



MWV Union Council

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U.S. Jobless Rate Shocking: 15.7 Million Workers Unemployed

Stunningly bad news on the nation's jobless rate last week: Unemployment worsened in October to 10.2 percent, a huge jump from 9.8 percent in September. That's 15.7 million jobless workers, according to the U.S. Bureau of Labor Statistics.

Worse, the unemployment and underemployment rate is a shocking 17.5 percent— more than 27 million American workers without full-time jobs.

The construction, manufacturing and retail industries had the biggest losses, with 62,000 construction jobs lost in October, 61,000 in manufacturing and 40,000 in retail. Health care and temporary employment were the only bright spots, with health care jobs increasing by 29,000 and temp jobs by 44,000.

The nation's jobs situation would be even direr without the Obama administration's American Recovery and Reinvestment Act of 2009. Nearly 1 million jobs have been saved or created because of the economic stimulus plan, and the White House says the nation is on track to meet the president's goal of 3.5 million by the end of next year.

But as today's numbers show, the overall jobs situation isn't improving any time soon, according to Economic Policy Institute Director Larry Mishel, who predicts that one-third of the U.S. workforce will be unemployed or underemployed in 2010.

Long-term unemployment is the worst in 24 years, and there now are more than six workers for every available job. The U.S. Senate finally passed an extension of unemployment insurance, and President Obama is expected to sign the bill, but far more needs to be done.



In short, the nation needs jobs.

Nobel Prize-winning economist Paul Krugman says although “the apocalypse has been postponed” because of the Obama administration’s economic recovery package passed by Congress earlier this year, it’s essential to follow up with further fiscal action—that is, spending money now to create long-term benefits, like jobs—to prevent prolonged suffering.

Economist Julianne Malveaux puts the case succinctly: Absent public job creation, it is likely that the economy will not fully recover.

Help certainly isn’t coming from Wall Street or Big Business.

Now that they have pocketed their bailout cash, Wall Streeters are impervious to the nation’s ongoing jobs disaster. In fact, an annual report by Johnson Associates on financial industry payouts projected they will be up 40 percent from 2008, when they plunged in the midst of the financial crisis.

In 2008, Wall Street handed out nearly \$20 billion in cash awards and billions more in stock and other incentives to employees based in New York.

Wall Street is celebrating a “recovery” based on a 3.5 percent increase in the gross domestic product (GDP) in the third quarter of this year. But America’s workers know there can be no recovery unless everyone who wants to work can find a good job.

This alarming jobs report “should be a wake-up call to sleepy politicians,” says AFL-CIO President Richard Trumka:

Every day, it becomes more urgent that the federal government step up to the plate with bold actions to boost job creation. Such action should include urgently needed fiscal relief to state and local governments, community jobs programs, additional investments in infrastructure and green jobs and credit relief to small and medium-sized businesses.

Failing to act puts us at very real risk of a lost generation—of hard-working Americans who can’t put food on the table and bright young people who never realize their potential.

The AFL-CIO and our allies are unveiling an effort this month to push for immediate job creation, among other critically needed economic aid for working families. The nation needs to act fast to stop the hemorrhage of jobs and the economic crisis among working families.

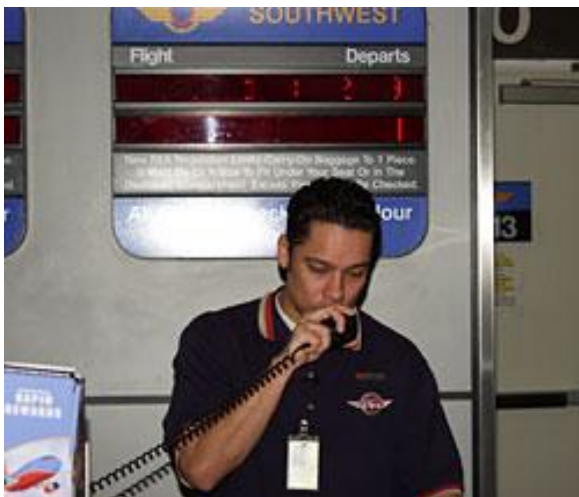
*Tula Connell, emphasis added
November 8, 2009 Edition*

Union News



AFL-CIO News service graphic(s) added

Biden: Strong Unions Needed to Build Middle Class: The nation cannot rebuild its middle class without strong unions, Vice President Joe Biden said today. Biden said he and President Obama believe it is impossible to grow the middle class without growing unions. Biden, who chairs the White House Task Force on Middle Class Families, met with a panel of scholars assembled by the Center for American Progress (CAP) and Economic Policy Institute (EPI) to discuss the challenges facing America's middle class in the 21st century economy. At the live webcast event, EPI President Lawrence Mishel said unions set standards in the workplace. Decent standards help ensure "employers are not competing to see who can make the jobs worst, but who can make the products better," Mishel said.



Arcane Labor Law Counts the Votes of Non-Voters:

Non-Voters: Imagine voting on a ballot initiative and knowing that everyone who didn't show up at the polls still got to vote—because their votes would be counted as "No." That's the process for airline and railway workers when they vote on whether to join a union. The election results are tallied not by how many people voted—but by the entire pool of workers in the bargaining unit, with all non-voters automatically "casting" a "No" vote. Given the undemocratic process, it's no surprise these workers have an even harder time than usual

getting a union voice on the job. Unlike most of the nation's workforce, airline and railroad employees are governed by the Railway Labor Act (RLA), which was passed more than a decade before the Depression-era National Labor Relations Act that created the bulk of our nation's labor laws.



Doctors, Seniors Unite Behind House Health Care Bill:

In a massive show of support for health care reform, the nation's largest organization for doctors, the American Medical Association (AMA), today urged the House to pass the bill it begins debate on today, H.R. 3962, Affordable Health Care for America Act. The AMA's historical backing for health care reform follows this morning's endorsement of the House bill by the largest U.S. advocacy group for seniors, the 40-million member AARP. As we noted recently, the bill has many provisions that will immediately benefit to seniors. The American Cancer Society Action Network also is throwing its support behind the bill, calling it "an exceptional opportunity" to improve our health care system. These groups are joining a broad

coalition, from businesses to civil rights organizations, groups for youth and for seniors, unions, medical professionals and faith groups, all asking Congress to pass this critical bill that will expand health care coverage, cut costs and put patients first. This support is critical, as the closer we get to real reform, the harder the insurance companies and their lobbyists and front groups will fight to block it through scare tactics and falsehoods.



Maine, Washington Defeat Referendums on Tax Extremism:

In Maine and Washington State, voters last Tuesday overwhelmingly told the extremist right-wing, anti-worker crowd to take their efforts to cripple state governments and slash vital services and shove them. In both states, the so-called Taxpayer Bills of Rights (TABOR)—long a part of the reactionary Holy Grail—went down by double-digit margins. Maine voters said "No" by a 60-40 margin and TABOR was defeated in Washington 55-45. It was the third time in recent years Mainers saw through the hype and said "No" to Tabor. According the Ballot Initiative Strategy Center (BISC): *The Grover Norquist, Club for Growth, Glenn Beck, Tea Party crowd tried to use the bleak budget picture as an opportunity to ratchet*

down even harder as states look to find the revenue necessary to protect priorities, create jobs, and get their economies going—but voters rejected that failed approach again....



FLOC: Mexico Doing Nothing to Solve Organizer's Murder:

The murder two years ago of Rafael Santiago Cruz, an organizer for the Farm Labor Organizing Committee (FLOC) in Monterrey, Mexico, is part of a corrupt system of supplying immigrant labor to harvest crops on America's farms, says FLOC President Baldemar Velasquez. Over the past two days, Velasquez and members of his union have been in Washington, D.C., meeting with members of Congress and international human rights panels to push for justice in Cruz's

murder. Last week, FLOC brought the case of Cruz's murder before the Inter-American Commission on Human Rights (IACHR), an arm of the Organization of American States. After Cruz's killing in 2007, the IACHR ruled that the murder was committed for political purposes related to the work of FLOC in defense of the rights of migrant workers and granted protective measures to Velasquez and FLOC staff located in Mexico. The Mexican government has done little to solve the case. Of the four people who are known to have participated in the murder, all but one of Cruz's killers remain at large, said Leonel Rivero Rodriguez, a Mexican human rights lawyer, at a briefing last week at AFL-CIO headquarters.



Working Families Deliver 15,000 Letters for Health Care Reform:

What a contrast: As working families are delivering 15,000 handwritten letters in support of health care reform on Capitol Hill this afternoon, corporate-bused in "protestors" are on the Hill as well—spreading misinformation and trying to outshout the legislative process in Congress today and scare House members from voting in favor of the bill. The House is beginning debate today on a historic health reform bill, H.R. 3962, the Affordable Health Care for America Act, and likely will vote on it this weekend. The bill would provide real assistance to millions of working families—but insurance companies and their cronies in Congress are putting big money into a last-minute push to kill reform. But the

shouts and misinformation can't distract from the truth: America needs and voted for real health care reform. The letters from working families from around the country ask Congress to pass real reform that cuts costs, covers more people, protects consumers against insurance company greed and doesn't tax working people's health benefits.

HELL NO! WE WON'T SEND OUR TAX DOLLARS TO CHINA



Taking candy from a baby: A consortium of Chinese and American companies goes to Washington and announces plans to build a \$1.5 billion windmill farm in West Texas using \$450 million in U.S. Stimulus funds, which will create 2,330 jobs – 2,000 of them in China.

The baby – Washington — doesn't cry or whine or spit in the consortium's face. That's what's really wrong with this story.

So accustomed to being bought and sold, Washington simply begins processing forms so it can hand over your tax dollars to create jobs in a turbine factory in the city of Shenyang, China at a subsidy of \$193,133 each.

It's like these bureaucrats live in Wonderland. Or an America where the unemployment rate isn't 10.2 percent. Or where 40,000 American manufacturing facilities didn't disappear in the past decade. Or where banks didn't repossess nearly a quarter million American homes in the past three months.

We've got a message for Washington: Hell no! We're not giving tax dollars to China. What's wrong with these businesses and our government? It is the \$787 billion American Recovery and Reinvestment Act of 2009. It's not the Chinese Recovery and Reinvestment Act.

It's bad enough that we've off-shored our factories and technology and jobs over the past 20 years. We're not off-shoring our Stimulus cash too. In fact, we're tired of serving as the schoolyard wimp of the world.

We need our own industrial policy so we can stand up and compete in the world market manufacturing the likes of wind turbines. And we need it now.

China has an industrial policy. And it uses that policy to dominate. Here is how Keith Bradsher of the New York Times described China's policy to become a world leader in renewable energy, which of course, would include construction of wind turbine factories:

“Calling renewable energy a strategic industry, China is trying hard to make sure that its companies dominate globally. Just as Japan and South Korea made it hard for Detroit automakers to compete in those countries – giving their own automakers time to amass economies of scale in sheltered domestic markets – China is shielding its clean energy sector while it grows to a point where it can take on the world.”

China protects its chosen industries in many ways. It provides low interest loans, some of which don't have to be repaid. It may give free land on which to construct buildings. And there are other perks that Bradsher described:

“When the Chinese government took bids this spring for 25 large contracts to supply wind turbines, every contract was won by one of seven domestic companies.

All six multinationals that submitted bids were disqualified on various technical grounds, like not providing sufficiently detailed data. . . even as Chinese companies that had never built a turbine were approved. . .”

Later, Bradsher describes European disgust at the Chinese treatment:

“European wind turbine makers have stopped even bidding for some Chinese contracts after concluding that their bids would not be seriously considered, said Jorg Wuttke, the president of the European Union Chamber of Commerce in China.”

China has a policy. It ruthlessly protects its own industries.

China was among the many countries that complained bitterly when the U.S. included “Buy American” provisions in the Stimulus Bill. In fact, Vice Commerce Minister Jiang Zengwei told a press conference in Beijing in February that China would not do such a thing, “We won't practice a ‘Buy China’ policy,” he said. Four months later, that's exactly what China did, instituting its own, stricter “Buy China” policy as part of its economic stimulus program.

China did what China felt was necessary for its economy. And it ignored foreign criticism.

That's hardly the U.S. tactic. Wilting under criticism, Congress diminished the Buy American provisions before passing the Stimulus.

As a result, we've got a consortium — U.S. Renewable Energy Group, Cielo Wind Power and A-Power Energy Generation Systems – so bold that it believes it can get nearly half

a billion dollars in American Stimulus money for 2,000 Chinese wind turbine jobs. The consortium says it would import 240 Chinese turbines to Texas where 300 temporary construction jobs would be created and another 30 permanent jobs established.

The wind turbines could easily be made in the USA. Bradsher, of the Times, says the Chinese concede that while their turbines cost slightly less initially, they have higher repair costs. He wrote, "United Nations data from trading of carbon credits shows that the Chinese-brand turbines produce less electricity because they are more frequently out of action."

Really, is that what we want to buy with American tax dollars for a wind farm in West Texas?

If the United States put half the effort into supporting its renewable energy industry that China does, there'd be no way this consortium building windmills in Texas would be looking overseas for turbines.

China has a plan. In its strategy, it doesn't consider America first or the remainder of the world first. And that's what the USA must do. We need an industrial policy that makes no apologies for putting America and American workers first.

And when that's the calculus, no American official would ever countenance a request to give \$450 million in American taxpayers' dollars to a turbine factory in China. And no American consortium would consider making such a stupid request.

In the meantime: Hell no! They don't get our dough!

Leo W. Gerard
USW International President



Form 10-Q for MEADWESTVACO CORP

4-Nov-2009

Quarterly Report

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

For the three months ended September 30, 2009, MeadWestvaco Corporation ("MeadWestvaco", "MWV" or the "company") reported net income from continuing operations of \$128 million, or \$0.74 per share, compared to net income from continuing operations of \$46 million, or \$0.26 per share, for the three months ended September 30, 2008. The results from continuing operations for the three months ended September 30, 2009 include after-tax income of \$64 million, or \$0.37 per share, from an excise tax credit earned under 2007 legislation enacted to provide a tax credit for companies that use alternative fuel mixtures to produce energy to operate their businesses. This item is described below under "Alternative fuel mixture credit." The results from continuing operations for the three months ended September 30, 2009 also include after-tax restructuring charges of \$28 million, or \$0.16 per share, after-tax income of \$13 million, or \$0.07 per share, from vacation accrual adjustments due to a policy change, an after-tax net charge of \$11 million, or \$0.06 per share, from early extinguishment of debt, and an after-tax gain of \$4 million, or \$0.02 per share, from the recognition of a pension curtailment.

For the nine months ended September 30, 2009, the company reported net income from continuing operations of \$174 million, or \$1.01 per share, compared to net income from continuing operations of \$96 million, or \$0.55 per share, for the nine months ended September 30, 2008. The results from continuing operations for the nine months ended September 30, 2009 include after-tax income of \$176 million, or \$1.02 per share, from the alternative fuel mixture credit mentioned above, after-tax restructuring charges of \$104 million, or \$0.60 per share, after-tax income of \$13 million, or \$0.07 per share, from vacation accrual adjustments due to a policy change, an after-tax net charge of \$11 million, or \$0.06 per share, from early extinguishment of debt, and an after-tax gain of \$4 million, or \$0.02 per share, from the recognition of a pension curtailment. The results from continuing operations for the nine months ended September 30, 2008 include after-tax restructuring charges of \$11 million, or \$0.07 per share, an after-tax gain of \$9 million, or \$0.05 per share, from a sale of corporate real estate, and an after-tax gain of \$6 million, or \$0.04 per share, from the recognition of a pension curtailment.

Sales from continuing operations were \$1.63 billion for the three months ended September 30, 2009 compared to \$1.81 billion for the three months ended September 30, 2008. Sales from continuing operations were \$4.41 billion for the nine months ended September 30, 2009 compared to \$5.04 billion for the nine months ended September 30, 2008. Decreased sales reflect continued lower demand for packaged goods due to weak global economic conditions, as well as the impact of unfavorable foreign currency exchange. Lower sales also reflect the company's transformation strategy of exiting lower-return packaging product lines. Cash flow from continuing operations increased to \$546 million for the nine months ended September 30, 2009 from \$182 million for the nine months ended September 30, 2008, driven by the receipt of alternative fuel tax credits of \$248 million in 2009, as well as from improved working capital consumption and higher earnings compared to 2008.

MWV is continuing to implement a series of broad cost reduction actions to strengthen the company's financial position and improve its operational effectiveness. These actions include productivity initiatives at all facilities, aggressive sourcing strategies, restructuring the company's manufacturing footprint and significant reductions in overhead costs. By the end of 2009, these actions are expected to result in the elimination of over 2,000 positions, or 10% of MWV's global workforce, and the closure or restructure of 16 manufacturing facilities. During the three months ended September 30, 2009, the company realized savings of \$44 million (\$90 million year-to-date) and these cost management efforts are expected to result in \$140 million in savings in 2009. Including sourcing savings, the company expects to achieve a targeted run-rate of \$300 million by mid-2010 from its strategic cost management actions.

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Alternative fuel mixture credit

The U.S. Internal Revenue Code allows an excise tax credit for alternative fuel mixtures produced by a taxpayer for sale, or for use as a fuel in a taxpayer's trade or business. MWV qualifies for the alternative fuel mixture credit because it uses an alternative fuel known as black liquor, which is a byproduct of its wood pulping process, to power its paperboard mills. The company submitted refund claims totaling \$281 million, after associated expenses, based on fuel usage at its three U.S. paperboard mills from mid-January 2009 through September 30, 2009. The company received refunds from the Internal Revenue Service totaling \$248 million through September 30, 2009. The pre-tax impact of the excise tax credit, net of associated expenses, is included in other (income) expense in the consolidated statements of operations in the amounts of \$103 million and \$281 million for the three and nine months ended September 30, 2009, respectively, and is included in Corporate and Other for segment reporting purposes. The credit is currently scheduled to expire on December 31, 2009.

RESULTS OF OPERATIONS

Presented below are results for the three and nine months ended September 30, 2009 and 2008 reported in accordance with accounting principles generally accepted in the U.S. All per share amounts are presented on an after-tax basis.

Three Months Ended
September 30,

Nine Months Ended
September 30,

In millions, except per share amounts	2009	2008	2009	2008
Net sales	\$1,627	\$1,811	\$4,413	\$5,038
Cost of sales	1,297	1,490	3,693	4,189
Selling, general and administrative expenses	188	212	591	615
Interest expense	52	52	155	155
Other (income) expense, net	(94)	6	(287)	(22)
Income from continuing operations before income taxes	184	51	261	101
Income tax provision	56	5	87	5
Income from continuing operations	128	46	174	96
Income from discontinued operations, net of income taxes	-	8	-	10
Net income attributable to the company	\$ 128	\$ 54	\$ 174	\$ 106
Net income per share - basic:				
Income from continuing operations	\$ 0.75	\$ 0.26	\$ 1.02	\$ 0.55
Income from discontinued operations	-	0.05	-	0.06
Net income attributable to the company	\$ 0.75	\$ 0.31	\$ 1.02	\$ 0.61

Net income per share - diluted:				
Income from continuing operations	\$ 0.74	\$ 0.26	\$ 1.01	\$ 0.55
Income from discontinued operations	-	0.05	-	0.06
Net income attributable to the company	\$ 0.74	\$ 0.31	\$ 1.01	\$ 0.61

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Sales were \$1.63 billion for the three months ended September 30, 2009 compared to \$1.81 billion for the three months ended September 30, 2008. Sales were \$4.41 billion for the nine months ended September 30, 2009 compared to \$5.04 billion for the nine months ended September 30, 2008. Lower sales primarily reflect declines in overall volumes and the impact of unfavorable foreign currency exchange. Lower sales also reflect the company's transformation strategy of exiting lower-return packaging product lines. Refer to the individual segment discussions below for detailed sales information for each segment.

Cost of sales was \$1.30 billion for the three months ended September 30, 2009 compared to \$1.49 billion for the three months ended September 30, 2008. Cost of sales was \$3.69 billion for the nine months ended September 30, 2009 compared to \$4.19 billion for the nine months ended September 30, 2008. Decreased cost of sales was primarily due to lower volume, input cost deflation and the impact of foreign currency exchange. Total input costs, including energy, raw materials and freight, were \$56 million and \$68 million lower during the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008. The results for 2009 reflect higher restructuring charges of \$41 million and \$129 million for the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008.

Selling, general and administrative expenses were \$188 million for the three months ended September 30, 2009 compared to \$212 million for the three months ended September 30, 2008. Selling, general and administrative expenses were \$591 million for the nine months ended September 30, 2009 compared to \$615 million for the nine months ended September 30, 2008. The benefits achieved from productivity initiatives and overhead reduction actions drove the year-over-year improvement, as well as the impact of foreign currency exchange.

Pension income, excluding the effects of termination benefits and curtailments, was \$18 million for the three months ended September 30, 2009 compared to \$20 million for the three months ended September 30, 2008. Pension income, excluding the effects of termination benefits and curtailments, was \$47 million for the nine months ended September 30, 2009 compared to \$63 million for the nine months ended September 30, 2008. Pension income is reported in Corporate and Other for segment reporting purposes.

Other (income) expense, net is comprised of the following items for the three and nine months ended September 30, 2009 and 2008:

In millions	Three months ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Alternative fuel tax credit	\$ (103)	\$ -	\$ (281)	\$ -
Loss on early extinguishment of debt	18	-	18	-
Interest income	(5)	(10)	(15)	(28)
Foreign currency exchange (gains) losses	(2)	15	(2)	17
Loss (gains) on asset sales, net	1	-	1	(13)
Other	(3)	1	(8)	2
	\$ (94)	\$ 6	\$ (287)	\$ (22)

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Interest expense was \$52 million for the three months ended September 30, 2009 and was comprised of \$44 million related to bond and bank debt, \$1 million related to a long-term obligation non-recourse to MWV, and \$5 million related to borrowings on insurance policies and \$2 million related to other items. Interest expense was \$52 million for the three months ended September 30, 2008 and was comprised of \$41 million related to bond and bank debt, \$3 million related to a long-term obligation non-recourse to MWV, and \$4 million related to borrowings on insurance policies and \$4 million related to other items. Interest expense was \$155 million for the nine months ended September 30, 2009 and was comprised of \$128 million related to bond and bank debt, \$4 million related to a long-term obligation non-recourse to MWV, and \$14 million related to borrowings on insurance policies and \$9 million related to other items. Interest expense was \$155 million for the nine months ended September 30, 2008 and was comprised of \$122 million related to bond and bank debt, \$10 million related to a long-term obligation non-recourse to MWV, \$12 million related to borrowings on insurance policies and \$11 million related to other items.

For the three and nine months ended September 30, 2009, the effective tax rates attributable to income from continuing operations were approximately 30% and 33%, respectively. For the three and nine months ended September 30, 2008, the effective tax rates attributable to income from continuing operations were approximately 10% and 5%, respectively. The differences in the effective tax rates compared to statutory rates were primarily the result of changes to the mix of expected income levels between the company's domestic and foreign operations, and discrete items including favorable tax settlements in 2008. The annual effective rate for 2009 is expected to be about 30%, excluding discrete items.

On July 1, 2008, the company completed the sale of its North Charleston, South Carolina kraft paper mill and related assets (collectively, the "Kraft business") for net cash proceeds of \$466 million. For the three and nine months ended September 30, 2008, the after-tax operating results of the Kraft business are being reported as discontinued operations in the consolidated statements of operations. The results of operations and assets and liabilities of the Kraft business were previously included in the Packaging Resources segment. Income from discontinued operations was \$8 million, or \$0.05 per share, for the three months ended September 30, 2008, and income from discontinued operations was \$10 million, or \$0.06 per share, for the nine months ended September 30, 2008. Refer to Note 13 of Notes to Consolidated Financial Statements for further discussion of the sale of the Kraft business and discontinued operations treatment.

In addition to the information discussed above, the following sections discuss the results of operations for each of the company's business segments and Corporate and Other. MWV's business segments are (i) Packaging Resources, (ii) Consumer Solutions, (iii) Consumer & Office Products, (iv) Specialty Chemicals, and (v) Community Development and Land Management. Refer to Note 10 of Notes to Consolidated Financial Statements for a reconciliation of the sum of the results of the business segments and Corporate and Other to the company's consolidated income from continuing operations before income taxes. Restructuring charges are included in Corporate and Other for segment reporting purposes. Refer to the discussion included in "Significant Transactions" herein below for restructuring charges attributable to the company's business segments.

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Packaging Resources

In millions	Three months ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Sales	\$ 627	\$ 730	\$ 1,809	\$ 2,035
Segment profit (1)	74	64	142	150

(1) Segment profit is measured as results before restructuring charges, pension income, interest expense and income, income taxes, non-controlling interest income and losses, and discontinued operations.

The Packaging Resources segment produces bleached paperboard ("SBS"), Coated Natural Kraft paperboard ("CNK") and linerboard. This segment's paperboard products are manufactured at three mills located in the U.S. and two mills located in Brazil. SBS is used for packaging high-value consumer products such as pharmaceuticals, personal and beauty care, cosmetics, tobacco, food service and aseptic cartons. CNK paperboard is used for a range of packaging applications, the largest of which for MWV is multi-pack beverage packaging. Linerboard is used in the manufacture of corrugated boxes and other containers.

Sales for the Packaging Resources segment were \$627 million for the three months ended September 30, 2009 compared to \$730 million for the three months ended September 30, 2008. Sales declined compared to the prior year due to weaker demand for the majority of the segment's paperboard grades and from the impact of unfavorable foreign currency exchange. Shipments of SBS were 348,000 tons in 2009, down 19% from 2008, driven by lower volumes in global general packaging, tobacco packaging and foodservice packaging. Shipments of CNK were 239,000 tons in 2009, down 10% from 2008, driven by lower volumes in beverage packaging and global general packaging. In 2009, SBS pricing was up 3% and CNK pricing was up 8% compared to 2008. Backlogs for both SBS and CNK currently remain about two weeks. Sales of the company's Brazilian packaging operation, Rigesa Ltda., were 19% lower in 2009, driven primarily by unfavorable foreign currency exchange and lower volume compared to 2008. In addition, the segment permanently removed approximately 200,000 tons of annual SBS paperboard capacity pursuant to the permanent shutdown of a paperboard machine at its Evadale, Texas mill during August 2009.

Profit for the Packaging Resources segment was \$74 million for the three months ended September 30, 2009 compared to \$64 million for the three months ended September 30, 2008. Profit in 2009 benefited by \$32 million from input cost deflation, \$7 million from improved pricing and product mix and \$3 million from productivity initiatives and overhead reduction actions compared to 2008. Profit in 2009 was negatively impacted by \$19 million from higher unabsorbed fixed manufacturing costs due to market-related downtime, \$12 million from lower sales volume and \$1 million from unfavorable foreign currency exchange compared to 2008. During 2009, the segment took aggressive actions to match production with demand resulting in lower production volumes. During the three months ended September 30, 2009, market-related downtime totaled 64,000 tons (33,000 CNK and 31,000 SBS).

Sales for the Packaging Resources segment were \$1.81 billion for the nine months ended September 30, 2009 compared to \$2.04 billion for the nine months ended September 30, 2008. Sales declined compared to the prior year due to weaker demand for the majority of the segment's paperboard grades and from the impact of unfavorable foreign currency exchange. Shipments of SBS were 1,006,000 tons in 2009, down 17% from 2008, driven by lower volumes in global general packaging, tobacco packaging and foodservice packaging. Shipments of CNK were 757,000 tons in 2009, down 7% from 2008, driven by lower volumes of beverage packaging and global general packaging. In 2009, both SBS and CNK pricing were up 5% compared to 2008. Sales of the company's Brazilian packaging operation, Rigesa Ltda., were 24% lower in 2009, driven primarily by the impact of unfavorable foreign currency exchange compared to 2008.

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Profit for the Packaging Resources segment was \$142 million for the nine months ended September 30, 2009 compared to \$150 million for the nine months ended September 30, 2008. Profit in 2009 was negatively affected by \$80 million from higher unabsorbed fixed manufacturing costs due to market- and maintenance-related downtime, \$31 million from lower sales volume and \$19 million from unfavorable foreign currency exchange compared to 2008. Profit in 2009 benefited by \$64 million from improved pricing and product mix, \$30 million from productivity initiatives and overhead reduction actions and \$28 million from input cost deflation compared to 2008. During 2009, the segment took aggressive actions to match production with demand, in addition to its planned maintenance outages, resulting in lower production volumes. During the nine months ended September 30, 2009, market- and maintenance-related downtime totaled 254,000 tons (154,000 SBS and 100,000 CNK).

Consumer Solutions

In millions	Three months ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Sales	\$ 585	\$ 653	\$ 1,672	\$ 1,915
Segment profit (1)	35	14	73	45

(1) Segment profit is measured as results before restructuring charges, pension income, interest expense and income, income taxes and non-controlling interest income and losses.

The Consumer Solutions segment offers a full range of converting and consumer packaging solutions including printed plastic packaging and injection-molded products used for personal and beauty care, cosmetics and pharmaceutical products; dispensing and sprayer systems for personal and beauty care, healthcare, fragrance and home and garden markets; and packaging for media products such as DVDs, CDs, video games and software. This segment designs and produces multi-pack cartons and packaging systems primarily for the global beverage take-home market and packaging for the global tobacco market. Paperboard and plastic are converted into packaging products at plants located in North America, South America, Europe and Asia. This segment also has pharmaceutical packaging contracts with retailers, including well-known mass-merchants. In addition, this segment manufactures equipment that is leased or sold to its beverage and dairy customers to package their products.

Sales for the Consumer Solutions segment were \$585 million for the three months ended September 30, 2009 compared to \$653 million for the three months ended September 30, 2008. Decreased sales in 2009 were driven by lower overall volumes due to lower demand for premium products and declines in overall consumer spending, as well as from unfavorable foreign currency exchange. In addition, sales declined as the result of the segment's transformation strategy to exit lower-return packaging business in North America. These declines were partially offset by strong volume growth in the emerging Asia beverage market and increased demand for personal care and home and garden packaging due to heightened awareness of the H1N1 virus. In addition, the company continues to experience strong demand for its Shellpak ♦ solution.

Profit for the Consumer Solutions segment was \$35 million for the three months ended September 30, 2009 compared to \$14 million for the three months ended September 30, 2008. Successful implementation of the segment's transformation strategies, including maximizing production efficiency and exiting unprofitable product lines, drove favorable net cost productivity of \$38 million compared to 2008. Profit in 2009 also benefited by \$6 million from input cost deflation and \$1 million from favorable foreign currency exchange compared to 2008. Profit in 2009 was negatively impacted by \$20 million from unfavorable pricing, largely tied to declining resin costs, and product mix in media, and \$4 million from lower sales volume compared to 2008.

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MEADWESTVACO CORPORATION
and Consolidated Subsidiary Companies

Sales for the Consumer Solutions segment were \$1.67 billion for the nine months ended September 30, 2009 compared to \$1.92 billion for the nine months ended September 30, 2008. Decreased sales in 2009 were driven by lower overall volumes due to lower demand for premium products and declines in overall consumer spending, as well as from unfavorable foreign currency exchange. In addition, sales declined as the result of the segment's transformation strategy to exit lower-return packaging business in North America. These declines were partially offset by strong volume growth in the emerging Asia beverage market and increased demand for personal care and home and garden packaging due to heightened awareness of the H1N1 virus. In addition, the company continues to experience strong demand for its Shellpak ♦ solution.

Profit for the Consumer Solutions segment was \$73 million for the nine months ended September 30, 2009 compared to \$45 million for the nine months ended September 30, 2008. Successful implementation of the segment's transformation strategies, including maximizing production efficiency and exiting unprofitable product lines, drove favorable net cost productivity of \$81 million compared to 2008. Profit in 2009 also benefited by \$7 million from input cost deflation compared to 2008. Profit in 2009 was negatively impacted by \$33 million from unfavorable pricing, largely tied to declining resin costs, and product mix in media, \$14 million from lower sales volume and \$13 million from unfavorable foreign currency exchange compared to 2008.

Consumer & Office Products

In millions	Three months ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Sales	\$ 303	\$ 312	\$ 700	\$ 790
Segment profit (1)	51	38	77	62

(1) Segment profit is measured as results before restructuring charges, pension income, interest expense and income, income taxes and non-controlling interest income and losses.

The Consumer & Office Products segment manufactures, sources, markets and distributes school and office products, time-management products and envelopes in North America and Brazil through both retail and commercial channels. MWV produces many of the leading brand names in school supplies, time-management and commercial office products, including AMCAL, ♦ AT-A-GLANCE, ♦ Cambridge, ♦ COLUMBIAN, ♦ Day Runner, ♦ Five Star, ♦ Mead ♦ and Trapper Keeper. ♦

Sales for the Consumer & Office Products segment were \$303 million for the three months ended September 30, 2009 compared to \$312 million for the three months ended September 30, 2008. During 2009, the segment had a solid back-to-school season in North America, with strong positioning and sell-through of proprietary, branded products at leading retailers. Sales of envelopes and office products were lower due to the weak global economic environment as financial services customers have significantly reduced direct mail offerings. .