

## Media Release

Date  
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Department  
Corporate Communications / Investor Relations

### **SIG Board of Directors' reports on the takeover offers of CVC/FERD and Rank Group; SIG boosts profit by 53% (preliminary 2006 figures)**

In fulfillment of the legal requirements, the SIG Board of Directors today issued reports for the attention of its shareholders on the takeover offers of Romanshorn S.A. (controlled by "CVC/FERD") and the Rank Group Ltd.

("Rank"). The Board of Directors refrains from making a recommendation either in favor of or against the CVC/FERD offer of CHF 400.— per share.

It recommends the shareholders to reject the Rank offer of CHF 370.— per share.

Furthermore, the Board informs that, to the best of its knowledge, no other bidders remain in the auction process apart from CVC/FERD and Rank. In the context of these reports, SIG is also announcing its preliminary financials for the year 2006, which indicate a remarkable increase in net profit to EUR 66 million (+53% over 2005).

#### **CVC/FERD: realistic price level, pending antitrust review**

The Board of Directors refrains from a recommendation in favor of or against the CVC/FERD offer of CHF 400.— in cash per share which was formally announced on January 5, 2007. Whilst, in the view of the Board, the offer price is at a realistic level for those shareholders who want to cash out their investment in the company and are not focused on capturing the future value creation potential as outlined in the business plan published in October 2006, the still pending review process of the EU antitrust authorities, combined with the conditions of the offer, imply a risk that CVC/FERD may not be able to ultimately complete the transaction.

Based on an analysis undertaken by the SIG Board of Directors together with its legal and financial advisers, the outcome of the EU antitrust review cannot be predicted with sufficient certainty. Should the EU antitrust authorities seek to either block the transaction or subject its clearance to conditions that breach the thresholds set out by

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CVC/FERD in its offer, CVC/FERD would be allowed to dismiss the offer. In such a scenario, the offer would not close and the shares would remain with the shareholders. At that time, the SIG shareholders would no longer be able to tender their shares into the competing offer from Rank.

It should also be pointed out that Rank can submit a higher offer to the SIG shareholders up to five days before the end of the main offer period. Hence, the Board of Directors is unable to make any statement to its shareholders on whether the CVC/FERD offer of CHF 400.— per share represents the highest achievable price.

Given these considerations, the SIG Board of Directors refrains from issuing a recommendation in favor of or against the CVC/FERD offer.

**Rank: offered priced too low**

The SIG Board of Directors has carefully reviewed the offer of CHF 370.— in cash per share which was announced by Rank on December 19, 2006. Whereas the Board is of the view that Rank has the ability to complete the transaction, it is convinced that the offered price of CHF 370.— does not reflect the inherent value of SIG. Consequently, the Board of Directors recommends its shareholders to reject the Rank offer on the basis of it being too low.

**Remarkable increase in 2006 net profit by 53%**

As part of the above-mentioned reports, SIG is also announcing preliminary financials for 2006 (unaudited). With sales of EUR 1,349 million (+ 12% over 2005), earnings before interest and taxes (EBIT) of EUR 108 million (+ 42% over 2005, before one-off items) and a net profit of EUR 66 million (+ 53% over 2005), SIG is fulfilling its forecasts which were increased in October 2006 for the second time. Despite continued and significant investments in the growth of the company (at lower depreciations) and release of provisions for the cost reduction programs, the free cash flow was maintained at a high level of EUR 73 million (2005: EUR 77 million). Given the strong operating performance in the past year, the net debt decreased by 53% to EUR 30 million (2005: EUR 64 million). The complete and audited financial statements for 2006 will be published on March 6, 2007.

In the coming years, SIG expects to grow its sales above the industry average: 2008/2009 by over 10% and an annual average of 8% for the period 2009-2014. The more moderate growth forecast for 2007 reflects the expectation that the long forecasted partial substitution of cartons by PET bottles in the German juice segment



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will now commence this year. SIG is confident that in the coming years, the EBIT margin of SIG Combibloc will sustainably exceed 10%, translating into double digit margins at Group level in the medium term.

UBS Investment Bank is acting as exclusive financial adviser on behalf of SIG.

**Appendices:**

- Board of Directors' reports (newspaper ads) on the offers from CVC/FERD and Rank
- Preliminary figures for 2006

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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.