



SHAREHOLDER LETTER FEBRUARY 2006 SIG Holding Ltd.

Dear Shareholders

The General Meeting scheduled for March 30, 2006 is of particular significance to the future of SIG. A group of shareholders headed by Sterling Strategic Value (T. Tettamanti) is tabling a motion to vote off the Board of Directors despite the fact that, over the past two years, SIG has undoubtedly achieved a great deal. With the complete focus since last fall on the markets for beverage and food cartons (SIG Combibloc) and on value added systems for bottling PET (SIG Beverages), the roadmap for a profitable future has been established. All «problem areas» from the past were eliminated in less than 12 months. At the same time, we have forged ahead vigorously with expanding the business into the strategic growth markets outside of Europe and into the food packaging sector. **Those efforts have been rewarded by the shareholders and are reflected in the performance of the SIG share, which has risen by over 65 percent since the incumbent Board of Directors and the new Group Executive Board took office in the spring of 2004.**

On the basis of the operational improvements of the past two years and the solid anchoring of the strategic reorientation, we will propose to the General Meeting that the shareholders should benefit to a greater extent from the success of the Company: in January, we initiated a share buyback program valued at up to CHF 100 million and propose also to significantly increase the payout for 2005, which will be paid out in the form of a nominal value repayment. Also, we intend to increase the payout ratio to a level of 30 to 40 percent annually.

In the fall of 2005, we announced the strategic thrust of the coming years: through the SIG Combibloc Division, the Group will concentrate even more strongly on the growth markets beyond Europe's borders and assertively expand in the food products sector with new and innovative solutions. Promising innovations will allow the SIG Beverages Division to further develop its PET business. **We are convinced that, with this strategy as the worldwide number two in the markets for beverages and food products packaged in cartons, we can create substantial value added for you, the shareholders, in the coming years.**

To accelerate the implementation of this strategy, we will propose for election to the Board of Directors at the General Meeting of March 30, 2006 three personalities whose expertise and experience can make a significant impact: **Heinrich Fischer, CEO of Saurer AG, Swiss; Götz-Michael Müller, Managing Director of Coca-Cola Germany up to end 2005, German; Dr. Rudolf Wehrli, CEO of Gurit-Heberlein, Swiss.** Heinrich Fischer possesses long-term industrial experience and manages the internationally active and listed Saurer AG with considerable success. Through his broad management experience in executive positions with Kraft Foods, Brauerei Beck & Co and Coca-Cola, Götz-Michael Müller has in-depth expertise in the German and international beverages and food products industries. With a clear corporate vision, Dr. Rudolf Wehrli has reoriented the listed Gurit-Heberlein AG into profitable markets with strong growth. These three candidates, in conjunction with the incumbent five Board Members – Lambert Leisewitz, Thomas Hübner, Robert Lombardini, David Schnell and Peter J. Hauser, the latter is standing for re-election – will make further headway in increasing the value of SIG.

The recent past has highlighted that we live up to our promises and that you, the shareholders, benefit from that approach. During the past two years, the corporate value of SIG has risen by well over CHF 700 million. That achievement, however, is only an interim objective. The aim now is to rigorously implement the growth strategy and to exploit the value added potential of SIG to the full. **Our firm conviction is that we will achieve these goals as an independent group. We have the market positioning, the know-how, and the resources to do so – and our innovation pipeline into which we invested substantial assets over the past two years has much potential to offer.**

We want to create sustainable value for our shareholders and have been acting accordingly when evaluating approaches from third parties claiming an interest in a takeover of SIG. Because SIG is an attractive group with excellent perspectives, we do receive inquiries on a regular basis. **In the past, however, we have not received any concrete offers. Such offers would have to be published immediately and submitted to the shareholders. In January, the Swiss Stock Exchange SWX formally confirmed that SIG has not contravened the ad hoc publicity rules and, consequently, has not received an offer hitherto.**

It must be clearly stated here that the Board of Directors is in no way adverse to offers and does not attempt to undermine them. When interested parties make an approach to SIG, the Board of Directors carefully assesses whether there might be benefits for the group and the shareholders. Would the sale advance at least one of the three business sectors: beverage cartons, packages for food products or PET, more quickly or sustainably than going it alone? Can it be assumed that the potential buyer is giving sufficient consideration to the sustainability of our business? Does the buyer have a realistic price in mind, and does it allow existing shareholders to participate adequately in the long-term value creation potential? **Were there satisfactory answers to these questions – and this has not been the case with inquirers hitherto – then the Board of Directors is open for negotiations. The decisive criteria for our actions in such cases are the interests of the SIG Group and those of our shareholders.**

It is the undeniable right of all shareholders to take care of their own interests, even when these are short-term in nature. However, the manner in which Sterling Strategic Value is pursuing its own interests – purportedly on behalf of all shareholders – is objectionable. **Sterling published confidential documents, thereby attempting to force a successful company into actions that would have potentially caused harm.** As mentioned beforehand, the Board of Directors is not fundamentally against the sale of SIG; however, the transaction would have to make sense for the shareholders and other stakeholders. Weighing up the benefits and disadvantages of a prospective sale is too serious a matter to be undertaken in the glare of media publicity.

Dear Shareholders: at the General Meeting of March 30, 2006 you will use your votes to decide on the coming future of SIG. The Board of Directors firmly believes that today, SIG is very well positioned and, as an independent group, continues to have first-rate perspectives for further value creation. My colleagues on the Board and I would be delighted if we are also able to convince you of this positive constellation.

Sincerely yours



Lambert Leisewitz
Chairman of the Board of Directors

You will find detailed CVs of the BoD candidates Heinrich Fischer, Götz-Michael Müller and Dr. Rudolf Wehrli under www.sig.biz/investor relations

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