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Chesapeake Corporation Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) We'll go to Rob Magnuson, Goldman Sachs.

Rob Magnuson – Goldman Sachs

Hi, I was wondering if you could speak to where you think you are in terms of market share in each of the segments, is it some of this volume decline, is it purely demand or do you think you have lost any share?

Andy Kohut

We don't believe that we have lost any share an actually the additions to the customer business that we spoke about the new business wins actually suggest that we have increased position. There is a timing element of when that business is transferred to us but in some cases our customers had lower demand and that resulted in us having less than expected shipments in particularly the first half of the year.

Rob Magnuson – Goldman Sachs

And just in terms of second half performance, if I am understanding it correctly it will not only be a sequential increase going forward in the second half but also year-over-year increase in EBIT, adjusted EBIT, I guess?

Joel Mostrom

What we said is we expected to be a sequential improvement over the first half of the year. We said that year-on-year improvement for the entire year would be more challenging.

Rob Magnuson – Goldman Sachs

Right, but I guess the first half of the year is down materially. So would that imply second half '08 is stronger than second half '07?

Joel Mostrom

We really didn't provide that other than that we expected in improving position with the business going into the second half, but then we just gave an annual view that it would be more challenging to have year-on-year improvement.

Rob Magnuson – Goldman Sachs

Okay, and the new business that has been won but doesn't come online until the second half, have you given a total revenue number for that or does that – I guess does that fully offset the BAT business?

Joel Mostrom

It certainly helps us at the BAT business, but what is particularly good about it is it is across really all our divisions and pharmaceutical and healthcare are the branded products as well as in our plastics division we have seen wins across the board.

Rob Magnuson – Goldman Sachs

Okay that is good for me. Thank you.

Operator

(Operator instructions) We will go to Patrick Moore, Deutsche Bank.

Patrick Moore – Deutsche Bank

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