

Fourth Quarter 2008 Earnings Report

January 28, 2009

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Results presented on a continuing operations basis



Forward-looking Statements

Certain statements in this document and elsewhere by management of the company that are neither reported financial results nor other historical information are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such information includes, without limitation, the business outlook, assessment of market conditions, anticipated financial and operating results, strategies, future plans, contingencies and contemplated transactions of the company. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors which may cause or contribute to actual results of company operations, or the performance or achievements of each company, or industry results, to differ materially from those expressed or implied by the forward-looking statements. In addition to any such risks, uncertainties and other factors discussed elsewhere herein, risks, uncertainties, and other factors that could cause or contribute to actual results differing materially from those expressed or implied for the forward-looking statements include, but are not limited to, events or circumstances which affect the ability of MeadWestvaco to realize improvements in operating earnings from the company’s ongoing cost reduction initiatives; the ability of MeadWestvaco to close announced and pending transactions, including divestitures; the reorganization of the company’s packaging business units; competitive pricing for the company’s products; impact from inflation on raw materials, energy and other costs; fluctuations in demand and changes in production capacities; changes to economic growth in the United States and international economies; government policies and regulations, including, but not limited to those affecting the environment and the tobacco industry; the company’s continued ability to reach agreement with its unionized employees on collective bargaining agreements; the company’s ability to execute its plans to divest or otherwise realize the greater value associated with its land holdings; adverse results in current or future litigation; currency movements; volatility and further deterioration of the capital markets; and other risk factors discussed in the company’s Annual Report on Form 10-K for the year ended December 31, 2007, and in other filings made from time to time with the SEC. MeadWestvaco undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Investors are advised, however, to consult any further disclosures made on related subjects in the company’s reports filed with the SEC.

Fourth Quarter 2008 Key Points

- Operating results reflect continued input cost inflation and lower demand due to challenging global economic conditions
- Managing well by executing on the “controllables” – cash from operations exceeded \$175 million in the fourth quarter; \$360 million in 2008
- Capitalizing on strong financial position and accelerating actions to create a more focused, higher performing packaging company
- Well-positioned to capture long-term growth opportunities in global packaging through its breadth, capabilities and blue-chip customer base

Benefits of Broad Actions

Cost Reduction Acceleration Announcement – January 15, 2009

**Focus
Business**

**Reduce
Overhead**

**Optimize
Footprint**

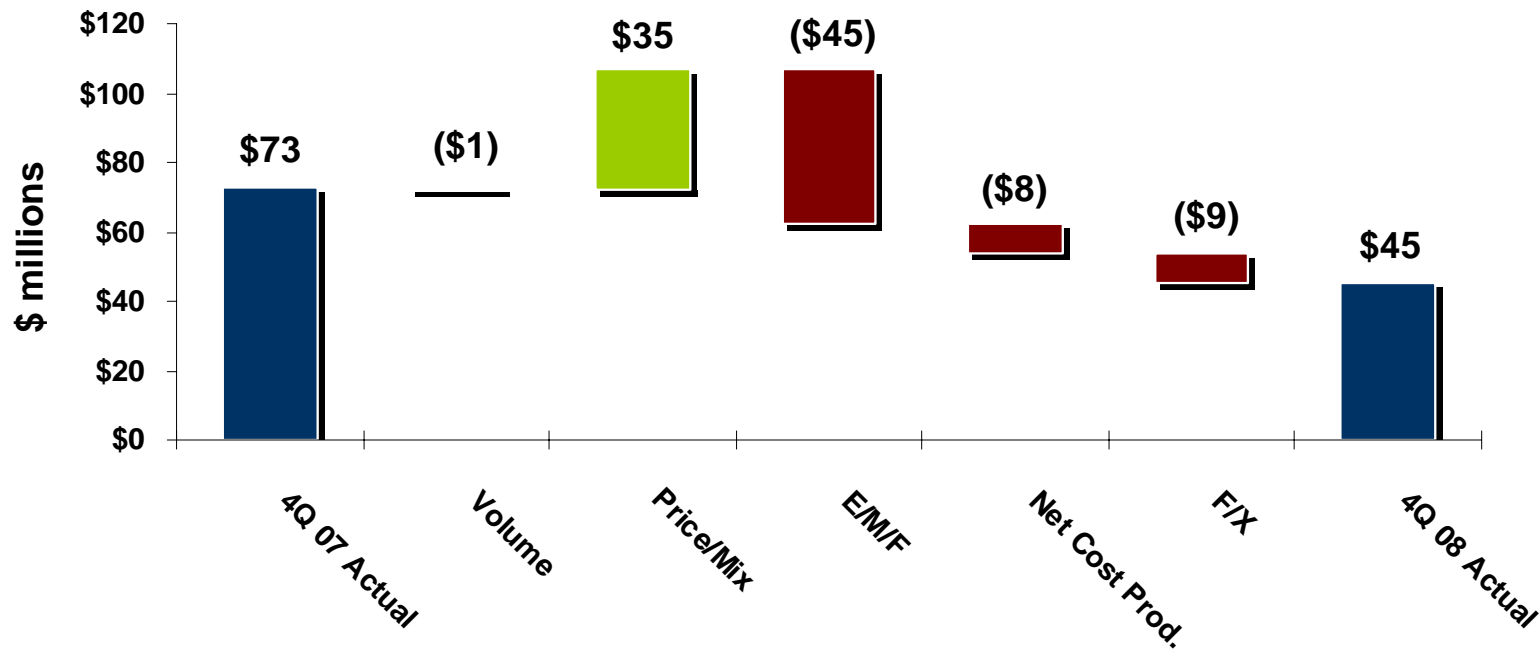
Benefits of actions: 2009

- \$125 million pre-tax cash savings
 - \$100 million from corporate and business unit overhead reductions – 800 FTEs by end of Q1 2009
 - \$25 million from closing or restructuring 12-14 manufacturing locations – 5 already announced
 - Expect immediate impact in Q1 2009 with savings building through 2009

Benefits of actions: mid- 2010

- \$250 - \$300 million pre-tax annualized cash savings; ~2,000 positions or 10% of global workforce
 - \$100 - \$140 million from corporate and business unit overhead reductions
 - \$75 - \$80 million from manufacturing facility rationalizations and consolidations
 - \$75 - \$80 million from global sourcing savings

Packaging Resources Segment Profit



- 5% SBS volume growth offset by 12% CNK® volume decline due to de-stocking by major global beverage customers
- Bleached volume growth driven by continued strength in commercial print and liquid packaging markets
- Continuing to seek price/mix improvement across major paperboard grades to offset higher input costs
- Production slowbacks (35,000 tons of CNK ®) impacted productivity; segment will continue to aggressively match supply to demand

Bleached Board

Shipments: 404,000 tons in Q408, up 5% vs. Q407

Pricing: Up \$55 per ton vs. Q407; +6%

Backlogs: Approximately 2 weeks

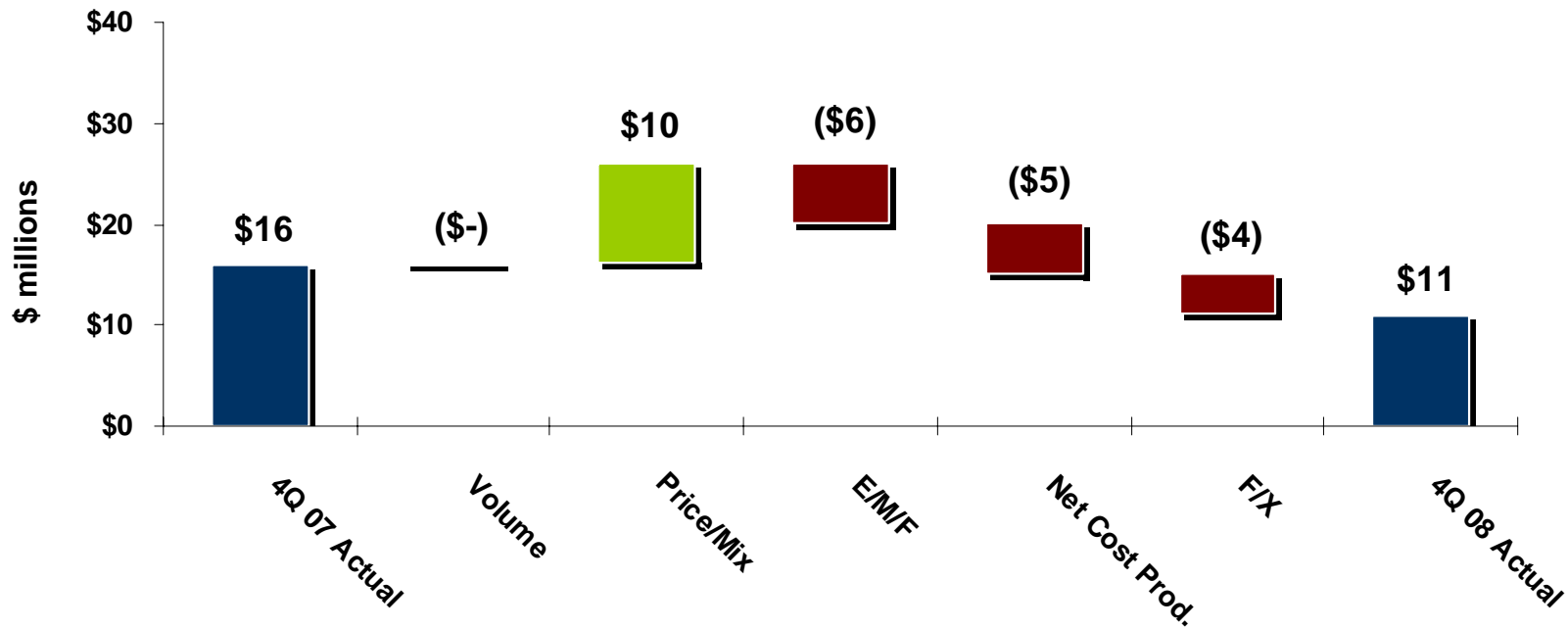
Coated Natural Kraft

Shipments: 213,000 tons in Q408, down 12% vs. Q407

Pricing: Up \$29 per ton vs. Q407; +5%

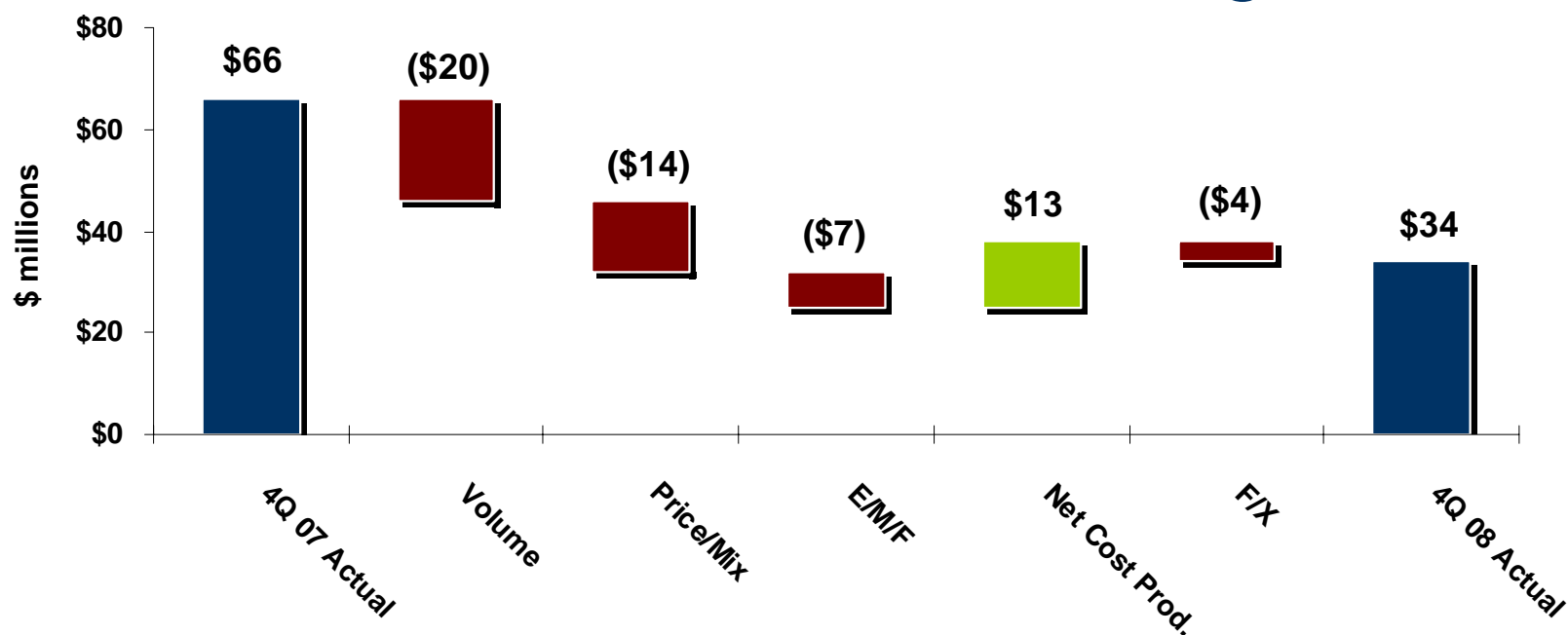
Backlogs: Approximately 2 weeks

Consumer Solutions Segment Profit



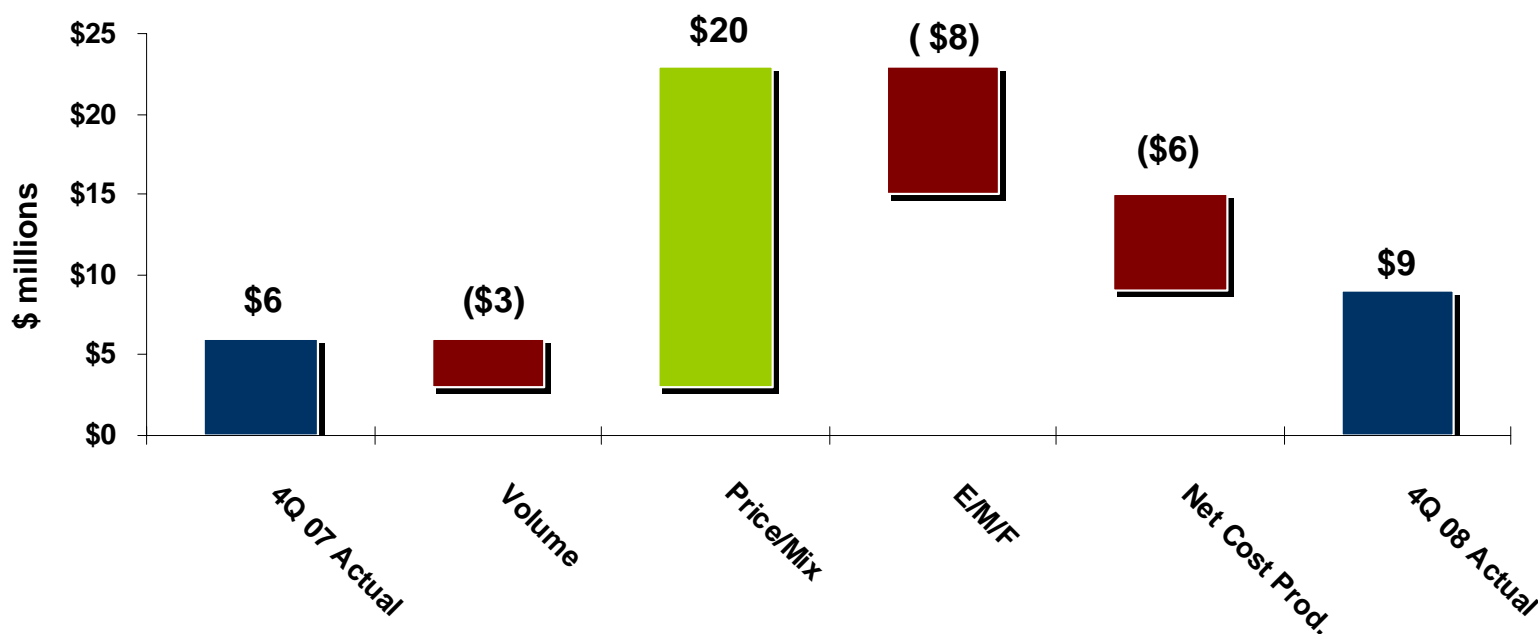
- Solid beverage performance, growth in healthcare packaging and share gains in home and garden packaging were offset by significant declines in global media and personal care packaging due to economic weakness
- Price/mix more than offsetting input costs as the company began to benefit from pricing actions taken to offset oil-based raw materials inflation, mainly plastic resins
- Productivity impacted by significant volume declines in global media and personal care markets and manufacturing footprint optimization activities
- Product line and manufacturing footprint optimization continuing; 4 facility closures already announced

Consumer & Office Products Segment Profit



- Significant volume declines across North American consumer, time management and envelope businesses due to economic weakness partially offset by solid gains at Tilibra, the segment's Brazilian business
- Aggressive production and working capital management resulted in strong cash generation despite a decline in earnings; company's inventory position is lean heading into 2009
- Segment continuing to appropriately adjust its cost structure to perform in the challenging economic environment – announced the closure of Enfield, CT envelope manufacturing and distribution facility

Specialty Chemicals Segment Profit



- Price/mix helped offset input cost inflation as pricing actions gained traction and product mix improved in performance chemicals
- Asphalt additives volumes from global infrastructure projects partially offset overall economic-related volume declines in performance chemicals
- Gains in activated carbon volumes for water and food purification markets helped partially offset significant volume declines in the global auto OEM market
- Productivity impacted by strategic inventory management initiatives late in the quarter

Community Development & Land Management

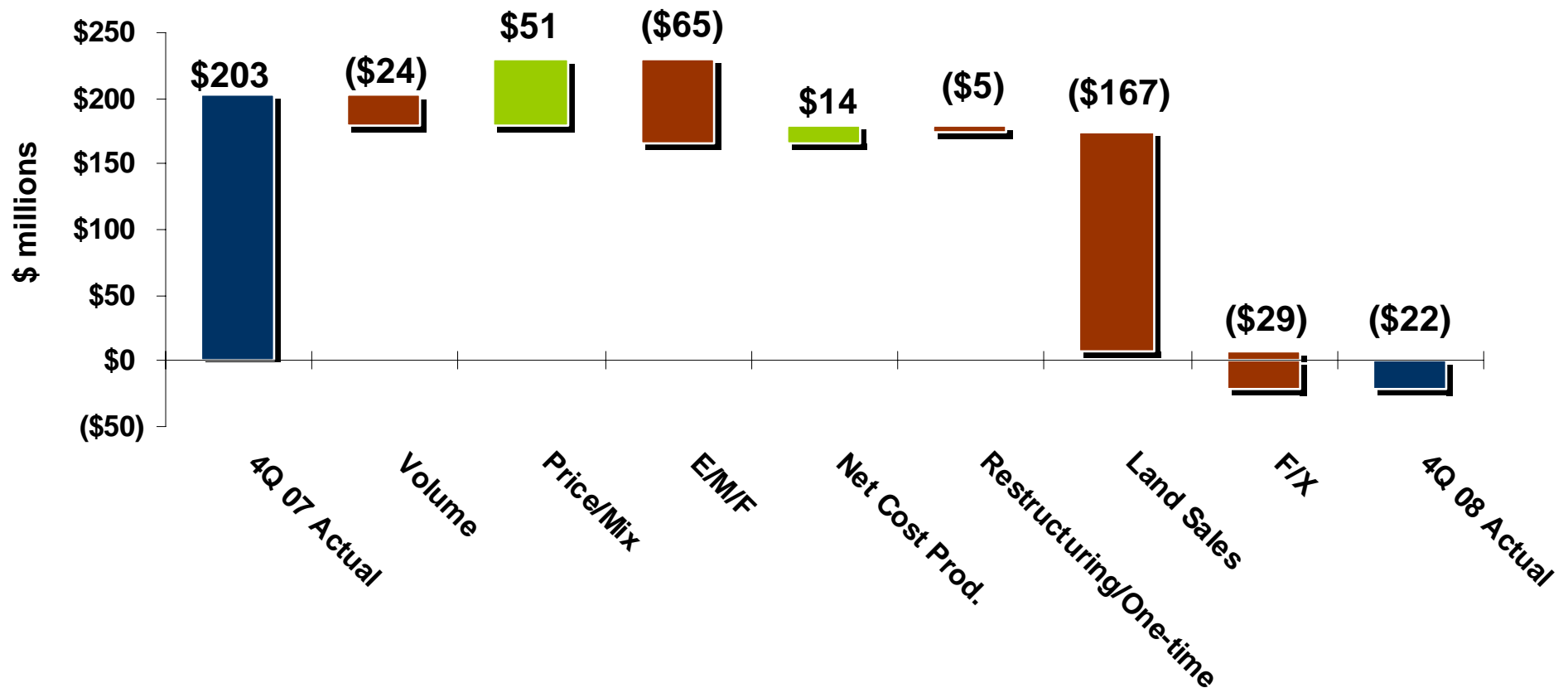
Small-Tract Land Sales				
	Q4	Q4	FY	FY
	12/31/08	12/31/07	12/31/08	12/31/07
Acres sold	7,300	3,700	21,200	7,900
Gross Proceeds (\$MM)	\$ 15.9	\$ 14.0	\$ 56.5	\$ 25.7
\$/ Per acre	\$ 2,200	\$ 3,800	\$ 2,700	\$ 3,300
Transactions	33	16	90	35

- Sales mix shift to recreational properties in AL, GA, VA
- Continued strength in very small-tracts (100 - 500 acres)
- Actively marketing ~100,000 acres
- MWV land recognized as the highest quality by the industry and buyers alike

- East Edisto – Key SC counties adopted favorable land use plans
- East Edisto Master Plan to be submitted in 1H2009
- Planning continues on near-term commercial and industrial tracts



Total Company – 4Q 08 vs. 4Q 07 Income (Loss) from Continuing Operations Before Taxes



Key Financial Information

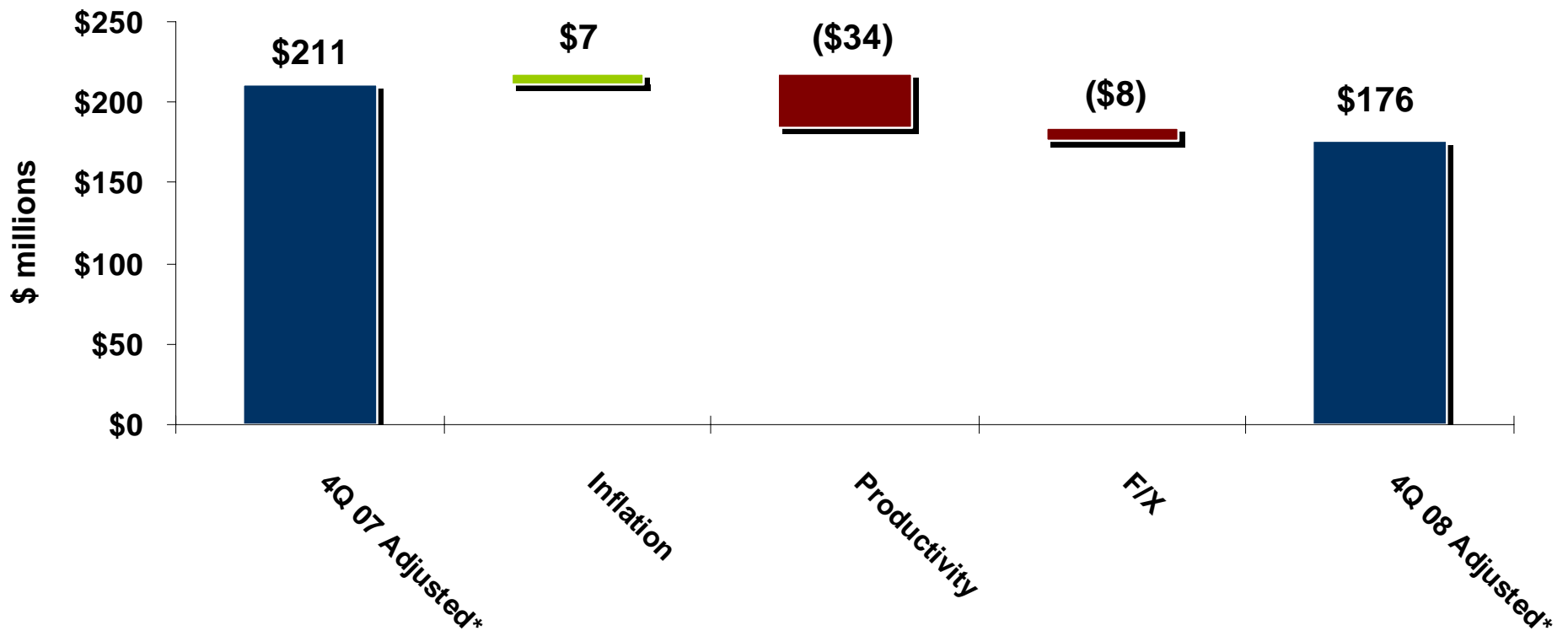
(In millions, pre-tax)	<u>4Q 2008</u>	<u>4Q 2007</u>	<u>Change</u>
Sales	\$ 1,599	\$ 1,721	-7%
Adjusted Gross Profit ¹	\$ 248	\$ 321	-23%
Adjusted SG&A ²	\$ 176	\$ 211	-17%
Adjusted EBIT ³	\$ 73	\$ 126	-42%
<i>Adjusted Gross Margin %</i>	15.5%	18.7%	(320) bps
<i>Adjusted SG&A %</i>	11.0%	12.3%	(130) bps
<i>Adjusted EBIT %</i>	4.6%	7.3%	(270) bps

¹ Adjusted gross profit excludes restructuring charges and one-time costs of \$33 million in both the fourth quarter ended 2008 and 2007.

² Adjusted SG&A excludes restructuring charges and one-time costs of \$18 million and \$11 million in the fourth quarter ended 2008 and 2007, respectively.

³ Adjusted EBIT excludes restructuring charges and one-time costs of \$51 million and \$46 million in the fourth quarter ended 2008 and 2007, respectively. Adjusted EBIT also excludes the gain associated with the sale of land of \$167 million for fourth quarter 2007. Adjusted EBIT excludes interest income of \$11 million and \$8 million for the fourth quarter ended 2008 and 2007, respectively. Adjusted EBIT also excludes interest expense of \$55 million and \$52 million for the fourth quarter ended 2008 and 2007, respectively.

Adjusted SG&A* – 4Q 08 vs. 4Q 07



* See slide 12 for definition of Adjusted SG&A

Segment History

Segment History (\$ in millions)

Operating Profit

	2007				
	1st qtr	2nd qtr	3rd qtr	4th qtr	Full Year
Packaging Resources	\$43	\$81	\$84	\$73	\$281
Consumer Solutions	20	24	26	16	86
Consumer & Office Products	(2)	24	51	66	139
Specialty Chemicals	4	11	16	6	37
CDLM	10	10	92	182	294
Corporate*	(102)	(108)	(116)	(140)	(466)
Total	(\$27)	\$42	\$153	\$203	\$371

Sales

Packaging Resources	\$586	\$642	\$655	\$621	\$2,504
Consumer Solutions	566	595	611	659	2,431
Consumer & Office Products	201	267	334	345	1,147
Specialty Chemicals	112	127	131	124	494
CDLM	27	23	22	15	87
Corporate	31	34	31	34	130
Intersegment elim	(95)	(108)	(106)	(77)	(386)
Total	\$1,428	\$1,580	\$1,678	\$1,721	\$6,407

*Corporate & Other Segment as Reported

Remove:

Pension Credit	(14.0)	(14.0)	(14.0)	(16.0)	(58.0)
Interest Expense	49.0	52.1	51.2	52.7	205.0
Interest Income	(3.8)	(3.5)	(3.5)	(8.3)	(19.1)
Restructuring	16.0	8.0	20.4	40.6	85.0
One time costs	5.5	8.3	5.7	5.3	24.8
Gain on Sale of Corporate Real Estate	0.0	0.0	0.0	0.0	0.0
Transition Services Revenue	0.0	0.0	0.0	0.0	0.0
Strategic Cost Management Spending	0.0	0.0	0.0	0.0	0.0
FX Effect	(1.8)	(2.0)	(3.0)	(2.7)	(9.5)
Sales Tax Refund	(6.1)	0.0	0.0	0.0	(6.1)
	44.8	48.9	56.8	71.6	222.1

Adjusted Corporate & Other Remaining

Adjusted for Kraft Discontinued Operations and CDLM

	2007				
	1st qtr	2nd qtr	3rd qtr	4th qtr	Full Year
Packaging Resources	\$43	\$81	\$84	\$73	\$281
Consumer Solutions	20	24	26	16	86
Consumer & Office Products	(2)	24	51	66	139
Specialty Chemicals	4	11	16	6	37
CDLM	10	10	92	182	294
Corporate*	(102)	(108)	(116)	(140)	(466)
Total	(\$27)	\$42	\$153	\$203	\$371

(\$102.0) (\$108.0) (\$116.0) (\$140.0) (\$466.0)

Pension Credit	(14.0)	(14.0)	(14.0)	(16.0)	(58.0)
Interest Expense	49.0	52.1	51.2	52.7	205.0
Interest Income	(3.8)	(3.5)	(3.5)	(8.3)	(19.1)
Restructuring	16.0	8.0	20.4	40.6	85.0
One time costs	5.5	8.3	5.7	5.3	24.8
Gain on Sale of Corporate Real Estate	0.0	0.0	0.0	0.0	0.0
Transition Services Revenue	0.0	0.0	0.0	0.0	0.0
Strategic Cost Management Spending	0.0	0.0	0.0	0.0	0.0
FX Effect	(1.8)	(2.0)	(3.0)	(2.7)	(9.5)
Sales Tax Refund	(6.1)	0.0	0.0	0.0	(6.1)
	44.8	48.9	56.8	71.6	222.1

(\$57.2) (\$59.1) (\$59.2) (\$68.4) (\$243.9)

Adjusted for Kraft Discontinued Operations and CDLM

	2008				
	1st qtr	2nd qtr	3rd qtr	4th qtr	Full Year
Packaging Resources	\$32	\$54	\$64	\$45	\$195
Consumer Solutions	9	22	14	11	56
Consumer & Office Products	(3)	27	38	34	96
Specialty Chemicals	12	11	16	9	48
CDLM	8	24	11	16	59
Corporate*	(81)	(65)	(92)	(137)	(375)
Total	(\$23)	\$73	\$51	(\$22)	\$79

Packaging Resources	\$631	\$674	\$730	\$632	\$2,667
Consumer Solutions	606	656	653	596	2,511
Consumer & Office Products	208	270	312	273	1,063
Specialty Chemicals	124	146	154	123	547
CDLM	21	40	35	39	135
Corporate	29	33	29	14	105
Intersegment elim	(101)	(110)	(102)	(78)	(391)
Total	\$1,518	\$1,709	\$1,811	\$1,599	\$6,637

(\$81.0) (\$65.0) (\$92.0) (\$137.0) (\$375.0)

Pension Credit	(31.0)	(22.0)	(20.0)	(20.0)	(93.0)
Interest Expense	54.0	49.2	51.6	55.2	210.0
Interest Income	(8.7)	(8.8)	(10.5)	(11.4)	(39.4)
Restructuring	7.5	9.9	1.1	50.7	69.2
One time costs	0.0	0.0	0.0	0.0	0.0
Gain on Sale of Corporate Real Estate	0.0	(15.2)	0.0	0.0	(15.2)
Transition Services Revenue	0.0	0.0	(1.9)	(1.9)	(3.8)
Strategic Cost Management Spending	0.0	0.0	5.9	14.7	20.6
FX Effect	1.0	(2.0)	10.6	7.4	17.0
Sales Tax Refund	0.0	0.0	(2.9)	0.0	(2.9)
	22.8	11.1	33.9	94.7	162.5

(\$58.2) (\$53.9) (\$58.1) (\$42.3) (\$212.5)