

To our
shareholders,
customers
and
employees:

“Now I get it!” That’s what a major packaging customer told me as we stood in front of MeadWestvaco’s integrated marketing booth at Pack Expo and finished a conversation about the full range of our packaging capabilities.

We spoke about many of the things you’ve just seen and read in this report—the global reach of our platform, the extent of our marketplace insights, the innovative packaging solutions we design and produce for our customers, and the reputation we have earned for stewardship and sustainability. Most important, we spoke about a unified MeadWestvaco.

His enthusiastic response suggests that the power of MeadWestvaco’s consumer packaging platform has become a reality for our customers. And the profiles and case studies we have highlighted in this annual report demonstrate that our unique global packaging platform is taking hold—and defining us as an industry leader.



John A. Luke, Jr.
Chairman and Chief
Executive Officer

As we work to unify our businesses and to communicate our total solutions capabilities to customers, we have an opportunity to continue our journey by enhancing our brand. MeadWestvaco has adopted a new look and a new way of expressing our value. As you read in this report, we are calling ourselves MWV.

It's much more than a name, logo or tagline. It's the foundation for a new conversation—much like the one I had at Pack Expo. We are unifying our presence in the marketplace, and speaking with one voice to our customers about our global packaging capabilities and our ability to propel their businesses forward. MWV reflects our heritage, differentiates us in the marketplace and fully represents our vision of global packaging leadership.

We already view ourselves differently than we did just a few years ago. We have taken important actions to ensure that we are successful despite changes to our business and the broader global economy. As a result, we are focusing our packaging platform on serving key customers in targeted end markets. We are committed to continuing a culture of collaboration—with our customers and our colleagues. And we are building the right skills and pursuing the right strategy to compete and win in the marketplace.

Now, we are inviting our customers to view us differently as well. More and more, consumer packaged goods companies are discovering tremendous value in our ability to help them protect and promote their products, manage a supply chain, deliver on sustainability promises and attract consumers on the retail shelf. In short, MWV is about helping our customers' brands take shape.

Extending our customer relationships The MWV brand stands for our promise to customers.

It is a promise to understand their businesses, and business challenges.

It is a promise to understand their markets, and market opportunities.

It is a promise to understand the consumer, and consumer preferences.

We are helping their brands take shape by delivering supply chain efficiencies, quality assurance protections, unique market and consumer insights and leading product innovations everywhere our customers do business. We are building valuable partnerships with the world's most admired brands, in part through the capabilities and collaboration we're fostering at our Center for Packaging Innovation. CPI conducts research to understand what motivates the end consumer. We then bring our customers on-site to share that knowledge and develop solutions that capitalize on those insights to help them shape their brands and build their market share.

A good example of the result is Natralock security packaging. Natralock is a renewable packaging solution that deters theft, is better for the environment, improves visibility on the retail shelf, reduces production costs and benefits consumers with a safer-to-open design.

Natralock is also one example of our promise to be a leading sustainable partner for our customers. There are others highlighted in this report, including Evotherm

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warm-paving technology and Printkote Eagle paperboard packaging. We are leveraging our longstanding reputation for environmental responsibility—rooted in our forest management practices and social values system—to develop sustainable solutions that deliver environmental performance and enhance brand image. Many of our customers are making sustainability commitments for their brands—or are being driven to improve environmental performance by the expectations of retailers and consumers. We are the ideal partner to help them deliver on that promise because of our pipeline of sustainable products and our ability to design customized solutions that ensure generations of sustainable brand performance.

Growing our global platform The MWV brand embodies our vision to be the global leader in packaging and packaging solutions. We have made commitments to further enhance our packaging platform and to grow our business through innovation and expansion in emerging markets. In 2007, we completed a number of strategic actions to execute on this plan for profitable growth.

We added new technologies to our packaging platform to augment the range of primary packaging solutions we can offer customers in the personal care and home and garden markets. Keltec Dispensing Systems and Hayes Products are fully integrated in our pump and sprayer business, and their innovative lines of value-added products and blue-chip customers support our growth ambitions for the global marketplace.

We opened the doors to a state-of-the-art packaging facility in Wuxi, the People's Republic of China. This new plant increases our capacity to deliver trigger sprayers, plastic pumps and folding cartons for the personal care, healthcare and food and beverage markets across Asia—including the Mr. Muscle cleaning product featured in this report.

The advanced machinery at our Wuxi location ensures that we can manufacture packaging products to the same exacting standards everywhere in the world—a necessity as we support global brand management for our customers. We are growing along with them as they expand their businesses to serve millions of Chinese consumers—and others across Asia. In 2007, we grew revenue in emerging markets by 15 percent, and we expect to accelerate our growth through a number of strategic initiatives in China, India, Brazil and Eastern Europe.

MWV also signed an agreement with Klabin, Brazil's largest paperboard manufacturer, to enhance our industry-leading packaging product portfolio. This long-term commercial and marketing partnership with one of Brazil's leading companies gives us an even stronger platform for additional growth in new and existing global markets.

With these strategic actions, we have made significant progress shaping a strong, innovation-based global packaging platform that enables us to compete and win in our targeted markets through an uncertain economic environment. We are pursuing a profitable growth strategy that builds upon our diverse market positions and global mix of business by focusing on innovation, expansion in emerging markets and increased productivity.

This strategic focus in 2008 and beyond will help us introduce new and enhanced products to the marketplace and extend market share gains for our existing leadership positions, continue to grow along with our customers in both existing established markets as well as rapidly developing emerging markets, and increase productivity through continued operational improvements and sourcing initiatives.

Performance and progress The MWV brand must also continue to stand for financial strength. As we continue to differentiate ourselves in the marketplace and build brand value for our customers, we are enhancing MWV's ability to deliver higher returns and long-term value for our shareholders. Even in the face of economic uncertainty and rising inflation, our strategy to focus on innovation, growth in emerging markets and productivity gives us confidence that we can continue on the trajectory we've established for profitable growth in our business.

In 2007, we delivered another year of sales, earnings and operating cash flow growth, and took significant steps to improve the financial position of our company. Our businesses performed generally well and delivered on several key objectives to improve profits and increase productivity, despite rising input cost inflation and challenging markets for some of our products. This was especially true in our Consumer Solutions segment, where media and entertainment industry trends posed continuing pressures, and where clear opportunities exist for overall improvements in performance.

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We gained share in markets we have targeted for global growth, including health-care, personal care, food and beverage, and tobacco, and we have important initiatives to extend our progress in 2008. A more detailed look at our overall performance and specific business unit results begins on the pages following this letter.

With determined effort throughout the year, we strengthened our balance sheet, reduced our cost structure and returned value to our shareholders by repurchasing outstanding shares with proceeds from two large forestland sales. Our new Community Development and Land Management Group completed auctions for nearly 400,000 acres of nonstrategic forestland, and also continued important work to capitalize on additional opportunities for our valuable portfolio of remaining landholdings across the southeastern United States.

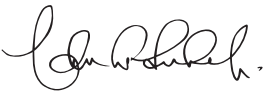
Our vision becomes reality The financial position of our company is strong thanks to the execution and expertise of MWV employees around the world. That's why the MWV brand is also about our people. I am deeply appreciative of the contributions each one of our 24,000 employees has made to put our strategy into action and execute on priorities that deliver value for our customers and results for our shareholders.

During the past year, we welcomed Bruce Thomas to our team to advance and accelerate our growth in emerging markets, and we added Ken Seeger as president of our new Community Development and Land Management Group. We also said goodbye to Jack Krol, who retired from our Board of Directors after 13 exceptional years of distinguished service. Jack's significant contributions will be missed.

Overall, the MWV team is moving steadily toward our vision of global packaging leadership. Customers get it. Shareholders get it. Employees get it.

In every way, the MWV brand stands for global leadership—in our markets, in our industry, in our values and in our promise to the many stakeholders who have made us successful in the past and will help make us even more successful long into the future. Without question, the future we envision is taking shape.

Sincerely,



John A. Luke, Jr.
Chairman and Chief Executive Officer
February 28, 2008

FINANCIAL HIGHLIGHTS

In millions, except per share data	2007	2006
Net sales	\$ 6,906	\$ 6,530
Net income ¹	\$ 285	\$ 93
Net income per share ²	\$ 1.56	\$ 0.52
Dividends per share	\$ 0.92	\$ 0.92
Cash provided by operating activities	\$ 641	\$ 567
Capital expenditures	\$ 347	\$ 302
Dividends paid	\$ 169	\$ 167
Total assets	\$ 9,837	\$ 9,285
Long-term debt	\$ 2,375	\$ 2,372
Shareholders' equity	\$ 3,708	\$ 3,533
Debt-to-capital ratio	39.7%	42.2%
Return on invested capital ³	5.3%	6.3%

1 Excluding the items included in footnote 2, adjusted income was \$185 million, or \$1.01 per share, and \$162 million, or \$0.90 per share, for 2007 and 2006, respectively.

2 2007 includes the following: after-tax gains of \$169 million, or \$0.92 per share, from the sale of forestlands; after-tax restructuring charges of \$54 million, or \$0.29 per share; and after-tax one-time costs of \$15 million, or \$0.08 per share. 2006 includes the following: after-tax restructuring charges of \$85 million, or \$0.47 per share; after-tax one-time costs of \$26 million, or \$0.14 per share; after-tax gains of \$24 million, or \$0.13 per share, from the sale of a note and corporate real estate; and after-tax gains of \$18 million, or \$0.10 per share, from the sale of forestlands.

3 Calculated using earnings before interest and taxes, which has been adjusted on a pre-tax basis for items in footnote 2 and tax effected at the actual annual effective tax rates of 28.8% for 2007 and 5.4% for 2006; invested capital for calculation is period end net debt plus equity.

MWV achieved a number of significant strategic, operational and financial milestones in 2007:

Another year of solid sales, earnings and operating cash flow growth

Generated 15 percent revenue growth in emerging markets; revenue in China topped \$200M

Opened world-class packaging facility in Wuxi, the People's Republic of China

Signed commercial and marketing agreement with Klabin, Brazil's largest paper-board manufacturer, to enhance packaging product line

Acquired Keltec Dispensing Systems and Hayes Products to augment innovative line of primary packaging solutions

Established Community Development and Land Management Group; repurchased shares with \$400M in forestlands sales proceeds

Reduced cost structure by an additional \$65M—bringing total cost initiative reductions to \$190M

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