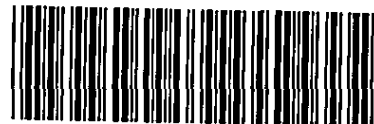


SIG Combibloc Limited
Annual report and financial statements
for the year ended 31 December 2008

Registered Number 1146077

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SIG Combibloc Limited

SIG Combibloc Limited

Annual report and financial statements

for the year ended 31 December 2008

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SIG Combibloc Limited

Directors and advisers for the year ended 31 December 2008

Directors

A S Jackson

M Allum

Company secretary

S J Davidson

Bankers

HSBC Bank plc

110 Grey Street

Newcastle upon Tyne

NE1 6JG

Chartered accountants and registered auditors

PricewaterhouseCoopers LLP

89 Sandyford Road

Newcastle upon Tyne

NE1 8HW

Registered office

Blackthorn Way

Houghton le Spring

Tyne and Wear

DH4 6JN

SIG Combibloc Limited

Directors' report for the year ended 31 December 2008

The directors present their annual report and audited financial statements for the year ended 31 December 2008.

Results and dividends

The profit for the year, after taxation, amounted to £4,051,000 (2007 profit of £1,460,000). The directors do not recommend the payment of a final dividend (2007 £nil).

Principal activity

The principal activity of the company is the sale of liquid packaging cartons and the sale and service of associated machinery for the forming and filling of cartons.

Review of the business and key performance indicators (KPIs)

The directors are pleased to report another satisfactory year for business.

Turnover increased through continuing growth in existing business and also benefited from a favourable exchange rate impact.

Although the majority of material costs are purchased in foreign currency, margins were maintained through the company's natural exchange rate hedging on trading transactions.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance and position of the business.

Future developments

The directors will continue to manage the business with a view to improving the company's profitability in the current year through the existing customer base and additional new business.

Directors

The directors of the company during the year and up to the date of signing the financial statements were as follows:

J Neidhardt (resigned 15 September 2008)

A S Jackson

M Allum (appointed 15 September 2008)

Principal risk and uncertainties

There have been no significant changes in the competition faced by the company in 2008, with no new products entering the market from existing competitors and no new competing products introduced in other markets that are likely to impact significantly in the near term.

The company's operation risk is minimised by having multi-sourced group manufacturing facilities for its products. It is believed that the effects of the current financial conditions, while having some impact on the company's future performance, will not significantly affect its profitability.

Financial risk management policy

The company's principal financial instruments comprise cash, cash equivalents and inter-company balances. Other financial assets and liabilities, such as trade debtors, trade creditors and group balances, arise directly from the company's operating activities.

SIG Combibloc Limited

The main risks associated with the company's financial assets and liabilities are set out below.

Interest rate risk

Interest is charged at a variable rate on inter-company loans and any other borrowings. Therefore financial assets, liabilities, interest income and interest charges and cash flows can be affected by movements in interest rates.

Credit Risk

All third party customers are subject to credit limits, insured or internally agreed, to ensure the group's exposure to bad debts is not significant. The remaining sales are with fellow subsidiary companies and therefore there is no exposure to external credit risk.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generated by its operations. Significant capital expenditure is approved at group level.

Foreign currency risk

The company has natural hedging in its regular trading transactions in Euro, meaning the company is not exposed to transactional foreign currency risk. Wherever possible, loans will be denominated in sterling to avoid the currency risk.

If loans are denominated in Euro, the company's interest charge and cash flows arising from the loan can be affected by movements in the Euro exchange rate. No hedging activity is undertaken locally to mitigate this risk. The results for the year include impact of translational foreign currency risk.

Environmental matters

The company takes its environmental responsibilities very seriously. As the company no longer engages in any form of manufacturing there is little risk of the company's local activities having a direct impact on the environment. The company considers environmentally friendly initiatives as and when the opportunities present themselves.

The company is one of three members of the Alliance for Beverage Cartons and the Environment in the UK (ACE-UK). ACE-UK was formed in 2007 and presents the leading beverage carton packaging manufacturers for the UK market in environmental policy and activity developments. ACE-UK's mission is:

- To support environmental policies, activities and legislation in the field of packaging, waste, recycling and recovering consistent with the requirements of the UK market;
- To contribute to UK environmental policy, activities and legislation related to beverage carton packing in particular the promotion of renewable resources; and
- To communicate the beverage carton's environmental credentials to UK stakeholders.

SIG Combibloc Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper account records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

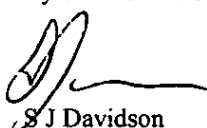
Provision of information to auditors

In accordance with the provisions of s234ZA of the Companies Act 1985, as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

During the year Ernst & Young LLP resigned as auditors to the company, and the directors appointed PricewaterhouseCoopers LLP to fill the casual vacancy. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board



S J Davidson
Company secretary
19 June 2009

SIG Combibloc Limited

Independent auditors' report to the members of SIG Combibloc Limited

We have audited the financial statements of SIG Combibloc Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet, Cashflow Statement, Accounting policies, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

SIG Combibloc Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

23 June 2009

SIG Combibloc Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008	2007
		£'000	£'000
Turnover	1	38,127	28,803
Operating costs		(33,929)	(27,688)
Operating profit	2	4,198	1,115
Exceptional restructuring costs	3	(440)	(181)
Other operating income		194	-
Profit on sale of assets held for sale		-	313
(Loss)/profit on sale of tangible fixed assets		(8)	9
Net interest receivable	4	149	141
Profit on ordinary activities before taxation		4,093	1,397
Tax on profit on ordinary activities	5	(42)	63
Profit for the financial year	16	4,051	1,460

All amounts relate to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical costs equivalents.

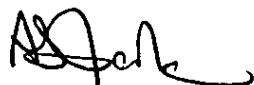
The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented.

SIG Combibloc Limited

Balance sheet as at 31 December 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	10	2,873	136
Current assets			
Stocks	11	1,293	4,081
Debtors	12	6,321	3,368
Cash at bank and in hand		8,659	5,376
		16,273	12,825
Creditors: amounts falling due within one year	13	(4,020)	(1,886)
Net current assets		12,253	10,939
Total assets less current liabilities		15,126	11,075
Provisions for liabilities	14	-	-
Net assets		15,126	11,075
Capital and reserves			
Called up share capital	15	1,500	1,500
Capital contribution	16	6,000	6,000
Profit and loss account	16	7,626	3,575
Total shareholders' funds		15,126	11,075

The financial statements on pages 7 to 20 were approved by the board of directors on 19 June 2009 and were signed on its behalf by:



A S Jackson
Director

SIG Combibloc Limited

Cash flow statement for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Net cash inflow/(outflow) from operating activities	17	6,833	(1,932)
Returns on investments and servicing of finance			
Interest paid		-	(2)
Interest received		149	143
		149	141
Taxation			
Corporation tax refund		-	63
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(3,712)	(78)
Receipts from sales of tangible fixed assets		13	15
Receipts from sale of assets held for sale		-	1,378
		(3,699)	1,315
Net cash inflow/(outflow) before financing		3,283	(413)
Increase/(decrease) in cash		3,283	(413)

SIG Combibloc Limited

Accounting policies for the year ended 31 December 2008

Accounting convention

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The principal accounting policies, which have been consistently applied throughout the year, are set out below.

Turnover

Turnover is defined as the net amount receivable (excluding VAT) for goods supplied and services provided and includes sales to group undertakings within the UK and Ireland. Turnover is attributable to one continuing activity, the sale of liquid packaging cartons and the sale of associated machinery for the forming and filling of cartons.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives on a straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience. Tangible fixed assets are depreciated at the following rates.

Plant, machinery and vehicles	-	7.5% to 33.3%
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Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value as follows:

Raw materials and goods for resale	-	purchases on an average cost basis
Finished goods	-	cost of direct materials, labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred tax

Deferred taxation is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception.

Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Development expenditure

Development expenditure is charged to the profit and loss account in the year it is incurred.

SIG Combibloc Limited

Deferred operating expenditure

The net costs of filling machine placements are charged against profit over the period of the supply contract with the customer. Any such net costs not yet charged are held in the balance sheet as 'deferred operating expenditure'.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account where they relate to items of a trading nature.

Pension costs

The company operates a group personal pension plan which is a defined contribution scheme. The assets of this scheme are held separately from those of the company in an independently administered fund. The pension costs charge in 2008 represents contributions payable by the company to the scheme.

SIG Combibloc Limited

Notes to the financial statements for the year ended 31 December 2008

1 Turnover

Turnover consists entirely of sales made in the United Kingdom and Ireland.

2 Operating profit is stated after charging:

	2008 £'000	2007 £'000
Raw materials and consumables	25,478	19,436
Employee costs (note 7)	1,762	1,628
Depreciation – owned fixed assets	954	138
Other operating charges	5,735	6,486
	33,929	27,688
Other operating charges include:		
Auditors' remuneration - audit of financial statements	24	18
Other fees paid to auditors - taxation services	-	35
Exchange rate gains	2,369	413

3 Exceptional restructuring costs

	2008 £'000	2007 £'000
Impairment of assets held for resale	(440)	(181)

Assets held for resale have been impaired down to a carrying value equal to their recoverable value.

SIG Combibloc Limited

4 Net interest receivable

	2008 £'000	2007 £'000
Interest payable		
Bank interest payable	-	(2)
Interest receivable		
Bank interest receivable	17	-
Interest receivable from group undertakings	132	143
Net interest receivable	149	141

5 Tax on profit on ordinary activities

(a) The tax charge is made up as follows:

	2008 £'000	2007 £'000
Current tax		
UK corporation tax	42	-
Adjustments in respect of previous years	-	(63)
Total current tax (note 5 (b))	42	(63)
Deferred tax		
Origination and reversal of timing differences (note 14)	-	-
Total deferred tax	-	-
Tax charge/(credit) on profit on ordinary activities	42	(63)

SIG Combibloc Limited

5 Tax on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is difference to the standard rate of corporation tax in the UK of 28% (2007 30%). The differences are reconciled below:

	2008 £'000	2007 £'000
Profit on ordinary activities before taxation	4,093	1,397
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 28% (2007: 30%)	1,146	419
Effects of:		
Expenses not deductible for tax purposes	3	3
Other timing differences	(3)	(443)
Tax losses arising in the year not relieviable against current tax	-	900
Utilisation of tax losses	(658)	-
Depreciation less than capital allowances	(446)	(879)
Adjustments in respect of previous years	-	(63)
Current tax charge/(credit) for the year (note 5(a))	42	(63)

(c) Factors that may affect future tax charges

The company has tax trading losses carried forward of approximately £100,000 which are available for offset against future taxable trading profits.

With effect from 1 April 2008 the standard rate of corporation tax was reduced from 30% to 28%. This will affect the rate at which timing differences will reverse. However, as no deferred tax asset has been recognised this has no effect on these financial statements.

6 Dividends

	2008 £'000	2007 £'000
Equity dividends on ordinary shares – £nil per share (2007: £nil)	-	-

SIG Combibloc Limited

7 Staff costs

	2008 £'000	2007 £'000
Wages and salaries (including redundancy costs)	1,517	1,327
Social security costs	132	167
Other pension costs (note 9)	113	134
	1,762	1,628
The monthly average number of employees (including directors) during the		
Staff	24	35
	24	35

8 Directors' emoluments

	2008 £'000	2007 £'000
Aggregate emoluments	104	95
Compensation for loss of office paid as contributions to group stakeholder pension scheme	-	268

9 Pension costs

Contributions are charged to the profit and loss account in the year in which they become payable. The unpaid contributions at 31 December 2008 were £10,547 (2007: £10,414).

SIG Combibloc Limited

10 Tangible assets

	Plant machinery & vehicles £000	Total £000
Cost		
At 1 January 2008	1,259	1,259
Additions	3,712	3,712
Disposals	(73)	(73)
At 31 December 2008	4,898	4,898
Accumulated depreciation		
At 1 January 2008	1,123	1,123
Charge for the period	954	954
Disposals	(52)	(52)
At 31 December 2008	2,025	2,025
Net book value		
At 31 December 2008	2,873	2,873
At 31 December 2007	136	136

11 Stocks

	2008 £'000	2007 £'000
Finished goods and goods for resale	951	3,255
Assets held for resale	342	826
	1,293	4,081

SIG Combibloc Limited

12 Debtors

	2008	2007
	£'000	£'000
Amounts due from fellow subsidiary undertakings	3,765	311
Trade debtors	1,291	1,584
Deferred operating expenditure	508	449
Other debtors	757	1,024
	6,321	3,368
Amounts falling due after more than one year include the following amounts included within deferred operating expenditure and other debtors	370	343

Trade debtors include £nil (2007: £nil) falling due after more than one year.

13 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Amounts due to fellow subsidiary undertakings	2,296	379
Trade creditors	376	232
Taxation and social security	830	764
Other creditors and accruals	518	511
	4,020	1,886

Amounts due to fellow subsidiary undertakings are unsecured and classed as repayable on demand.

14 Provisions for liabilities

The movement in deferred taxation during the current and previous years are as follows:	2008	2007
	£'000	£'000
At 1 January and 31 December	-	-

SIG Combibloc Limited

14 Provisions for liabilities (continued)

The deferred tax not included in the balance sheet is made up as follows:

	2008	2007
	£'000	£'000
Depreciation in excess of capital allowances	(2,183)	(1,604)
Other timing differences	(24)	(80)
Tax losses	(26)	(1,573)
Unprovided deferred tax asset	(2,233)	(3,257)

The deferred tax asset has not been recognised as the directors do not believe this is recoverable.

15 Called up share capital

	2008	2007
	£'000	£'000
Authorised, allotted and called up		
1,500 ordinary shares of £1 each	1,500	1,500

16 Reconciliation of shareholders' funds and movements on reserves

	Capital contribution £000	Share capital £,000	Profit & loss account £'000	Total shareholders funds £000
At 1 January 2008	6,000	1,500	3,575	11,075
Profit for the financial year	-	-	4,051	4,051
At 31 December 2008	6,000	1,500	7,626	15,126

SIG Combibloc Limited

17 Reconciliation of operating profit to net cash flow from operating activities

	2008	2007
	£	£
Operating profit	4,198	1,115
Other operating income	194	-
Depreciation and impairment charge on fixed assets and assets held for sale	472	138
(Increase)/decrease in stocks	2,788	(1,577)
(Increase)/decrease in debtors	(2,953)	1,723
Increase/(decrease) in creditors	2,134	(3,331)
Net cash outflow from operating activities	6,833	(1,932)

18 Reconciliation of net cash flow to movement of net funds

	2008	2007
	£	£
Increase/(decrease) in cash	3,283	(413)
Net funds at 1 January	5,376	5,789
Net funds at 31 December	8,659	5,376

19 Commitments under operating leases

As at 31 December 2008, the group had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings		Other	
	2008	2007	2008	2007
	£000	£000	£000	£000
Operating leases which expire after more than five years	-	-	927	721

SIG Combibloc Limited

20 Contingent liabilities

The company has placed equipment at customer premises, the sale of which was made through leasing companies and supported by letter of comforts. As part of the arrangements the company entered into agreements, it is required to buy back the equipment under certain circumstances outside of the control of the company. These circumstances include defaults by the lessee or other termination events before the end of the lease. In such circumstances the company is required to buy back the equipment at a contractual amount based on a repurchase schedule or future lease instalments. At 31 December 2008 the total amount that would become payable under the arrangements amounted to £16,345,228.

The company is party to a bank cross guarantee in relation to the bank borrowings of Beverage Packaging Holdings (Luxembourg) ISA.

21 Related parties

The company has taken advantage of the exemption under FRS 8 "Related party disclosures" from disclosing transactions with group undertakings on the grounds that it is a wholly owned subsidiary undertaking of Beverage Packaging Holdings (Luxembourg) ISA whose accounts are publicly available.

22 Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of SIG Holdings (UK) Limited.

The smallest group to consolidate the company's financial statements is Beverage Packaging Holdings (Luxembourg) ISA, a company incorporated in Luxembourg.

The ultimate parent entity is Rank Group Holdings Limited, a company incorporated in New Zealand. The ultimate controlling party is Mr G Hart.