

Media Release

Date
October 12, 2006

Department
Corporate Communications / Investor Relations

Successful project with Mengniu, one of China's biggest dairy producers leads to a further major order

SIG has been able to notch up yet another success in its strategic expansion into the growth markets outside of Europe: the Inner Mongolia Mengniu Dairy Industry (Group) Co., Ltd., one of the biggest milk processing enterprises in China, invested in the beginning of 2006 in seven high-speed filling machines from SIG Combibloc for its newly constructed production facility in Baoji (Shaanxi Province). As a result of the successful cooperation during that project, Mengniu has now decided to invest in a further 12 filling machines from SIG Combibloc for its newly planned model production plant at corporate headquarters in Hohhot, Inner Mongolia. Given the growing demand for aseptic cartons in the China market, SIG will also continue to expand the local production of packaging material in China in the coming years.

As already reported in the 2006 half-year statement, net sales in China rose by 120 percent, when compared to the previous year's figures for the same period. This growth can be attributed in the main to the successful collaboration with leading Chinese customers. One of China's biggest milk processing enterprises, the Inner Mongolia Mengniu Dairy Industry (Group) Co., Ltd., invested in seven high-speed filling machines from SIG Combibloc for its newly constructed production facility in Baoji. All machines have been operational since September and each one is filling as many as 12.000 cartons per hour, primarily with UHT milk and yoghurt drinks.

Thanks to the very successful cooperation during that first joint project, Mengniu has now decided to rely on SIG Combibloc filling technology for the new model production plant that is under planning for realisation at the groups' headquarters in Hohhot, Inner Mongolia. This model production facility in the Helingeer Shengle industrial zone is to be equipped with a further twelve high-speed filling machines from SIG.



Page 2/3
Media Release
October 12, 2006

Founded in 1999, the Inner Mongolia Mengniu Dairy Industry (Group) Co., Ltd. has, within just seven years, developed from being a small regional supplier located in Inner Mongolia to becoming one of the major milk processors in China. In terms of net sales the company, in 2005, ranked no. 1 in the segment of liquid UHT milk products and ice cream. Today, Mengniu already owns more than 20 production facilities spread across 15 provinces throughout China and markets a portfolio of over 100 different products.

Mengniu holds a 30.3 percent share of China's market for liquid milk products and, in 2005, achieved a turnover of around RMB 10.8 billion (USD 1.36 billion). Compared to the previous year, that result represented a 50 percent increase in net sales and an improvement in net profit of 43 percent. A logical step in this spectacular development was the successful listing of the company on the Hong Kong Stock Exchange in 2004.

Expansion of production capacity in China

As a direct consequence of the rising demand for aseptic cartons in the China market, SIG is undertaking further expansion of local production in China. Investments worth EUR 55 to 60 million over the period of 2006 and 2009 have been approved for the purpose. This expansion is to include the installation and commissioning of a local extrusion line in 2008. Hitherto, coated packaging materials have been supplied by the facility in Thailand and then finish-processed in the Suzhou plant. Capacities for printing and finishing are also earmarked for further expansion in the coming years.

Production at the Suzhou location came on stream in 2004. In the following year already, SIG Combibloc adapted its company structures in China to meet the rapid growth being experienced there and increased its workforce – the number of employees grew from 190 to over 240 in the course of the past year alone.

For further details, please contact:

SIG Holding AG, CH-8212 Neuhausen am Rheinfall/Switzerland, www.sig.biz
Corporate Communications/Investor Relations: Thomas Werder, Tel.: +41 (0)52 674 63 06
Fax: +41 (0)52 674 65 56, E-Mail: thomas.werder@sig.biz



Page 3/3
Media Release
October 12, 2006

SIG is a global provider of packaging solutions. Its product range includes the manufacture of cartons for beverages and food products, as well as machinery for the aseptic and non-aseptic filling of packages (SIG Combibloc division). In the PET sector, equipment for the production, coating and filling of plastic bottles completes the product spectrum (SIG Beverages division). In 2005, the approximately 4,800 employees generated annual net sales (continuing business) of EUR 1.2 billion. The company has its registered office in Neuhausen am Rheinfall (Switzerland) and the SIG share is listed on the Swiss Exchange SWX (SIGN, security no. 1202249).

Cautionary statement regarding forward-looking statements

This communication contains statements that constitute "forward-looking statements". In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond SIG's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of governmental regulators and other risk factors detailed in SIG's past and future filings and reports filed with the SWX Swiss Exchange and the U.S. Securities and Exchange Commission and posted on our websites. Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication. SIG disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.