EQUITY RESEARCH

Virginia Quarterly Stock Report
August 29, 2008

ANDERSON & STRUDWICK
Serving Investors Since 1948

Yes Virginia……There is an Economic Slowdown

During the past few months there has been debate whether the US economy has entered into a recession or an economic slowdown. Many politicians, Wall Street mavens, and TV commentators have attempted to console investors & Main Street by stating the economy is in good shape. The stock market during recent quarters has traded in what could be described as a manic pattern with surges both to the upside and downside based on breaking economic and financial reports. In fact, volatility was experienced in the stocks listed in this report as they moved in tandem with the market. Virginia saw companies continue to expand and migrate into the state while others have reduced or shut operations. Given recent news and reports one thing can be said regarding the debate of the US and state economy…"Yes Virginia…there is an economic slowdown".

A mixed picture of the US economy has been painted by various Gross Domestic Product (GDP), manufacturing, unemployment, consumer confidence, and inflation reports. While reports show an economy slowing moving forward others show reduced consumer spending due to higher food/energy prices, a declining real estate markets, and a contracting credit cycle. Fortunately for the US economy, strength in this country's export business has kept a recession from "officially" being proclaimed by the experts. Many investment, media, and political pundits have been quick to point out that statistically GDP has not contracted for consecutive quarters and therefore, not met the definition of a classic recession. However, while GDP reports may not indicate a contracting economy it appears consumers, paying higher fuel/food prices and feeling the negative effects of falling real estate values, are reducing discretionary spending.

The slowdown in consumer spending is evident given recent reports from AAA of a decline in summer travel plans and falling restaurant sales. Earnings reports from many retailers have shown a decline in profits with lower same store sales. Discount retailers, such as Wal-Mart (WMT-$59.07) and Costco (COST-$66.06), have benefited from consumer concerns as many shoppers have gone to these stores to purchase items at lower prices. The automobile industry experienced a steep decline in car sales as buyers have held back on car purchases and credit conditions for auto loans tightened due to the recent credit contraction. Meanwhile, many companies doing overseas export business have increased earnings during this past year.

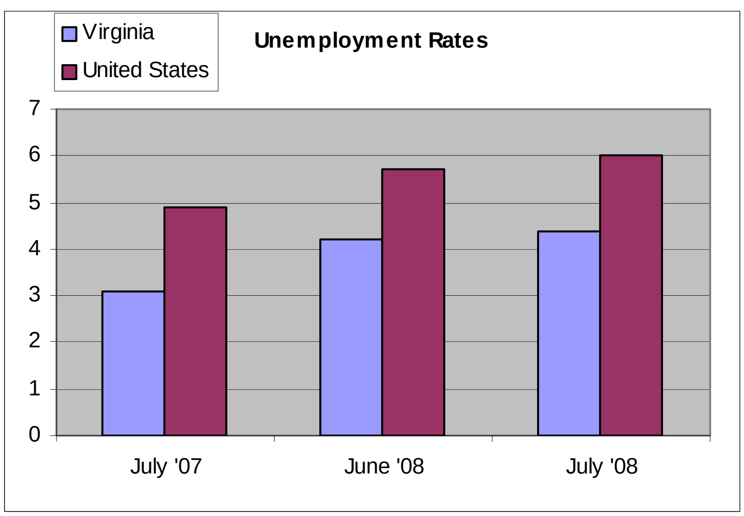
This dichotomy of a healthy export business, along with evidence of slowing US consumer spending, caused an increase in the stock markets daily swings volatility during the past year. Over the past 12 months the Dow Jones Industrial Average (DJIA) had 200-400 point daily swings based on the release of economic reports and quarterly earnings results. When economic reports show growth in either GDP, the manufacturing/retail sector, or earnings from a financial company, whose results are not as bad as expected, the "bulls" have rushed in to buy stocks and propelled the DJIA

For Important Disclosure information regarding the Firm's rating system, valuation methods and potential conflicts of interest, please refer to the last page of this report.

higher by 200-400 points. The reverse occurs when reports indicate the current credit contraction is causing further stress on the world's financial system or the inflation rate appears to be spiraling higher. In these instances, "bears" have roared into the stock market, selling stocks in mass, and dropping the DJIA by similar points on down days. Certainly, this type of extreme up and down trading days could be characterized as "manic" as investors either believe the stock market has bottomed, and is going higher, or has further potential to the downside.

The stocks highlighted in this report have also been through a volatile period since our last quarterly report. Carmax (KMX-$14.80) began trading in June around $19.66, before sinking to a low of $10.53/share, due to falling auto sales and tightening credit conditions in the auto loan market. A declining advertising market, resulting from reduced consumer spending, caused Media General (MEG-$12.30) to fall from $15.24/share to yearly low of $10.33/share. Dominion Resources (D-$43.53) was relatively stable trading between $46.30-$41.64/share. Universal Corp (UVV-$51.92) started the period at $49.61/share and traded as high $56.00/share and as low as $44.21/share. The most volatile of our group was Union Bankshares (UBSH-$22.71), Massey Energy (MEE-$65.96), and Smithfield Foods (SFD-$20.11). UBSH traded as low as $14.17/share, as the banking sector sold off during early July before rallying to a recent high of $24.95/share. Massey Energy was whipsawed from one extreme to the other starting at $64.62/share, before shooting upwards to $95.70, and then falling to a recent low of $54.04/share, as rising coal prices caused a heavy bout of buying/selling by momentum traders. Another company effected by the movement of commodity prices was Smithfield Foods. SFD began June at $31.79/share before the fear of rising corn prices, diminishing its profits, caused the share price to fall as low as $16.61/share. However, SFD's shares rallied back into the mid-$20s as corn prices declined from $7.50/bushel towards $5/bushel.

The economic picture in Virginia mirrors the national economy with some sectors declining while others are doing well. Just as the unemployment numbers in the US began to rise from the 4.5% towards 5.7%, Virginia's unemployment rate increased from 2.8% to 4.2% when comparing mid-2008 with mid-2007. The recent downturn in the US real estate market has also negatively affected Virginia. According to Realty.Trac Inc., foreclosures during 2Q rose 278% in Virginia with the largest increases coming in the Richmond area (+805% w/ 1,104 filings), Northern Virginia (+251% w/ 15,569 filings), and Hampton Roads (+170% w/ 1,081filings). This compares with the US average which increased 121% and included 739,714 filings. Despite increased unemployment and difficulty in real estate, Virginia's business development continued to progress in the state.



	July 08	June 08	July 07
Around the State			
Charlottesville	3.9	3.6	2.7
Hampton Roads	4.6	4.4	3.3
Lynchburg	4.8	4.5	3.6

	July 08	June 08	July 07
Northern Virginia	3.4	3.2	2.3
Roanoke	4.4	4.1	3.1
Shenandoah Valley	4.5	4.1	2.9
Southside Virginia	7.3	6.6	5.6

Goodyear Tire (GT-$19.61) announced it was investing $200 million to upgrade technology at its Danville plant to allow production of new commercial tire products. Infinity Global Packaging, a luxury retail packaging company, plans to have its headquarters in Danville and MeadWestvaco (MWV-$26.48) is relocating its corporate headquarters to Richmond. Lynchburg based nuclear power system designer, Areva NP,Inc., plans to invest $25 million into the expansion of its headquarters anticipating a ramp-up of its business with expectations of creating 500 new jobs. Rolls-Royce, with North American headquarters in Reston, is building a $100 million assembly/aircraft plant in Prince George County. The pro-business environment in the Commonwealth was reinforced recently as Forbes.com named Virginia as the best state for companies to do business in for the third straight year citing an educated work force, low energy bills, and the proximity to Washington DC. While these point towards the vitality of the Virginia, the slowing economy has effected some businesses. For example, plans for two retail development projects in Lynchburg have been delayed, managed care provider AmeriGroup Corp laid off 80 workers, and Volvo Trucks North America, in restructuring efforts, announced plans to move the production of its Mack Trucks from Pulaski County to Macungie PA. Thus, while business development has continued in the state, given recent economic reports and business news one could say, "Yes, Virginia...there is an economic slowdown".

Company	Symbol	Current Price	52 Week Hi-Lo	A&S Rating
CarMax	KMX	$14.80	$25.39-$10.53	NEUTRAL
Dominion Resources	D	$43.53	$49.38-$38.63	NEUTRAL
Massey Energy	MEE	$65.96	$95.70-$20.50	NEUTRAL
Media General	MEG	$12.30	$37.67-$12.96	OUTPERFORM
Smithfield Foods	SFD	$20.11	$33.20-$16.61	OUTPERFORM
Union Bankshares	UBSH	$22.71	$25.08-$14.17	OUTPERFORM
Universal Corp	UVV	$51.92	$68.04-$43.50	NEUTRAL

EQUITY RESEARCH

CarMax Inc.
(KMX – NYSE)

Rating: NEUTRAL

Price and Trading Data	
Current Price	$14.80
S&P 500	1282.83
52-Week Price Range	$25.38-$10.53
Shares Outstanding (mil.-diluted)	218.6
Market Cap (bil.-diluted)	3.5
Avg. Daily Trading Volume (mil)	3.23
12-month Target Price	N/A

EPS estimates - diluted*		
	Feb 08A	**Feb 09E**
1Q	$0.30	$0.13A
2Q	$0.29	$0.27
3Q	$0.14	$0.12
4Q	$0.10	$0.11
	$0.83	**$0.63**

2Q08 Valuation Data	
Total Debt to Capital	13%
Book Value	$6.98
Price to Book	2.2
Dividend	N/A
Current Yield	N/A

Company Summary

CarMax, Inc., headquartered in Richmond VA, owns and operates used-car stores in the US. The first store, under the ownership of Circuit City (CC-$1.80), opened in 1993. Additional CarMax stores were opened and KMX's stock was issued in 1997. CC spun off its ownership in KMX in 2002. The company's primary business is buying, reconditioning, and selling used cars and trucks through its 88 stores located in 41 markets. Average annual sales of the US used car market were $370 billion in 2005, with 1-6 year old cars comprising approximately $280 billion of this market. KMX offers 1-6 year old vehicles featuring a "no-haggle" pricing system to customers and has a 2% market share in this area. Since 2000, the amount of vehicles sold by KMX has grown from 129,022 to 564,543 (including wholesale) while revenues grew from $2.20 billion during FY00 to $7.47 billion in FY07. Revenues are generated from retail used/new vehicle sales and wholesale sales. KMX has a low total debt-to-capital ratio of 2% while earnings from FY00 to FY07 have a compounded annual growth rate of 25%. The Board of Directors declared a 2-for-1 stock split for shareholders in 2007. Currently operating in FY09, KMX reported earnings of $0.83/share during FY08 versus $0.92/share during FY07 (both years were restated for the adoption of SFAS 123R).

Recent Developments

KMX recently announced plans to extend it warehouse facility limit by $300 million to $1.4 billion. This credit facility is used to securitize auto loan receivables originated by its CarMax Auto Finance unit. The recent US economic slowdown has caused KMX to delay the opening of several new stores. In fact, KMX plans to open only one store for the remainder of 2008 versus original plans to open five stores this year. The company plans to open the other four stores in 2009. Same store sales declined 17% during June and July. Given the recent slowdown in sales, KMX reduced its used vehicle inventory by approximately $150 million or 9,500 units. Three law firms recently filed class action lawsuits on behalf of certain common stock holders.

Recent Earnings

KMX reported 1Q09 earnings of $0.13/share vs. $0.30/share during 1Q08. The decrease was caused by higher financing costs at the auto finance unit, accruals related to litigation, and slowing consumer spending. Earnings took a $0.06/share hit from rising financing costs at the Carmax Auto Finance Unit (CAF) and $0.02/share decrease from litigation related accruals. Same store unit sales increased 1% assisted by an extra Saturday during the just completed quarter. Wholesale unit sales fell 2% due to decreasing appraisal traffic and appraisal buy rates. KMX believes the declining buy rates was prompted by depreciation in wholesale market values for SUVs, trucks, and other low-mileage vehicles. The company noted industry wholesale prices for SUVs/trucks for the quarter declined approximately 25%. New vehicle unit sales fell 26% caused by a soft new car sales environment and the sale of KMX's Orlando Chrysler Jeep Dodge franchise during fiscal 2Q08. Third-party finance fees, part of other sales and revenues, was lower by 7% while overall other sales/revenues rose 4%. KMX's gross profit margin per unit fell to $2,564 from $2,801 as the majority of the decline came from a $192/unit decrease in gross profits per used vehicle caused by a slowing sales to consumers. Wholesale gross profit margin/unit was lower at $784 vs. $800. CAF's income fell to $9.8 million from $37.1 million due to tightening credit in the auto finance market. Selling, general, and administrative expenses were 11.0% of revenues versus 10.0%. Overall revenues increased to $2.21 billion vs. $2.15 billion.

Our Thoughts

KMX's lower quarterly results reflects the higher funding costs at its CAF unit and slower consumer spending. The tightening of the credit markets has spread to the auto financing business as funding costs for CAF has risen thereby reducing KMX's profits. Furthermore, management noted a decline in credit availability from third-party non prime lenders. Additionally, KMX believes higher food and energy costs is causing a decline in consumer spending in their part of the automotive industry evidenced by declining customer traffic through their stores for the first time in 2 years. Thus, it appears tightening credit in the auto credit markets and slowing consumer spending will continue to hamper KMX's results going forward. Concerned over the lack of a 2H08 US economic pick-up we are lowering our FY09 earnings estimate to $0.63/share from $0.78/share. Given the negative consumer spending trends over the near term, we are maintaining our NEUTRAL rating on KMX.

Risks

KMX’s earnings could suffer from a US economic recession, consumer credit contraction, tightening of credit standards, or rising interest rates. Additionally, higher incentives offered by US auto manufacturers could negatively impact KMX profits. There is no guarantee the company’s pricing model used in acquiring vehicles, successful in the past, will be so in the future. Negative equity markets could negatively affect KMX’s share price. KMX's stock could be adversely impacted by negative equity/credit markets, failure to comply with Sarbanes Oxley guidelines, rising interest rates, or terrorist attacks.

Dominion Resources
(D – NYSE)

Rating: NEUTRAL

Price and Trading Data	
Current Price	$43.53
S&P 500	1282.83
52-Week Price Range	$49.38-$38.63
Shares Outstanding (mil.-diluted)	578.0
Market Cap (mil.)	25.5
Avg. Daily Trading Volume (mil)	2.41
12-month Target Price	N/A

EPS estimates –Non-GAAP	Dec 07A	Dec 08E
1Q	$0.74	$1.00A
2Q	$0.44	$0.50A
3Q	$0.86	$1.01
4Q	$0.52	$0.59
	$2.56	**$3.10**

2Q07 Valuation Data	
Total Debt to Capital	62%
Book Value	$15.30
Price to Book	2.8
Dividend	$1.58
Current Yield	3.6%

Company Summary

Dominion Resources, headquartered in Richmond VA, is the ninth largest electric utility in the US. The company has three operating units: Dominion Virginia Power, Dominion Generation, and Dominion Energy. Dominion Delivery owns two regulated utilities, Dominion Virginia Power and Dominion East Ohio. These utilities provides electricity to 2.3 million customers in VA/NC, natural gas to 1.2 million customers in Ohio, an additional 500,000 gas customers in PA/WV, and 1.5 million un-regulated retail energy customer accounts in 11 states. Dominion Generation operates the electric generation plants for D. This unit produces 26.4 megawatts of electricity and 65% of this generation goes to D's regulated electric customers in VA/NC with the remaining 35% allocated to the non-regulated customers in the northeast US and the Mid-Atlantic areas. Dominion Energy operates the natural gas pipeline/storage business, a liquefied natural gas terminal at Cove Pt. Maryland, and electric/transmission assets. Energy assets include 6,000 miles of electric transmission lines, 7,800 mile of natural gas pipelines, and storage facilities. Since 2003 operating earnings increased from $2.26/share to $2.56 in 2007 while D's dividend grew from $1.29/share to $1.46/share. Revenues, on a GAAP basis, totaled $15.67 billion. Operating income totaled $2.54 billion with 24.7% coming from Dominion Virginia Power, 23.0% from Dominion Energy, 45.1% from Dominion Generation, and 7.2% from Corporate.

Recent Developments

D applied with the US Department of Energy for a loan guarantee in conjunction with the potential building of a third nuclear reactor at the North Anna Power Station. The company also filed an application with the US Nuclear Regulatory Commission to renew the Wisconsin based Kewaunee Power Station's operating license. D's Retail unit, an energy marketing business, is purchasing Cirro Energy, a Texas retail electric provider. Cirro supplies 2.3 million megawatts of electricity to approximately 52,600 residential and commercial customers. A Federal appeals court rejected a Federal regulator's approval of the Cove Point MD liquefied natural gas expansion project. The company said it is confident FERC will eventually allow the Cove Point expansion to proceed with plans to increase the facility's peak capacity to 1.8 Bcf/day from 1 Bcf/day and raise storage capacity to 14.6 Bcf from 7.8

Bcf. D is selling its Dominion Peoples and Dominion Hope businesses to Babcock & Brown Infrastructure Fund North America. The natural gas drilling rights to the Marcellus Shale property was sold to Antero Resources for $552 million and D will maintain a 7.5% royalty on future gas production from this area.

Recent Earnings

D reported 2Q08 operating earnings of $0.50/share vs. $0.44/share during 2Q08. The improvement came from increased profits at the Dominion Generation and Dominion Energy units, the absence of un-recovered fuel expenses in Virginia due to fuel expense deferral allowances, lower interest expense, and accretion of earnings due to the company's recent share repurchase program. Dominion Generation produced profits of $0.36/share vs. $0.12/share, on a quarter-to-quarter basis, benefiting from higher operating margins. Dominion Energy contributed $0.12/share vs. $0.09/share, as the remaining exploration/production operations reported higher volumes and realized profits. These positives were partly offset by the lack of earnings contribution from last year's sale of the majority of D's exploration/production business and higher outage costs from the generations business. Dominion Virginia Power earnings declined to $0.13/share from $0.14/share, while Corporate and Other results were ($0.11)/share vs. ($0.10)/share. Operating revenues, on a GAAP basis, declined to $3.45 billion from $3.73 billion.

Our Thoughts

The re-formulated D continues to chug along following last years sale of the exploration/production business. This sale allowed D to gear its operating model towards a more conservative nature by reducing its risk in unregulated ventures. D's 2Q08 earnings of $0.50/share was above consensus expectations of $0.47/share and shows the company is able to generate earnings growth from a more conservative operating model. The improved profitability was driven by the Dominion Generation unit producing profits of $0.36/share vs. $0.12/share and Dominion Energy adding $0.12/share vs. $0.09/share. Our assumptions would be these two units will continue to be the driver of improved earnings in the future with Dominion Virginia Power providing flat-to-slightly higher profits. Going forward, management gave 3Q08 earnings guidance of $0.87-$0.92/share. Furthermore, D raised 2008 earnings guidance from $3.05-$3.15/share to $3.10-$3.15/share and 2009 guidance from $3.25-$3.40/share to $3.30-$3.45/share. Under this earnings scenario, D could continue to increase its annual dividend which was recently stated as one of their operational strategies. The stock looks fairly valued trading at 2.7x book value and paying a 3.4% dividend yield. D shares are rated NEUTRAL.

Risks

There are no guarantees D will be able to achieve annual earnings growth in the future. Fluctuating commodity prices paid for fueling generating plants, future air emission regulation compliance costs, and/or changing utility regulations could negatively affect earnings. Profits could be adversely impacted by a rising interest rate environment, future plant decommissioning costs, and rising operational expenses. D's stock could be adversely impacted by negative equity markets, failure to comply with Sarbanes Oxley guidelines, or terrorist attacks.

EQUITY RESEARCH

Massey Energy
(MEE – NYSE)

Rating: NEUTRAL

Price and Trading Data	
Current Price	$65.96
S&P 500	1282.83
52-Week Price Range	$95.70 - $20.50
Shares Outstanding (mil-diluted)	80.5
Market Cap (mil-diluted)	4.05
Avg. Daily Trading Volume (mil)	5.68
12-month Target Price	NA

EPS estimates - diluted		
	Dec 07A	**Dec 08E**
1Q	$0.40	$0.52A
2Q	$0.43	($1.16)A
3Q	$0.27	$0.59
4Q	$0.06	$0.60
	$1.16	**$0.55**

3Q07 Valuation Data	
Debt to Total Capital	59%
Book Value	$9.31
Price to Book	6.0
Dividend	$0.20
Current Yield	0.32%

Company Summary

Massey Energy, headquartered in Richmond, VA is the 4th largest coal production company in the United States. The company extracts and processes coal from its mines located in the Central Appalachia area traversing the states of West Virginia, Kentucky, and Virginia. Revenues come from the mining, processing, and selling of its steam and metallurgical grade coals (aka, low sulfur coal). Other income comes from management of material handling facilities, a synfuel production plant, royalties, rentals, and gas well revenues. In 2007, MEE had revenues of $2.05 billion, coal sales accounted for $1.9 billion and the remaining $310 million were derived from freight/transportation, purchased coal, and other operations, such as royalties, rentals, gas well income, coal handling facilities, and synfuel earnings. The company generated 2007 earnings of $1.16/share, and had total assets of $2.86 billion. Debt to total capitalization stood at 58.5% at year-end 2007 and MEE produced 39.9 million tons of coal. The company has 5,517 employees and 3% of its work force is unionized.

Recent Developments

MEE recently announced the results of the tender offer for the 6.625% notes due 2010 where 93% of debt note holders tendered their notes back to the company. On a related note, Standard & Poor's Ratings Services assigned a "B+" rating to Massey's issue of $600 million senior unsecured convertible notes due 2015. These notes, in conjunction with a $250 million equity offering was used to retire the 6.625% notes due 2010. MEE recently took a $245 million charge for increasing its legal accrual for the Wheeling-Pittston Steel legal case. The accrual is for damages awarded to Wheeling Pittsburgh and Mountain State Carbon LLC pending MEE's petition to the US Supreme Court to review the case. During the past year, price increases in coal, higher demand, both foreign and domestic created the ideal scenario for improved profits at MEE. Recognizing the higher price/increased demand trends MEE has moved to increase its own production capabilities. The company started two new mines and completed a raw coal transportation line at the Mammoth Energy resource group. New slopes have been developed at Pond Creek and the M-3 Energy mine was opened at the Sidney Coal resource group with normalized production expected during 3Q08.

Recent Earnings

MEE reported 2Q08 earnings of ($1.16)/share vs. $0.43/share during 2Q07. 2Q08's results included a $245.3 million charge related to the Wheeling-Pittston Steel company litigation. Excluding this charge, MEE earned $1.15/share during 2Q08. The improvement on a quarter-to-quarter comparison, was due to a 38% increase in produced coal revenue and an 8% rise in produced coal tons sold. Produced coal revenues rose to $710.3 million from $516.2 million from higher volumes, an 83% increase in export shipments, and a 36% rise in metallurgical coal sales. MEE sold 10.8 million produced tons of coal compared to 10.0 million tons sold. Produced tons sold to utility declined to 6.8 million from 6.9 million, metallurgical's rose to 3.0 million from 2.2 million, and Industrial's was 1.0 million vs. 0.9 million. These factors caused produced coal revenue per ton to increase 28% to $65.78/ton. 2Q08's operating cash margin rose 83% to $15.94/ton compared to $8.72/ton resulting from a 28% increase in averaged prices per ton of shipped coal, $65.78 vs. $51.40. Improvement in average realized prices was due to a 36% rise in shipments of metallurgical coal and higher prices per ton in all coal categories. MEE"s average cash cost per ton rose to $49.84 from $42.68 from higher sales, labor, fuel, and stock compensation costs. Overall revenues were $826.8 million vs. $617.8 million. EBITDA declined to ($46.3) million vs. $120.3 million due to the Wheeling-Pittston charge.

Our Thoughts

Rising coal prices combined with higher shipments caused a large increase in MEE's 2Q08 earnings, excluding the Wheeling-Pittston charge, of $1.15/share vs. $0.43/share. MEE management noted eastern US steam coal prices rose during 2Q08 driven by export demand as NYMEX spec coal increased almost 85% to approximately $140/ton. Meanwhile prompt delivery coal prices for 12,500 Btu steam coal remained around $150-$160/ton and MEE expects these fundamentals to remain at these levels going forward. While forward earnings progression looks positive for the company, it appears the recent trading of MEE’s stock has been dominated by momentum players. Since August of 2007 Massey appreciated almost 500% when it reached its recent high of $95.70 on 6/30/08 as momentum investors moved into the coal sector seeing a rising spiral of commodity prices during the past year. However, many commodities, including coal, have been declining during the past month over concerns of a slowing US and world economy. Just as momentum investors jumped into coal stocks in June 2007, they appear to be exiting these positions as coal prices decline on the commodities exchange. Thus, while MEE's earnings may show a solid progression during 2H08, its stock price is likely to trade at the mercy of momentum investors trading on the daily price movements of coal. Investors may want to wait till MEE's share price reflects valuations based on operating fundamentals versus trading on the coattails of momentum investors. We rate MEE NEUTRAL.

Risks

Risks include declining coal prices, falling productivity, litigation risk, and rising labor costs. New mining regulations could increase operating expenses. Loss of large coal contracts and negative equity markets could adversely affect MEE's stock. MEE's stock could be adversely impacted by negative equity markets, failure to comply with Sarbanes Oxley guidelines, rising interest rates, or terrorist attacks.

Media General
(MEG – NYSE)

Rating: OUTPERFORM

Price and Trading Data	
Current Price	$12.30
S&P 500	1282.83
52-Week Price Range	$37.67-$12.96
Shares Outstanding (mil.-diluted)	22.8
Market Cap (mil.-diluted)	363.0
Avg. Daily Trading Volume	0.23
12-month Target Price	$38

EPS estimates - diluted		
	Dec 07A	**Dec 08E**
1Q	($0.27)	($0.44)A
2Q	$0.22	($0.06)A
3Q	$0.11	$0.29
4Q	$0.43	$1.01
	$0.49	**$0.80**

3Q07 Valuation Data	
Long-Term Debt to Total Capital	70%
Book Value	$15.21
Price to Book	0.9
Dividend	$0.92
Current Yield	5.7%

Company Summary

Media General, Inc. is a multi-media company headquartered in Richmond, VA. The company has three primary media units: publishing, broadcasting, and interactive media serving primarily the southeast markets of the United States. The publishing division consists of 25 daily newspapers and over 150 other publications. Newspaper operations are in Alabama, Florida, North Carolina, South Carolina, and Virginia. MEG's two largest newspapers are the Richmond Times-Dispatch and The Tampa Tribune. This division generated the majority of overall company revenues with $601.1 million in 2006. The Broadcast unit owns/operates 23 network-affiliated TV stations and generated $361.5 million in revenues in 2006. These TV stations are located in Georgia (4), Florida (3), North Carolina (3), South Carolina (3), Alabama (2), Mississippi (2), Kentucky (1), Louisiana (1), Ohio (1), Rhode Island (1), Tennessee (1), and Virginia (1). The Interactive Media group, consisting of 75 interactive enterprises is used to complement the publishing and broadcasting businesses. The company generated 2007 revenues of $932.2 million and had $2.47 billion in total assets. Media General has both "A" and "B" shares. The general public owns the "A" shares and elects 30% of the Board of Directors, while the "B" shares (98% owned by the Bryan family), elects the other 70% of the Board.

Recent Developments

MEG sold its TV stations in Panama City, FL (WMBB), and its duel NBC/CBS station in Alexandria, LA (KALB/NALB) to Hoak Media Corp. This marks the sale of the second and third of the five TV stations MEG plans to sell during 2008. The Toccoa, GA station (WNEG) is being sold to the University of Georgia Foundation and the Lexington, KY station (WTVQ) was sold to Morris Network. MEG expects these sales to generate proceeds of $100 million - $105 million and will be used to reduce approximately $60 million -$65 million of debt. The Board of Directors increased the size of its board to 11 from 9 directors. J. Stewart Bryan III, Chairman of the Board, announced his intention to retire as an executive of the company during fall 2008.

Management announced in the earnings release, it is in the process of "impairment testing primarily of goodwill and other intangible assets" on its balance sheet given the current economic slowdown and investors declining valuations of the media industry's assets. Potentially, this could lead to a reduction of MEG's book value.

Recent Earnings

Media General reported 2Q08 earnings of ($0.06)/share (including a $0.14/share severance charge) vs. $0.19/share during 2Q08. Absent the 2Q08 severance charge, MEG would have reported $0.08/share in earnings. When including severance charges and discontinued operations, consisting of 5 TV stations currently being sold, earnings would have been ($0.01)/share during 2Q08 vs. $0.22/share during 2Q08. Profits at the Publishing unit declined to $6.8 million from $22.6 million as total revenues were lower by 14.7% and newspaper ad revenues fell 17.1%. Profits at the Broadcast unit fell to $14.9 million from $18 million due to weak National and Local time sales partially offset by a $2.8 million increase in Political revenues. The Interactive Media Unit produced a $665,000 loss versus a $359,000 profit. However, revenues hit a record level of $10.6 million, representing a 13.7% increase on a quarter-to-quarter comparison. The improvement came from a 45.7% increase in local ads and revenues from MEG's DealTaker.com subsidiary offering online shopping/coupons. On a positive note, the recent partnership with Yahoo! HotJobs generated $2 million in revenues, partially compensating for 4% decline in classified revenues. Being the first full quarter of ownership by MEG, DealTaker.com was profitable during 2Q08. Blockdot, an advergaming unit, saw a decline in revenues reflecting a slower rate of incoming projects from a decelerating US economy.

Our Thoughts

The economic slowdown, and the shifting trends in the newspaper industry, continues to hurt MEG and all newsprint companies. On the revenue side the slowing real estate and consumer markets is causing advertisers to reduce advertising dollars. This is evident given MEG's quarter-to-quarter overall revenue decline to $204.9 million from $228.2 million. When comparing quarters, free cash flow (after-tax cash flow less cap ex) improved to $13.2 million from $5 million following a $13.8 million decline in cap ex spending. This is important since it is the free cash flow that allows MEG to maintain its high dividend payout equating to a 7% yield. It appears this high dividend yield is providing support for MEG's shares at these levels and should continue to do so as long as the current payout is maintained. MEG is rated OUTPERFORM. However, we are lowering our price target to $19/share reflecting negative sentiment presently surrounding media stocks and on the assumption of an asset impairment charge reducing MEG's current book value of $38/share.

Risks

There are no guarantees of MEG will increase revenues/profits in the future. As with all newspaper companies, rising commodity pricing of newsprint, ink, or fuel could adversely affect earnings. A slowdown in US consumer spending could reduce advertising revenues for the company. Competition in the newspaper industry, and from internet/TV/radio, could hamper MEG's ability to grow earnings. Higher interest rates, adverse equity markets, corporate governance issues, an economic slowdown, and terrorist attacks could negatively affect MEG's share price.

EQUITY RESEARCH

Smithfield Foods
(SFD – NYSE)

Rating: OUTPERFORM

Price and Trading Data	
Current Price	$20.11
S&P 500	1282.83
52-Week Price Range	$33.20-$16.61
Shares Outstanding (mil.-diluted)	134.4
Market Cap (bil.-diluted)	2.64
Avg. Daily Trading Volume (mil)	3.35
12-month Target Price	$41.25

EPS estimates - diluted		
	Apr 08A	**Apr 09E**
1Q	$0.41	($0.21)A
2Q	$0.13	$0.13
3Q	$0.44	$0.36
4Q	$0.01	$0.52
	$0.99	**$0.80**

1Q08 Valuation Data	
Debt to Total Capital	53%
Book Value	$22.68
Price to Book	.9
Dividend	N/A
Current Yield	N/A

Company Summary

Smithfield Foods, headquartered in Smithfield VA, is the world's largest pork processor and hog producer, and the fifth largest beef processor in the United States. Founded in 1936, the company experienced significant growth in the early 1980's with the acquisition of Gwaltney's of Smithfield, which nearly doubled its sized. In 1992, SFD opened up the world's largest meat processing facility in Tar Heel NC, and in 1995, the company acquired John Morrell & Co., which expanded its reach throughout the Midwestern United States. The company has recently expanded both its domestic and international operations by acquiring Cook's, Butterball, LLC and Sara Lee European meats business in 2006. SFD employs over 52,000 people worldwide and currently owns subsidiaries in France, Poland, Romania, and the United Kingdom with joint ventures/major investments in Mexico, Spain, and China. On an annualized basis, the company had hog production of 13.9 million and produced 1.5 billion pounds of fresh beef. In FY07, SFD produced 3.1 billions pounds of fresh pork while producing 2.9 billion pounds of processed meat. The company is currently operating in FY08.

Recent Developments

SFD sold a 5% stake to a Chinese government owned company known as COFCO Limited, an agricultural trading business. On a longer-term basis, the deal with COFCO could aid SFD's efforts to gain additional business opportunities in China In March SFD the sale of beef assts to Brazilian JBS SA for $565 million. SFD announced it was merging its European joint venture with Spain's Campofrio Alimentacion SA in an all stock deal. On a related note Campofrio Alimentacion plans to sell its Russian business unit to Finland's Atria OYJ for $75 million euros.

Recent Earnings

SFD reported 1Q09 earnings from continuing operations of ($0.21)/share vs. $0.43/share during 1Q08. The 1Q09 loss came from a negative mark-to-market adjustment of approximately ($0.15)/share related to unrealized losses on the value of open commodity derivative contracts, and ($0.04)/share from operating losses and impairment charges related to the disposal of assets by Campofrio. 1Q08 net income from overall operations generated a $12.6 million loss, or ($0.09)/share, compared to $54.6 million, or $0.41/share during 1Q08. On a quarter-to-quarter basis, pork sales increased to $2.58 billion from $2.23 billion while profits increased to $61.7 million vs. $26.5 million. Profits were higher from improved fresh meat margins due to rising export demand and increased pork prices paid in overseas markets. The packaged meat's profits were down slightly because of higher raw material costs. The International Unit's revenues rose to $405.3 million from $246.7 million while operating profit declined to $5.9 million from $14.9 million due to higher raw material costs. The highly competitive markets in Europe, produced a small loss at Groupe Smithfield. SFD's share of Campofrio's loss during 1Q08 was $3.4 million which includes a $5.5 million charge related to asset disposals. Hog Production revenues grew to $725.8 million from $605.6 million but generated a $38.8 million loss versus a $93.0 million profit due to higher feed prices. The Other segment had an operating loss of $6.7 million, versus a $10.7 million profit, also because of higher grain prices.

Our Thoughts

A 39% increase in corn prices and 33% rise in soybean prices negatively effected SFD's 1Q09 results producing an operating loss of ($0.21)/share. The hardest hit area for SFD was the Hog Production unit swinging to a loss of $38.3 million vs. a $93.0 million profit as higher feed prices caused cash raising costs to rise to $61/hundredweight from $49/hundredweight. This cost increase more than offset live hog prices rising to $55.50/hundredweight from $53.50/hundredweight. Hog Production results also suffered from a negative $30.2 million mark-to-market adjustment for commodity related positions. The International Unit was hurt by higher feed prices and competitive overseas markets. The Pork segment was the lone operating unit with improved results benefiting from strong export demand as overall volume grew 124% due to large shipment increases to China, EU, Japan, Mexico, and Russia. Overall fresh pork volume grew 33%. Corn and soybean, which accounts for approximately 60% of SFD's operating expenses, have negatively impacted SFD's profits for the past 3 quarters. However, the potential for operating improvement recently appeared as corn prices have fallen during the past month from $7.50/bushel to approximately $5/bushel. Lower corn prices could lead to improved profit margins going forward and produce positive quarterly earnings results for SFD in 2009. Under this scenario, momentum investors could increase demand for SFD's and push its stock towards $25-$30/shares. SFD is rated OUTPERFORM and our target price is $41.25/share.

Risks

SFD's profits are very sensitive to changing commodity prices and viral infections of its herds/flocks could negatively affect forward earnings. There are no guarantees SFD will be able to grow future profits. Declining prices of beef, pork, & turkeys could cause a decline in revenues/profitability. Rising operating expenses are a potential threat to net income. SFD has exposure to foreign currency and political risk given its overseas operations/ventures. SFD's stock could be adversely impacted by negative equity markets, failure to comply with Sarbanes Oxley guidelines, rising interest rates, or terrorist attacks.

Union Bankshares
(UBSH – NASDAQ)

Rating: OUTPERFORM

Price and Trading Data	
Current Price	$22.71
NASDAQ Bank Index	2333.49
52-Week Price Range	$25.08-$14.17
Shares Outstanding (mil-diluted)	13.48
Market Cap (mil-diluted)	297.3
Avg. Daily Trading Volume	31,993
12-month Target Price	$31.50

EPS estimates - diluted		
	Dec 07A	**Dec 08E**
1Q	$0.38	$0.29A
2Q	$0.42	$0.32A
3Q	$0.40	$0.38
4Q	$0.27E	$0.40
	$1.47	**$1.39**

3Q07 Valuation Data	
Book Value	$15.81
Price to Book	1.4
ROA	0.74%
ROE	8.12%
Dividend Yield	3.36%

Company Summary

Union Bankshares is the bank holding company for Union Bank & Trust, Northern Neck State Bank, Rappahannock National Bank, and Bay Community Bank. It was formed in the 1993 merger of Union Bank & Trust Company and Northern Neck State Bank in Bowling Green, VA and currently has 58 full service branches, all located in Virginia, and is the third largest bank holding company based in the state. It recently completed its acquisition of Prosperity Bank & Trust Company in April. Prosperity Bank operates three branches in the northern VA area. This acquisition exemplifies UBSH's strategy to grow its footprint in the state of Virginia. Its fifty-one branch offices are located from the Tidewater area to the mountains, and into the Northern VA/Washington DC market. Current ownership of UBSH is 6.67% held by insiders and institutional investors own 19.78% of the shares. The affiliated banks of UBSH provide a variety of deposit and lending products to its clients. Some of these products include checking, savings, certificates of deposit, while also offering loans for commercial, industrial, residential mortgage, and consumer purposes. Additionally, full brokerage services are offered by its Union Investment Services unit. Through its Bay Community Bank, UBSH has a non-controlling interest in Johnson Mortgage Company, LLC. UBSH has total assets of $2.3 billion, total net loans of $1.71 billion, and deposits of $1.55 billion. Book value was $15.82 per share as of 12/31/07.

Recent Developments

UBSH continued to work towards the assimilation of recently acquired Prosperity Bank & Trust Company into its largest bank affiliate, Union Bank & Trust Company. The purchase of Prosperity Bank and Trust company gives UBSH a greater presence in the Northern Virginia markets. Recently Daniel I. Hansen was elected to UBSH's Board of Directors. Hansen is a private investor and vice president of DeJarnette & Beale Inc., an independent insurance agency headquartered in Bowling Green VA. He was serving as Chairman of the Board of the Union Bank & Trust sine 2003 and part of its Executive Committee since 2001. UBSH's Board of Directors increased the common stock dividend to $0.185/share from $0.18/share. Management said it will merge Bay Community Bank into UBSH's Union Bank & Trust Co. The current President of Bay Community Bank, Robert L. Bailey will become the Tidewater Regional President of Union Bank & Trust.

Recent Earnings

Union Bankshares reported 2Q08 earnings of $0.32/share vs. $0.42/share during 2Q07. The decline was due to increased loan loss provisions, costs from the purchases of six bank branches and the opening of a de novo office, and non-recurring expenses related to merging affiliate banks. These were partially offset higher profitability in the mortgage segment and higher service charges. The mortgage segment generated a profit of $88,000 vs. a loss of $163,000 on a quarter-to-quarter basis. Net interest income rose 3.5% to $20.6 million despite net interest margin declining to 3.92% from 4.20%. Non-interest income increased to $7.6 million from $6.2 million due to higher mortgage segment income from the sale of $1.1 million of loans and higher revenues from service charges on deposit accounts. Interest expense decreased to $13.5 million from $15.9 million. Non-interest expense rose 13.4% to $20.0 million due to costs associated with the acquisition of 6 new branches, a de novo branch, mortgage operations, and UBSH's organic growth. During the quarter the provision for loan losses increased $1.5 million from continued loan growth, net charge-offs, and due to the recent economic slowdown. Return on assets (ROA) and return on equity (ROE) declined to 0.74% from 1.06%, and to 8.10% from 11.07%, respectively. The efficiency ratio grew to 72.89% from 69.46% due to the addition of new branches. Total assets grew to $2.4 billion from $2.2 billion, total loans increased to $1.82 billion from $1.64 billion, and deposits rose to $1.79 billion from $1.65 billion.

Our Thoughts

While the quarter-to-quarter results produced negative comparisons, UBSH's business appears to be improving on a sequential quarterly basis while the credit quality of its portfolio appears sound. On a sequential quarterly basis, UBSH's earnings improved to $0.32/share versus $0.27/share due to lower funding costs, higher non-interest income, and minimal growth in non-interest expense. More importantly, the loan portfolio's credit quality appears sound as delinquencies, according to management, are within normal historical norms, and have not increased above 1Q08's levels. Although loan loss provisions grew by $1.5 million, from continued loan growth, net charge-offs, and due to the economic slowdown, non-performing loans remained at the same levels as 1Q08. While there has been a slowdown in residential/real estate loan activity, USBH's service territory remains stable and the bank has not seen significant deterioration in the quality of its loan portfolio. UBSH's portfolio has no exposure to the sub prime market. Unlike many other industry brethren now in trouble due to deteriorating balance sheets, UBSH appears positioned to weather the current slowdown in the economy given the good credit status of its loan portfolio. UBSH offers appreciation potential based on an improvement in the economy, a stabilization of the real estate markets, and the prospects of earnings growth as the US financial system finds firm footing. Improvement in the mortgage units business is encouraging as UBSH has seen increased loan demand. These shares appear inexpensive trading at 1.3x book value. UBSH is rated OUTPERFORM and our price target is 2x book value, or $31/share.

Risks

There are no guarantees UBSH's growth strategy will improve earnings. The entire banking industry will have to face the operating challenges of a flat yield curve and a slowing real estate market. Corporate governance issues, rising interest rates, or negative equity markets may negatively affect UBSH shares. UBSH's stock could be adversely impacted by negative equity markets, failure to comply with Sarbanes Oxley guidelines, rising interest rates, or terrorist attacks.

EQUITY RESEARCH

Universal Corporation
(UVV – NYSE)

Rating: NEUTRAL

Price and Trading Data	
Current Price	$51.92
S&P 500	1282.83
52-Week Price Range	$68.04-$43.50
Shares Outstanding (mil.-diluted)	27.19
Market Cap (bil.-diluted)	1.3
Avg. Daily Trading Volume	350,331
12-month Target Price	N/A

EPS estimates - diluted		
	Mar 08A	**Mar 09E**
1Q	$0.52	$0.64A
2Q	$1.30	$1.34
3Q	$1.56	$1.63
4Q	$0.23	$0.58
	$3.71	**$4.21**

3Q08 Valuation Data	
Debt to Total Capital	27%
Book Value	$31.43
Price to Book	1.7
Dividend	$1.80
Current Yield	3.5%

Company Summary

Universal Corp., founded in 1918, is the world's largest leaf tobacco exporter/importer and is headquartered in Richmond VA. UVV's primary business is buying, shipping, processing, packing, storing and selling tobacco to cigar, cigarette, and pipe tobacco manufacturers. The company also provides financing of leaf tobacco operations in foreign countries. Tobacco sales are comprised primarily of burley and flue-cured tobaccos. UVV's largest customers are Philip Morris (MO-$21.03) and Japan Tobacco, which account for the majority of orders. During fiscal year 2007, UVV generated revenues of $2.0 billion. For 2007, the North American and the other Regions unit, part of the burley tobacco and flue-cured operations, generated 17% & 68% of revenues, and 19% & 63% of segment operating income; respectively. Other Tobacco operations produced 14% of revenues and 18% of segment operating income. UVV normally purchases 25% - 30% of the annual production of tobaccos in Brazil and 35% - 45% of Africa's. The company does business in over 35 countries and employs approximately 25,000 full and part-time workers. The majority of UVV's operations are located in the United States and Brazil. Other operations are located in Africa, Asia, Canada, Europe, and Argentina. The company recently sold off its non-tobacco operations (lumber/building/agri-business) and has been using the proceeds to reduce debt and for potential share repurchases. UVV shifted its year-end reporting quarter to March and is currently operating in fiscal year 2008.

Recent Developments

Over the past year UVV has changed its mix of business to focus on tobacco operations. Along these lines the company sold two non-tobacco businesses: Barrow, Lane & Bullard & LTD and Deli-Universal. There has been a change in top management in 2008 as Chairman of the Board/CEO, Allen King, retired on 3/31/08. He was succeeded by CEO George C. Freeman III. President/CFO Hartwell H. Roper retired on 8/31/08 and David C. Moore took his position as CFO. Mr. Moore is currently a vice president and Chief Administrative Officer of UVV. The Board of Directors elected W. Keith Brewer to the post of Executive Vice President, Chief Operating Officer. On the credit front, Moody's recently affirmed its rating on UVV's Ba1 corporate debt and changed the outlook to stable from negative.

Recent Earnings

UVV reported 1Q09 earnings of $0.64/share vs. $0.54/share during 1Q08. The $0.54/share of earnings in 1Q08 included $0.02/share from discontinued operations. On a quarter-to-quarter comparison, income from continuing operations increased to $21.1 million from $18.2 million. The improved results came from higher shipments in several countries, a decline in interest expense, absence of African write downs, lack of restructuring charges, and a lower income tax rate. Overall revenues increased 12% to $506.3 million from $450.2 million. During the just completed quarter, the North American unit's burley and flue-cured operations generated a small loss as 1Q08 is one of the slowest periods of the year for this segment. Overall, this unit's performance was better than last years quarter as revenues for this segment rose 40% to $48 million. This large increase came primarily from increased volumes of old crop tobacco in Canada and the US. The Other Regions unit of the flue-cured and barley operations produced profits of $35 million vs. $32 million. Improvement came from the absence of charges ($5 million) in Africa in conjunction with UVV's departure of its Malawi flue-cured growing projects. South America results were hurt by lower currency-related gains on local currency assets/forward contracts, delayed shipments, and a negative variance on loss provisions connected with farmer receivables and guarantees. European results saw improvement due to higher volumes in its tobacco sheet business. Revenues for this segment increased 17% to $400 million benefiting from higher local currency prices paid to most area farmers, a weak US dollar, and higher volumes in several countries. The Other Tobacco Operations unit's earnings fell to $3.4 million from $7.1 million since a large portion of the Special Services group was absorbed into other UVV operating units and from some customers discontinued just-in-time services. As a result revenues for this unit declined to $56 million from $72 million.

Our Thoughts

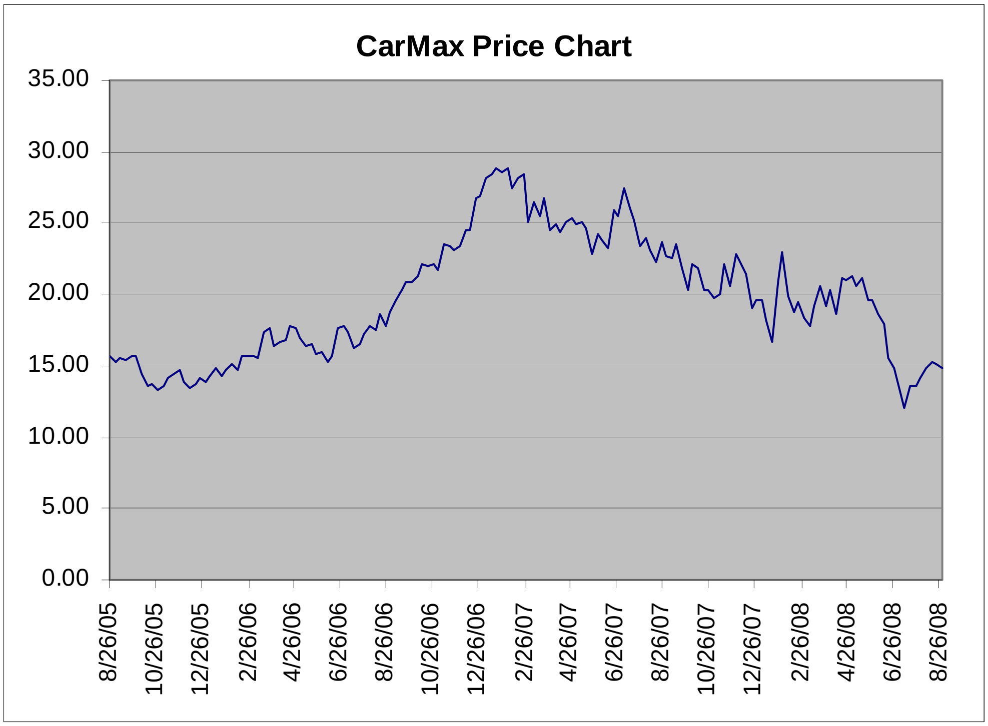
UVV's improved earnings results of $0.64/share vs. $0.54/share were driven by higher volumes and benefits from a weak US dollar which helped increase tobacco prices as overseas sales grew 17%. Income from continuing operations improved to $21.1 million from $18.2 million as revenues grew 12% due to higher shipments in several countries. The improvement in operating income was also helped by the absence of $3.3 million in restructuring charges, lower interest expense of $7.7 million vs. $11.4 million resulting from reduced debt levels at UVV, and a tax rate of 33% vs. 38.5%. UVV has made significant improvement in its African operations which could potentially favorably impact income results later this year. A challenge for UVV going forward will be controlling the cost of its tobacco given tight markets, a lower US dollar, and alternative crop competition for farm acreage. Management does not expect any change in the current low inventory levels available with the completion of this season's crops despite anticipated larger African burley crops. Trading at 1.6x book value, UVV seems fairly valued. Our rating on these shares is NEUTRAL.

Risks

There are no guarantees UVV will improve future earnings. The company’s two largest buyers are Philip Morris and Japan Tobacco. Termination of business with either of these companies would adversely affect UVV’s profitability. UVV’s profitability is subject to currency swings, timing of tobacco shipments, political events, and changes in foreign governments. UVV’s stock could be adversely impacted by negative equity markets, failure to comply with Sarbanes Oxley guidelines, rising interest rates or terrorist attacks.

Steven F. Marascia
Research Analyst
804-344-3806
smarascia@andersonstrudwick.com

Important Disclosures



3/14/07 $24.62 Initiate NEUTRAL

Steven Marascia certifies, with respect to the companies or securities that he analyzes, that (1) the views expressed in this report accurately reflect his personal views about all of the subject companies and securities and (2) no part of his compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Anderson & Strudwick and employees of Anderson & Strudwick may own shares of CarMax.

Stock ratings used in this report are defined as follows:

(1) Outperform – The stock's total return including dividends is expected to exceed the industry or market average by at least 10% over the next twelve months.
(2) Neutral – The stock's total return including dividends is expected to be in line with the industry or market average of +/- 10% over the next twelve months.
(3) Underperform – The Stock's total return including dividends is expected to be below the industry or market average by 10% or more over the next twelve months.

The distribution of investment ratings for all companies in our coverage universe are as follows: (1) 42%, (2) 57%, (3) 1%

The distribution of investment ratings used for companies whom we have performed banking services in the last 12 months are: (1) 60%, (2) 40%, (3) 0%

For regulatory purposes, our ratings of Outperform, Neutral and Underperform most closely correspond to Buy, Hold and Sell, respectively.

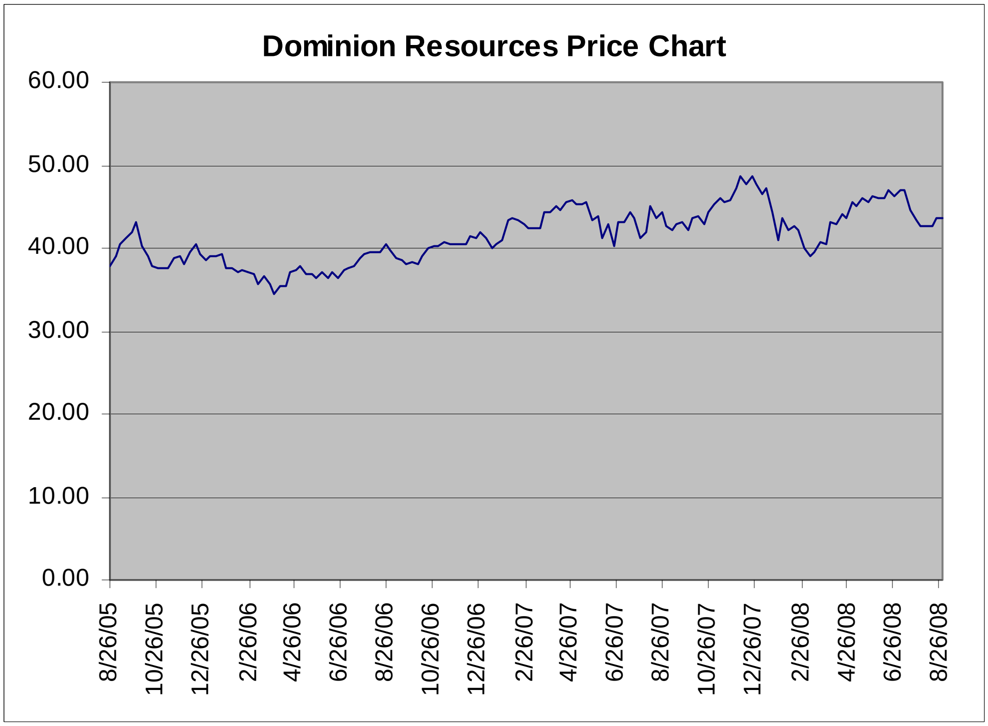
Other Disclosures

This report is not directed to, or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Anderson & Strudwick or its affiliates to any registration or licensing requirement within such jurisdiction.

The information presented in this report is provided to you for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or buy or subscribe for securities or other financial instruments. Anderson & Strudwick may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. Anderson & Strudwick will not treat recipients of this report as its customers by virtue of their receiving this report. The investments and services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Anderson & Strudwick does not advise on the tax consequences of investments and you are advised to contact an independent tax advisor. Information and opinions presented in this report have been obtained or derived from sources believed by Anderson & Strudwick to be reliable, but Anderson & Strudwick makes no representation as to their accuracy or completeness. This report is not to be relied upon in substitution for the exercise of independent judgment. Anderson & Strudwick may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication by Anderson & Strudwick and are subject to change without notice. The price, value of and income from any of the securities mentioned in this report can fall as well as rise.

For more information on this report, please contact us at 800-767-2424 or write to Anderson & Strudwick 707 E. Main Street 20th Floor, Richmond, VA 23219.

Important Disclosures



11/3/04 $58.16 Initiate NEUTRAL

Steven Marascia certifies, with respect to the companies or securities that he analyzes, that (1) the views expressed in this report accurately reflect his personal views about all of the subject companies and securities and (2) no part of his compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Steven Marascia owns shares of Dominion Resources.

Anderson & Strudwick and employees of Anderson & Strudwick may own shares of Dominion Resources

Stock ratings used in this report are defined as follows:

(1) Outperform – The stock's total return including dividends is expected to exceed the industry or market average by at least 10% over the next twelve months.
(2) Neutral – The stock's total return including dividends is expected to be in line with the industry or market average of +/- 10% over the next twelve months.
(3) Underperform – The Stock's total return including dividends is expected to be below the industry or market average by 10% or more over the next twelve months.

The distribution of investment ratings for all companies in our coverage universe are as follows: (1) 42%, (2) 57%, (3) 1%

The distribution of investment ratings used for companies whom we have performed banking services in the last 12 months are: (1) 60%, (2) 40%, (3) 0%

For regulatory purposes, our ratings of Outperform, Neutral and Underperform most closely correspond to Buy, Hold and Sell, respectively.

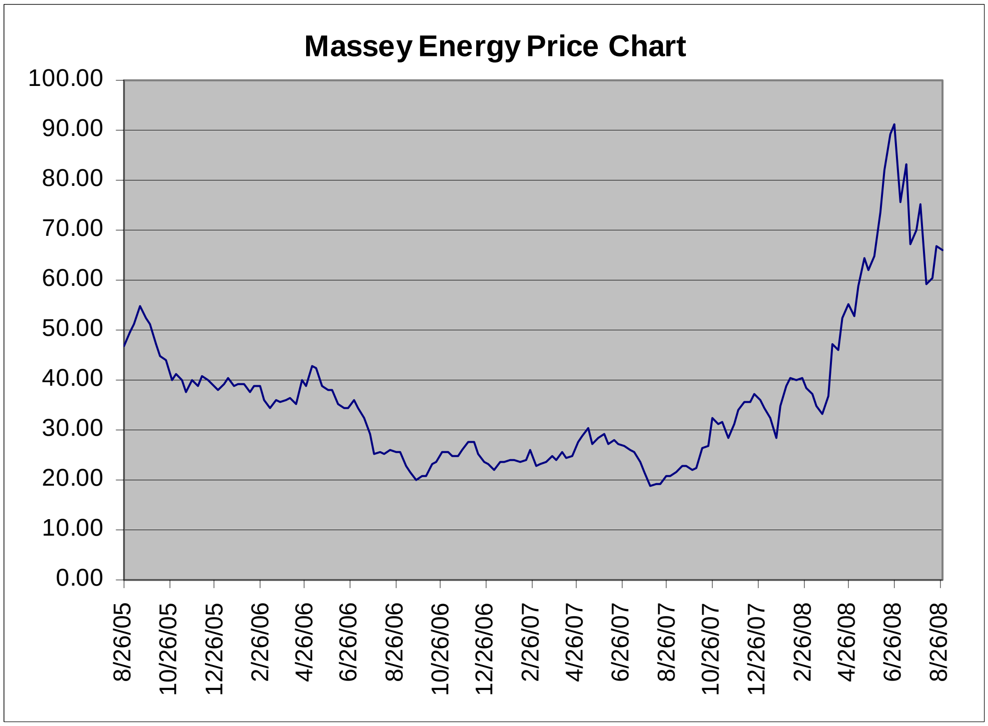
Other Disclosures

This report is not directed to, or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Anderson & Strudwick or its affiliates to any registration or licensing requirement within such jurisdiction.

The information presented in this report is provided to you for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or buy or subscribe for securities or other financial instruments. Anderson & Strudwick may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. Anderson & Strudwick will not treat recipients of this report as its customers by virtue of their receiving this report. The investments and services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Anderson & Strudwick does not advise on the tax consequences of investments and you are advised to contact an independent tax advisor. Information and opinions presented in this report have been obtained or derived from sources believed by Anderson & Strudwick to be reliable, but Anderson & Strudwick makes no representation as to their accuracy or completeness. This report is not to be relied upon in substitution for the exercise of independent judgment. Anderson & Strudwick may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication by Anderson & Strudwick and are subject to change without notice. The price, value of and income from any of the securities mentioned in this report can fall as well as rise.

For more information on this report, please contact us at 800-767-2424 or write to Anderson & Strudwick 707 E. Main Street 20th Floor, Richmond, VA 23219.

Important Disclosures



3/10/06 Initiate OUTPERFORM @ 34.18. Target Price: $43.00
4/12/07 $24.42 Lower 12-month Target Price: $31.00
1/09/08 $33.23 Lower rating to NEUTRAL from OUTPERFORM

Steven Marascia certifies, with respect to the companies or securities that he analyzes, that (1) the views expressed in this report accurately reflect his personal views about all of the subject companies and securities and (2) no part of his compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Anderson & Strudwick or employees of Anderson & Strudwick may own shares of Massey Energy.

Stock ratings used in this report are defined as follows:

(1) Outperform – The stock's total return including dividends is expected to exceed the industry or market average by at least 10% over the next twelve months.
(2) Neutral – The stock's total return including dividends is expected to be in line with the industry or market average of +/- 10% over the next twelve months.
(3) Underperform – The Stock's total return including dividends is expected to be below the industry or market average by 10% or more over the next twelve months.

The distribution of investment ratings for all companies in our coverage universe are as follows: (1) 42%, (2) 57%, (3) 1%

The distribution of investment ratings used for companies whom we have performed banking services in the last 12 months are: (1) 60%, (2) 40%, (3) 0%

For regulatory purposes, our ratings of Outperform, Neutral and Underperform most closely correspond to Buy, Hold and Sell, respectively.

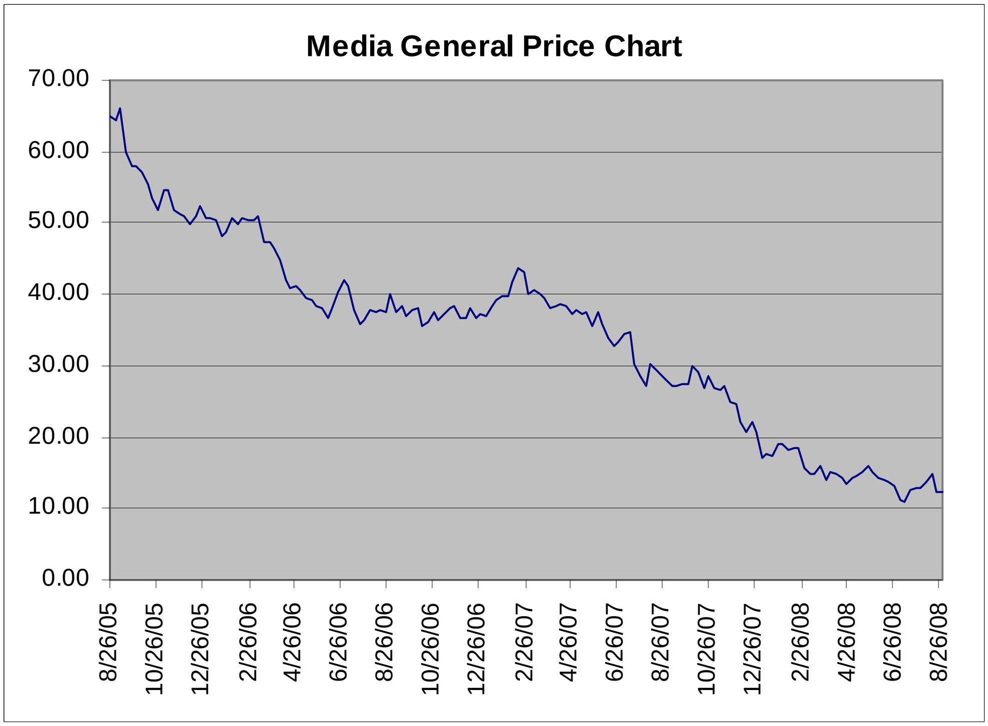
Other Disclosures

This report is not directed to, or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Anderson & Strudwick or its affiliates to any registration or licensing requirement within such jurisdiction.

The information presented in this report is provided to you for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or buy or subscribe for securities or other financial instruments. Anderson & Strudwick may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. Anderson & Strudwick will not treat recipients of this report as its customers by virtue of their receiving this report. The investments and services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Anderson & Strudwick does not advise on the tax consequences of investments and you are advised to contact an independent tax advisor. Information and opinions presented in this report have been obtained or derived from sources believed by Anderson & Strudwick to be reliable, but Anderson & Strudwick makes no representation as to their accuracy or completeness. This report is not to be relied upon in substitution for the exercise of independent judgment. Anderson & Strudwick may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication by Anderson & Strudwick and are subject to change without notice. The price, value of and income from any of the securities mentioned in this report can fall as well as rise.

For more information on this report, please contact us at 800-767-2424 or write to Anderson & Strudwick 707 E. Main Street 20th Floor, Richmond, VA 23219.

Important Disclosures



8/7/07 $28.17 Initiate OUTPERFORM TP: $39.25
2/6/07 $20.08 TP: $38.00

Steve Marascia certifies, with respect to the companies or securities that he analyzes, that (1) the views expressed in this report accurately reflect his personal views about all of the subject companies and securities and (2) no part of his compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Price Target Methodology: Based on 1.0x Book Value. Risks to target price include higher interest rates, adverse equity markets, corporate governance issues, economic slowdown, and terrorist attacks. Other risks include rising commodity prices of newsprint, ink, and fuel; a slowdown in US consumer spending; and competition from the newspaper industry, TV, Internet, or radio.

Anderson & Strudwick or employees of Anderson & Strudwick may own shares of Media General.

Stock ratings used in this report are defined as follows:

(1) Outperform – The stock's total return including dividends is expected to exceed the industry or market average by at least 10% over the next twelve months.
(2) Neutral – The stock's total return including dividends is expected to be in line with the industry or market average of +/- 10% over the next twelve months.
(3) Underperform – The Stock's total return including dividends is expected to be below the industry or market average by 10% or more over the next twelve months.

The distribution of investment ratings for all companies in our coverage universe are as follows: (1) 42%, (2) 57%, (3) 1%

The distribution of investment ratings used for companies whom we have performed banking services in the last 12 months are: (1) 60%, (2) 40%, (3) 0%

For regulatory purposes, our ratings of Outperform, Neutral and Underperform most closely correspond to Buy, Hold and Sell, respectively.

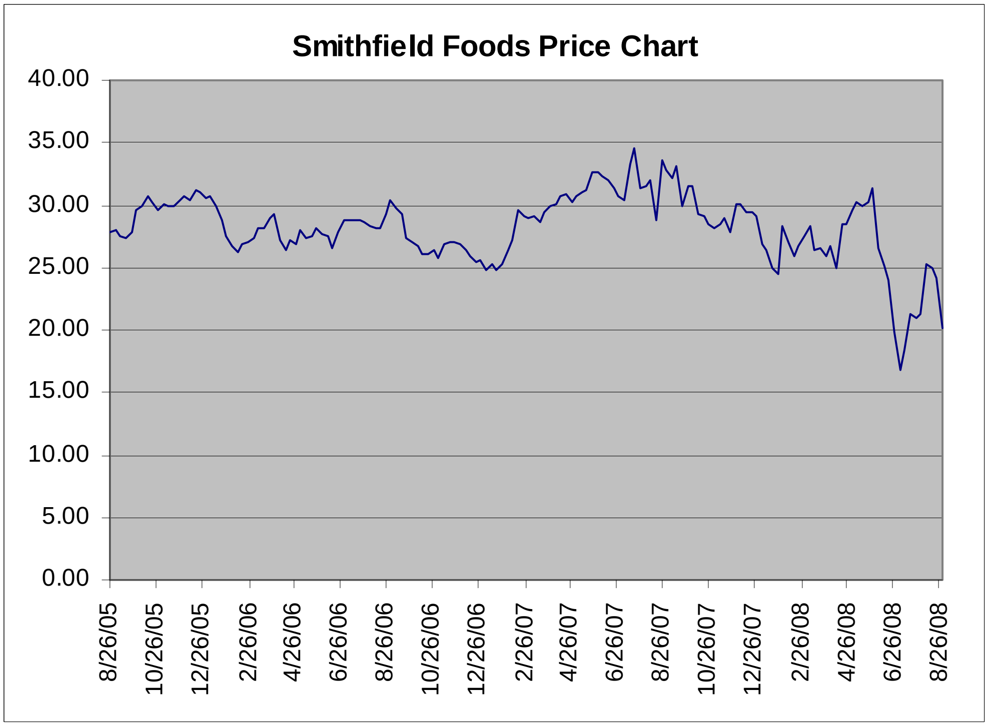
Other Disclosures

This report is not directed to, or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Anderson & Strudwick or its affiliates to any registration or licensing requirement within such jurisdiction.

The information presented in this report is provided to you for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or buy or subscribe for securities or other financial instruments. Anderson & Strudwick may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. Anderson & Strudwick will not treat recipients of this report as its customers by virtue of their receiving this report. The investments and services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Anderson & Strudwick does not advise on the tax consequences of investments and you are advised to contact an independent tax advisor. Information and opinions presented in this report have been obtained or derived from sources believed by Anderson & Strudwick to be reliable, but Anderson & Strudwick makes no representation as to their accuracy or completeness. This report is not to be relied upon in substitution for the exercise of independent judgment. Anderson & Strudwick may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication by Anderson & Strudwick and are subject to change without notice. The price, value of and income from any of the securities mentioned in this report can fall as well as rise.

For more information on this report, please contact us at 800-767-2424 or write to Anderson & Strudwick 707 E. Main Street 20th Floor, Richmond, VA 23219.

Important Disclosures



11/09/04 $25.70 Initiate OUTPERFORM TP: $32.00
09/09/05 $27.57 TP: $34.00
04/12/07 $30.48 TP: $41.25

Steven Marascia certifies, with respect to the companies or securities that he analyzes, that (1) the views expressed in this report accurately reflect his personal views about all of the subject companies and securities and (2) no part of his compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Price Target Methodology: Based on 2.1X book value. Risks to target price include weakness in hog prices, rising costs in feed, negative equity markets, failure to comply with Sarbanes Oxley guidelines, rising interest rates, and terrorist attacks.

Anderson & Strudwick or employees of Anderson & Strudwick may own shares of Smithfield Foods.

Stock ratings used in this report are defined as follows:

(1) Outperform – The stock's total return including dividends is expected to exceed the industry or market average by at least 10% over the next twelve months.
(2) Neutral – The stock's total return including dividends is expected to be in line with the industry or market average of +/- 10% over the next twelve months.
(3) Underperform – The Stock's total return including dividends is expected to be below the industry or market average by 10% or more over the next twelve months.

The distribution of investment ratings for all companies in our coverage universe are as follows: (1) 42% (2) 57% (3) 1%

The distribution of investment ratings used for companies whom we have performed banking services in the last 12 months are: (1) 60%, (2) 40%, (3) 0%

For regulatory purposes, our ratings of Outperform, Neutral and Underperform most closely correspond to Buy, Hold and Sell, respectively.

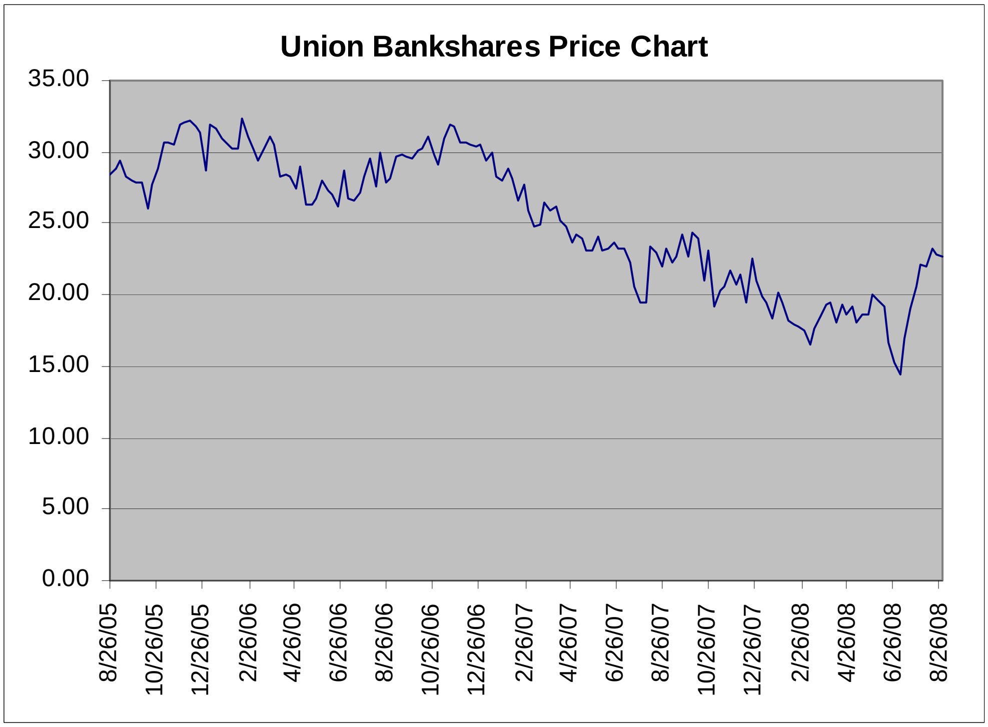
Other Disclosures

This report is not directed to, or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Anderson & Strudwick or its affiliates to any registration or licensing requirement within such jurisdiction.

The information presented in this report is provided to you for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or buy or subscribe for securities or other financial instruments. Anderson & Strudwick may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. Anderson & Strudwick will not treat recipients of this report as its customers by virtue of their receiving this report. The investments and services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Anderson & Strudwick does not advise on the tax consequences of investments and you are advised to contact an independent tax advisor. Information and opinions presented in this report have been obtained or derived from sources believed by Anderson & Strudwick to be reliable, but Anderson & Strudwick makes no representation as to their accuracy or completeness. This report is not to be relied upon in substitution for the exercise of independent judgment. Anderson & Strudwick may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication by Anderson & Strudwick and are subject to change without notice. The price, value of and income from any of the securities mentioned in this report can fall as well as rise.

For more information on this report, please contact us at 800-767-2424 or write to Anderson & Strudwick 707 E. Main Street 20th Floor, Richmond, VA 23219.

Important Disclosures



- Union Bankshares has been rated OUTPERFORM during the entire three-year period

12/09/04 $24.34 TP: $40.00
08/09/05 $27.59 TP: $43.00
02/21/06 $30.77 TP: $48.00
10/27/06 $29.46 TP: $44.00
02/11/08 $17.92 TP: $31.50

Steven Marascia certifies, with respect to the companies or securities that he analyzes, that (1) the views expressed in this report accurately reflect his personal views about all of the subject companies and securities and (2) no part of his compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Price Target Methodology: Based on 3.0x book value. Risks include corporate governance issues, rising interest rates, a flat yield curve, slowing real estate market, negative equity markets, failure to comply with Sarbanes Oxley guidelines, rising interest rates, and terrorist attacks.

Anderson & Strudwick or employees of Anderson & Strudwick own shares of Union Bankshares.

Anderson & Strudwick makes a market in Union Bankshares.

Stock ratings used in this report are defined as follows:

(1) Outperform – The stock's total return including dividends is expected to exceed the industry or market average by at least 10% over the next twelve months.
(2) Neutral – The stock's total return including dividends is expected to be in line with the industry or market average of +/- 10% over the next twelve months.
(3) Underperform – The Stock's total return including dividends is expected to be below the industry or market average by 10% or more over the next twelve months.

The distribution of investment ratings for all companies in our coverage universe are as follows: (1) 42%, (2) 57%, (3) 1%

The distribution of investment ratings used for companies whom we have performed banking services in the last 12 months are: (1) 60%, (2) 40%, (3) 0%

For regulatory purposes, our ratings of Outperform, Neutral and Underperform most closely correspond to Buy, Hold and Sell, respectively.

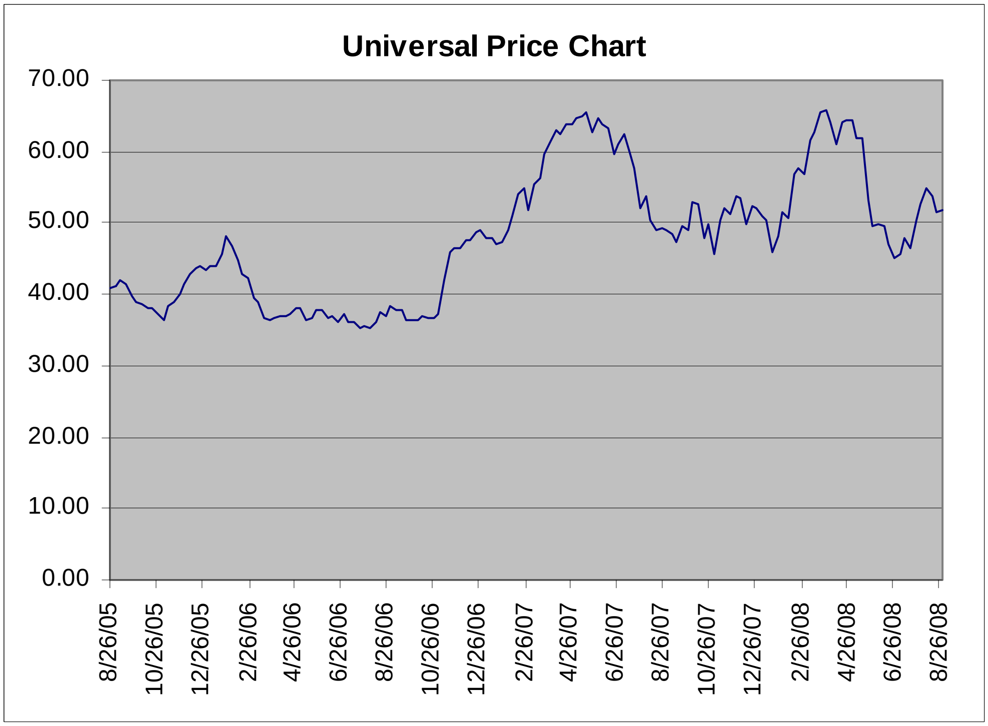
Other Disclosures

This report is not directed to, or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Anderson & Strudwick or its affiliates to any registration or licensing requirement within such jurisdiction.

The information presented in this report is provided to you for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or buy or subscribe for securities or other financial instruments. Anderson & Strudwick may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. Anderson & Strudwick will not treat recipients of this report as its customers by virtue of their receiving this report. The investments and services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Anderson & Strudwick does not advise on the tax consequences of investments and you are advised to contact an independent tax advisor. Information and opinions presented in this report have been obtained or derived from sources believed by Anderson & Strudwick to be reliable, but Anderson & Strudwick makes no representation as to their accuracy or completeness. This report is not to be relied upon in substitution for the exercise of independent judgment. Anderson & Strudwick may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication by Anderson & Strudwick and are subject to change without notice. The price, value of and income from any of the securities mentioned in this report can fall as well as rise.

For more information on this report, please contact us at 800-767-2424 or write to Anderson & Strudwick 707 E. Main Street 20th Floor, Richmond, VA 23219.

Important Disclosures



9/21/06 $36.95 Initiate OUTPERFORM TP: $58
3/20/07 $58.77 Lowered to NEUTRAL

Steven Marascia certifies, with respect to the companies or securities that he analyzes, that (1) the views expressed in this report accurately reflect his personal views about all of the subject companies and securities and (2) no part of his compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Price Target Methodology: Based on 1.96x current book value. Risks to price target include termination of business with Philip Morris or Japan Tobacco, currency swings, timing of tobacco shipments, political events, and changes in foreign governments.

Anderson & Strudwick or employees of Anderson & Strudwick may own shares of Universal Corp.

Stock ratings used in this report are defined as follows:

(1) Outperform – The stock's total return including dividends is expected to exceed the industry or market average by at least 10% over the next twelve months.
(2) Neutral – The stock's total return including dividends is expected to be in line with the industry or market average of +/- 10% over the next twelve months.
(3) Underperform – The Stock's total return including dividends is expected to be below the industry or market average by 10% or more over the next twelve months.

The distribution of investment ratings for all companies in our coverage universe are as follows: (1) 42%, (2) 57%, (3) 1%

The distribution of investment ratings used for companies whom we have performed banking services in the last 12 months are: (1) 60%, (2) 40%, (3) 0%

For regulatory purposes, our ratings of Outperform, Neutral and Underperform most closely correspond to Buy, Hold and Sell, respectively.

Other Disclosures

This report is not directed to, or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Anderson & Strudwick or its affiliates to any registration or licensing requirement within such jurisdiction.

The information presented in this report is provided to you for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or buy or subscribe for securities or other financial instruments. Anderson & Strudwick may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. Anderson & Strudwick will not treat recipients of this report as its customers by virtue of their receiving this report. The investments and services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Anderson & Strudwick does not advise on the tax consequences of investments and you are advised to contact an independent tax advisor. Information and opinions presented in this report have been obtained or derived from sources believed by Anderson & Strudwick to be reliable, but Anderson & Strudwick makes no representation as to their accuracy or completeness. This report is not to be relied upon in substitution for the exercise of independent judgment. Anderson & Strudwick may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication by Anderson & Strudwick and are subject to change without notice. The price, value of and income from any of the securities mentioned in this report can fall as well as rise.

For more information on this report, please contact us at 800-767-2424 or write to Anderson & Strudwick 707 E. Main Street 20th Floor, Richmond, VA 23219.