

MEADWESTVACO CORP

NYSE: MWV
Industry: Paper & Forest Products

SABRIENT

SELL

RATING

Stock Fundamentals as of September 14, 2009

Sabrient Rating	Sell
Ticker	MWV
Market Cap Designation	Mid-cap
Market Capitalization (Billions)	\$3.9
Price	\$22.59
52-Week High/Low	\$27.66/7.53
EPS (TTM)	\$0.44
P/E Ratio (TTM)	51.3
Dividend Yield	4.1%
S&P 500 P/E Ratio	32.1
Price/Book Ratio	1.3
Price/Sales Ratio	0.6
30-Day Average Volume (Millions)	1.7
Beta	1.76
Current Ratio	1.8
Short Interest Ratio	2.2
Shares Outstanding (Millions)	171.1

Sabrient Ratings

Sabrient's Buy/Hold/Sell ratings are based on a combination of dynamic filters that determine which attributes of a stock are most predictive in the prevailing market and which stocks best reflect those attributes but are not yet rewarded.

Sabrient starts with an "extraction" process that uses the best performing filters to identify stocks having certain compelling attributes currently sought by the market. Then, a composite scoring process uses a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. As a result, the Buy/Hold/Sell rating may, in certain cases, seem inconsistent with a simple average of the scores cited in this analysis.

A BUY rating means the stock is expected to outperform its relevant benchmark substantially over the next 6 months. A SELL rating means the stock is expected to underperform its relevant benchmark substantially over the next 6 months. A HOLD rating means the stock is expected to perform in line with its relevant benchmark over the next 6 months.

If a stock is rated HOLD, the investor should review the stock's history of Sabrient ratings to see if it has recently changed to HOLD from BUY or SELL. If so, this indicates one of the following: (1) there has been a significant change in the stock's fundamentals, (2) the stock is already appropriately rewarded or punished by the market, or (3) there simply has been some recent price consolidation that warrants attention. A reading of Sabrient's analysis should identify which it is.

More about Sabrient on Page 4

Sabrient's Market Cap Designations

Large Cap	> \$5.0 Billion
Mid Cap	\$1.0 - \$5.0 Billion
Small Cap	\$150 Million - \$1.0 Billion
Micro Cap	< \$150.0 Million

Report prepared on September 15, 2009 Page 1

Please see important disclaimer on page 5 of this report.

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MEADWESTVACO CORP



Company Profile

MeadWestvaco Corporation engages in the packaging resources, consumer solutions, consumer and office products, specialty chemicals, and community development and land management businesses.

Earnings and Revenue Update: For the quarter ended June 30, 2009, MeadWestvaco reported earnings of \$125.0 million or \$0.72 per share compared with \$-79.0 million or \$-0.46 per share for the prior quarter and \$58.0 million or \$0.34 per share for the same quarter one year ago. Revenues were \$1.4 billion for the quarter ended June 30, 2009 compared with \$1.4 billion for the prior quarter and \$1.7 billion for the same quarter one year ago. Last twelve months' earnings were \$0.44 per share compared with \$1.72 per share a year ago. Last twelve months' revenues were \$6.2 billion compared with \$6.6 billion a year ago.

Sabrient Analysis

Notwithstanding its strong momentum, MWV earns a Sell rating; Sabrient's backtested shorting filters reveal an elevated risk of downside potential.

- **Value:** From a value investor's perspective, MWV ranks near the bottom of the market with a Sabrient Value Score of 16.8. A score this low implies considerable downside risk from a valuation viewpoint.
- **Growth:** With a Sabrient Growth Score of 47.5, MWV exhibits a growth profile that is somewhat lower than average.
- **Momentum:** A Sabrient Momentum Score of 83.9 indicates that MWV shows a bullish combination of price, earnings and group momentum.
- **Timeliness:** MWV has a Sabrient Timeliness Score of 76.1. This measures technical strength based on short-term and long-term price performance and long-term group strength.

Sabrient Analysis continued on Page 3

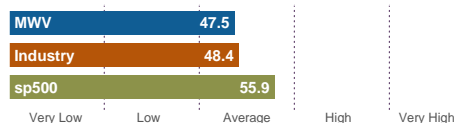
Sabrient

Leaders In Investment Research

Current Sabrient Scores Compared with Industry and Relevant Benchmark

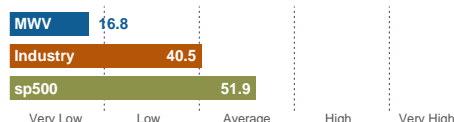
These Sabrient scores compare various aspects of MEADWESTVACO CORP with its industry and relevant benchmarks. The scores are percentile rankings from 0 to 99.9. Higher scores are better. We use a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. Therefore, the Sabrient rating may seem inconsistent with a simple average of the scores cited in this analysis.

Growth Score: 47.5



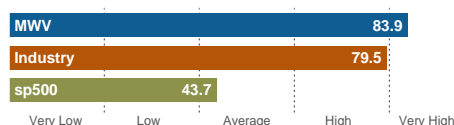
The Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures. With a Sabrient Growth Score of 47.5, MeadWestvaco is in line with the average of its industry group, which has a Sabrient Growth Score of 48.4.

Value Score: 16.8



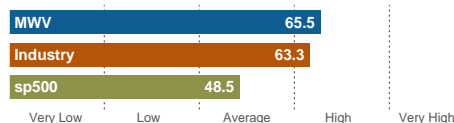
The Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. With a Sabrient Value Score of 16.8, MeadWestvaco is considerably lower than the average of its industry group, which has a Sabrient Value Score of 40.5.

Momentum Score: 83.9



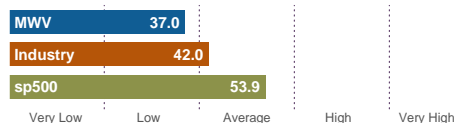
The Sabrient Momentum Score measures a company's earnings and price momentum, evenly weighted, and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. With a Sabrient Momentum Score of 83.9, MeadWestvaco is marginally higher than the average of its industry group, which carries a Sabrient Momentum Score of 79.5.

Earnings Score: 65.5



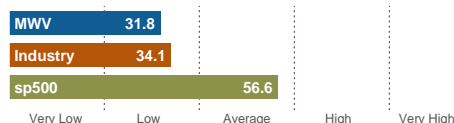
The Sabrient Earnings Score assesses a company's overall earnings performance and projected outlook. Time periods include an average look-back of three years with an emphasis on the past four quarters and a forward look of one to five years. With a Sabrient Earnings Score of 65.5, MeadWestvaco is marginally higher than the average of its industry group, which has a Sabrient Earnings Score of 63.3.

Balance Sheet Score: 37.0



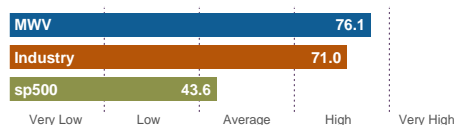
The Sabrient Balance Sheet Score measures a company's liquidity and debt issues, as well as receivables and inventory quality. This score is used to assess relative risk associated with a stock: the lower the score, most likely the higher the inherent risk. With a Sabrient Balance Sheet Score of 37.0, MeadWestvaco is marginally lower than the average of its industry group, which carries a Sabrient Balance Sheet Score of 42.0.

Fundamental Score: 31.8



The Sabrient Fundamental Score is the broad measure of a company's financial health, including its balance sheet, cash flow, revenue, and earnings quality. With a Sabrient Fundamental Score of 31.8, MeadWestvaco is marginally lower than the average of its industry group, which carries a Sabrient Fundamental Score of 34.1.

Timeliness Score: 76.1



The Sabrient Timeliness Score is an assessment of a stock's short and long-term price strength as determined by various chart-based indicators and measures of group momentum and relative price performance. With a Sabrient Timeliness Score of 76.1, MeadWestvaco is marginally higher than the average of its industry group, which carries a Sabrient Timeliness Score of 71.0.

Peer Analysis

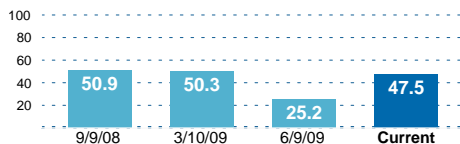
This table compares MWV with other similar-sized companies in the same industry group, focusing on Sabrient's growth, momentum and value scores, which represent the three main investing styles. The Peer Analysis chart compares MWV's 2-year total return with the average 2-year total return of these companies.



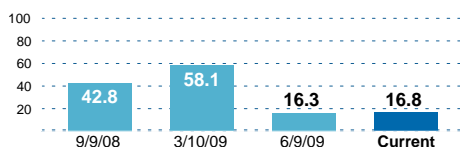
Historical Sabrient Scores

The recent histories of key Sabrient scores provide insight into the stock's trends -- whether they are increasing or decreasing in strength in a particular area or simply holding steady. The Sabrient scores are percentile rankings from 0 to 99.9, with higher scores better. Keep in mind that Sabrient ratings may seem inconsistent with a simple average of these key scores because a weighted average of several key scores is used to quantify the relative likelihood of upside or downside price action.

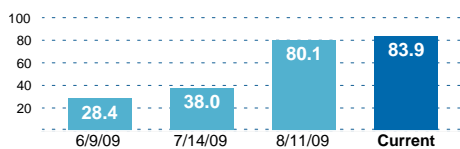
Growth Score: 47.5



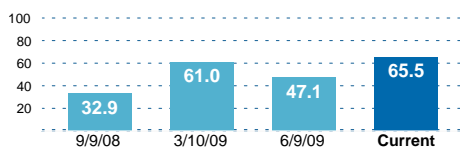
Value Score: 16.8



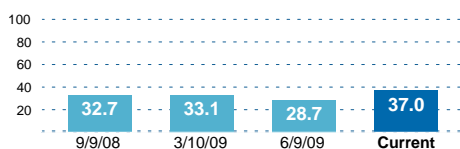
Momentum Score: 83.9



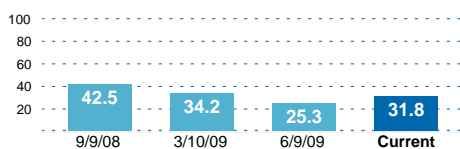
Earnings Score: 65.5



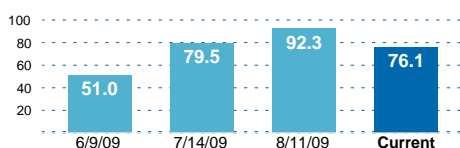
Balance Sheet Score: 37.0



Fundamental Score: 31.8



Timeliness Score: 76.1



Sabrient Analysis continued from Page 1

- **Best Performing Filters:** To determine the likelihood of near-term performance, Sabrient builds and backtests "Smart Filters" to establish which caps, styles and attributes are drawing a premium in today's market. Currently, the three most predictive filters for the relevant segment are:

Primary Value Filter: The Primary Value Filter measures key growth and valuation ratios, both long-term and short-term. It is currently one of our best-performing filters, showing a substantial premium to its mid-cap benchmark for the past three months. MWV scores 8.0 for this filter.

Price Trend Filter: The Price Trend Filter uses a sophisticated statistical analysis to evaluate a stock's current price with respect to its long-term trend and to compare the result to the stock's core growth characteristics. A high score means the stock is below its long-term trend, especially in light of its earnings performance. A low score means the stock is above its long-term trend and may likely fall back to or below the mean. As of last month, this filter showed a substantial premium to its mid-cap benchmark. MWV scores 12.1 for this filter.

GARP Filter: The GARP Filter is a proxy for growth at a reasonable price (GARP). A high score indicates a reasonable price for the growth potential; a low score suggests the growth potential may be overpriced. During the past three months, the filter has shown a substantial premium to its mid-cap benchmark. MWV scores 11.3 for this filter.

In summary, MWV is rated a Sell despite its strong momentum because it displays attributes shown to be under selling pressure in the current market. This analysis should be considered in light of the recent behavior of the market, discussed below.

What the Market Wants: September 2009

[Note: What the Market Wants is now a weekly publication. For email delivery, sign up at www.sabrient.com. To view this week's Market Stats and stocks selections, visit our blog at <http://www.sabrient.com/blog/>.]

POSITIVE NEWS PROPELS MARKET

By David Brown, Chief Market Strategist

(September 14, 2009, 3:35 pm PST)

Initial signs of market weakness on Friday and again today (Monday) found immediate support arriving to drive it back up. The underlying bid continues. Now that the bigger players are returning to their desks, volume should return as well. So I'll be interested to see which way it wants to go in the near term. A correction to the summer gains has become so anticipated that it might not happen ... but I'm staying cautious.

Last week was packed with fairly positive economic news but for one major exception. There was a very positive surprise in heightened consumer confidence; jobless claims were somewhat better than expected, although still rather poor; and we had a positive wholesale inventory report. There was even new positive guidance from several larger companies including Campbell Soup (NYSE: CPB) and FedEx (NYSE: FDX).

The exception was a nasty increase in the trade deficit and even that could be looked at positively, although I certainly thought it was negative.

The market responded with quite a nice gain for the short week with all versions of small caps up more than 5%, led by Small-cap Value at nearly 5.7%. Mid-caps were up between 3.89% and 5.3%, and large-caps were up approximately 4%. Large-cap Growth was the laggard, if that be a fair statement, with a 3.8% gain for the week.

BROAD GAIN FOR SECTORS. The increase was quite broad across all sectors. Energy led the way up more than 7% with Industrials, Materials, and Telecom all increasing more than 6%. Utilities brought up the rear, up 1.7%, with Consumer Staples the second worst, up 3%.

With so many positive expectations for the economy, it is not surprising that the Airlines and Air Freight industries were up more than 10%, along with Marine and Building Products. Even Energy Equipment & Services in the 5th spot was up nearly 10%. The only negative industry in the large industry grid was Food and Staples Retailing, down 0.1%.

The S&P 500 reached a new high for the year of 1044, with just a small two-point drop on Friday, perhaps reflecting profit-taking before the weekend.

INTERNATIONAL CONCERNS. Somewhat unexpectedly, concerns grew internationally over the weekend about trade relations, particularly between China and the U.S. A myriad of other issues have affected today's market, including President Obama's address this morning on Wall Street.

Overseas markets were down sharply last night, and our own market is facing a losing battle at trying to stay even. The S&P 500 is down one point, as I write.

LOOKING AHEAD. Moving forward, we should note that several very large companies have scheduled substantial secondary offerings over the next 30 days, which is frequently a drag on the market. Our forward-looking rankings continue to have Utility, Energy and Health Care leading the sectors with Financials, Materials and Technology at the bottom.

So despite the new high and the market's euphoria, there is enough negative background noise to remind the prudent investor to continue taking profits on fully valued investments and searching carefully for bargains in the more robust industries.

Next update: Monday, September 21.

Company Description

MeadWestvaco Corporation engages in the packaging resources, consumer solutions, consumer and office products, specialty chemicals, and community development and land management businesses. The company's Packaging Resources segment offers bleached paperboard and linerboards, as well as packaging for consumer products, including packaging for media, beverage and dairy, produce, cosmetics, tobacco, pharmaceuticals, and healthcare products. Its Consumer Solutions segment provides various converting and consumer packaging solutions that comprise printed plastic packaging and injection-molded products used for packaging media products, such as DVDs, CDs, video games, and software; cosmetics and pharmaceutical products; and dispensing and sprayer technology systems for personal and beauty care, healthcare, fragrance, and home and garden markets. This segment also designs and produces multi-pack cartons and packaging systems primarily for the beverage take-home and tobacco market. The company's Consumer and Office Products segment manufactures, sources, markets and distributes school and office products, time-management products, and envelopes in North America and Brazil through retail and commercial channels. Its Specialty Chemicals segment manufactures, markets, and distributes specialty chemicals, such as activated carbon used in emission control systems for automobiles and trucks, as well as chemicals used in printing inks, asphalt paving, adhesives, and lubricants. The company's Community Development and Land Management segment involves in real estate development, forestry operations, and leasing activities. Its products are sold through a mixture of sales force, paperboard merchants, and distributors. The company primarily operates in the United States, Canada, Mexico, South America, Europe, and Asia. MeadWestvaco Corporation was founded in 1888 and is based in Glen Allen, Virginia.

About Sabrient

Sabrient Systems is an independent research firm providing statistical analysis of a company's fundamental data to investment professionals. We use a computer-driven, quantitative methodology to identify stocks that appear poised to outperform or underperform the market.

The Sabrient methodology was developed by an experienced research team led by David Brown, a former NASA scientist and retired CEO of Telescan and designer of its premier stock search program, ProSearch. The research team employs a scientific approach to the creation and testing of multi-factor filters. Each filter targets a key area of traditional stock analysis, including value, growth, momentum, fundamentals, earnings, balance sheet, and group strength. Using an adaptive process, filters are continually tested and monitored to ensure that only the best performing filters are at work.

Sabrient's ratings begin with an extraction process in which each of the few best-performing filters scans the universe of equities to identify stocks having certain compelling attributes sought, but not sufficiently rewarded, by the current market. Then, a composite scoring system employs a broader set of "weighting" filters to rank the extracted stocks. To support individual investors, Sabrient uses the same sophisticated methodology to provide individual stock reports on a universe of approximately 5,600 stocks.

Sabrient regularly tests the performance of its stock selections, using its primary list of published rankings and statistical techniques it believes appropriate. These recommendations have consistently outperformed relevant benchmarks across a broad range of investing styles, market caps, time frames and market conditions, demonstrating the robustness of Sabrient's proprietary methodology. While past performance is no guarantee of future results, Sabrient believes it can maintain its strong performance through its rigorous, scientific approach to filter construction and ongoing backtesting within a dynamic and adaptive composite scoring system.

For more information on Sabrient and its performance, go to www.sabrient.com

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