending for their facilities.

**John A. Hayes**  
*Chairman, President & CEO*

And we also announced yesterday a new Paraguay facility.

**Tyler J. Langton**  
*JP Morgan Chase & Co, Research Division*

Also, I meant sort of post-2018, like 2019 beyond, is $500 million sort of a...

**Scott C. Morrison**  
*Senior VP & CFO*

Oh, post it, yes, I think that's a good proxy. It depends on growth, right? If it grows and we continue to find places to deploy capital, we'll do that. If it's a little bit slower, we'll probably dial it back. These are some pretty big chunks, so I would expect it to come down in '19.

**Operator**

Our next question comes from the line of Anthony Pettinari with Citi.

**Anthony James Pettinari**  
*Citigroup Inc, Research Division*

I had a couple of questions on Europe. I think in your last Q, you discussed the pockets of negative pricing in bev cans. Obviously, you had a very strong 4Q. I don't know if that's abated or to the extent you can, if you can talk generally about price cost in the region. And then can you remind us in terms of World Cup, typically, how that helps your volumes and the timing of that bump in Europe and maybe the host country?

**John A. Hayes**  
*Chairman, President & CEO*

Yes, why don’t I take it first and then I’ll turn it over to Dan. First, in terms of your question. We inherited some contracts that had year-over-year price increases [decreases] as we went in to 2017. As we go under 2018, we still have a little bit of it, although it's a little bit less of a headwind. And then those contracts expire. And so we still feel some of the effects of it. But I think, overall, in terms of the overall market tone, it's a relatively flat market right now in terms of the price cost mix. In terms of your second question about the World Cup. As we’ve alluded to on our prepared remarks, it's in Russia, where we have a very good presence and a very good team. What we have found is always World Cup, always adds
some benefit. But quite candidly, it depends upon what geographies and which regions are doing well in the World Cup. If South America does well, it will benefit that. If a European team does well, it will benefit that. Unfortunately, I wish I could say, if an American team did okay. But other than Mexico, I'm not sure that's the case. So Dan, you have anything else to add?

Daniel W. Fisher  
Senior VP & COO of Global Metal Beverage Packaging

Yes, just one clarifying comment. I think John said price increase. It was obviously a price decrease on those contracts that we inherited. So that wasn't in a negotiating context that was just being inherited and what was built into those. And then the other point specific to World Cup is if the World Cup is happening in a region where it's already peak season, you'll have a negligible increase. So to John's comments, if you're in an off-peak season in a place like Brazil, the World Cup can stimulate growth in that area. So I wouldn't necessarily read into Europe that it's going to have a significant benefit, given the timing of when that happens and relative to the peak season.

Anthony James Pettinari  
Citigroup Inc, Research Division

Okay, that's very helpful. And then just switching to North America. A quick question. Freight and weather was a big concern in 3Q. Is it possible to say how much of an impact higher freight cost had in 4Q and kind of, as you sit today, would you say those costs have kind of mostly normalized? Or how do you think about freight in North America?

Daniel W. Fisher  
Senior VP & COO of Global Metal Beverage Packaging

Well, I would say that the freight rates have definitely increased. What we experienced in the third quarter was disruption because of the weather patterns. And with that, you get expedited freight rates as opposed to just a natural rate increase. The natural rate increase is probably in the area of $5 million to $7 million in a quarter in North America. And we're experiencing that right now in Q1, and we don't see that dissipating until fuel prices or oil prices come down.

Operator

Our next question comes from the line of Edlain Rodriguez with UBS.

Edlain S. Rodriguez  
UBS Investment Bank, Research Division

Now some questions on U.S. beer. Like how much was volume down in the U.S. for big beer? And two, do you continue to expect like the strengths in Mexico imports in the region down there to continue to be able to offset the weakness we're seeing in U.S. mega beer?

Daniel W. Fisher  
Senior VP & COO of Global Metal Beverage Packaging

Yes. Well, what we've continued to see when you talk about kind of the top 10 brands in mega beer, they were off double digits for the full year and then craft beer, Mexican imports and other things like ciders, seltzers that go into that category, essentially offset it to its negligible a couple decimal points down in aggregate for North Americas. Yes, all the trends would suggest with the Hispanic millennials will continue to be a demand stimulant. And craft beer, it may not necessarily be that the craft beer segment is growing, but substrate penetration has a lot of legs left on it for us in the can.

John A. Hayes  
Chairman, President & CEO
I might just add. I do think people are talking a little bit too much about this mass beer in the United States. It's been in a slow decline for a number of years now, and it's been declining. There's two large mass beer companies in the United States, and they collectively have been declining around 3% on some of the bigger brands that Dan alluded to. One of them manufactures their own cans in house, and the other one, we do effectively 100% with in the United States. We've been able to more than offset that through exactly what Dan said and through other categories that have been growing, whether it's Mexican imports, whether it's craft, whether it's the alcoholic seltzers. And we expect those trends to continue. One of the things we are seeing in terms of the mass is that they are trying to use different types of cans and specialty cans to really help drive incremental volume. And we expect, as we go forward, we're going to see more and more of that going on.

Edlain S. Rodriguez  
*UBS Investment Bank, Research Division*

No, that makes sense. And one last one on food and aerosol. I think you've noted that some of the volume growth was due to customers carrying more inventories into 2018. Will that lead to lower volume in '18, given that it's probably taken away volume from the first quarter or the second half?

John A. Hayes  
*Chairman, President & CEO*

It could. As we're sitting here now, we really haven't seen it. But that is really a seasonal business. And until you get into the big seasonal selling season and planting season, it's premature to tell. You are right, there was some pull ahead or appear to be some pull ahead, but was also a relatively muted pack as well. And so it's difficult to separate those two. I think, overall, those are market in the fourth quarter was up about 3%. We were up a little bit more than that. But again, for the full year, the overall market was down only about 1%. We were down a little bit more than that, but I wouldn't read too much into that.

Operator

Our next question comes from the line of Adam Josephson with KeyBanc Capital Markets.

Adam Jesse Josephson  
*KeyBanc Capital Markets Inc., Research Division*

Just a couple on Brazil. Dan, I think you mentioned, you expect to grow by a few points less in the market in '18. Did you -- forgive me, if I missed this, but what was the market up by in '17? And roughly what are your expectations for '18 in Brazil?

John A. Hayes  
*Chairman, President & CEO*

I think, let me jump in because I have that in front of me. I know the overall market in the fourth quarter was up about just under 5%, 4.5%, 5%. And I think, overall, for the full year, it was up about 3% to 4%.

Daniel W. Fisher  
*Senior VP & COO of Global Metal Beverage Packaging*

And in reference to the to the future question, as we sit here today and refer back to my comment on who the winners and losers are going to be relative to the World Cup, I would expect this to grow slightly below the aggregate market because of the new market entrant.

Adam Jesse Josephson  
*KeyBanc Capital Markets Inc., Research Division*
Okay. But a similar level of market growth, it sounds like, in '18 versus '17, up 3%, 4% or so?

John A. Hayes  
*Chairman, President & CEO*

Yes, the Brazilian economy is coming back. Unemployment is still higher than what would like to see. But you're actually starting to see some positive economic indicators coming out of that. You're starting to see investment that's going to create job growth going into Brazil. And to Dan's earlier comments about continued can penetration growth, particularly in the beer side, which makes up from majority of the can market, those are the things that underweight the continued growth there.

Adam Jesse Josephson  
*KeyBanc Capital Markets Inc., Research Division*

And just one other on Brazil. I think you mentioned about 1.5 billion cans coming in. I think it's call it a 26 billion can market, correct me if I'm wrong there. So as you're talking 5% or 6% capacity growth. You're talking about demand growth of 3% to 4%. So how do you think about just the interplay between those two factors? And any pricing impact that you would anticipate based on the fact that it appears as if supply is growing a bit faster than demand this year?

John A. Hayes  
*Chairman, President & CEO*

Well, remember, though, that's 1.5 billion, and it all doesn't come on at once. It's phased in. And our competitors started up in the fourth quarter, but they haven't completely ramped up all the way. So you're not going to get a full 1.5 billion in 2018.

Operator

Our next question comes from the line of Mark Wilde with BMO Capital Markets.

Mark William Wilde  
*BMO Capital Markets Equity Research*

I wondered, Dan, if you can give us a little bit more guidance on the expansions that you announced yesterday in terms of both the cost and just the timing?

Daniel W. Fisher  
*Senior VP & COO of Global Metal Beverage Packaging*

Yes, this is a greenfield start-up. And so you think about in the '18, the 24-month range depending on environmental permitting and all the fun stuff that happens relative to that. We've obviously made some commitments to our anchor investor [customer] there. The capital outlay would look consistent to a one-line can plant start-up. The difference for us is we're going to use a lot of used equipment. So it'll be significantly less than a typical greenfield start-up would be. And a greenfield start-up one-line could be somewhere in the neighborhood of $80 million to $100 million. It'll be less than that depending on how much used equipment and how much new equipment we have to use.

Mark William Wilde  
*BMO Capital Markets Equity Research*

And what about in Argentina, Dan?

Daniel W. Fisher  
*Senior VP & COO of Global Metal Beverage Packaging*
Yes, in Argentina, we've got a facility that we've continued to make small investments in, and we'll continue to build that facility out. It's relatively insignificant in terms of capital dollars. I think our latest installment will be in the $10 million to $15 million range.

Mark William Wilde  
*BMO Capital Markets Equity Research*

Okay, and then just as a follow-on. I wondered, we're seeing a little bit of an uptick in aluminum premiums. And I think some of your business in Latin America may be influenced by aluminum premiums. Can you just talk about sort of what type of impact and what you might be doing to kind of hedge yourself there?

Scott C. Morrison  
*Senior VP & CFO*

You're able to hedge those premiums. So we won't see a near-term impact related to that.

Operator

Our next question comes from the line of Debbie Jones with Deutsche Bank.

Deborah Anne Jones  
*Deutsche Bank AG, Research Division*

You made comments about the sourcing benefits in shared services that you think you can get. Should we assume that the opportunity is really in the U.S. and Europe? Or is this -- are you approaching this across your entire system?

Scott C. Morrison  
*Senior VP & CFO*

No, it's really across our entire system. There's different opportunities in different places. So it's really across the three big segments. It's just different buckets and different places. But in total, we're really happy with where we're at and what we expect to show up in '18 and beyond in '19.

Deborah Anne Jones  
*Deutsche Bank AG, Research Division*

Okay. And then just can you just give a bit of a renewed debate about plastics specifically in Europe, single-use plastics. And I'm just wondering if you think that there could be an opportunity to kind of increase or shift away from the, say, PET and kind of the non-beer categories. Are you having any of those conversations? Is this an opportunity for you in certain regions?

John A. Hayes  
*Chairman, President & CEO*

Absolutely, it is. I think all of us, for a long time, have recognized not only the inherent advantages of aluminum and used aluminum in a recycling stream, but also people are increasingly waking up to the very difficult fact that we're polluting our oceans and polluting our world with plastic. And people often confuse recycling with collection. Too often, what happens is plastic gets collected but doesn't necessarily get recycled. And last fall, China turned off that spigot where they're no longer accepting any import of any plastic, and that's creating more and more of a discussion about it. I think it's a wonderful opportunity for the beverage can really be extolling our benefits as the most sustainable package in the world. You should expect to see Ball Corporation really starting to put its shoulder into that, because I think it's the right thing to do, but more importantly, it's in our economic best interest to do.
Our next question comes from the line of Scott Gaffner with Barclays.

Scott Louis Gaffner  
*Barclays PLC, Research Division*

Dan, when I think about some of the added complexity that you've mentioned on prior calls within the system, a lot of it seems to be on the printing side of the equation. And just wondering, from a technological standpoint, has Ball or the industry really have been able to solve some of that complexity such that it's not nearly as much of an issue as far as changeovers, et cetera, within the systems? How should we think about that?

Daniel W. Fisher  
*Senior VP & COO of Global Metal Beverage Packaging*

Yes, I think there's been an awful lot of work that's going on. Twofold, obviously, digital printing is really sexy. I think a lot of folks are investing in that. That might be able to apply to certain segments of our business, think about craft beer and obviously, the proliferation of labels there, but the biggest thing right now, it's still costly, I don't know who's going to pay for that right now. There are some solves, but it's at lower speeds and not quite what the industry needs in a 300 billion [can] marketplace. But the other more likely [option] is using robotics and automation on the printers. And obviously, a lot of investment is going in there. Nothing has really cemented itself in the four walls of our plants, but I think we're probably a lot closer to that than we have been historically. And why we've organized the way we have in around the global business is to make sure that we're prioritizing investments and increasing skill mix in areas like that to get after that ahead of our competitors and in line with what our customers expect.

Scott Louis Gaffner  
*Barclays PLC, Research Division*

Okay. And Scott, when I think about the share buyback for 2018, you said weighted to the second half of the year. And I understand that's when you typically generate most of your free cash flow for the year, but if I look back historically, most of your share buybacks have been in the first half of the year. Is this only in the second half, because we're at an inflection point of trying to pay down the balance sheet first and then getting the free -- the share repurchase? Or has there been a fundamental, sort of, rethink about when the timing of share repurchase throughout the year?

Scott C. Morrison  
*Senior VP & CFO*

No, no fundamental change. It's just we have a big working capital build that happens in the first half of the year. We have to reassess our business after we get through the first quarter and be able to dial it in better. So just as we sit here right now, that working capital build will use a lot of our cash flow right now. But I think $350 million is a good starting point for 2018, and I see that growing in 2019, because we expect to get $1 billion of free cash flow and we'll be at a point from a leverage standpoint where really, no de-leveraging has to occur. And I would see us being able to orient all or if not all, the vast majority of that cash to our share buyback and to our dividends. And I see that continuing for a while because this is going to be a cash machine.

Scott Louis Gaffner  
*Barclays PLC, Research Division*

Sure. And the last thing is just on working capital that you generated in 4Q. I mean, how much of that was coming out of the European business? Because if I recall correctly, I think, that business in particular had higher-than-expected working capital uses in 4Q of '16. Just thinking in broader line.

Scott C. Morrison  
*Senior VP & CFO*

I think you're thinking about it right. The businesses, the large businesses that we acquired from Rexam, they were not
an EVA company. So obviously, there was more opportunity on those balance sheets to get a lot of cash flow, and we saw that going into the deal. And our teams from corporate, treasury, sourcing, legal standpoint working with finance teams in each of those businesses did a fantastic job, and there's more to come.

Operator

Our next question comes from the line of Brian Maguire with Goldman Sachs.

Brian P. Maguire
Goldman Sachs Group Inc., Research Division

Just wanted to come back on South America. Obviously, a really strong performance in there at least relative to what we were expecting. Just wondering if you could -- looking at the 23.5% margin you generated there, is that kind of in line with how you guys thought the quarter was going to shape up? And I just wanted to get a sense of how sustainable that was or if there were any, sort of, one-timers or good guys in there that would reverse out in '18 other than the ends plant and the new entrant to the market that you called out?

John A. Hayes
Chairman, President & CEO

Yes, maybe I'll point out, because we've said in the past that, that is an excellent management team. We have scale there, which is very important. It's a seasonally strongest quarter. And we grew volume-wise 14%. That, in large part, is what drove the continued strong performance. As Dan had mentioned and as I had talked about, as we go into '18, I do think that, that is unsustainable from a margin perspective because of the competitive nature that Dan alluded to, and because we'll be losing some end volume. And so we're going to have to right-size that a bit. But yes, we had a better-than-expected quarter in South America, but not just South America. Dan alluded to it, it's in the rest of the surrounding countries, Argentina. That's why we're building in Paraguay. And Chile was another one that continued strong growth. So I think we did very well there and candidly above our own expectations.

Daniel W. Fisher
Senior VP & COO of Global Metal Beverage Packaging

Yes, I would just echo that. We were better than expected, but we were not surprised, and that's why we were able to deliver. So we had -- we were reading the tea leaves in August and September that this was going to be a strong fourth quarter from some of our major customers there, and we made sure that we had capacity online and metal to deliver, and that's what showed up.

Brian P. Maguire
Goldman Sachs Group Inc., Research Division

Okay, great. And then just switching gears to the food business. I think in the past, you've, sort of, articulated, it doesn't consume a lot of capital, generates a lot of cash. Just wondering if the thought there on a strategic position in the overall company has changed at all in the last couple of months? And just any thoughts on how that business will contribute to Ball going forward?

John A. Hayes
Chairman, President & CEO

Well, it's an important part of our business, and it is part of our business, until it's not anymore. But our sole objective is to maximize the value of each and every one of our businesses. And we had some manufacturing issues in the first half of 2017. We got past those, and you see, since that time, they've had year-over-year profitability improvement. And as we go into 2018, we continue to expect continued improvement in that business. We are facing headwinds in terms of secular decline in terms of the food category, the food can category, but that doesn't mean we don't expect to make more money as we go forward.
Our next question comes from the line of Chip Dillon with Vertical.

Yes, a couple questions. Could you update us on the start time that you expect for the Madrid plant, number one. And number two, you mentioned, I think, Scott mentioned that CapEx in 2019 would likely be down. Would that be the case if it made sense? And could it make sense to add capacity somewhere in Mexico, given that it will have been a while since you last added that third line in Monterrey?

For the start-up in Madrid, I referenced in the notes at the beginning, a little ahead of where we thought, maybe 90 days ago, but tail end of May, beginning in June, which is probably three to four weeks ahead of where we thought this time last quarter.

And on the CapEx side, as I mentioned, we've got some big projects coming on that'll come online in '18, and then we'll see what kind of opportunities we have going forward. We're always talking with our customers to make sure that if they are growing, we're able to supply that growth, and we'll see where that takes us.

And then just as a quick follow-on. Can you talk a little bit about how your mix changed last year, either in a given region or as a company when you look at specialty versus standard? And is that partly a factor in what's going on down in South America? You mentioned the new competitor. Are they mainly coming into the standard sizes, and that's sort of -- and therefore, that's what you're losing in terms of share. And maybe that will be, over time, offset by higher specialty volumes. Any comments there would be helpful.

Yes, so it's hard to parse out the definition of what a standard and specialty can is outside of the U.S., because all the other markets around the world have essentially gone to something other than a standard 12-ounce or 33-centiliter can. So the competitor's coming in with cans that are not a 33-centiliter can. But that doesn't mean that, that's not the overwhelming majority of products that's shipped in that marketplace. And I think our specialty growth has been in line or slightly ahead in probably every region in the world, and we continue to see that continuing. As that's what the end consumer preference is, that's what our customers want and that's what we've been investing in.

Yes, just to give you context. On a global basis, our specialty mix is about 37%. And to Dan's point, in South America, it's almost 50%. When you think about how we define it in the United States, and it's even much greater in AMEA, it's closer to 80%, to Dan's point. And so it varies. But we are seeing growth in specialty stronger than growth in "standard" in every major market.
And the 45% in Brazil, that's just for beer or for everything?

John A. Hayes  
Chairman, President & CEO

No, that's for everything.

Clyde Alvin Dillon  
Vertical Research Partners, LLC

Okay.

John A. Hayes  
Chairman, President & CEO

Yes, and when you said 45%, I want to clarify, I said just under 50%. So it's between 45% and 50%.

Clyde Alvin Dillon  
Vertical Research Partners, LLC

Okay. Of the share that can has them all beverage containers.

Daniel W. Fisher  
Senior VP & COO of Global Metal Beverage Packaging

Clarification. The 45% is can mix. And so what John referenced was the mix within the can mix.

John A. Hayes  
Chairman, President & CEO

Yes, the specialty, said another way. Just under 50% of all cans we sell in South America are specialty containers.

Clyde Alvin Dillon  
Vertical Research Partners, LLC

Understood. But you had said earlier that the can share of all substrates, I believe, or was it just for beer, went from 43% to 45%. That was in the prepared remarks. I didn't know if that was for beer or for everything.

John A. Hayes  
Chairman, President & CEO

I'm sorry, that was just for beer.

Operator

Our next question comes from the line of George Staphos with Bank of America.
So I know you didn't really want to chat too much about -- or if you feel we chat too much about North America. But I really want to come back to a question here as relates to the fourth quarter. Was there anything aberrational from what you saw in terms of your customers and/or their customers in terms of destocking? We had heard from some of our contacts that there might have been a little bit of effect there, 1 effect related to change in excise taxes, part of the overall tax policy regime change that we've had in the States. I don't know if you had any others around that, but I was curious. And then, on specialty, maybe piggybacking off of Chip's last question. What was the specialty growth for you, recognizing it's difficult to parse? You had to put a number on it either globally or within North America in the quarter.

Daniel W. Fisher  
Senior VP & COO of Global Metal Beverage Packaging

I'd say on the destocking, the excise tax, really no impact to us. And then on the specialty growth.

John A. Hayes  
Chairman, President & CEO

Yes, it was about 10% on a global basis.

George Leon Staphos  
BofA Merrill Lynch, Research Division

Okay. And then the next question I had, if we think about the synergies with Rexam and again, traditionally, it was around SG&A procurement footprint. And it sounded like from your comments earlier in the presentation that those are at least trending in line or better than your expectations. I know better than to ask you for a specific number, guys. But is there any one bucket that is seeming maybe a little bit better than your initial expectations, recognizing that the whole pie is at least in line or better than where you initially started? And if so, could you provide some additional clarity around that?

John A. Hayes  
Chairman, President & CEO

Yes, let's take a step back. And when we said the net $300 million, it roughly broke into about 1/3, 1/3, 1/3 between G&A, sourcing and then manufacturing/footprint/all other. On the G&A side, we said we'd probably get half of it through closure of offices. And we recall that we closed the Millbank office. And remember that in June of last year, we closed the Charlotte office. We probably got a half or a little bit more of that. The second half of its going to be coming from moving a lot of activities into our shared services areas that we stood up in '17, including Querétaro, Mexico and Belgrade. So we have yet to get half of that $100 million from G&A, and we expect to get that late '18, but really going into 2019. On the sourcing side, we have gotten all of that, of that roughly $100 million. And we think there could be a little bit more as we go into '18. And then, as you know, on the footprint side, we have announced the closure of Recklinghausen, and closed in August. We announced the closure of Reidsville in United States, and closed out last summer. We haven't even gotten a full year benefit of those, and we've announced three additional closures in North America that we've gotten zero benefit from. And we said, between those three things on a run rate basis, it's approximately $120 million.

George Leon Staphos  
BofA Merrill Lynch, Research Division

Okay. Fair enough. And so when it actually occur then you can measure it then we can ask you, at least qualitatively, how you performed there? But certainly nothing. That would suggest that you're not trending where you expect to be on that front. Phase IV, can you provide a little bit more clarity in terms of what goes into Phase IV? And is there any commercial benefit built into that, recognizing it would be an excess of the $300 million plus that you had guided to?

John A. Hayes  
Chairman, President & CEO
Well, I'll stand by what I said that we have counted on no benefits in any of the numbers we've talked about from a 2019 perspective related to the commercial activities. But the various types of things that you should think about that we are contemplating is, number one, let's just focus here in North America. Dan talked about we are building a new plant and closing three facilities, and we're adding no new net capacity. So we're closing standard 12-ounce and adding specialty. The continued growth of that is a part of it. Changing the customer mix over in Europe, where we were far too overweighted to soft drink, is a part of it. I talked about in Europe that we inherited some contracts that were declining year-over-year to, at a minimum, stop that decline is another example. I could go on and on, but there's hundreds of different things. In terms of being more disciplined about to call off fences that we allow our customers to order so they can't change the orders within 12 hours, but they need 48 or 72 hours to do it. There's hundreds of different things. Those often require renegotiation of contracts. And as you know, George, and the other people know that when we closed on the acquisition of it, we said we have no big contracts coming up for a couple of years. So you put that altogether and hopefully, you're starting to see a mosaic that we're painting towards.

Operator

Our next question comes from the line of Chris Manuel with Wells Fargo.

Christopher David Manuel
Wells Fargo Securities, LLC, Research Division

I wanted to switch gears a second, if I could, and help us a little bit with aerospace. So I kind of look at the progress of the backlog. Just two years ago, the backlog was around $600 million. So you almost tripled the backlog over the last couple of years. And I know there kind of tends to be a little bit of lag as that gets monetizing and goes forward. But appreciating that we're packaging analysts moonlighting in this aerospace business to try to cover. Help us with how you would anticipate revenue and EBIT growth goes the next couple of years? I mean, thinking about something that's $10 million to $20 million of EBIT growth, does that sound crazy to you the next couple of years?

John A. Hayes
Chairman, President & CEO

No, I think that's not out of the realm of possibility at all. The only point of nuance that I would add is, usually, the growth of the profitability on the front end of those contracts is a little bit slower as you de-risk those contracts and it ramps up. And so, I think, as we start to execute on this, you're going to see all things being equal, a slightly muted growth. And then if we perform well, we exceed on the back end, as you know. We've done that time and time again.

Christopher David Manuel
Wells Fargo Securities, LLC, Research Division

And the new business that's come in, is it proportionately weighted towards fixed or cost plus? Or how should we think about kind of where that sits?

John A. Hayes
Chairman, President & CEO

Yes. No, it's a little bit more proportionately weighted towards cost plus than we have been over the last three to five years. A lot of these are very big programs. Some of them are developmental programs. And as you know, in a developmental program, the cost plus is far more favorable for us and our customer because the specs, if you will, have not been defined.

Christopher David Manuel
Wells Fargo Securities, LLC, Research Division

Okay, that's helpful. And then one question for Scott. As we think about the working capital component, I think you indicated this year, perhaps another $100 million. And how should we think about that going forward? Does it start to -- I mean, I'm appreciating it a lot. You wanted to bring out of Rexam as you translated -- move -- migrated them towards an
EVA platform. But metal costs are going up a little bit. Should we kind of think that working capital begins to flatten out after '18? Or do you feel you still have a little more runway?

Scott C. Morrison  
Senior VP & CFO

It is way too early to tell. We think $100 million is a good proxy for '18. But every year our people have been when people are motivated by EVA, they get incredibly creative on ways to generate even more. And so, I'm sure as we get through '18, they'll be thinking about what we can do in '19.

Christopher David Manuel  
Wells Fargo Securities, LLC, Research Division

Or perhaps there's something as you open up Goodyear and you get the other three plants closed that can continue to move as well. So okay, that's helpful.

Scott C. Morrison  
Senior VP & CFO

Yes. that could help too.

Christopher David Manuel  
Wells Fargo Securities, LLC, Research Division

Last question I had was book in cash tax. So I think you indicated that the book rate was going to migrate down in '19 or '18, I'm sorry...

Scott C. Morrison  
Senior VP & CFO

'18, right.

Christopher David Manuel  
Wells Fargo Securities, LLC, Research Division

'18, you have a number for us for what you did cash taxes in '17, and what you think kind of a reasonable cash tax rate might be on a go-forward basis from here?

Scott C. Morrison  
Senior VP & CFO

We didn't pay much in the way of cash taxes in '17. We've got NOLs that we're utilizing, and we won't pay much in the way in '18. That wasn't different with tax reform. That was already anticipated.

John A. Hayes  
Chairman, President & CEO

That's for our U.S. taxes.

Scott C. Morrison  
Senior VP & CFO

Correct, U.S. taxes.
Christopher David Manuel  
Wells Fargo Securities, LLC, Research Division

Yes. So is that as a whole corporate, I mean, is something in that 20%-ish range reasonable for cash taxes going forward?

Scott C. Morrison  
Senior VP & CFO

Let me check on that, Chris, and I'll get back to you. I think it's lower than that.

Operator

Our next question comes from the line of Arun Viswanathan with RBC Capital Markets.

Arun Shankar Viswanathan  
RBC Capital Markets, LLC, Research Division

Just a question on the European margins. They're slightly below our estimates. And just wondering if that was more due to metal pass-through or if it's just kind of delayed benefits from some of the actions you've taken there like Recklinghausen?

Scott C. Morrison  
Senior VP & CFO

Are you adjusting for the depreciation change?

Arun Shankar Viswanathan  
RBC Capital Markets, LLC, Research Division

Yes.

Daniel W. Fisher  
Senior VP & COO of Global Metal Beverage Packaging

Well, I think the answer is they're in line or ahead of where we anticipated 90 days ago. So I guess I can't comment on your model.

Arun Shankar Viswanathan  
RBC Capital Markets, LLC, Research Division

Okay. No problem. Similarly in the U.S, I guess, your margins also on our basis was a little lower. But how do you characterize that versus your own expectations? I mean, was there added softness from the beer weakness?

Daniel W. Fisher  
Senior VP & COO of Global Metal Beverage Packaging

No, we didn't experience the beer weakness in Q4 largely due to our customer mix and our segment mix. We were favorable on, basically every line item of our cost structure in the fourth quarter with the exception of the continued headwinds on the freight rates. But all in all, we were ahead of where we thought we'd be in Q4 in the U.S. as well.

Arun Shankar Viswanathan  
RBC Capital Markets, LLC, Research Division
And then just real quickly, what's an appropriate level of corporate expense per quarter going ahead?

**Scott C. Morrison**  
*Senior VP & CFO*

We said $115 million for the full year.

**Operator**

Our last question is a follow-up from the line of Mark Wilde with BMO Capital Markets.

**Mark William Wilde**  
*BMO Capital Markets Equity Research*

Yes, I'm just curious if we can get any sense of what the incremental CapEx is in aerospace?

**Scott C. Morrison**  
*Senior VP & CFO*

Yes, it's in excess of $100 million.

**John A. Hayes**  
*Chairman, President & CEO*

Spread over several years.

**Scott C. Morrison**  
*Senior VP & CFO*

Yes, spread over a couple of years. We've guided, if you come out to Colorado, Mark, we've got a number of big projects going on right now to expand a number of test facilities and manufacturing facilities. And that'll be mostly in '18 and in '19.

**John A. Hayes**  
*Chairman, President & CEO*

Yes, and just to give you a context. In our satellite manufacturing, we're building some more chambers by which you test, so much larger chambers. As you know, we've experienced some very strong growth in our tactical products, which are everything from the stealth antennas to the video cameras. And we are building on a very large manufacturing wing on to our existing manufacturing site. Those are probably the two biggest ones. And if you came out and wanted to visit, we'd be happy to show you.

**Mark William Wilde**  
*BMO Capital Markets Equity Research*

I'd love to do that. John, I just want to ask about this Diet Coke rollout that's -- they've been publicizing over the last several weeks. It looks like it's going into sleek cans. And I wondered if you're just -- you're seeing kind of more inquiries from the beverage companies on that sort of thing.

**John A. Hayes**  
*Chairman, President & CEO*

Yes, I think that hits to the trend that Dan talked about earlier and I did as well. I think you're seeing that's why we're
seeing 10% growth on a global basis of our specialty. And I think repositioning that is a great example of creating profit pools for themselves and using specialty cans to help do it for them.

Mark William Wilde  
*BMO Capital Markets Equity Research*

And if that works, if that rollout takes, would they usually use the same packaging format kind of globally, so they'd use the sleek cans in other markets around the world?

John A. Hayes  
*Chairman, President & CEO*

Not necessarily, because tastes are very different by geography and region. And also, they have different bottlers that have different areas of focus. But I do think the use of specialty generally is you're seeing more and more across all of our customer base.

Operator

And there are no further questions.

John A. Hayes  
*Chairman, President & CEO*

Okay, great. Thank you, Nelson, and thank you, everyone, for your participation, and we look forward to a strong 2018.

Operator

Thank you, ladies and gentlemen, that does conclude the conference call for today. We thank you for your participation, and ask that you please disconnect your line.
Forward-Looking Statements
This transcript contains "forward-looking" statements concerning future events and financial performance. Words such as "expects," "anticipates," "estimates," "believes," "targets," "likely" and similar expressions typically identify forward-looking statements, which are generally any statements other than statements of historical fact. Such statements are based on current expectations or views of the future and are subject to risks and uncertainties, which could cause actual results or events to differ materially from those expressed or implied. You should therefore not place undue reliance upon any forward-looking statements and any of such statements should be read in conjunction with, and, qualified in their entirety by, the cautionary statements referenced below. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Key factors, risks and uncertainties that could cause actual outcomes and results to be different are summarized in filings with the Securities and Exchange Commission, including Exhibit 99 in our Form 10-K, which are available on our website and at www.sec.gov. Additional factors that might affect: a) our packaging segments include product demand fluctuations; availability/cost of raw materials; competitive packaging, pricing and substitution; changes in climate and weather; competitive activity; failure to achieve synergies, productivity improvements or cost reductions; mandatory deposit or other restrictive packaging laws; customer and supplier consolidation, power and supply chain influence; changes in major customer or supplier contracts or a loss of a major customer or supplier; political instability and sanctions; currency controls; and changes in foreign exchange or tax rates, including due to the effects of the 2017 U.S. Tax Cuts and Jobs Act; b) our aerospace segment include funding, authorization, availability and returns of government and commercial contracts; and delays, extensions and technical uncertainties affecting segment contracts; c) the company as a whole include those listed plus: changes in senior management; regulatory action or issues including tax, environmental, health and workplace safety, including U.S. FDA and other actions or public concerns affecting products filled in our containers, or chemicals or substances used in raw materials or in the manufacturing process; technological developments and innovations; litigation; strikes; labor cost changes; rates of return on assets of the company's defined benefit retirement plans; pension changes; uncertainties surrounding geopolitical events and governmental policies both in the U.S. and in other countries, including the U.S. government elections, budget, sequestration and debt limit; reduced cash flow; ability to achieve cost-out initiatives and synergies; interest rates affecting our debt; and successful or unsuccessful acquisitions and divestitures, including with respect to the Rexam PLC acquisition and its integration, or the associated divestiture; the effect of the acquisition or the divestiture on our business relationships, operating results and business generally.

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