



To the Shareholders of SIG Holding AG  
**Board report re Revised Offer of Rank Group Holdings Ltd. and  
re Offer of Romanshorn S.A.**

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**SUMMARY**

Dear ladies and gentlemen

You are presented with two offers to tender your SIG shares. In its revised bid, Rank offers now CHF 435.- in cash per SIG share while the offer of Romanshorn S.A. on behalf of CVC/FERD remains unchanged at CHF 400.- in cash per SIG share.

The Board recommends to its shareholders

- to **accept** the increased offer of **Rank** and to **tender** the shares to **Rank**
- to **decline** the **CVC/FERD** offer and **not to tender** the shares to **CVC/FERD**

**BACKGROUND OF THE OFFER**

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

On December 22, 2006, Rank Group Holdings Ltd. (“Rank”) published an offer of CHF 370.- per share. On January 5, 2007, CVC/FERD increased their offer to CHF 400.- per share.

On February 9, 2007, the Board published its reports with regards to the two outstanding offers. The Board assessed the price offered by CVC/FERD as realistic, but noticed that a successful completion of the offer could not be predicted with sufficient certainty due to antitrust issues. With regards to the Rank offer, the Board came to the conclusion that the completion of the offer would be possible, but it recommended its shareholders not to tender the shares due to the inadequately low price.

On March 10, 2007, Rank announced it had acquired a 22% stake in SIG and its intention to increase its offer to CHF 435.- per share (“Rank’s Revised Offer”, “Rank’s Revised Offer Price”). On March 13, 2007, Rank published the revised offer document.

On March 12, 2007, CVC/FERD announced to refrain from further increasing their offer price and to have already divested the majority of their SIG shares.

On March 19, 2007, Rank announced that it has acquired additional SIG shares and that they hold now 33,32% of SIG shares.

## RECOMMENDATION AND EXPLANATION

### Rank's Revised Offer

The Board of Directors of SIG has taken notice of Rank's Revised Offer. The Board has further taken notice of the announcement of CVC/FERD to refrain from further increasing its CHF 400.- offer and to have already divested the majority of their SIG shares.

The Board analysed Rank's Revised Offer Price of CHF 435.- per SIG share in cash and benchmarked it against SIG's inherent value. The Board, together with its financial adviser, came to the conclusion that Rank's Revised Offer Price adequately reflects SIG's inherent value based on the following facts:

- the implied transaction multiple of 16.0x EV/EBIT (based on 2006 figures) is comparable with the multiples offered in precedent transactions in the packaging sector;
- the implied transaction multiple also reflects an adequate premium to the current trading multiples of SIG's industry peers;
- Ranks' Revised Offer Price represents a premium of 43% to SIG's last closing price (CHF 305.25), and 52% to SIG's 30-day average opening price (CHF 285.85) prior to CVC/FERD's first offer on September 25, 2006. These premia are higher than those paid in recent contested public offers in the Swiss market.

The Board regards Rank as an attractive partner for SIG. Through its investment in Carter Holt Harvey and the recent acquisition of International Paper's Beverage Packaging division ("BevPack"), Rank has significant experience and expertise in the forest products and packaging sector. The Board supports Rank's intention to combine the geographically complementary BevPack and SIG businesses as to create a leading global beverage packaging company, drawing of the respective strengths of both companies. A combination of BevPack's product range in the fresh dairy and juice market and SIG's aseptic packaging portfolio means that the combined group will offer its customers a comprehensive range of packaging solutions and provide important strategic advantages in terms of scale, market presence and global footprint. The Board is pleased with Rank's intentions to continue to operate SIG under its current management team and to position SIG as a platform for future growth as well as to maintain SIG's headquarters in Switzerland and to keep the SIG name and brands.

The Board has further reviewed Rank's ability to complete the proposed transaction under the terms and conditions of the offer. As outlined in its first report as of February 9, 2007, the Board maintains its view that Rank will be able to complete the offer as proposed.

Based on the considerations summarized below, the Board considers that Rank's Revised Offer is in the best interest of all shareholders and stakeholders of SIG:

- Rank's Revised Offer Price of CHF 435.- per share adequately reflects SIG's inherent value;
- Rank is committed to SIG's current strategy and intends to position SIG as platform for future growth;
- A combination of SIG and BevPack has a clear industrial logic and allows to realize important strategic advantages for the future;
- Rank intends not to significantly alter SIG's current organisational structure;

- Rank's Revised Offer is likely to complete, in particular after having obtained antitrust approval from the EU Commission; and
- as of today, there is no competing offer for SIG that is more attractive than Rank's Revised Offer.

**The Board therefore unanimously recommends to SIG's shareholders to accept Rank's Revised Offer and to tender their shares into Rank's Revised Offer.**

If and when Rank will declare the offer as successful, expected for no later than April 4, 2007, the Board intends to call for an AGM which would take place on May 7, 2007. The Board intends to make the propositions which are necessary to fulfil Rank's offer conditions, i.e., among others, to lift the statutory registration limitations ("Vinkulierung") and voting right restrictions.

With regards to the respective voting procedure at the AGM, the Board intends to grant Rank an exemption from the registration limitations and voting right restrictions acc. to art. 6 (6) and art. 13 (4) of SIG's article of association; however, this undertaking remains subject to the following conditions:

- no competing offer with a higher price has been published by the end of the main offer period; and
- The shareholders tender such number of SIG-Shares into Rank's Offer that Rank will ultimately hold such number of SIG-Shares that, taking the SIG-Shares already held by Rank into account, exceeds at least 50% of the outstanding SIG-Share.

As communicated in SIG's 2006 result announcement, the Board will refrain from proposing a dividend payment to the AGM if Rank declares the offer successful on the basis that the gross amount of a dividend or any other dilution effect which becomes effective before settlement would be deducted from Rank's Revised Offer Price. Instead, the Board will propose that the net profit is carried forward.

#### **CVC/FERD offer**

Rank's Revised Offer of CHF 435.- reflects SIG's inherent value and includes a significantly higher premium than the CVC/FERD offer. The Board therefore recommends the SIG shareholders to decline the financially less attractive CVC/FERD offer which is also exposed to more completion risks.

**The Board therefore unanimously recommends to SIG's shareholders to decline the CVC/FERD offer and not to tender their shares into the CVC/FERD offer.**

**PRELIMINARY TIMETABLE**

March 29, 2007, 4:00 pm (CET)	End of main offer period
March 30, 2007	Publication of preliminary results of main offer period
April 4, 2007	Publication of final results of main offer period
April 4, 2007	Start of additional acceptance period
April 19, 2007, 4:00 pm (CET)	End of additional offer period
April 20, 2007	Publication of preliminary results of additional offer period
April 25, 2007	Publication of final results of additional offer period
May 7, 2007	Annual General Meeting
Thereafter	Settlement/completion

**ADDITIONAL INFORMATION REQUIRED BY THE SWISS TAKEOVER LAW**

At the current offer price, the Board-approved incentive scheme for employees involved in the offer process amounts to the maximum sum of CHF 10,400,000. A reduction of the incentive payments is not required as the increase of the offer price is unrelated to the best price rule.

The Board is not aware of any material changes in SIG's financial situation and outlook since the publication of the FY06 results on March 6, 2007.

Neuhausen, March 22, 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.