To the Shareholders of SIG

BOARD REPORT ON THE TAKEOVER OFFER FROM ROMANSHORN S.A.

BACKGROUND OF THE OFFER

On September 22, 2006, CVC Capital Partners Group Sàrl („CVC“), a UK-based private equity company, and FERD A.S. (“FERD”), the Norwegian parent of the packaging company Elopak, informed the Board (“Board”) of SIG Holding AG (“SIG”) that they intend to launch a public take over offer at a price of CHF 325.— per share.

On September 24, 2006, the Board decided in the interest of all shareholders and the company to reject this offer as inadequate. Furthermore, the Board decided to invite other parties to review an acquisition of SIG and initiated an auction process.

On September 25, 2006, Romanshorn S.A. Luxembourg (“Romanshorn”), a company controlled by CVC/FERD, published a pre-announcement according to Art 6 of the ordinance of the TOO following the 6-week cooling-off period ended on November 6. An application of Romanshorn to extend this period has been rejected by the Swiss Takeover Board (“TOB”). Thereafter, Romanshorn published the offer document on November 6, 2006 (“CVC/FERD offer”).

Romanshorn breached the best-price rule by the fact that a company controlled by CVC/FERD entered into share purchase agreements with top-up rights. The price that had to be offered by Romanshorn following such breach could not be determined for a long time. On December 19, 2006, i.e. while the debate on the price to be offered by Romanshorn was still ongoing, Rank Group Ltd. (“Rank”) announced to launch an offer of CHF 370.— per share. Rank published the offer document on December 22, 2006.

Following its press release of December 22, 2006, CVC/FERD was requested by the TOB to publish the increased offer price of CHF 400.— in the correct and binding form on January 5, 2007. As of today, there are two competing offers of Romanshorn S. A. and Rank Group Ltd.

RECOMMENDATION AND EXPLANATION

The Board has carefully reviewed the offer of CVC/FERD, having regard for both the revised offer price (value) and the ability to close the transaction (deliverability). Whilst the offer price of CHF 400.— in cash per share is now at a realistic level, the still pending detailed investigation undertaken by the EU Commission creates a certain risk that CVC/FERD may not close the transaction under the currently proposed terms. Given this uncertainty the Board is not in a position to opine on the CVC/FERD offer at this point in time.

The Board also informs the shareholders that to its knowledge the only parties left in the auction process are Rank Group and CVC/FERD.

The considerations of the Board are set forth below:

Value

The Board reviewed the revised offer price of CHF 400.— per share and benchmarked it against SIG's inherent value. The Board, together with its financial advisers, came to the conclusion that the revised offer price is at a realistic level for those shareholders who want to cash out of 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 offer price is above the target price range (CHF 363.— to 395.—) as set out by the equity research analysts who have based their valuations mainly on cash flow models[1]
- the implied transaction multiple of 14.7x EV/EBIT (based on preliminary 2006 figures) is comparable with the multiples offered in precedent transactions in the packaging sector
- the offer price represents a premium of 31% to SIG's last closing price (CHF 305.25), and 40% to SIG's 30-day average opening price (CHF 285.85) prior to CVC/FERD's first offer on September 25, 2006 which are in-line with premia that were paid in recent contested public transactions in the Swiss market.

Furthermore, shareholders need to take into consideration that Rank Group can increase its offer until five days before the end of the main offer period. Therefore, at this point of time, the Board cannot conclude that the existing offer reflects the highest achievable price.

Note:
[1] Based on the four broker notes that were published after October 25, 2006 and include a stand−alone valuation of SIG: Sarasin: (fair value CHF 363.—); Neue Zürcher Bank (target price CHF 395.—); Lombard Odier Darier Hentsch (target price CHF 380.—); Helvea (target price CHF 395.—)

Deliverability

The Board has carefully reviewed CVC/FERD's ability to close the proposed transaction in compliance with the terms and conditions set forth in the offer document dated November 6, 2006 and the amendment to the offer document dated January 5, 2007, particularly the antitrust approvals (conditions (c) and (d) set forth in the offer document dated November 6, 2006).

On December 22, 2006, the European Commission (EC) announced the launch of an in-depth investigation into the consequences of the planned combination of SIG and Elopak as proposed by the offer of CVC/FERD (EC phase II investigation process). Within its prerogatives, the EC has until May 15, 2007 (90 business days from December 22, 2006) to reach a final decision on “whether the concentration would significantly impede effective competition within the European Economic Area or a substantial part of it”.

Unless CVC/FERD receives full regulatory approval complying with the discretionary conditions set out in the offer document, they are under no obligation to close the transaction. These discretionary conditions notably require that the potential antitrust remedies do not give rise to at least one of the following effects on a future consolidated financial statement of SIG:

- a decrease in profits before interests and taxes (EBIT) by EUR 7 million or more
- a drop in net sales by EUR 60 million or more
- a reduction of the total equity by EUR 40 million or more.

The Board has sought both independently and in discussion with CVC/FERD to assess the antitrust situation in the light of the conditions mentioned above to gain further insight into the likely outcome of the investigation and mitigate the associated transaction risks for SIG shareholders. However, based on the information currently available to the Board, the outcome of the in-depth EC investigation cannot be predicted with sufficient certainty for a variety of reasons:

- in European merger control, the substantive test has been changed from “market dominance” to “significant impediment of effective competition” on May 1, 2004. In other words, anticompetitive unilateral effects may be sufficient to prohibit an envisaged merger of companies even if they would not have a dominant position following the merger. To date, no precedents are known based on which one could assess the likely outcome of the current investigation of the EU competition authorities
- there is only limited data available to assess the potential concerns raised by the EC; hardly predictable customer reactions seem to be an important element for the EC.

As a result of these considerations, the Board, together with its legal and financial advisers, is today of the opinion that the outcome of the in-depth EC investigation cannot be predicted with sufficient certainty. Should the EC seek to either block the transaction or subject its clearance to remedies that breach the thresholds set out by CVC/FERD, CVC/FERD would be allowed to terminate the offer. In such a scenario

- the transaction would not close and the shares would remain with the shareholders
- shares could not be tendered any more into the competing offer of Rank.

It is the Board’s opinion that such a scenario, and its negative consequences for SIG shareholders, cannot be fully ruled out under the current circumstances.

Conclusion

The offer price of CHF 400.— in cash per share is at a realistic level. However, it should be noticed that Rank has the possibility until five days before the end of the offer period to submit a higher offer. Therefore, at this point of time, the Board cannot conclude whether the existing offer reflects the highest achievable price. Furthermore, the Board is concerned with the insufficient certainty that CVC/FERD will complete the transaction. The Board is therefore not in a position to issue a recommendation in favor or against the CVC/FERD offer.

THE BOARD EXPECTS CONTINUOUS AND PROFITABLE GROWTH FOR SIG

- *Preliminary 2006 results in-line with revised forecasts*: the preliminary 2006 results (publication of audited results on March 6, 2007) provide further evidence that SIG is successfully implementing its announced growth strategy and, in parallel, improving its cost structure. With sales of EUR 1,349 million (up 12% vs. 2005), EBIT (pre-restructuring) of EUR 108 million (up 42% vs. 2005) and net profit of EUR 66 million (up 53% vs. 2005), SIG is fulfilling its forecasts which were increased in October 2006 for the second time. Despite continuously significant investments in the growth of the company (at lower depreciations) and the release of provisions for cost reduction programs, the free cash flow of EUR 73 million (vs. EUR 77 million in 2005) could be maintained on a high level above market expectations. Thanks to the strong operating performance, the net debt has been significantly reduced by 53% to EUR 81 million (vs. EUR 64 million in 2005) (see table: “Preliminary 2006 figures in-line with revised forecasts”).
- *Compelling strategy: expansion outside Europe and in new market segments as well as market launch of new technologies*: future growth will result from SIG’s proven strengths and established competitive positioning in aseptic filling and barrier coating. SIG will leverage these competencies to expand into adjacent segments and fast growing regions as well as further commercialize the value added bottling proposition in plastics

packaging business. SIG has successfully entered the fast growing Chinese market and is focused on expanding its market share in the coming years. The proven approach to geographic expansion is now being applied to South America, another attractive growth opportunity. Beyond expansion into new geographic markets, SIG is also focused on leveraging its well-established position within the aseptic food market (carton packaging for soups and sauces) to grow its retortable food business (vegetables, fruits etc.). Plasmax, the new plasma barrier coating solution for PET bottles, has successfully entered the commercialization phase and is expected to grow very rapidly in the coming years.

- *Growth rates above industry levels*: for the following years, SIG expects sales growth above industry levels, i.e. more than 10% in 2008/09, and a CAGR of 8% in 2009-2014. SIG's expectation of rather moderate sales growth in 2007 reflects the anticipated, though delayed switch from carton to PET in the German juice segment.
- *Increasing profitability*: SIG is confident that Combibloc's operating profitability will remain at a sustainable level in excess of 10%, translating into an operating profitability at group level of 8-9% in the short term (2007-09) and 9.5-11% in the longer term (2010-2014).

Preliminary 2006 figures in-line with revised forecasts (EUR million)

	2005[1]	2006E[2]	Preliminary 2006[3]
Net Sales			
SIG Combibloc	1,097	1,210	1,210
Growth (%)	*2*	*10*	*10*
SIG Beverages	125	145	145
Growth (%)	*-6*	*16*	*16*
SIG Beverages without Cantec[4]	100	130	130
Growth (%)	*-7*	*30*	*30*
Eliminations	-15	-7	-6
Total Net Sales	**1,207**	**1,348**	**1,349**
Growth (%)	***2***	***12***	***12***
EBITDA			
SIG Combibloc before restructuring costs	186	221	217
Restructuring costs	-8	-10	-8
SIG Combibloc after restructuring costs	178	211	209
SIG Beverages	5	4	4
SIG Beverages without Cantec[4]	3	3	3
Services/Corporate/Eliminations	-11	-8	-7
Release provisions	-	6	6
EBITDA before restructuring / release provisions	**180**	**217**	**214**
EBITDA after restructuring / Release provisions	172	213	212
Auction costs	-	-8	-9
Total EBITDA	**172**	**205**	**203**
EBITDA margin (%)[3]	***14.3***	***15.2***	***15.1***
EBIT			
SIG Combibloc before restructuring costs	95	121	119
Margin (%)	*8.7*	*10.0*	*9.8*
Restructuring costs	-9	-16	-15
SIG Combibloc after restructuring costs	86	105	104
Margin (%)	*7.8*	*8.7*	*8.6*
SIG Beverages	1	1	1
Margin (%)	*0.8*	*0.7*	*0.7*
SIG Beverages without Cantec[4]	-1	0	0
Services/Corporate/Eliminations	-20	-13	-12
Release provisions	-	6	6
EBIT before restructuring / Release provisions	**76**	**109**	**108**
EBIT after restructuring / Release provisions	67	99	99
Auction costs	-	-8	-9
Total EBIT	**67**	**91**	**90**
EBIT margin (%)[3]	***5.6***	***6.8***	***6.7***
Financial result	-6	-7	-4
Profit on divestments	5	7	7
Profit before tax	66	91	93
Taxes	-23	-29	-27
Tax rate (%)	*34*	*32*	*29*
Net profit	**43**	**62**	**66**
Growth (%)	***n.a.***	***44***	***53***
Total Capex	**141**	**147**	**127**
Free Cash Flow	**77**	**-**	**73**
Net debt	**64**	**-**	**30**

Notes:
1 Final 2005 figures, core business only
2 Guidance as per press release October 25, 2006
3 Preliminary, unaudited figures as per February 1, 2007; audited financials for 2006 will be released on March 6, 2007
4 Cantec (non-core business) has been sold per September 30, 2006

ADDITIONAL INFORMATION REQUIRED BY SWISS TAKEOVER RULES

Members of the Board of Directors and of the Group Executive Committee

The Board of Directors of SIG is composed of the following persons:
- Mr. Lambert Leisewitz, resident in Bremen (DE), Chairman of the Board
- Mr. Robert Lombardini, resident in Hünenberg, Vicechairman of the Board
- Mr. Heinrich Fischer, resident in Rüschlikon, Member of the Board
- Mr. Peter J. Hauser, resident in St. Gallen, Member of the Board
- Mr. Thomas Hübner, resident in Rotkreuz (Risch), Member of the Board
- Mr. Götz-Michael Müller, resident in Bremen (DE), Member of the Board
- Mr. David Schnell, resident in Uster, Member of the Board
- Mr. Dr. Rudolf Wehrli, resident in Richterswil, Member of the Board

The Group Executive Committee is composed of the following persons:
- Mr. Rolf-Dieter Rademacher, resident in Guntmadingen, CEO
- Mr. Marco Haussener, resident in Wettingen, CFO
- Mr. André Rosenstock, resident in Buch SH, COO

Potential Conflicts of Interest and Payments Caused by a Takeover
There are no conflicts of interest according to article 31 TOO. To ensure that the interests of the Board and the Member of the extended Group Management team that are entrusted with the bidding process are the same as those of the shareholders of the company, the Board of Directors of SIG resolved on October 12, 2006 and on October 21, 2006, based on a resolution in principle taken in 2005, that the persons entrusted with the bidding process shall receive an incentive payment that directly depends on the offer price. The total incentive payment the persons entrusted with the bidding process will receive adds up to the following amounts:

- In case of a final offer price of above CHF 325.— up to CHF 350.—: 1.6% of the additional value the shareholders receive above the base price of CHF 325.—, the computation being based on a total of 6,500,000 shares.

- In case of an offer price of above CHF 350.— up to CHF 400.—: CHF 2,600,000.— (maximum amount of the incentive payment in case of a offer price of up to CHF 350.—) plus 2.4% of the additional value the shareholders receive at a price above CHF 350.—, the computation again being based on a total of 6,500,000 shares.

- In case of an offer price of above CHF 400.—: CHF 10,400,000.— (maximum amount of the incentive payment in case of an offer price of up to CHF 400.—). The incentive payment does not further increase thereafter.

Should the increase of the offer price only be based on the application of the so called best-price rule, the incentive payment due at such offer price is reduced by 50% of the amount computed according to the above rules.

The total amount of the incentive payment is divided among 8 persons of the extended Group Management, the CEO receiving 7/26, the CFO 6/26 and the COO 4/26 of the total amount. The persons entitled to receive an incentive payment lose their entitlement in the following cases:

- Accepting the promise of an offeror of any advantages or letting an offeror promise any advantage

- Entering into an agreement between an offeror and an entitled person regarding such person's future employment without approval of the Board

- Acceptance of any promise of employment by the entitled person

- Termination of employment by the entitled person or termination for cause by SIG.

The members of the Board of Directors do not receive such incentive payment.

The members of the Board of Directors and 45 other members of the Management of the SIG group each year receive a certain number of conditional prospective rights to SIG shares under the long term incentive plan in existence since 2002 (the last allotment occurred in February 2006).

This allotment is part of the yearly remuneration of the Board and the Management ensuring that the interests of the Board, the Management and the shareholders with regard to the development of the share price run parallel. The respective rights to the shares vest after a blocking period of three years, the number of the then vested shares depending on the performance of the SIG shares compared to the Swiss Performance Index („SPI"). Given that after a successful tender offer this bonus structure becomes inadequate, the long term incentive plan provides that the blocking period be automatically set aside for the prospective rights already allotted and that the respective shares be immediately issued as soon as a third party acquires more than 50% of the shares of SIG. The issue of the shares is effected on the first day of the additional offer period of the successful offer. From today's perspective, in case of a takeover, the following shares are issued to the members of the Board and the members of the Group Executive Committee (constituting the expectancies allotted in the years 2005 and 2006):

Members of the Board	**Numbers of Shares**
Lambert Leisewitz	348
Robert Lombardini	96
Heinrich Fischer	37
Peter J. Hauser	80
Thomas Hübner	80
Götz-Michael Müller	37
David Schnell	80
Dr. Rudolf Wehrli	37
Members of the Group Management	
Rolf-Dieter Rademacher	683
Marco Haussener	280
André Rosenstock	280
Other Managers	4,533

In addition to this, since 2005, the employment agreements of the members of the Group Executive Committee and certain Management Executives contain special provisions, should their employment agreement be terminated within one year following the taking over by a third party of a controlling majority in the company. The dismissed members of the Group

Management are entitled to a payment in the amount of one and a half yearly target salary (not including the long term incentive plan). From today‘s perspective, the members of the Group Management will receive the following payment:

Members of the Group Executive Committee	**Amount in CHF**
Rolf-Dieter Rademacher	1,575,000
Marco Haussener	728,000
André Rosenstock	738,000

In case of a successful tender offer, it is not known whether and which members of the Board and of the Group Executive Committee will be further engaged and which would be the new terms of their possible engagement.

Contracts or Other Connections with the Offeror
In view of the Due Diligence review, a confidentiality agreement was entered into with Romanshorn S.A. and Elopak AS (a subsidiary of FERD)/the Rank Group Limited. There are no further contracts with or other connections to Romanshorn S.A., CVC and FERD/the Rank Group Limited.

Intentions of Shareholders Holding More Than 5% of the Voting Rights
Based on newspaper reports, the Board of Directors learned that Tweedy Browne Company LLC which, according to the last disclosure notification holds a 5.76% of SIG, rejected the offer of Romanshorn S.A. at the level of CHF 325.— per share as being insufficient. Furthermore, according to the last disclosure notification, Oyster Rock Ltd., a company acting in concert with Romanshorn S.A. (the other bidder), holds 532,238 shares of the company. According to the agreements entered into by Oyster Rock Ltd. for the purchase of 374,791 shares, Oyster Rock Ltd. is obligated to tender these 374,791 shares into the offer of Romanshorn S.A. or of a successful competing bidder. Further intentions of shareholders that hold more than 5% of the voting rights are not known to the Board of Directors.

Defense Measures
After CVC and FERD informed the company that they wish to submit a tender offer for SIG, the Board of Directors resolved on September 24, 2006 to invite further interested parties to conduct a due diligence review and to launch public tender offers for the shares of SIG.

Article 6 of the SIG Articles of Association contains a transfer restriction according to which private individuals and legal entities are registered as shareholders with voting rights with not more than 5% of the share capital registered in the commercial register. Private individuals and legal entities that are connected with each other, be it in terms of their capital, their voting rights, through common management or in any other way, or that cooperate with each other in order to acquire shares, are regarded as one person for the purpose of the transfer restriction. The SIG Articles of Association also contain a voting right restriction according to which private individuals or legal entities may not represent more than 5% of the share capital registered in the commercial register. For the voting right restriction, the same rules regarding the formation of groups apply as in the case of the transfer restriction. The Board of Directors is bound to apply these rules as long as they have not been abandoned by a shareholders meeting.

Shareholders’ Meeting
The Board of Directors intends to schedule the next ordinary shareholders’ meeting of SIG so that beside the ordinary agenda items, it will also be possible to address all issues arising out of the current takeover procedure. Given today’s time plan the ordinary shareholders’

meeting is expected to take place in the second half of April 2007. The Board of Directors reserves however the right to change the date of the ordinary shareholders' meeting as it deems fit in case of a change in the time plan. In view of the upcoming shareholders' meeting, shareholders not yet recorded in the shareholders' register of SIG are kindly asked to request that they be recorded. This may be done through the custodian bank.

Financial Reporting
The Board of Directors is not aware of any relevant negative changes to the SIG assets, financial conditions, its earnings and its prospects since the publication of the half-year results for the current financial year on August 22, 2006. However the Board refers to the positive developments of the group's prospects as it has been described above (confer above, „The Board expects continuous and profitable growth for SIG"). SIG will publish the Annual Report for the year ended December 31, 2006 on March 6, 2007.

Neuhausen, February 9, 2007
For the Board of Directors:

Lambert Leisewitz
Chairman of the Board of Directors

This English version has been produced for convenience reasons only. The official versions in German and French shall prevail.

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