

Media Release

Date
March 6, 2007

Department
Corporate Communications / Investor Relations

SIG Annual Financial Statements 2006: double-digit growth in net sales: +12%; strong increase in net profit: +53%; operational success as a result of determined strategy implementation

SIG can look back on a successful business year 2006. The group grew faster than the market and, at the same time, succeeded in disproportionately increasing its net profit. This success can be attributed primarily to the determined implementation of the fully unfolding growth strategy. Moreover, SIG has capitalized on the globally positive economic environment. In the year under report, the Group's net sales grew by 12% to reach EUR 1 349 million (2005: EUR 1 207 million). Thus, the rate of growth of the first half (+12%) continued unabated. Despite further price increases for raw materials and continued price pressures, operating profit (EBIT) rose significantly thanks to the successful implementation of the cost reduction initiatives: prior to one-time items, it climbed by 42% to EUR 108 million (2005: EUR 76 million). Including one-time items, EBIT grew by 34% to EUR 90 million (2005: EUR 67 million). Net profit also developed reassuringly, increasing by 53% to EUR 66 million (2005: EUR 43 million). Overall, this past business year validated the ambitious targets for 2006, announced during the media and analysts conference of last October. In view of this satisfactory course of business, the Board of Directors will propose to the General Meeting the distribution of a dividend amounting to CHF 5.- per registered share. The Board of Directors, however, reserves the right to revert to its proposal should this appear necessary or pertinent in the context of the currently pending takeover offers. In particular, the Board of Directors reserves the right to withdraw the dividend proposal, or to submit a proposal whereby the dividend will only be paid out if no public purchase offer has been completed by a given date.

The strong growth trend is likely to continue in the coming years. Only 2007 may develop less dynamically in terms of net sales as the long-expected partial substitution of cartons by PET in Germany's juice market will probably become more discernible in the course of the ongoing business year. EBIT and net profit are expected to again increase.

This outlook applies to SIG as an independent company and does not take into account any possible impact of a potential sale of the company.

SIG Combibloc and SIG Beverages on expansion course

Both SIG divisions contributed to the significant upswing in net sales. With a net sales increase of 30%, SIG Combibloc again gained substantial strength in the strategic growth markets outside of Europe – in addition to Southeast Asia, it was primarily China that continued this dynamic trend. In Europe, the division reported a solid net sales growth of 6%. In certain regions such as Russia, increases in net sales reached the double-digit mark. In Germany, the division's main market, the partial substitution of the carton package by PET in the juice sector has been less rapid than expected. At the same time, it was possible to successfully expand in the increasingly important milk business. With stable sales, the overall performance of SIG Combibloc in the German market was stronger than originally expected. Moreover, in the food segment, which has also been designated a key market, the division succeeded in expanding further and gaining market shares. Overall, net sales of SIG Combibloc increased by 10% to EUR 1 210 Mio. (2005: EUR 1 097 Mio.).

SIG Beverages was also in excellent shape. The strong increase in net sales (w/o Cantec, which was divested in September 2006) of 29% to EUR 129 million (2005: EUR 100 million) is primarily the result of the growing impact of the value added bottling strategy. Traditional business activities with SIG Corpoplast reached record levels in 2006. The new positioning as "Bottles & Shapes" specialist, combined with strong demand from Eastern Europe and Germany, established the groundwork for this success. Moreover, the two still young products SIG Asbofill and SIG Plasmax made major progress in 2006. Whereas SIG Plasmax proved itself for the first time under industrial mass production conditions, SIG Asbofill achieved market breakthrough in 2006, establishing itself as one of the leading providers of aseptic filling technology for plastic bottles.

Highest net profit since 2000

This positive course of business was also reflected at operating profit level (EBIT). In addition to growth in volumes, it was also the savings from the cost reduction initiatives at SIG Combibloc that contributed to the improved results. This, in turn, allowed SIG to respond to the once again substantially higher cost of raw materials and the unrelenting price pressures in the market for beverage and food packaging systems.

Despite the one-off costs relating to capacity adjustments in Europe (EUR 15 million) and the ongoing takeover process (EUR 9 million), a net profit of EUR 66 million, the best result since 2000, was achieved. A part of those one-off costs was compensated by activating no more used provisions (EUR 6 million). Also impacting positively on profitability was the implemented optimization of the Group's tax structure, through which the tax rate was reduced to 29% (2005: 35%) mark.

Notwithstanding 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). This can also be attributed to the active management of net current assets which, despite increased net sales,

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were further reduced. Thanks to the higher cash flow and despite the cash outflows resulting from the nominal value reduction (CHF 4.- per share), as well as the share buyback program, net financial liabilities fell sharply by 53% to EUR 30 million (2005: EUR 64 million).

With the sale of SIG Cantec (suppliers of can making machinery) at the end of September 2006, the initiative of focusing on the market for beverage and food cartons (SIG Combibloc) and high-end systems for plastic bottles (SIG Beverages) reached its successful conclusion.

Share buyback program ended

On January 16, 2006 SIG initiated a share buyback program valued at up to CHF 100 million. Following the announcement of the CVC/FERD takeover offer, the share buyback program was stopped in September 2006 on legal grounds. A total of 178'100 shares valued at CHF 50 364 525.- was bought back. At the time of launching the buyback program, the intention was to propose to the General Meeting 2007 the cancellation of the bought back shares through a capital reduction. In view of the ongoing takeover process, however, the Board of Directors reserves the right not to submit this motion to the General Meeting 2007.

Outlook: double-digit net sales growth from 2008 onwards; current year less dynamic

As both SIG Combibloc and SIG Beverages can demonstrate excellent longer-term growth perspectives, double-digit growth rates – as already disclosed last October in the business plan – are again being targeted for 2008 and the subsequent business years. Only in 2007 is SIG's development liable to be less dynamic as the long-expected partial substitution of cartons by PET in Germany's juice market, stemming from already-installed PET filling lines, will probably become more strongly discernible, despite the indisputable ecological advantages offered by the carton package.

Despite the – temporary – weakness of business in Germany, investments in product innovations and the forced expansion of the Plasmax activities, the already effective cost reduction measures and the continuing optimization of the tax structure will support a further increase of the Group's EBIT and net profit in 2007.

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Key Figures 2006 (in EUR million)

	2006	2005 ¹
Net sales		
SIG Combibloc	1,210	1,097
<i>Growth (%)</i>	10	2
SIG Beverages	145	125
<i>Growth (%)</i>	16	-6
SIG Beverages excl. Cantec ²	129	100
<i>Growth (%)</i>	29	-7
Eliminations	-6	-15
Total net sales	1,349	1,207
<i>Growth (%)</i>	12	2
EBITDA		
SIG Combibloc		
before restructuring costs/bidder costs	217	187
Restructuring costs	-8	-8
SIG Combibloc		
after restructuring costs/before bidder costs	209	179
SIG Beverages	4	5
SIG Beverages excl. Cantec ²	3	3
Services/Corporate/Eliminations	-7	-12
Release of provisions	6	-
EBITDA before restructuring costs/ Release of provisions	214	180
EBITDA after restructuring costs/ Release of provisions	212	172
Costs related to bidding process	-9	-
Total EBITDA	203	172
<i>EBITDA margin (%)</i>	15.1	14.3
EBIT		
SIG Combibloc		
before restructuring costs/bidder costs	119	95
<i>Margin (%)</i>	9.8	8.7
Restructuring costs	-15	-9
SIG Combibloc		
after restructuring costs/before bidder costs	104	86
<i>Margin (%)</i>	8.6	7.8
SIG Beverages	1	1
<i>Margin (%)</i>	0.7	0.8
SIG Beverages excl. Cantec ²	0	-1
Services/Corporate/Eliminations	-12	-20
Release of provisions	6	-
EBIT before restructuring costs/ Release of provisions	108	76
EBIT after restructuring costs/ Release of provisions	99	67
Costs related to bidding process	-9	-
Total EBIT	90	67
<i>EBIT Margin (%)</i>	6.7	5.6
Financial result	-4	-6
Profit on divestments	7	5
Profit before tax	93	66
Income tax expenses	-27	-23
<i>Tax rate in %</i>	29	35
Net profit	66	43
<i>Growth (%)</i>	53	n.a.
Total capex	127	141
Free cash flow	73	77
Net financial liabilities³	30	64

Notes:

¹ Core business only

² As non-core business, Cantec was sold on September 30, 2006.

³ 2005: Incl. Discontinuing



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Conference Call (English) for investors, analysts and media
with Rolf-Dieter Rademacher, CEO, Marco Haussener, CFO, André Rosenstock, COO

Tuesday, March 6, 2007,

Europe: 09:00 – 10:00 MEZ (08:00 – 9:00 UK)
US: 15:00 – 16:00 MEZ (09:00 – 10:00 US/East coast)

Dial-In number:

+41 91 610 5600 (Europe)
+1 (1) 866 291 4166 (USA toll-free)
+44 207 107 0611 (UK)

At www.sig.biz you can in advance download the slides of the presentation.
At the same web address you also have access to the annual report 2006.

A replay of the conference call will be available for **24 hours** following the call,
beginning at 11 a.m. or 5 p.m. on Tuesday, March 6, 2007.

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

Replay number:

+41 91 612 4330 (Europe)
+1 (1) 866 416 2558 (USA)
+44 207 108 6233 (UK)

Code: 706 # (11 a.m.)

Code: 719 # (5 p.m.)

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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 2006, the 4,675 employees generated annual net sales (continuing business) of EUR 1,349 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.