

Chesapeake Corporation

Annual Meeting 2002

Accomplishments 2001

- Re-established financial credibility
- Sold discontinued operations
- Improved financial structure and liquidity
- Right-sized corporate overhead
- Further integrated recently acquired businesses
- Successfully negotiated key customer supply agreements

Chesapeake Stock Price 2001

39% GROWTH



FINANCIAL OVERVIEW

Andrew J. Kohut

Executive Vice President &
Chief Financial Officer

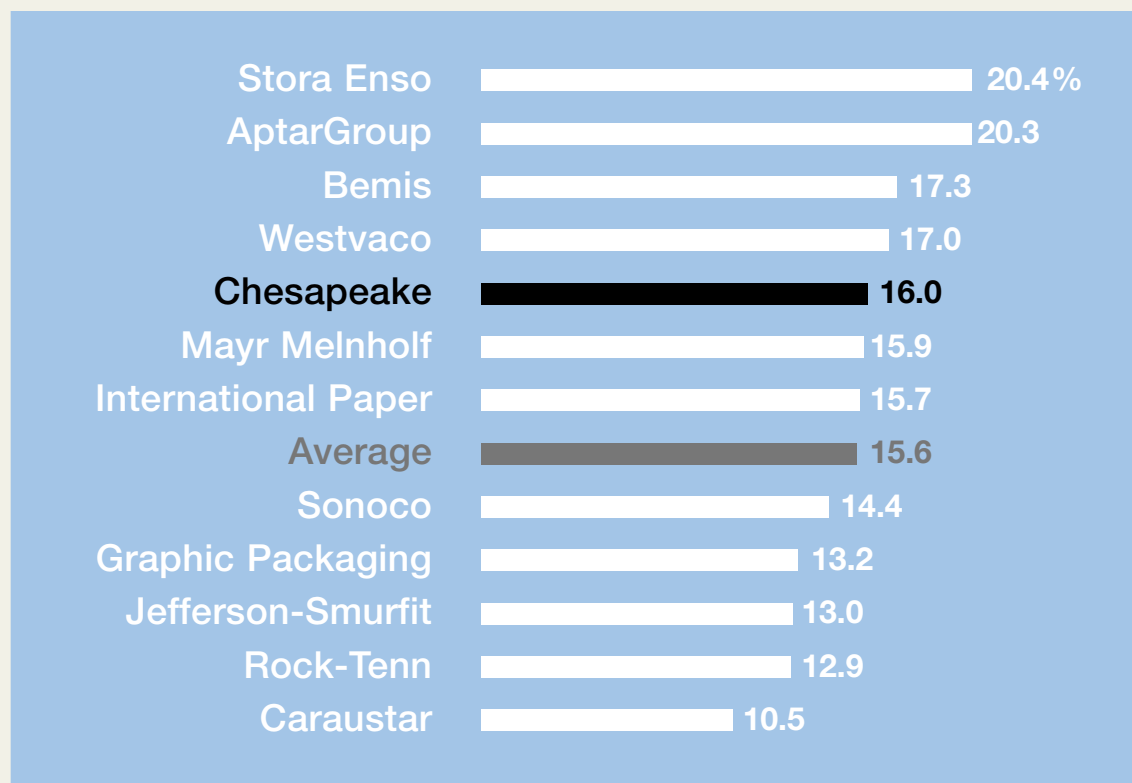
Financial Highlights 2001

	2001	% Annual Change
Sales	\$ 791	1% ↑
EBITDA	121	11% ↑
EBIT	61	8% ↑
EPS	\$ 1.30	31% ↑
(millions of \$, except per share)		

From continuing operations before restructuring/special charges

Peer Comparisons 2001

EBITDA MARGIN %



Source: CSK

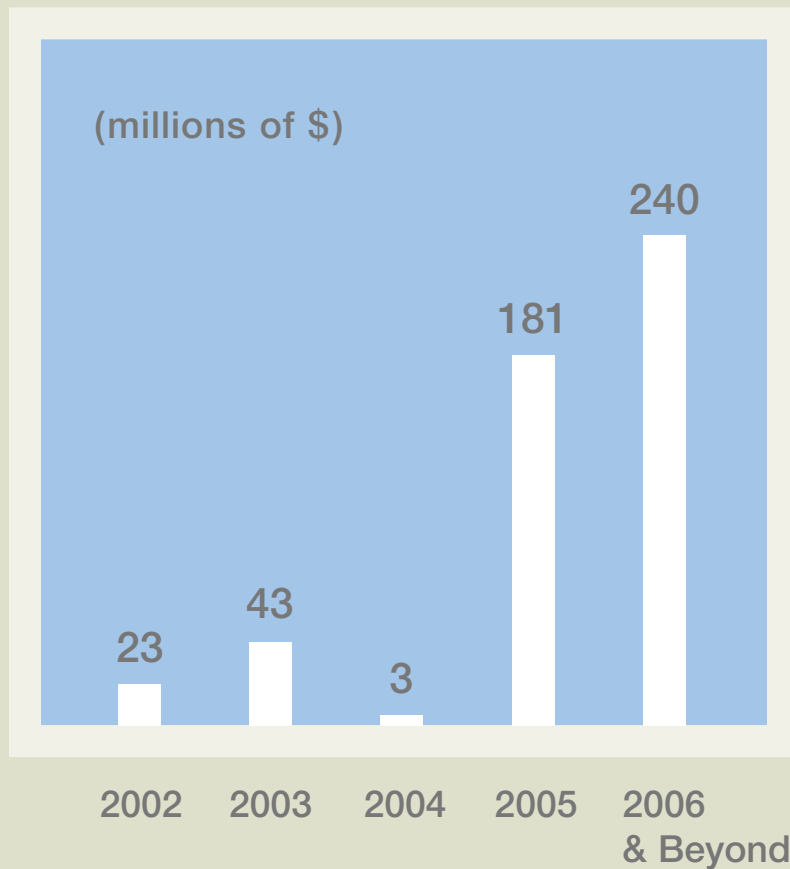
Capital Structure

	12/31/00	12/31/01
Net Debt	\$ 651	\$ 470
Deferred Taxes	226	34
Shareholders' Equity	349	431
Total Capital	1,226	935
Net Debt/Capital	53%	50%
(millions of \$)		

From continuing operations before restructuring/special charges

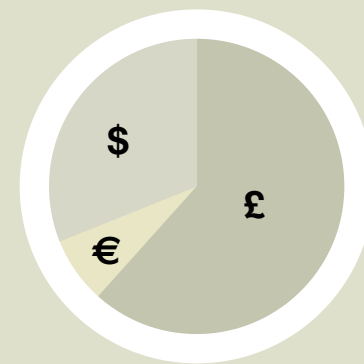
Chesapeake Debt Structure

MATURITIES



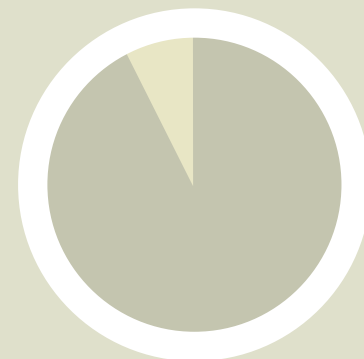
CURRENCIES

Dollars	35%
Euro	7%
GBP	58%



RATES

Variable	7%
Fixed	93%



Long-Term Financial Strategy

- Finance long-term assets with long-term capital sources
- Routinely access the public market for capital
- Utilize natural financial hedges
- Targeted debt-to-total capital of 40-50%

Keep it simple

OPERATIONS OVERVIEW

Keith Gilchrist

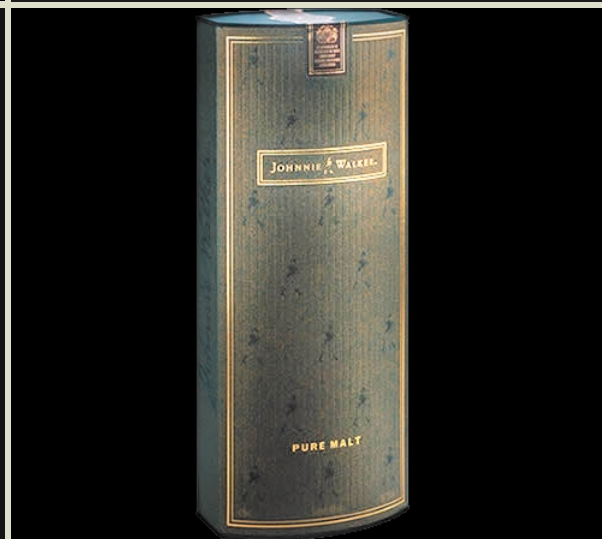
Executive Vice President and
Chief Operating Officer

New Entrant – November 2001

PrintWeek TOP 500 2001

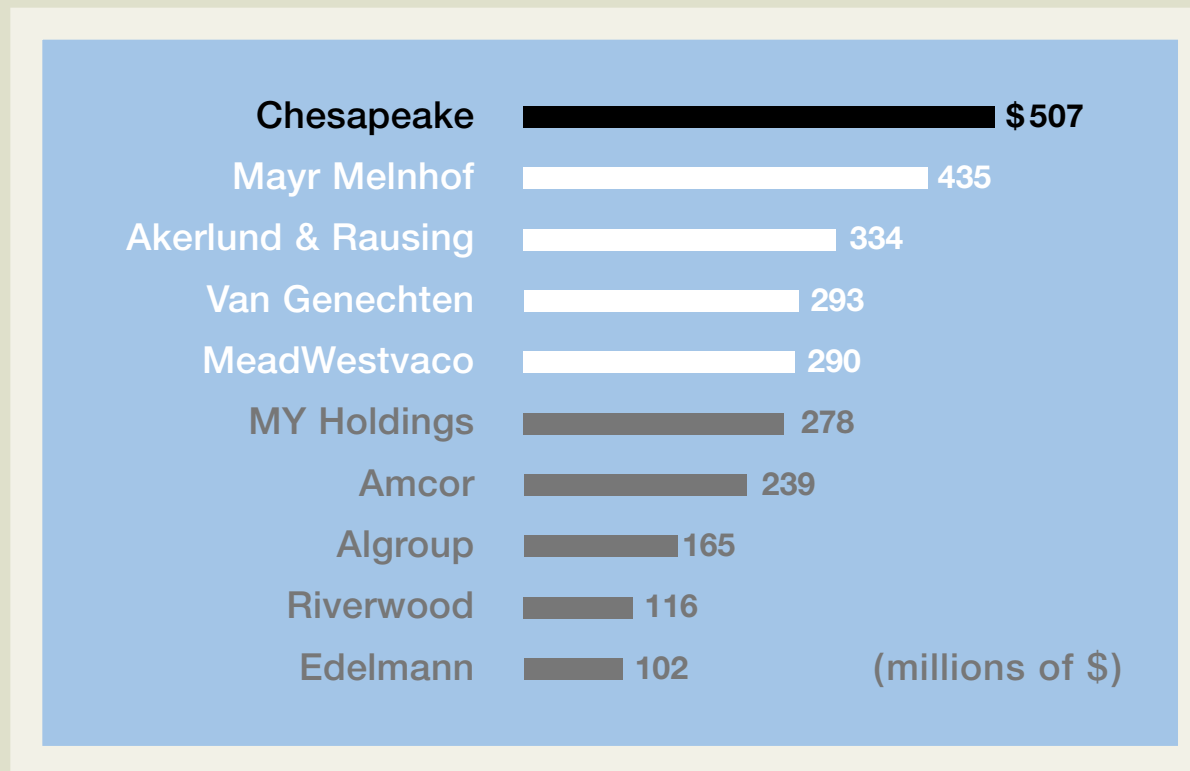
Rank 2001	Rank 2000	Company Name	Sales (£'000)			Operating Profit Margin (%)		Pre-tax Profit (£'000)	
			Current	Previous	Change (%)	Current	Previous	Current	Previous
1	1	Rexam	2,730,000	2,371,000	15.14	7.51	8.06	60,000	187,000
2	NEW	Chesapeake	545,520	553,080	-1.37	n/a	n/a	48,950	42,450
3	2	De La Rue Holdings	524,800	617,100	-14.96	12.50	5.62	70,600	106,400
4	5	St Ives	498,154	473,207	5.27	11.86	14.06	60,459	68,839
5	3	Polestar Corporation (The)	494,000	508,200	-2.79	10.71	10.21	-2,800	-5,200
6	4	Carnaudmetalbox	471,594	490,364	-3.83	3.65	10.06	29,967	53,567
7	7	Clondalkin Group	369,725	361,330	2.32	n/a	n/a	n/a	29,596
8	NEW	Amcor Europe	349,774	290,936	20.22	n/a	n/a	17,850	19,340
9	17	MY Holdings	290,000	113,892	154.63	5.52	12.80	n/a	14,580
10		Smurfit	244,160	244,252	-0.04	-6.50	-0.01	-3,556	-3,556

Paperboard Niche Markets



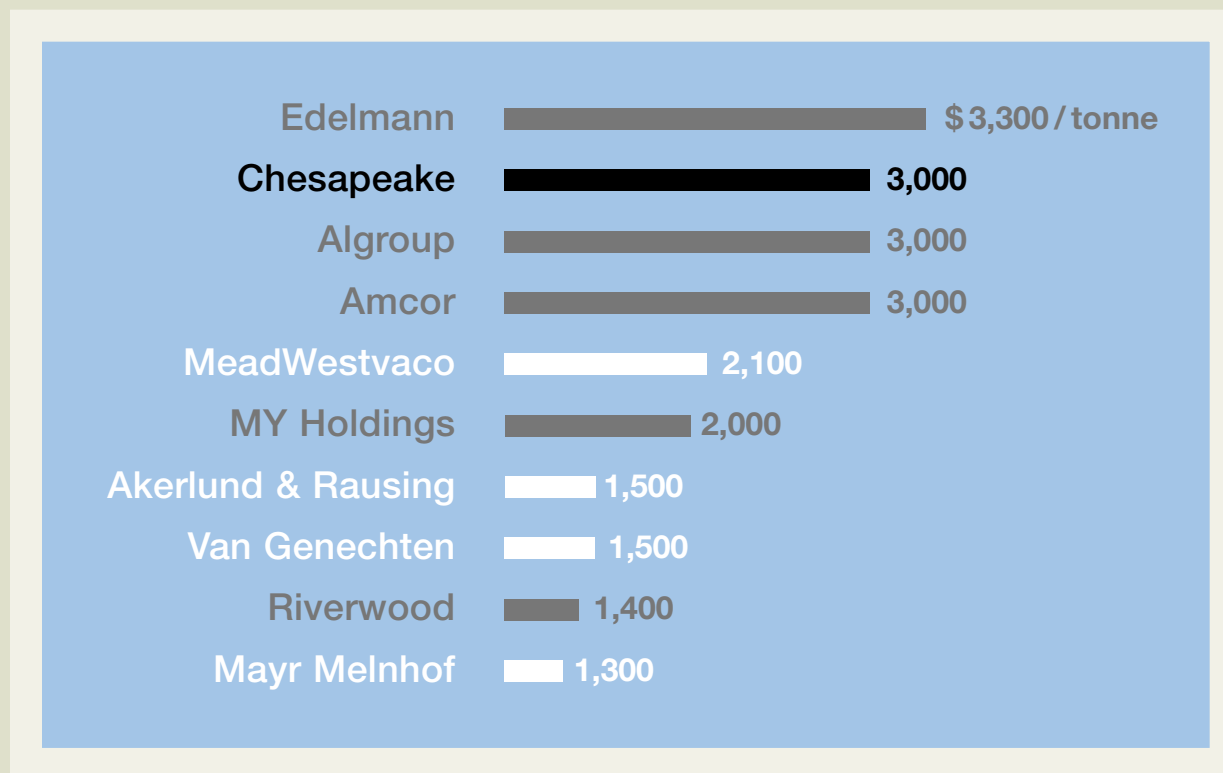
Leading European Carton Producer

EUROPEAN CARTON PACKAGING SALES



Strategy Validation

SALES PER PAPERBOARD TONNES



Plastics Niche Markets



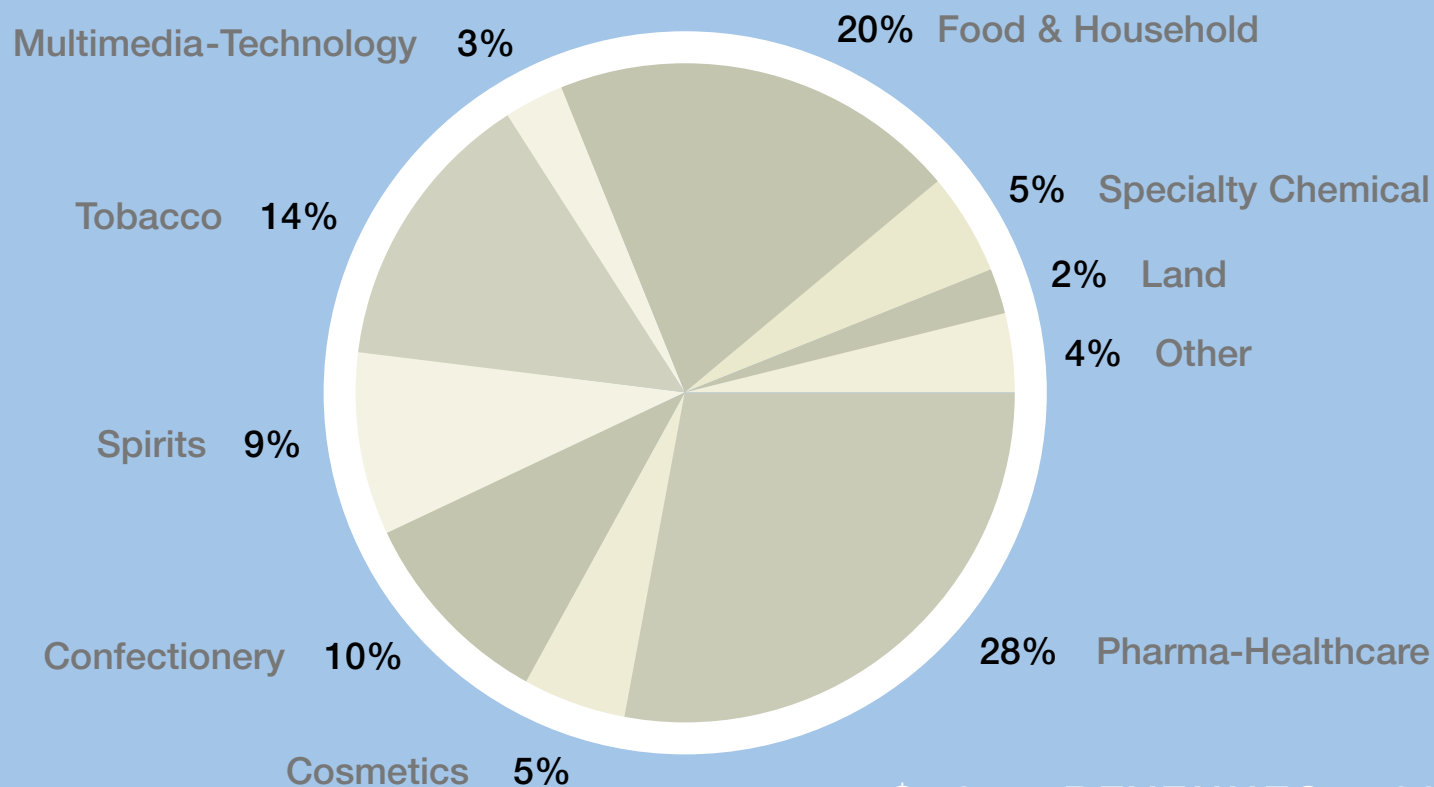
HDPE



PET

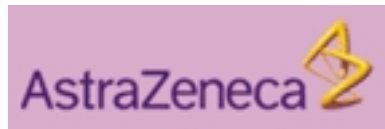
Value-added Defensive Markets

SALES BY SECTOR



\$791M REVENUES – 2001

Blue Chip Customer Growth



Key Operational Objectives 2002

- Internal focus
- Post acquisition integration
- Drive for safer operating practices and higher utilization output from \$420 million asset base

Key Operational Objectives 2002

- Improve company-wide process efficiency/
reduce material movement cost
(9 major projects):



- East Kilbride/Edinburgh



- Van Os



- South African Satellites



- Nottingham/Bourne
- Tewkesbury/Greenford



- Bünde
- Düren
- Bremen relocation



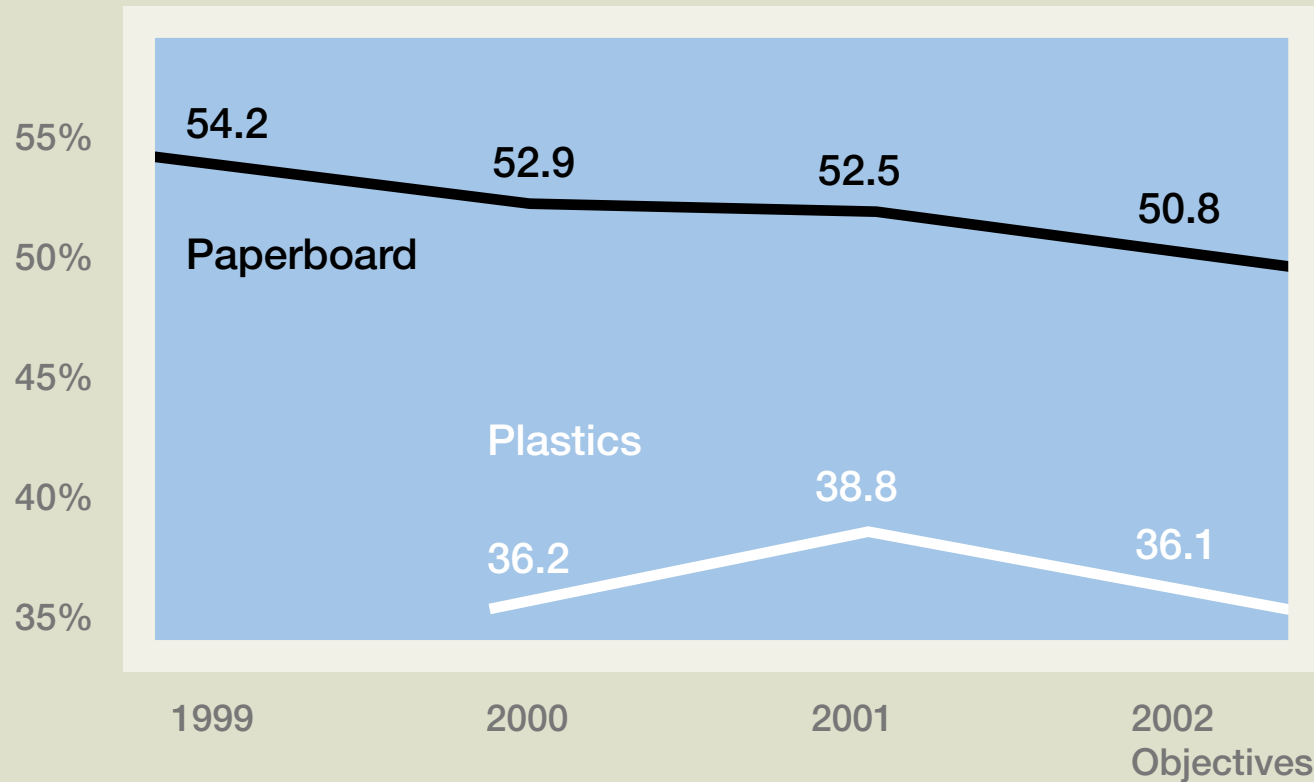
- Lexington, NC

Key Growth Objectives 2002

- Tailor employment costs to individual sector seasonal demands/added value

Employment Costs: Added Value %

KEY PERFORMANCE INDICATOR



Key Growth Objectives 2002

Extending Print Service

- “Combined Supply”
of cartons/leaflets/
booklets
(INFORMATION GROWTH)



Key Growth Objectives 2002

Product Growth

- “Combined Supply”
of cartons/leaflets/
booklets/labels
(INFORMATION GROWTH)



Key Growth Objectives 2002

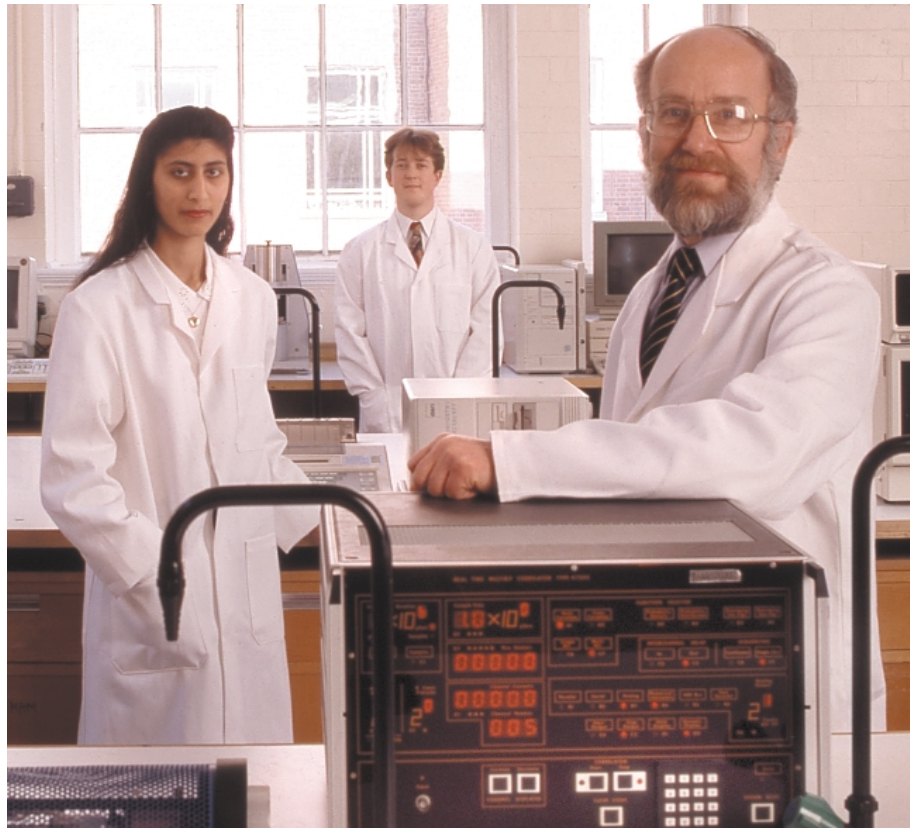
Design

Europe's largest carton design studio

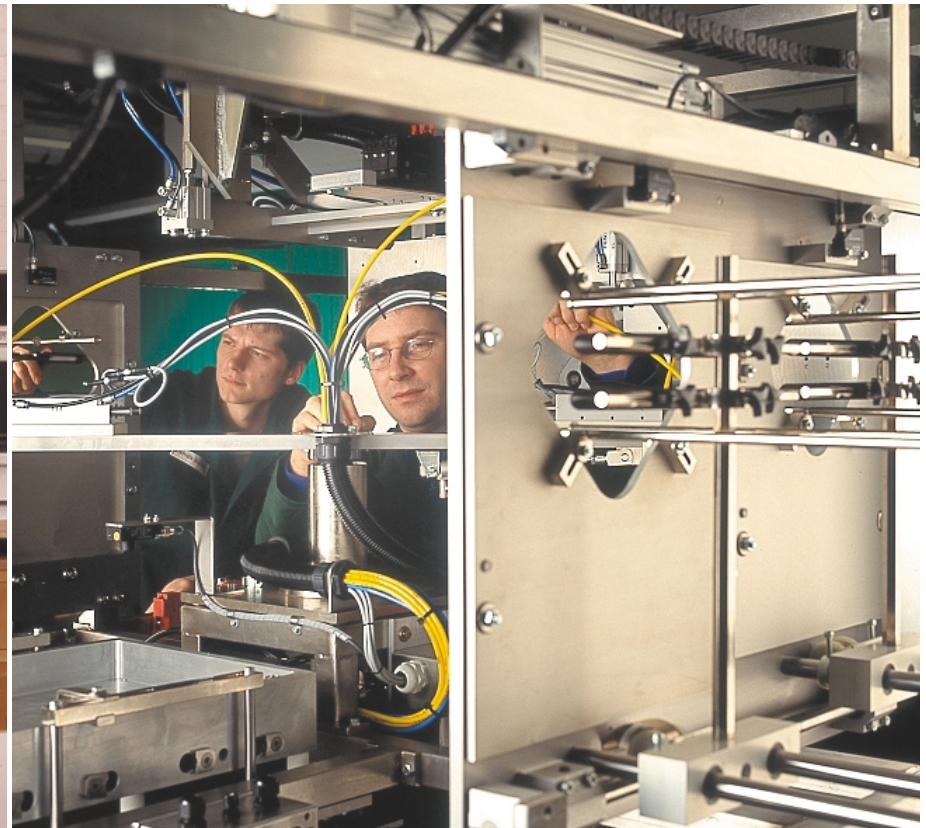


Key Growth Objectives 2002

Innovation



Leeds University – 22 Undergraduates



Packaging Machinery Development

Key Growth Objectives 2002

Brand Positioning/Differentiation

Visibility in a Composite Tube
“First in the World”



Today

- Leading, value-added specialty packaging products company with a clear focus on the European markets
- Leader in attractive end-use markets:
Pharmaceutical & Healthcare, Tobacco,
Fine Spirits and Premium Confectionery
 - Blue Chip customer base
 - Higher margins due to technical and design demands
 - Significant opportunities for growth
 - Defensive end-use markets

Today (cont.)

- Superior manufacturing and service capabilities
 - Pan-European presence
 - Sophisticated structural/graphic design and varied processing techniques
 - Rigorous process control with respected technical capabilities

1Q02 Results

- EBITDA of \$22.9 million; loss per share of \$0.02
- Lower Premium Branded and Luxury packaging volumes
- Plastic packaging segment improvement
- Completed corporate restructuring program

In line with our expectations

Financial Outlook 2002

Continuing Operations

- **Revenues** **\$ 780-820** million
- **Depreciation** **\$ 45-50** million
- **Capex** **\$ 55-65** million
- **EBITDA** **\$ 125-135** million
- **Net Income** **\$ 1.60-1.80** share

Chesapeake Corporation

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