

## Media release

Date  
August 22, 2006

Department  
Corporate Communications / Investor Relations

### **SIG: Healthy development in first Half Year; upward revision of net sales and profit forecast for year 2006**

#### **SIG Combibloc:**

- Expansion of overseas markets reporting first successes already
- Net sales in China more than doubled; Southeast Asia grows by over 40%; Economies of scale in those markets making increasingly positive impact on operating profit
- Sales in German milk market increased by 6%, resulting in stable development of net sales in Germany

#### **SIG Beverages:**

- Value added bottling strategy starting to have strong positive impact
- SIG Plasmax wins new, well known customers; concept is being developed vigorously; acquisition of SCHOTT participation in joint venture
- SIG Asbofill with excellent order intake for aseptic fillers
- Strong upswing in net sales at SIG Corpoplast and continued stable business development at SIG Cantec

#### **Group:**

- Growth initiatives in the divisions lead to 12% increase in net sales
- Rigorous cost management contributes to 6% rise in EBIT (excl. restructuring costs)

#### **Outlook:**

- Continuation of positive course of business expected; hence, upward revision of net sales and profit forecast for 2006

Both SIG divisions can look back on a positive and better than expected first half year 2006. Thanks, above all, to strong growth rates in China (more than 120%) and Southeast Asia (over 40%), net sales of the SIG Combibloc division rose by 10% to EUR 586 million (2005: EUR 532 million). In Germany, SIG Combibloc's most important market, the partial substitution in the juice segment by PET began more slowly than expected. The 6% net sales increase in the milk sector almost completely offset the fall-off in the juice market.

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The EBIT of the division, prior to restructuring of EUR 16 million, rose by 2% to EUR 55 million (2005: 54 million; EBIT including restructuring costs in the first half year 2006: EUR 39 million). Faced with persistent pressures on margins in Europe and, as a result of expansion costs in the new markets, operating profit did not grow proportionately to net sales. The cost saving measures initiated in the first half will begin to impact in the second semester, thereby having a positive effect on EBIT.

Development of the SIG Beverages division is very satisfying. At EUR 86 million, its order intake was 32% higher than the previous year (2005: EUR 65 million). The net sales of the division also rose by 17% to reach EUR 63 million (2005: EUR 54 million). In terms of EBIT, a balanced result was achieved as, according to plan, profits from the traditional activities SIG Corpoplast and SIG Cantec have been invested in the new technologies SIG Asbofill and SIG Plasmax. SIG Asbofill further expanded its market position, increasing its order intake to EUR 17 million. SIG Plasmax won three new, renowned customers, thereby advancing into further important market segments. To even better exploit the potentials of the SIG Plasmax technology, SIG acquired, on 01.08.2006, the 50% share participation in the Plasmax joint venture hitherto held by SCHOTT AG. SIG Corpoplast demonstrated a strong net sales trend, which is attributable to the successful new positioning within the value added bottling strategy. The EBIT margin also continues to develop positively. At SIG Cantec, the stable order backlog position ensured that the budgeted figures were met.

At Group level, the successes within the divisions led to a 12% increase in net sales to EUR 646 million (2005: EUR 577 million). EBIT at Group level, prior to restructuring costs, grew by 6% to EUR 50 million (EBIT 2005: 47 million; EBIT including restructuring costs in the first half year 2006: EUR 34 million). Seen overall, net profit from core business before restructuring costs fell in the first half 2006 by 10% to EUR 35 million (2005: EUR 39 million). This is due in part to the lower margins from SIG Combibloc business in Europe, as well as the financial profit that suffered from unfavorable exchange rate trends in the first semester.

### **Outlook 2006**

Given a consistent economic environment (in particular, stable raw material prices) SIG assumes that the positive course of business will continue for the 2006 calendar year overall. For SIG Combibloc, the overseas markets are likely to exhibit ongoing strong growth. Furthermore, because of delays in partial substitution in the juice segment of carton by PET bottles in the second half, business in Germany will probably soften less than hitherto

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estimated. Consequently, SIG is revising its 2006 forecast for growth in net sales at SIG Combibloc to 7-9%, with the EBIT margin (prior to restructuring) rising to over 9%.

At SIG Beverages, the substantial order backlog should ensure continued dynamic business development. Hence, the net sales forecast for this division has been raised by 15-20%. In terms of EBIT, a balanced result at least is expected.

At Group level, net sales and profit are expected to more than double compared to the first half 2006.

### **Outlook 2007**

SIG assumes that the partial substitution of the beverage carton in the German juice market will begin in 2007 at the latest. This will result in the net sales of the Group increasing only moderately in 2007. By contrast, it should be feasible to maintain the EBIT margin at the 2006 level.

### **Key figures SIG Group in millions of EUR**

	SIG Group continuing <sup>1</sup>		Δ
	1st half of 2006	1st half of 2005	
Order intake	<b>688</b>	588	17%
Net sales	<b>646</b>	577	12%
Operating profit before depreciation & amortization (EBITDA), <i>prior to restructuring</i>	<b>103</b>	94	10%
EBITDA, <i>after restructuring</i>	<b>94</b>	94	0%
Operating profit (EBIT), <i>prior to restructuring</i>	<b>50</b>	47	6%
EBIT, <i>after restructuring</i>	<b>34</b>	47	- 28%
Profit / loss <sup>1</sup> <i>prior to restructuring</i>	<b>35</b>	39	- 10%
Profit / loss, <i>after restructuring</i>	<b>20</b>	39	- 49%
Free cash flow	<b>20</b>	- 4	n.a.
Number of employees (FTE)	<b>4 768</b>	4 746	0%
Profit / loss discontinuing business <sup>2</sup>	<b>0</b>	- 1	n.a.

<sup>1</sup> SIG Combibloc, SIG Beverages (excl. Discontinuing Business), Corporate/Services, Eliminations

<sup>2</sup> SIG Beverages Discontinuing Business: SIG Simonazzi, SIG Alfa, SIG Manzini, SIG Comaco



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### Segment overview in millions of EUR

	Order intake			Net sales			EBIT prior to restructuring (after restructuring in brackets)		
	1st half 2006	1st half 2005	Δ	1st half 2006	1st half 2005	Δ	1st half 2006	1st half 2005	Δ
SIG Combibloc	<b>608</b>	531	+ 15	<b>586</b>	532	+ 10	<b>55 (39)</b>	54	+ 2 (- 28)
SIG Beverages	<b>86</b>	65	+ 32	<b>63</b>	54	+ 17	<b>0</b>	0	-
Corporate/Services	-	-	-	-	-	-	<b>- 4</b>	- 4	n.a.

### Notes to the Analysts:

#### Conference Call for Analysts, Investors and English Speaking Media (English)

Tuesday, August 22, 2006, 11.30 a.m.

Dial-In number:

+41 (0) 91 610 5600 (Europe)

+1 (1) 866 291 4166 (USA)

+44 (0) 207 107 0611(UK)

A replay of the conference call will be available for 24 hours following the call, beginning at 2.30 p.m. on Tuesday, August 22, 2006.

To listen to the recording, please dial the replay number below.

Replay number:

+41 (0) 91 612 4330 (Europe)

+1 (1) 866 416 2558 (USA)

+44 (0) 207 108 6233(UK)

Code: 522 #

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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.