

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☒ the final return/report;</div><div>☒ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div><div>☒ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information
1a	Name of plan CHESAPEAKE CORPORATION 401(K) SAVINGS PLAN
1b	Three-digit plan number (PN) ▶ 049
1c	Effective date of plan 11/01/2005
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) CHESAPEAKE CORPORATION 1021 E CARY ST JAMES CENTER II, 22ND FLOOR RICHMOND, VA 23219-4058
2b	Employer Identification Number (EIN) 54-0166880
2c	Sponsor's telephone number 804-697-1000
2d	Business code (see instructions) 322100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2010	KATHRYN TYLER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") CHESAPEAKE CORPORATION 1021 E CARY ST JAMES CENTER II, 22ND FLOOR RICHMOND, VA 23219-4058	3b Administrator's EIN 54-0166880 3c Administrator's telephone number 804-697-1000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	323
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 3D 3H 2T

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan CHESAPEAKE CORPORATION 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ▶	049
C Plan sponsor's name as shown on line 2a of Form 5500 CHESAPEAKE CORPORATION	D Employer Identification Number (EIN) 54-0166880	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
COLUMBIA MANAGEMENT CO.	ONE FINANCIAL CENTER BOSTON, MA 02111

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation	
DODGE & COX	555 CALIFORNIA STREET 40TH FLOOR SAN FRANCISCO, CA 94104

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
LOOMIS SAYLES	ONE FINANCIAL CENTER BOSTON, MA 02111

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
PACIFIC INVESTMENT MGMT CORP	840 NEWPORT CENTER DRIVE NEWPORT BEACH, CA 92660

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FRANKLIN TEMPLETON GROUP

3344 QUALITY DRIVE
RANCHO CORDOVA, CA 95670

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

VANGUARD

100 VANGUARD BLVD
MALVERN, PA 19355

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

THE AMERICAN FUNDS GROUP

333 SOUTH HOPE STREET
LOS ANGELES, CA 90071

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

HARBOR CAPITAL ADVISORS

111 S WACKER DR
34TH FLOOR
CHICAGO, IL 60606

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PUTNAM INVESTMENTS

1 POST OFFICE SQUARE
BOSTON, MA 02109

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MERCER HR SERVICES, LLC

20-1932099

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 25 37 38 49 59 60 62 64 65 99	RECORDKEEPER/T RUSTEE	0	Yes ☒ No ☐	Yes ☐ No ☒	22321	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MERCER HR SERVICES, LLC	15 21 25 37 38 49 59 64 65 99	19809
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PUTNAM INVESTMENTS 1 POST OFFICE SQUARE BOSTON, MA 02109	VARIOUS ADMINISTRATIVE SERVICES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MERCER HR SERVICES, LLC	15 38 59 60	1152
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
HARBOR CAPITAL ADVISORS 111 S WACKER DR 34TH FLOOR CHICAGO, IL 60606	RECORDKEEPING, PARTICIPANT COMMUNICATION, SUB-TRANSFER AGENCY FEES, SHAREHOLDER SERVICING FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>CHESAPEAKE CORPORATION 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>049</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHESAPEAKE CORPORATION</u>	D Employer Identification Number (EIN) <u>54-0166880</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	<u>117510</u>	<u>0</u>
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	<u>251569</u>	<u>0</u>
(9) Value of interest in common/collective trusts.....	1c(9)	<u>809856</u>	<u>0</u>
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	<u>2555208</u>	<u>0</u>
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	984	0
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	3735127	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3735127	0
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	83443	
(B) Participants	2a(1)(B)	158089	
(C) Others (including rollovers)	2a(1)(C)	6210	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		247742

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	7709	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		7709

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	21456	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		21456

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	464	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	984	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-520

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		17293
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		296239
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		589919

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4073845	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		4073845
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		251201
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4325046

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-3735127
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: WITT MARES

(2) EIN: 54-1184709

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☒ Yes ☐ No Amount: 0

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>CHESAPEAKE CORPORATION 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>049</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHESAPEAKE CORPORATION</u>	D Employer Identification Number (EIN) <u>54-0166880</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>20-2020334</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Chesapeake Corporation 401(k) Savings Plan

FINANCIAL REPORT

DECEMBER 31, 2009 AND 2008



CHESAPEAKE CORPORATION
401(k) SAVINGS PLAN
FOR THE YEAR ENDED DECEMBER 31, 2009
INDEX

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Chesapeake Corporation 401(k) Savings Plan
Richmond, Virginia

We were engaged to audit the accompanying statement of net assets available for benefits of the Chesapeake Corporation 401(k) Savings Plan (Plan) as of December 31, 2009, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Mercer Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 2009 financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

As further discussed in Note 3 to the financial statements, the Board of Directors of Chesapeake Corporation 401(k) Savings Plan, the Plan's sponsor, voted to terminate the Plan effective May 31, 2009. In accordance with accounting principles generally accepted in the United States of America, the Plan has changed its basis of accounting used to determine the amounts at which investments in insurance contracts and the accumulated benefit information are stated from the ongoing plan basis used in presenting the 2008 financial statements to the liquidation basis used in presenting the 2009 financial statements.

Because of the significance of the information in the Plan's 2009 financial statements that we did not audit, we are unable to, and do not, express an opinion on the Plan's accompanying financial statements as of and for the year ended December 31, 2009. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Act of 1974.

We have audited the statement of net assets available for benefits of the Chesapeake Corporation 401(k) Savings Plan as of December 31, 2008, and in our report dated June 24, 2009, we expressed our opinion that such financial statements present fairly, in all material respects, the financial status of the Chesapeake Corporation 401(k) Savings Plan as of December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Witt Mares, PLC

Richmond, Virginia
July 21, 2010

CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

	2009	2008
	-----	-----
Assets:		
Investments at fair value (Notes 2 and 4)	\$ -	\$3,735,127
	-----	-----
Net assets available for benefits at fair value	\$ -	\$3,735,127
	-----	-----
Adjustment from fair value to contract value for interest in a collective trust relating to fully benefit-responsive investment contracts	-	38,646
	-----	-----
Net assets available for benefits at contract value	\$ -	\$3,773,773
	=====	=====

The accompanying notes are an integral part of the financial statements.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the years ended December 31, 2009 and December 31, 2008

	2009	2008
	-----	-----
Additions to net assets:		
Investment income:		
Interest and dividends	\$ 29,165	\$ 122,234
Net (depreciation) appreciation in fair value of investments (Notes 2 and 4)	274,366	(1,711,220)
	-----	-----
	303,531	(1,588,986)
Contributions (Note 1):		
Employees	158,089	647,415
Employer	83,443	424,333
Rollovers	6,210	5,696
	-----	-----
	247,742	1,077,444
	-----	-----
Total additions	551,273	(511,542)
Deductions from net assets:		
Distributions to participants (Note 1)	(4,325,046)	(460,166)
	-----	-----
Net decrease	(3,773,773)	(971,708)
Net assets available for benefits, beginning of year	3,773,773	4,745,481
	-----	-----
Net assets available for benefits, end of year	\$ -	\$3,773,773
	=====	=====

The accompanying notes are an integral part of the financial statements.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

1. Description of Plan:

General

The Chesapeake Corporation 401(k) Savings Plan (the "Plan") covered eligible employees of Chesapeake Pharmaceutical Packaging Company Inc. a wholly owned subsidiary of Chesapeake Corporation ("Chesapeake" or the "Employer"), as described in the Plan document. The Plan's assets were held by Mercer Trust Company (the "Trustee" or "Mercer").

The Plan was a defined contribution plan and was subject to certain provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Information regarding Plan benefits, priority of distributions upon termination of the Plan, allocation of Plan investment earnings, disposition of forfeitures, and vesting is provided in the Plan document, which was available at the main office of the Plan administrator at 1021 East Cary Street, Richmond, Virginia 23219.

The Plan was declared effective November 1, 2005, and was created by Chesapeake in connection with Chesapeake's acquisition of Impaxx Pharmaceutical Packaging Group, Inc. on September 13, 2005.

Employee Contributions

Participants were automatically enrolled to defer 2% of annual before-tax compensation. The Plan also provided for automatic increases of 1% per year. A participant could elect to defer receipt of 2% to 99% of annual before-tax compensation, in increments of 1% into the Plan. Elective deferral contributions could not exceed statutory limits (\$16,500 per participant in 2009 and \$15,500 per participant in 2008) in any taxable year. Participants could also contribute to the Plan amounts representing distributions from other qualified defined contribution plans. Participants directed the investment of their contributions into various investment options offered by the Plan. Participants could discontinue their election to contribute at any time.

Employees who reached age 50 by the 2009 Plan year end were allowed to contribute an additional \$5,500 for 2009 and \$5,000 for 2008 to their Plan account; increasing the adjusted statutory limits for these employees to \$22,000 and \$20,500 in 2009 and 2008, respectively.

Employer Contributions

The Plan provided for a matching employer contribution each Plan year in an amount equal to 100% of the first 3% and 50% of the next 2% of each participant's compensation that the participant elects to contribute to the Plan as an elective deferral contribution for the Plan year. The matching contributions were credited to participant accounts and invested in accordance with the participants' investment elections. Matching contributions for highly compensated participants were limited by the Internal Revenue Code as described in the Plan document.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

1. Description of Plan, continued:

Participant Accounts

Each participant's account was credited with the participant's contribution and allocations of (a) the Employer's contribution and (b) Plan earnings. Allocations were based on participant's earnings or account balances, as defined. The benefit to which a participant was entitled was the benefit that can be provided from the participant's vested account.

Vesting

Participants were fully and immediately vested in all employee contributions. Participants were immediately vested in employer matching contributions. In addition, participants were generally vested in the basic non-elective contribution and any discretionary contributions 20% per year over a five year period, such that a participant is 100% vested after five years of credited service. Employer matching contributions prior to January 1, 2006 for certain salaried employees were subject to the same vesting schedule.

Participant Loans

Employees who were participants in the Plan could borrow from the vested portion of their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loan terms range from 1-5 years or up to 10 years for the purchase of a primary residence. The loans were collateralized by the balance in the participant's account and bore interest at a rate equal to the prime lending rate plus one percent at the date of origination of the loan, as determined monthly by the Plan administrator. Repayment of loans (which includes principal and interest) was amortized in level payments, made no less frequently than quarterly. Loan repayments were generally made through payroll deductions on each paycheck. Loans generally became due and payable in full once a participant terminated employment. The loans were subject to certain restrictions as defined in the Plan document and applicable restrictions under the Internal Revenue Code. At December 31, 2009, there were no outstanding loans. At December 31, 2008, interest rates on outstanding loans ranged from 5.00% to 9.25%.

Distributions

Benefits under the Plan became distributable upon termination of employment, upon early retirement, on or after normal retirement, or upon death or disability. Benefit payments were made to the participant as a lump-sum distribution or installment payment. If the present value of the benefit to be received was less than \$1,000, a lump-sum distribution was required.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

1. Description of Plan, concluded:

Forfeitures

Termination of employment for reasons other than retirement, disability or death generally resulted in forfeiture of the non-vested portion of a participant's account. Forfeitures were held in the Plan and served to reduce future employer contributions under certain conditions described in the Plan document. There were no unused forfeitures at December 31, 2009. The balance of forfeited nonvested accounts was \$2,847 at December 31, 2008. Forfeitures in the amount of \$5,882 and \$4,139 were used to reduce employer contributions in 2009 and 2008, respectively.

Plan Expenses

Fees of investment managers or expenses incurred in connection with the purchase or transfer of Chesapeake Corporation common stock, if any, were borne by participants who selected such investments, and were netted against investment income. All other expenses associated with the administration of the Plan were paid by Chesapeake.

2. Summary of Significant Accounting Policies:

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting using the liquidation basis in 2009 in conformity with accounting principles generally accepted in the United States of America.

On December 29, 2008, subsequent to the Employer's fiscal year-end 2008, Chesapeake Corporation and all of its U.S. subsidiaries (the Chesapeake Chapter 11 Debtors) filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code and sold substantially all of its operating assets, effective April 30, 2009. The Plan was then terminated on May 31, 2009 (See Note 3).

Investment Valuation and Income

Investments are stated at fair value determined as follows:

Mutual and money market funds	- Quoted market value
Common and collective trusts	- Information reported by the investment adviser
Chesapeake common stock	- Last published year-end sale price on the New York Stock Exchange
Loans to participants	- Balances due which approximate fair value



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, concluded:

Purchases and sales of securities were recorded on a trade-date basis. Investment income was recorded as earned. Dividend income was recorded on the ex-dividend date. The Plan presents in the Statements of Changes in Net Assets Available for Benefits the "net appreciation (depreciation) in fair value of investments" which consists of the realized gains and losses and the change in unrealized appreciation or depreciation on those investments

Distributions to Participants

Distributions were recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the financial statements and related disclosures. Actual results could differ from those estimates.

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invested in investment contracts through a collective trust.

3. Plan Termination:

Chesapeake froze the accrued benefits and terminated the plan as of May 31, 2009. Therefore, the accrued benefits of each participant became nonforfeitable to the extent funded as of April 30, 2009 and the net assets of the plan were allocated, as prescribed by the terms and provisions of the plan in accordance with ERISA and its related regulations and subject to any required approval of the Internal Revenue Service and the Pension Benefit Guaranty Corporation (PBGC).



**CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

4. Investments:

Individual investments that represent 5% or more of the Plan's net assets available for benefits are as follows:

	December 31,	
	2009	2008
	-----	-----
Investments at fair value as determined by quoted market price:		
Ready-mixed funds		
Harbor Capital International Fund (0 and 11,560 shares, respectively)	\$ -	\$460,192
Dodge & Cox Stock Fund (0 and 3,897 shares, respectively)	-	289,814
Blend funds		
Putnam International Equity Fund (0 and 18,303 shares, respectively)	-	277,838
Putnam S&P 500 Index Fund (0 and 7,982 shares, respectively)	-	196,425
Growth funds		
American Funds Growth of America (0 and 12,198 shares, respectively)	-	247,859
Income funds		
PIMCO Total Return Fund (0 and 26,886 shares, respectively)	-	272,628
Capital Preservation Funds		
Putnam Stable Value Fund (0 and 613,431 shares, respectively)	-	613,431

During 2009 and 2008 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) (depreciated) appreciated in value as follows:

	2009	2008
	-----	-----
Mutual funds	\$ 303,785	(\$1,543,761)
Common and collective trusts	(28,899)	(51,827)
Common stock	(520)	(115,632)
	-----	-----
Net appreciation (depreciation) in fair value of investments	<u>\$ 274,366</u>	<u>(\$1,711,220)</u>



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

5. Financial Information Certified by the Trustee

The following information for 2009 was compiled from data certified by Mercer Trust Company, trustee of the Plan, as being complete and accurate.

- a. Information included in the statements of net assets available for benefits:
 - Fair value of investments
- b. Information included in the statements of changes in net assets available for benefits:
 - Interest and dividends
 - Net appreciation (depreciation) in fair value of investments
- c. Investment information included in Note 4

6. Valuation of Common/Collective Trust:

The Plan entered into a benefit-responsive investment contract with Mercer. Mercer maintained the contributions in a general account. The account was credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the statements of net assets available for benefits at fair value as determined using the market approach based on market prices of similar contracts. The adjustment from fair value to contract value for the investment contract is based on the contract value as reported to the plan by Mercer. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of the investments at contract value.

The following information reflects the difference between the contract value of the fully benefit-responsive investment and the fair market value.

	2009	2008
	-----	-----
Common/collective trust (contract value)	\$ -	\$ 613,431
Common/collective trust (fair value)	-	574,785
	-----	-----
Adjustment to contract value	\$ -	\$ 38,646
	=====	=====



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

7. Tax Status:

The Plan was a proto-type plan designed by Mercer. The proto-type plan obtained a determination letter on August 9, 2002, in which the Internal Revenue Service stated that the proto-type plan, as designed, was in compliance with the applicable requirements of the Internal Revenue Code (the "Code"). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan was designed and being operated in compliance with the applicable requirements of the Code.

8. Party-in-Interest Transactions:

Certain Plan investments are shares of mutual funds, money market funds, and common and collective trusts are managed by Mercer, the trustee. Party-in-Interest Transactions include purchases and sales of investments and administrative fees. These transactions qualify as party-in-interest transactions that are allowable under ERISA.

9. New Accounting Pronouncements:

Effective January 1, 2009, the Company adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 105-10, Generally Accepted Accounting Principles - Overall ("ASC 105-10"), which was formerly known as SFAS 168. ASC 105-10 establishes the FASB Accounting Standards Codification (the "Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority.

The Codification superseded all existing non-SEC accounting and reporting standards all other non-grandfathered, non-SEC accounting literature included in the Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right. ASUs will serve only to update the Codification, provide background information about the guidance and provide the basis for conclusions on the change(s) in the Codification. References made to FASB guidance throughout this document have been updated for the Codification.

In May 2009, the Financial Accounting Standards Board issued ASC 855-10, formerly SFAS No. 165, "Subsequent Events" ("SFAS 165"). ASC 855-10 establishes principles and requirements for the reporting of events or transactions that occur after the balance sheet date, but before financial statements are issued or are available to be issued. ASC 855-10 is effective for financial statements issued for fiscal years and interim periods ending after June 15, 2009. As such, the Plan adopted these provisions during the period. Adoption of ASC 855-10 did not have a material effect on the Plan's financial statements.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

10. Disclosures About Fair Value of Financial Statements:

FASB ASC Topic 820, *Fair Value Measurements & Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Mutual funds and money market funds: Valued at quoted market price at plan year end.

Common/collective trust: Value based on information reported by the investment advisor using the audited financial statements of the collective trust at year end.

Chesapeake common stock: Valued at the last published year-end sales price on the New York Stock Exchange.

Loan to participants: Valued at balance due which approximates fair value.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

10. Disclosures about Fair Value of Financial Statements, continued:

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2009:

Assets Measured at Fair Value on a Recurring Basis at December 31, 2009				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2009
Assets				
Money Market Funds	\$ —	\$ —	\$ —	\$ —
Common Stock	—	—	—	—
Mutual Funds	—	—	—	—
Common Collective Trusts	—	—	—	—
Participant Loans	—	—	—	—
Total assets at fair value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2008:

Assets Measured at Fair Value on a Recurring Basis at December 31, 2008				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2008
Assets				
Money Market Funds	\$ —	\$ 117,510	\$ —	\$ 117,510
Common Stock	984	—	—	984
Mutual Funds	—	2,555,208	—	2,555,208
Common Collective Trusts	—	—	809,856	809,856
Participant Loans	—	—	251,569	251,569
Total assets at fair value	<u>\$ 984</u>	<u>\$ 2,672,718</u>	<u>\$ 1,061,425</u>	<u>\$ 3,735,127</u>



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

10. Disclosures about Fair Value of Financial Statements, concluded:

The following table summarizes the changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2009:

<u>Level 3 Assets at December 31, 2009</u>	
	<u>Participant Loans</u>
Balance, beginning of year	\$ 1,061,425
Purchases, sales, issuances and settlements, net	(1,061,425)
Balance, end of year	<u>\$ —</u>

11. Reconciliation of Financial Statements to Form 5500:

The following reconciles the financial statements to Form 5500, Schedule H:

	<u>2009</u>
Total additions per financial statements	\$ 551,273
Administrative Deductions	-
Adjustment from contract value to fair value for common/collective trust for prior year	<u>38,646</u>
Total additions per Form 5500	<u>\$ 589,919</u>
	<u>2009</u>
Net loss per financial statements	\$ 3,773,773
Adjustment from contract value to fair value for common/collective trust for prior year	<u>(38,646)</u>
Net loss per Form 5500	<u>\$ 3,735,127</u>

12. Subsequent Events

The Company has evaluated all events subsequent to the balance sheet date of December 31, 2009 through July 21, 2010, which is the date these financial statements were available to be issued. The Company has determined that there are no subsequent events that require disclosure pursuant to the FASB Accounting Standards Codification.



Chesapeake Corporation 401(k) Savings Plan

FINANCIAL REPORT

DECEMBER 31, 2009 AND 2008



CHESAPEAKE CORPORATION
401(k) SAVINGS PLAN
FOR THE YEAR ENDED DECEMBER 31, 2009
INDEX

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Chesapeake Corporation 401(k) Savings Plan
Richmond, Virginia

We were engaged to audit the accompanying statement of net assets available for benefits of the Chesapeake Corporation 401(k) Savings Plan (Plan) as of December 31, 2009, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Mercer Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 2009 financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

As further discussed in Note 3 to the financial statements, the Board of Directors of Chesapeake Corporation 401(k) Savings Plan, the Plan's sponsor, voted to terminate the Plan effective May 31, 2009. In accordance with accounting principles generally accepted in the United States of America, the Plan has changed its basis of accounting used to determine the amounts at which investments in insurance contracts and the accumulated benefit information are stated from the ongoing plan basis used in presenting the 2008 financial statements to the liquidation basis used in presenting the 2009 financial statements.

Because of the significance of the information in the Plan's 2009 financial statements that we did not audit, we are unable to, and do not, express an opinion on the Plan's accompanying financial statements as of and for the year ended December 31, 2009. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Act of 1974.

We have audited the statement of net assets available for benefits of the Chesapeake Corporation 401(k) Savings Plan as of December 31, 2008, and in our report dated June 24, 2009, we expressed our opinion that such financial statements present fairly, in all material respects, the financial status of the Chesapeake Corporation 401(k) Savings Plan as of December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Witt Mares, PLC

Richmond, Virginia
July 21, 2010

CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

	2009	2008
	-----	-----
Assets:		
Investments at fair value (Notes 2 and 4)	\$ -	\$3,735,127
	-----	-----
Net assets available for benefits at fair value	\$ -	\$3,735,127
	-----	-----
Adjustment from fair value to contract value for interest in a collective trust relating to fully benefit-responsive investment contracts	-	38,646
	-----	-----
Net assets available for benefits at contract value	\$ -	\$3,773,773
	=====	=====

The accompanying notes are an integral part of the financial statements.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the years ended December 31, 2009 and December 31, 2008

	2009	2008
	-----	-----
Additions to net assets:		
Investment income:		
Interest and dividends	\$ 29,165	\$ 122,234
Net (depreciation) appreciation in fair value of investments (Notes 2 and 4)	274,366	(1,711,220)
	-----	-----
	303,531	(1,588,986)
Contributions (Note 1):		
Employees	158,089	647,415
Employer	83,443	424,333
Rollovers	6,210	5,696
	-----	-----
	247,742	1,077,444
	-----	-----
Total additions	551,273	(511,542)
Deductions from net assets:		
Distributions to participants (Note 1)	(4,325,046)	(460,166)
	-----	-----
Net decrease	(3,773,773)	(971,708)
Net assets available for benefits, beginning of year	3,773,773	4,745,481
	-----	-----
Net assets available for benefits, end of year	\$ -	\$3,773,773
	=====	=====

The accompanying notes are an integral part of the financial statements.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

1. Description of Plan:

General

The Chesapeake Corporation 401(k) Savings Plan (the "Plan") covered eligible employees of Chesapeake Pharmaceutical Packaging Company Inc. a wholly owned subsidiary of Chesapeake Corporation ("Chesapeake" or the "Employer"), as described in the Plan document. The Plan's assets were held by Mercer Trust Company (the "Trustee" or "Mercer").

The Plan was a defined contribution plan and was subject to certain provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Information regarding Plan benefits, priority of distributions upon termination of the Plan, allocation of Plan investment earnings, disposition of forfeitures, and vesting is provided in the Plan document, which was available at the main office of the Plan administrator at 1021 East Cary Street, Richmond, Virginia 23219.

The Plan was declared effective November 1, 2005, and was created by Chesapeake in connection with Chesapeake's acquisition of Impaxx Pharmaceutical Packaging Group, Inc. on September 13, 2005.

Employee Contributions

Participants were automatically enrolled to defer 2% of annual before-tax compensation. The Plan also provided for automatic increases of 1% per year. A participant could elect to defer receipt of 2% to 99% of annual before-tax compensation, in increments of 1% into the Plan. Elective deferral contributions could not exceed statutory limits (\$16,500 per participant in 2009 and \$15,500 per participant in 2008) in any taxable year. Participants could also contribute to the Plan amounts representing distributions from other qualified defined contribution plans. Participants directed the investment of their contributions into various investment options offered by the Plan. Participants could discontinue their election to contribute at any time.

Employees who reached age 50 by the 2009 Plan year end were allowed to contribute an additional \$5,500 for 2009 and \$5,000 for 2008 to their Plan account; increasing the adjusted statutory limits for these employees to \$22,000 and \$20,500 in 2009 and 2008, respectively.

Employer Contributions

The Plan provided for a matching employer contribution each Plan year in an amount equal to 100% of the first 3% and 50% of the next 2% of each participant's compensation that the participant elects to contribute to the Plan as an elective deferral contribution for the Plan year. The matching contributions were credited to participant accounts and invested in accordance with the participants' investment elections. Matching contributions for highly compensated participants were limited by the Internal Revenue Code as described in the Plan document.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

1. Description of Plan, continued:

Participant Accounts

Each participant's account was credited with the participant's contribution and allocations of (a) the Employer's contribution and (b) Plan earnings. Allocations were based on participant's earnings or account balances, as defined. The benefit to which a participant was entitled was the benefit that can be provided from the participant's vested account.

Vesting

Participants were fully and immediately vested in all employee contributions. Participants were immediately vested in employer matching contributions. In addition, participants were generally vested in the basic non-elective contribution and any discretionary contributions 20% per year over a five year period, such that a participant is 100% vested after five years of credited service. Employer matching contributions prior to January 1, 2006 for certain salaried employees were subject to the same vesting schedule.

Participant Loans

Employees who were participants in the Plan could borrow from the vested portion of their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loan terms range from 1-5 years or up to 10 years for the purchase of a primary residence. The loans were collateralized by the balance in the participant's account and bore interest at a rate equal to the prime lending rate plus one percent at the date of origination of the loan, as determined monthly by the Plan administrator. Repayment of loans (which includes principal and interest) was amortized in level payments, made no less frequently than quarterly. Loan repayments were generally made through payroll deductions on each paycheck. Loans generally became due and payable in full once a participant terminated employment. The loans were subject to certain restrictions as defined in the Plan document and applicable restrictions under the Internal Revenue Code. At December 31, 2009, there were no outstanding loans. At December 31, 2008, interest rates on outstanding loans ranged from 5.00% to 9.25%.

Distributions

Benefits under the Plan became distributable upon termination of employment, upon early retirement, on or after normal retirement, or upon death or disability. Benefit payments were made to the participant as a lump-sum distribution or installment payment. If the present value of the benefit to be received was less than \$1,000, a lump-sum distribution was required.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

1. Description of Plan, concluded:

Forfeitures

Termination of employment for reasons other than retirement, disability or death generally resulted in forfeiture of the non-vested portion of a participant's account. Forfeitures were held in the Plan and served to reduce future employer contributions under certain conditions described in the Plan document. There were no unused forfeitures at December 31, 2009. The balance of forfeited nonvested accounts was \$2,847 at December 31, 2008. Forfeitures in the amount of \$5,882 and \$4,139 were used to reduce employer contributions in 2009 and 2008, respectively.

Plan Expenses

Fees of investment managers or expenses incurred in connection with the purchase or transfer of Chesapeake Corporation common stock, if any, were borne by participants who selected such investments, and were netted against investment income. All other expenses associated with the administration of the Plan were paid by Chesapeake.

2. Summary of Significant Accounting Policies:

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting using the liquidation basis in 2009 in conformity with accounting principles generally accepted in the United States of America.

On December 29, 2008, subsequent to the Employer's fiscal year-end 2008, Chesapeake Corporation and all of its U.S. subsidiaries (the Chesapeake Chapter 11 Debtors) filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code and sold substantially all of its operating assets, effective April 30, 2009. The Plan was then terminated on May 31, 2009 (See Note 3).

Investment Valuation and Income

Investments are stated at fair value determined as follows:

Mutual and money market funds	- Quoted market value
Common and collective trusts	- Information reported by the investment adviser
Chesapeake common stock	- Last published year-end sale price on the New York Stock Exchange
Loans to participants	- Balances due which approximate fair value



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, concluded:

Purchases and sales of securities were recorded on a trade-date basis. Investment income was recorded as earned. Dividend income was recorded on the ex-dividend date. The Plan presents in the Statements of Changes in Net Assets Available for Benefits the "net appreciation (depreciation) in fair value of investments" which consists of the realized gains and losses and the change in unrealized appreciation or depreciation on those investments

Distributions to Participants

Distributions were recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the financial statements and related disclosures. Actual results could differ from those estimates.

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invested in investment contracts through a collective trust.

3. Plan Termination:

Chesapeake froze the accrued benefits and terminated the plan as of May 31, 2009. Therefore, the accrued benefits of each participant became nonforfeitable to the extent funded as of April 30, 2009 and the net assets of the plan were allocated, as prescribed by the terms and provisions of the plan in accordance with ERISA and its related regulations and subject to any required approval of the Internal Revenue Service and the Pension Benefit Guaranty Corporation (PBGC).



**CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

4. Investments:

Individual investments that represent 5% or more of the Plan's net assets available for benefits are as follows:

	December 31,	
	2009	2008
	-----	-----
Investments at fair value as determined by quoted market price:		
Ready-mixed funds		
Harbor Capital International Fund (0 and 11,560 shares, respectively)	\$ -	\$460,192
Dodge & Cox Stock Fund (0 and 3,897 shares, respectively)	-	289,814
Blend funds		
Putnam International Equity Fund (0 and 18,303 shares, respectively)	-	277,838
Putnam S&P 500 Index Fund (0 and 7,982 shares, respectively)	-	196,425
Growth funds		
American Funds Growth of America (0 and 12,198 shares, respectively)	-	247,859
Income funds		
PIMCO Total Return Fund (0 and 26,886 shares, respectively)	-	272,628
Capital Preservation Funds		
Putnam Stable Value Fund (0 and 613,431 shares, respectively)	-	613,431

During 2009 and 2008 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) (depreciated) appreciated in value as follows:

	2009	2008
	-----	-----
Mutual funds	\$ 303,785	(\$1,543,761)
Common and collective trusts	(28,899)	(51,827)
Common stock	(520)	(115,632)
	-----	-----
Net appreciation (depreciation) in fair value of investments	<u>\$ 274,366</u>	<u>(\$1,711,220)</u>



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

5. Financial Information Certified by the Trustee

The following information for 2009 was compiled from data certified by Mercer Trust Company, trustee of the Plan, as being complete and accurate.

- a. Information included in the statements of net assets available for benefits:
 - Fair value of investments
- b. Information included in the statements of changes in net assets available for benefits:
 - Interest and dividends
 - Net appreciation (depreciation) in fair value of investments
- c. Investment information included in Note 4

6. Valuation of Common/Collective Trust:

The Plan entered into a benefit-responsive investment contract with Mercer. Mercer maintained the contributions in a general account. The account was credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the statements of net assets available for benefits at fair value as determined using the market approach based on market prices of similar contracts. The adjustment from fair value to contract value for the investment contract is based on the contract value as reported to the plan by Mercer. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of the investments at contract value.

The following information reflects the difference between the contract value of the fully benefit-responsive investment and the fair market value.

	2009	2008
	-----	-----
Common/collective trust (contract value)	\$ -	\$ 613,431
Common/collective trust (fair value)	-	574,785
	-----	-----
Adjustment to contract value	\$ -	\$ 38,646
	=====	=====



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

7. Tax Status:

The Plan was a proto-type plan designed by Mercer. The proto-type plan obtained a determination letter on August 9, 2002, in which the Internal Revenue Service stated that the proto-type plan, as designed, was in compliance with the applicable requirements of the Internal Revenue Code (the "Code"). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan was designed and being operated in compliance with the applicable requirements of the Code.

8. Party-in-Interest Transactions:

Certain Plan investments are shares of mutual funds, money market funds, and common and collective trusts are managed by Mercer, the trustee. Party-in-Interest Transactions include purchases and sales of investments and administrative fees. These transactions qualify as party-in-interest transactions that are allowable under ERISA.

9. New Accounting Pronouncements:

Effective January 1, 2009, the Company adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 105-10, Generally Accepted Accounting Principles - Overall ("ASC 105-10"), which was formerly known as SFAS 168. ASC 105-10 establishes the FASB Accounting Standards Codification (the "Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority.

The Codification superseded all existing non-SEC accounting and reporting standards all other non-grandfathered, non-SEC accounting literature included in the Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right. ASUs will serve only to update the Codification, provide background information about the guidance and provide the basis for conclusions on the change(s) in the Codification. References made to FASB guidance throughout this document have been updated for the Codification.

In May 2009, the Financial Accounting Standards Board issued ASC 855-10, formerly SFAS No. 165, "Subsequent Events" ("SFAS 165"). ASC 855-10 establishes principles and requirements for the reporting of events or transactions that occur after the balance sheet date, but before financial statements are issued or are available to be issued. ASC 855-10 is effective for financial statements issued for fiscal years and interim periods ending after June 15, 2009. As such, the Plan adopted these provisions during the period. Adoption of ASC 855-10 did not have a material effect on the Plan's financial statements.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

10. Disclosures About Fair Value of Financial Statements:

FASB ASC Topic 820, *Fair Value Measurements & Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Mutual funds and money market funds: Valued at quoted market price at plan year end.

Common/collective trust: Value based on information reported by the investment advisor using the audited financial statements of the collective trust at year end.

Chesapeake common stock: Valued at the last published year-end sales price on the New York Stock Exchange.

Loan to participants: Valued at balance due which approximates fair value.



CHESAPEAKE CORPORATION 401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

10. Disclosures about Fair Value of Financial Statements, continued:

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2009:

Assets Measured at Fair Value on a Recurring Basis at December 31, 2009				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2009
Assets				
Money Market Funds	\$ —	\$ —	\$ —	\$ —
Common Stock	—	—	—	—
Mutual Funds	—	—	—	—
Common Collective Trusts	—	—	—	—
Participant Loans	—	—	—	—
Total assets at fair value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2008:

Assets Measured at Fair Value on a Recurring Basis at December 31, 2008				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2008
Assets				
Money Market Funds	\$ —	\$ 117,510	\$ —	\$ 117,510
Common Stock	984	—	—	984
Mutual Funds	—	2,555,208	—	2,555,208
Common Collective Trusts	—	—	809,856	809,856
Participant Loans	—	—	251,569	251,569
Total assets at fair value	<u>\$ 984</u>	<u>\$ 2,672,718</u>	<u>\$ 1,061,425</u>	<u>\$ 3,735,127</u>



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10. Disclosures about Fair Value of Financial Statements, concluded:

The following table summarizes the changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2009:

<u>Level 3 Assets at December 31, 2009</u>	
	<u>Participant Loans</u>
Balance, beginning of year	\$ 1,061,425
Purchases, sales, issuances and settlements, net	(1,061,425)
Balance, end of year	<u>\$ —</u>

11. Reconciliation of Financial Statements to Form 5500:

The following reconciles the financial statements to Form 5500, Schedule H:

	<u>2009</u>
Total additions per financial statements	\$ 551,273
Administrative Deductions	-
Adjustment from contract value to fair value for common/collective trust for prior year	<u>38,646</u>
Total additions per Form 5500	<u>\$ 589,919</u>
	<u>2009</u>
Net loss per financial statements	\$ 3,773,773
Adjustment from contract value to fair value for common/collective trust for prior year	<u>(38,646)</u>
Net loss per Form 5500	<u>\$ 3,735,127</u>

12. Subsequent Events

The Company has evaluated all events subsequent to the balance sheet date of December 31, 2009 through July 21, 2010, which is the date these financial statements were available to be issued. The Company has determined that there are no subsequent events that require disclosure pursuant to the FASB Accounting Standards Codification.

