



Press Information

Ongoing expansion in strategic growth markets

A successful year: SIG Combibloc sales increase by ten per cent in 2006

March 2007. SIG Combibloc, one of the world's leading systems suppliers of carton packaging and filling machines for beverages and food, can look back on a successful financial year in 2006. Sales increased by ten per cent, to EUR 1,210 million (previous year: EUR 1,097 million). The successful annual balance can be attributed primarily to ongoing expansion in strategic growth markets outside Europe, and sustained development of the company's activities in the food segment.

Steady growth in Europe – boom in China

SIG Combibloc experienced steady growth in Europe - in Russia, for example, sales increases were in double-digit percentage points. In Germany, further work was done on building up the strategically important dairy business. This strategy has now borne fruit: sales in this segment increased by four per cent in 2006.

A number of northern European regions have also experienced very favourable growth. All in all, sales in Europe increased by about six per cent.

With sales growth of 81 per cent, China is booming. SIG Combibloc was able to further enhance its co-operation with China's two biggest dairy producers, Yili and Mengniu, thus also securing growth opportunities for the future. Against this background, production capacity at the Suzhou plant in Shanghai was further

expanded. With overall investment totalling EUR 57 million, the appropriate steps have been taken to develop and extend the facility up to 2009.

2006 also saw work commence on the expansion of the Thailand production facility. The plant in Rayong mainly caters to the South-East Asia market, which is on course for further growth. Overall, sales in this region increased by 36 per cent. The Vietnamese and Thai markets in particular are experiencing dynamic growth.

Market development in North and South America is also progressing according to plan. Partnerships with existing customers were developed and extended, while more new customers were also acquired. The Middle East and Africa region, too, has experienced robust growth, with an eleven per cent increase in sales.

Food on the move

Alongside the expansion in the non-European markets, SIG Combibloc is also continuing to develop its business with aseptic packaging solutions for food. The technology for producing aseptically packaged foods such as sauces, soups and desserts in carton packaging is making great strides forward, with the food business further increasing in 2006. In North America and Europe, this led to the acquisition of new customers and the further development of existing partnerships. Supported by intensive marketing activities, SIG Combibloc anticipates continued strong growth in this region in the coming year.

In addition, with *combisafe*, SIG Combibloc has developed a new carton packaging system which allows foods with a high particulate content, such as vegetables, fruit, ready-meals and stews, to be filled in carton packaging – the system provides for enormous volume flexibility. The carton packs are heat-resistant and sterilised in an autoclave. Using this process, products packaged in *combisafe* can be stored for up to two years, without refrigeration and without the use of preservatives. The first products will be launched during the second quarter of 2007.

Economical and convenient

In terms of optimal cost-effectiveness and convenience, SIG Combibloc introduced several new developments in 2006 that are already in use internationally.

On course to be a global success, for example, is the new combiSwift closure mechanism. SIG Combibloc successfully launched the screw cap in 2006, in

response to the growing trend towards producing packaging that meets consumer demands for convenience.

Internationally-renowned providers of UHT milk and NCS D products are already opting for the benefits of the screw cap, which is based on a new type of technology. The three-part closure is applied over a coated hole – a process that enables the user to open the cap easily and effortlessly. To make this possible, before the unprocessed cartonboard is coated with aluminium and polyethylene, holes of the correct size are punched in the carton at the SIG Combibloc packaging plants. After the product has been filled at the customer's premises, combiSwift is fitted over the coated hole.

In Germany, where the world's first combiSwift was launched in 2006, more than half of all family-size combibloc *Slimline* cartons are now fitted with a combiSwift cap. Consumer surveys in Germany confirm the excellent handling features of the screw cap, which is distinguished particularly by easy opening, handy operation, good grip and secure re-closing.

Optimal cost-effectiveness

With its new CFA 312 and CFA 512 filling machines, in 2006 SIG Combibloc was able to achieve an output of 12,000 cartons per hour for medium sized packages – with unbeatably fast volume changeover. This is made possible by the use of servo motors, which increase the output of the filling machines for the popular formats combibloc *Slimline* and combibloc *Standard* by 20 per cent. The high-capacity output, coupled with the proven, unbeatably fast volume changeover of the filling machines, is a world first. The first CFA 312 and CFA 512 filling machines have proven themselves in practice. The British Gerber Juice Company Ltd has already opted for the new filling machines from SIG Combibloc.

Caption (high-speed):

With its new CFA 312 and CFA 512 filling machines, in 2006 SIG Combibloc was able to achieve an output of 12,000 cartons an hour for medium package sizes – with unbeatably fast volume changeover.

Photo: SIG Combibloc

Caption (combiSwift):

On course to be a global success is the new combiSwift closure mechanism. SIG Combibloc successfully launched the screw cap in 2006, in response to the growing trend towards producing packaging that meets consumer demands for convenience. The screw cap is based on a new type of technology, that enables the user to open the cap easily and effortlessly.

Photo: SIG Combibloc

SIG Combibloc is one of the world's leading systems suppliers of carton packaging and filling machines for beverages and food. Employing approx. 3,890 people, the company recorded sales of EUR 1,210 million in 2006. SIG Combibloc is a division of SIG Holding AG, Neuhausen am Rheinfall.

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