FORM 10−K

MEREDITH CORP − MDP

Filed: September 18, 2003 (period: June 30, 2003)

Annual report which provides a comprehensive overview of the company for the past year

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10−K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2003 **Commission file number 1−5128**

MEREDITH CORPORATION

(Exact name of registrant as specified in its charter)

Iowa	**42−0410230**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1716 Locust Street, Des Moines, Iowa	**50309−3023**
(Address of principal executive offices)	(ZIP Code)

Registrant's telephone number, including area code: **(515) 284−3000**

Securities registered pursuant to Section 12 (b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $1	**New York Stock Exchange**

Securities registered pursuant to Section 12 (g) of the Act:
Title of class

Class B Stock, par value $1

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S−K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10−K or any amendment to this Form 10−K. [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b−2 of the Securities Exchange Act of 1934). Yes [X] No [ ]

The registrant estimates that the aggregate market value of voting and non−voting common equity held by non−affiliates of the registrant at December 31, 2002, was $1,520,000,000 based upon the closing price on the New York Stock Exchange at that date.

Shares of stock outstanding at July 31, 2003	
Common shares	40,260,568
Class B shares	9,922,168
Total common and class B shares	50,182,736

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DOCUMENT INCORPORATED BY REFERENCE

Certain portions of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on November 10, 2003, are incorporated by reference in Part III to the extent described therein.

ITEM 1. BUSINESS

GENERAL

Meredith Corporation, one of the nation's leading media and marketing companies, is engaged

in magazine and book publishing, television broadcasting, integrated marketing, and interactive media. Virtually all of the Company's revenues are generated in and assets reside within the United States.

The Company was founded by Edwin Thomas Meredith in 1902 as an agricultural publisher and incorporated in Iowa in 1905. Meredith Corporation became public in 1946 and entered the television broadcasting business in 1948. It has been listed on the New York Stock Exchange since 1965 and currently has approximately 50 million shares of common and class B stock outstanding. The Company had 2,633 employees (including 124 part−time employees) at June 30, 2003.

The Company has two business segments: publishing and broadcasting. Financial information about industry segments can be found in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and in Item 8, "Financial Statements and Supplementary Data" under Note 16. These segments had no material expenses for research and development during the past three fiscal years.

The publishing segment is focused on the home and family market. It consists of 17 magazine brands, including *Better Homes and Gardens*, *Ladies' Home Journal*, and *American Baby*, as well as approximately 170 special interest publications; book publishing with nearly 300 books in print; integrated marketing relationships with some of America's leading companies; a large consumer database; an extensive Internet presence, including 24 web sites and strategic alliances with leading Internet destinations; brand licensing relationships; and other related operations.

The broadcasting segment includes the operations of 11 network−affiliated television stations located across the continental United States. These stations consist of five CBS affiliates, four FOX affiliates, one NBC affiliate, and one UPN affiliate.

The Company's largest revenue source is magazine and television advertising. Television advertising is to some extent seasonal, traditionally generating higher revenues in the second and fourth fiscal quarters and during key political contests, major sporting events, etc.

Name recognition and the public image of the Company's trademarks (e.g., *Better Homes and Gardens* and *Ladies'Home Journal*) and television station call letters are vital to the success of ongoing operations and to the introduction of new business. The Company protects its interests by aggressively defending its trademarks and call letters.

Compliance with federal, state, and local provisions relating to the discharge of materials into the environment and to the protection of the environment has no material effect on capital expenditures, earnings, or the competitive position of the Company.

BUSINESS DEVELOPMENTS − FISCAL 2003

In December 2002, Meredith Corporation purchased *American Baby* magazine and related assets (American Baby Group) from Primedia Inc. for $117.6 million ($115.0 million plus certain costs). *American Baby* magazine, introduced in 1938, is published monthly and has a circulation of 2 million. Other American Baby Group properties acquired include *Childbirth* and *First Year of Life* magazines, three Hispanic titles and related marketing programs, the *American Baby* television program currently shown on The Discovery Channel® television network, web sites, custom publications, and other related programs. Operating results of the properties are included in Meredith's consolidated results from the date of acquisition.

DESCRIPTION OF BUSINESS

Publishing

Publishing represented 75 percent of the Company's consolidated revenues in fiscal 2003.

Magazines

Key advertising and circulation information for major subscription titles among the Company's 17 magazine brands follows:

Title	**Description**	**Fiscal Year**	**Frequency**	**Year−end Rate Base** *(1)*	**Ad Pages** *(2)*
Better Homes and Gardens	Home and women's service	2003	Monthly	7,600,000	2,025
		2002	Monthly	7,600,000	1,865
Ladies' Home Journal	Women's service	2003	Monthly	4,100,000	1,431
		2002	Monthly	4,100,000	1,210
American Baby	Parenting	2003	Monthly	2,000,000	354*(3)*
Country Home	Home decorating	2003	10x/year	1,200,000	922
		2002	8x/year	1,100,000	790
Traditional Home	Home decorating	2003	8x/year	925,000	790
		2002	7x/year	825,000	716
Midwest Living	Travel and lifestyle	2003	6x/year	850,000	846
		2002	6x/year	815,000	690
MORE	Women's service (age 40+)	2003	10x/year	850,000	685
		2002	10x/year	700,000	561
WOOD	Projects and techniques	2003	7x/year	550,000	375
		2002	8x/year	550,000	335
Successful Farming	Farm information	2003	12x/year	442,000	614
		2002	12x/year	442,000	539

(1) *Rate base is the circulation guaranteed to advertisers. Actual circulation for most of the Company's titles is tracked by the Audit Bureau of Circulation, which issues periodic statements for audited magazines.*

(2) *Ad pages are stated as reported to Publisher's Information Bureau or Agricom; if unreported, they are cited as calculated by the publisher using a similar methodology.*

(3) *Ad pages for 7 issues published in fiscal 2003 from the acquisition date of December 2002.*

Better Homes and Gardens

magazine, the Company's flagship, accounts for a significant percentage of revenues and operating profit of the publishing segment and the Company. Meredith's other magazines brands not listed in the preceding table are *Country Gardens; Renovation Style; Creative Home; Decorating; Do It Yourself; Garden, Deck & Landscape; Garden Shed;* and *American Patchwork & Quilting.* Meredith also has a 50 percent interest in a monthly Australian edition of *Better Homes and Gardens* magazine.

The Company publishes a group of Special Interest Publications, primarily under the *Better Homes and Gardens* and Creative Collection banners, that are issued from one to six times a year and primarily sold on newsstands. Titles published quarterly or every other month include the aforementioned *Creative Home; Decorating; Do It Yourself; Garden, Deck & Landscape; Garden Shed;* and *American Patchwork & Quilting* as well as *Beautiful New Homes*, *Bedroom & Bath*, *Home Planning Ideas, Kitchen and Bath Ideas, 100 Ideas* series, *Paint Decor, Quick & Easy Decorating, Remodeling Ideas, Scrapbooks etc.*, and *Window & Wall Ideas.* Approximately 170 issues were published in fiscal 2003.

Meredith Interactive Media has extended many of the Company's magazine brands to the Internet. The flagship home and family site − *bhg.com* − is a leader in providing unique content and applications in its core content areas of decorating, food, home improvement, and remodeling. The Company has established multi−year alliance agreements with two of the leading Internet providers, driving additional traffic to the Company's sites. These web sites are additional sources of advertising and other revenues; more importantly, they hold the potential for significant cost reductions through online magazine subscription orders.

Advertising

Years ended June 30 *(In thousands)*	**2003**	**2002**	**2001**
Advertising revenues	$383,131	$325,505	$352,482

Advertising revenues are generated primarily from sales to clients engaged in consumer marketing. Many of Meredith's larger magazines offer different regional and demographic editions that contain the same basic editorial material but allow advertisers to concentrate on specific markets or specific audiences. The Company sells two primary types of magazine advertising: display and direct−response. Advertisements are either run−of−press (printed along with the editorial portions of the magazine) or inserts (preprinted forms). Most of the publishing segment's advertising revenues are derived from run−of−press display advertising. Meredith Corporate Solutions brings together all of the Company's resources to create multi−platform marketing programs that meet each client's unique advertising and promotional requirements.

Circulation

Years ended June 30 *(In thousands)*	**2003**	**2002**	**2001**
Circulation revenues	$259,141	$261,640	$257,410

Subscriptions obtained through direct−mail solicitation, agencies, insert cards, the Internet, and other means are Meredith's largest source of circulation revenues, but single−copy sales are also important. All of the Company's subscription magazines except *Successful Farming* and *American Baby* are sold by single copy as well. Single−copy sales are distributed through magazine wholesalers, who have the right to receive credit from the Company for magazines that retailers return to them.

Other

Years ended June 30 *(In thousands)*	**2003**	**2002**	**2001**
Other revenues	$165,777	$146,106	$163,283

Other revenues are derived from book sales, integrated marketing, other custom publishing projects, ancillary products and services, and brand licensing agreements.

The Company publishes and markets nearly 300 consumer home and family service books. They are published under the *Better Homes and Gardens* trademark and under licensed trademarks such as Ortho® books and The Home Depot® books. Meredith also has a contract to produce three books based on the popular Trading Spaces® decorating show on The Learning Channel® cable network. The first of these books was released in March 2003, and the remaining two books were released in August 2003. Beginning in fiscal 2004, Meredith will publish a series of books based on the popular HGTV Home and Garden Television® network. The Company's books are sold through retail book and specialty stores, mass merchandisers, and other channels. During fiscal 2003, 69 new or revised titles were published, including the 12th edition of the *Better Homes and Gardens New Cook Book.*

Meredith Integrated Marketing, which offers integrated promotional strategies that combine all of the Company's custom capabilities, and Meredith's consumer database, which can make more than 75 million names available to magazine and television advertisers, are important because they provide revenue sources that are independent of advertising and circulation. Fiscal 2003 clients included Carnival Cruise Lines, DaimlerChrysler, Iams, and Hunter Douglas.

Production and Delivery

The major raw materials essential to the publishing segment are coated publication and book−grade papers. Meredith supplies all of the paper for its magazine production and most of the paper for its book production. Despite some increases in the third and fourth quarters, average paper prices were lower in fiscal 2003 than in fiscal 2002. The price of paper is driven by overall market conditions and is therefore difficult to predict, but management anticipates paper prices will rise as demand grows over the next year. The Company has contractual agreements with major paper manufacturers to ensure adequate supplies for planned publishing requirements.

Meredith has printing contracts with several major printers for all of its magazine titles. The Company's published books are manufactured by outside printers under contracts that are generally on a title−by−title basis.

Because of the large volume of magazine and subscription promotion mailings, the Company continually seeks the most economical and effective methods for mail delivery, including cost−saving measures such as pre−sorting and drop−shipping to central postal centers. The United States Postal Service raised rates effective June 29, 2002, resulting in a cost increase of nearly 10 percent. The Postmaster General has stated that no further rate increases will be requested until at least 2006. Meredith continues to work with others in the industry and through trade organizations to encourage the Postal Service to implement efficiencies and contain rate increases. The Company cannot, however, predict future changes in the Postal Service and postal rates or the impact they will have on its publishing business.

Paper, printing, and postage costs for the magazine and book operations accounted for approximately 40 percent of the publishing segment's fiscal 2003 operating expenses.

Fulfillment services for Meredith's magazine operations are provided by third parties. National newsstand distribution services are provided by another third party through a multi−year agreement.

Competition

Publishing is a highly competitive business. The Company's magazines, books, and related publishing products and services compete with other mass media, including the Internet, and many other types of leisure−time activities. Competition for readers is based principally on price, editorial content, marketing skills, and customer service. Competition for advertising dollars is based primarily on advertising rates, circulation levels, reader demographics, advertiser results, and sales team effectiveness.

Gaining market share for newer magazines and specialty publications is extremely competitive. Competition is also intense for established titles. *Better Homes and Gardens* and *Ladies' Home Journal*, for example, must compete for readers and advertisers with other women's service magazines such as Family Circle®, Good Housekeeping®, Redbook®, and Woman's Day® magazines, which are published by other companies. According to the Publisher's Information Bureau, the combined fiscal 2003 advertising revenue market share of *Better Homes and Gardens* and *Ladies' Home Journal* magazines totaled approximately 43 percent of the women's service magazine market.

Broadcasting

Television broadcasting represented 25 percent of Meredith's consolidated revenues in fiscal 2003. Pertinent information about the Company's 11 television stations follows:

Station, Market	DMA National Rank *(1)*	Network Affiliation	Analog Channel	DTV Channel	Expiration Date of FCC License	Average Audience Share *(2)*	Full−power Commercial TV Stations in Market *(3)*
WGCL−TV Atlanta, GA	9	CBS	46	19	4−1−2005	6.7%	3 VHF 7 UHF
KPHO−TV Phoenix, AZ	15	CBS	5	17	10−1−2006	8.7%	10 VHF 6 UHF
KPTV Portland, OR	24	FOX	12	30	2−1−2007	8.3%	4 VHF 5 UHF
KPDX−TV Portland, OR	24	UPN	49	48	2−1−2007	4.3%	4 VHF 5 UHF
WFSB−TV Hartford, CT New Haven, CT	27	CBS	3	33	4−1−2007	15.3%	2 VHF 6 UHF
WSMV−TV Nashville, TN	30	NBC	4	10	8−1−2005	14.3%	3 VHF 7 UHF
KCTV Kansas City, MO	31	CBS	5	24	2−1−2006	14.0%	3 VHF 5 UHF
WHNS−TV Greenville, SC Spartanburg, SC Asheville, NC	35	FOX	21	57	12−1−2004	6.0%	3 VHF 5 UHF
KVVU−TV Las Vegas, NV	51	FOX	5	9	10−1−2006	7.0%	5 VHF 4 UHF
WNEM−TV Flint, MI Saginaw, MI Bay City, MI	64	CBS	5	22	10−1−2005	17.0%	2 VHF 3 UHF
KFXO−CA Bend, OR	199	FOX	39	NA	2−1−2007	6.0%	1 UHF

(1) *Designated Market Area (DMA) is a registered trademark of, and is defined by, Nielsen Media Research. The national rank is from the 2003 − 2004 DMA ranking.*

(2) *Average audience share represents the estimated percentage of households using television tuned to the station. The percentages shown reflect the average total day shares (9:00 a.m. to midnight) for the November 2002, February 2003, and May 2003 measurement periods.*

(3) *The number of full−power commercial television stations reported is year 2002 data from*

Investing in Television Market Report 2003, Second Edition *by BIA Financial Network, Inc., dated May 2003. VHF (very high frequency) stations transmit on analog channels 2 through 13; UHF (ultra high frequency) stations transmit on analog channels 14 to 69.*

NA *Not applicable*

Operations

Advertising is the principal source of revenues for the broadcasting segment. The stations sell commercial time to both local/regional and national advertisers. Rates for spot advertising are influenced primarily by the market size, number of in−market broadcasters, audience share, and audience demographics. The larger a station's share in any particular daypart, the more leverage a station has in setting advertising rates. As the market fluctuates with supply and demand, so does a station's rates. Most national advertising is sold by independent representative firms. The sales staff at each station generates local/regional advertising revenues.

Typically 25 to 35 percent of a market's television advertising revenues is generated by local news. The Company's stations have increased the number of hours of local news programming significantly over the last several years and are continually working to improve their news operations and ratings.

The national network affiliations of Meredith's 11 television stations influence advertising rates. Generally a network affiliation agreement provides a station the exclusive right to broadcast network programming in its local service area. In return, the network has the right to sell most of the commercial advertising aired during network programs. In some instances, the network compensates the local stations in accordance with the television station's network affiliation agreement. Conversely, affiliated stations make payments to the network for certain specified programming such as professional football. As a standard practice, the FOX and UPN networks make no cash payments to affiliates. The Company's FOX affiliates, however, pay the FOX network for additional advertising spots in prime−time programming.

In September 2002, Meredith moved the FOX affiliation in Portland from KPDX to KPTV. The Portland UPN affiliation was moved to KPDX under an affiliation agreement that expires in September 2004**.** Meredith's affiliation agreements for all FOX−affiliated stations expire in June 2007. The Company's five CBS affiliates have agreements that expire from November 2004 to April 2006. The Company's Nashville station has an affiliation agreement with NBC that expires in December 2006. While Meredith's relations with the networks historically have been good, the Company can make no assurances these relationships will continue in the same manner over time.

The costs of locally produced and purchased syndicated programming are significant. Syndicated programming costs are based largely on uncontrollable market factors, primarily demand from other stations in the market. The Company has been emphasizing its locally produced news and entertainment programming, not only to attract advertisers but also to gain greater control of content and costs. Recent changes in Federal Communication Commission (FCC) regulations (see "Regulation") may lead to increased ownership consolidation, which in turn could affect local market competition for syndicated programming and lead to higher costs.

In April 2000, Meredith and other broadcasters dedicated a portion of their digital spectrum to create a wireless infrastructure to deliver content to consumers. Meredith owns a minority position in this new venture, iBlast Networks, and will share in its revenues and operating results. iBlast is currently testing distribution using selected television stations in Los Angeles, San Francisco/San Jose, Washington, Baltimore, Atlanta, Phoenix, San Diego, and Seattle/Tacoma. No official announcement has been made as to the anticipated rollout schedule affecting other iBlast markets or member stations.

Competition

Meredith television stations compete directly for advertising dollars and programming in each of their markets with other television stations and cable television providers. Other mass media providers such as newspapers, radio, web sites, and direct broadcast satellite are also competitors. Advertisers compare market share, audience demographics, and advertising rates and take into account audience acceptance of a station's programming, whether local, network, or syndicated. Some competing services have the potential of

providing improved signal reception and/or increased programming selection.

Regulation

Television broadcasting operations are subject to regulation by the FCC under the Communications Act of 1934 as amended (Communications Act). Under the Communications Act, the FCC grants station licenses and determines regulations and policies that affect the ownership, operations, programming, and employment practices of broadcast stations. Because the commission must approve all television licenses, compliance with FCC regulations is essential to the operation of this segment. Further, a broadcast license may not be assigned or transferred to another licensee without prior FCC approval.

Television broadcast licenses are granted for eight−year periods. A license must be renewed by the FCC if the station has served the public interest and is in substantial compliance with the provisions of the Communication Act and FCC regulations. Management believes the Company is in substantial compliance with all applicable provisions of the Communications Act and FCC regulations and knows of no reason why Meredith's television station licenses will not be renewed.

FCC regulations issued in June of 2003 would allow broadcast companies to own an unlimited number of television stations as long as the combined service areas of such stations do not include more than 45 percent of U.S. television households. The previous limit was 35 percent. As of June 30, 2003, the Company's household coverage was approximately 7.3 percent (per the FCC calculation method, which includes 50 percent of the market size for UHF stations owned). The June 2003 FCC regulations also eased restrictions on the number of television stations an entity can own in a local market. The change allows more duopolies (ownership of two stations in a local market) and permits triopolies (ownership of three stations) in some of the largest local markets. In September 2003, a federal appeals court issued an order staying the effective date of the FCC's June 2003 media ownership regulations pending completion of judicial review of the regulations. Legislation to repeal all or some of the new regulations is pending in Congress. The Company cannot predict when or how this matter will eventually be resolved.

The FCC also has various regulations governing the relationships between broadcasters and cable and satellite television providers. Among these regulations is a requirement that cable systems devote a specified portion of their channel capacity to the carriage of the signals of local television stations and permit television stations to elect between having a right to mandatory carriage on local cable systems, referred to as "must−carry rights," or a right to restrict or prevent cable systems from carrying the station's signal without the station's permission, referred to as "retransmission consent." Congress and the FCC have established and implemented similar market−specific requirements for mandatory carriage of local television stations by satellite television providers when those providers choose to provide any local signals.

The FCC regulations for the implementation of digital television (DTV) service were announced in April 1997. DTV permits broadcasters to transmit video images with a higher resolution than that of existing analog signals. For an eight−year transition period, the FCC assigned the operator of every full−power television station a second channel on which to provide separate DTV programming or to simulcast the analog programming while continuing analog broadcasts on the original channel. Stations were required to construct their DTV facilities and be on the air with a digital signal according to a schedule set in accordance with station type and market size.

All of the Company's television stations with the exception of KFXO, which is a low−power station and therefore not subject to these requirements, are currently transmitting digital signals on their assigned second channels. At the end of the transition period, each station will be required to return one of the two channels to the FCC and transmit exclusively in the digital format. The FCC expects to complete the transition to DTV by the end of 2006 or when 85 percent of viewers have a means to receive a digital signal, whichever is later. The FCC has announced it will review the progress of DTV every two years and adjust the 2006 target date if necessary.

The FCC has not yet issued final regulations governing some aspects of DTV operation. These include the obligation of cable television systems and other multichannel video providers to carry DTV signals and any additional public−interest obligations that may be imposed on broadcasters' use of DTV. FCC regulations require broadcasters transmitting subscription−based services over a DTV channel to pay the government a fee equal to 5 percent of gross revenues collected from such services.

The information given in this section is not intended to be inclusive of all regulatory provisions currently in effect. FCC regulations are subject to change, and any such changes could affect future operations and profitability of the Company's broadcasting segment, as could Congressional legislation or litigation. Management cannot predict what regulations or legislation may be adopted, nor can management estimate the effect any such changes would have on the Company's television broadcasting operations.

EXECUTIVE OFFICERS OF THE COMPANY

Below is a listing of the executive officers of the Company. Executive officers are elected to one−year terms of office each November and may be re−elected.

William T. Kerr

Chairman and Chief Executive Officer (1998 − present) and a director of the Company since 1994. Formerly: President and Chief Executive Officer (1997 − 1998); President and Chief Operating Officer (1994 − 1997); President − Magazine Group and Executive Vice President (1991 − 1994). Age 62.

Stephen M. Lacy

President − Publishing Group (2000 − present). Formerly: President − Interactive and Integrated Marketing Group (2000); Vice President − Chief Financial Officer (1998 − 2000). Age 49.

Jerome M. (Jerry) Kaplan

Executive Vice President − Publishing Group (2003 − present). Formerly: President − Magazine Group (2000 − 2003). Prior to being named an executive officer, Mr. Kaplan served as a Publishing Group vice president/ publishing director. His duties included direct responsibility for *Better Homes and Gardens* and *Ladies' Home Journal* magazines. Mr. Kaplan has announced his intention to retire in December 2003. Age 57.

John H. (Jack) Griffin, Jr.

President − Magazine Group (2003 − present). Prior to joining Meredith, Mr. Griffin had been President of Parade Publications, Inc. and Publisher of Parade magazine since 1999. Mr. Griffin spent five years with Meredith prior to joining Parade Publications. He served in a number of sales and marketing roles, including General Manager of Meredith Integrated Marketing and Meredith Custom Publishing, and Vice President of Marketing for the Meredith Broadcasting Group. Age 43.

Kevin P. O'Brien

President − Broadcasting Group (2001 − present). Prior to joining Meredith, Mr. O'Brien had worked for Cox Broadcasting for 15 years, most recently serving as executive vice president of the Cox Television Independent Group. In this capacity he supervised five Cox stations around the United States and also served as vice president and general manager of Cox's FOX affiliate in San Francisco. Age 60.

Suku V. Radia

Vice President − Chief Financial Officer (2000 − present). Prior to joining Meredith, Mr. Radia had served as managing partner of the Des Moines, Iowa office of KPMG LLP, a global professional services firm, since 1993. Age 52.

John S. Zieser

Vice President − Corporate and Employee Services/General Counsel and Secretary (2002 − present). Formerly: Vice President − General Counsel and Secretary (1999 − 2002). Prior to joining Meredith, Mr. Zieser had been group president of First Data Merchant Services Corporation, a division of First Data Corporation (FDC), a leading provider of transaction processing and information services. Mr. Zieser joined FDC in 1993 as legal counsel and was subsequently promoted to associate general counsel prior to his appointment to other senior management positions. Age 44.

ITEM 2. PROPERTIES

Meredith is headquartered in Des Moines, Iowa. The Company owns buildings at 1716 and 1615 Locust Street and 1912 Grand Avenue and is the sole occupant of these buildings. These facilities are adequate for their intended use.

The publishing segment operates mainly from the Des Moines offices and from leased facilities at 125 Park Avenue in New York City. The New York facility is used primarily as an advertising sales office for all Meredith magazines and as headquarters for *Ladies' Home Journal* and *MORE* magazines and the American Baby Group properties. The publishing segment also maintains ad sales offices, which are leased, in Chicago, San Francisco, Los Angeles, Detroit and several other cities. These offices are adequate for their intended use.

The broadcasting segment operates from offices in the following locations: Atlanta, GA; Phoenix, AZ; Portland, OR; Hartford, CT; Nashville, TN; Kansas City, MO; Greenville, SC; Asheville, NC; Las Vegas, NV; Flint, MI; Saginaw, MI; and Bend, OR. All of these properties, except those noted below, are owned by the Company and are adequate for their intended use. The properties in Asheville, Flint and Bend are leased and are currently adequate for their intended use. Each of the broadcast stations also maintains an owned or leased transmitter site.

ITEM 3. LEGAL PROCEEDINGS

There are various legal proceedings pending against the Company arising from the ordinary course of business. In the opinion of management, liabilities, if any, arising from existing litigation and claims will not have a material effect on the Company's earnings, financial position or liquidity.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters have been submitted to a vote of shareholders since the Company's last annual meeting held on November 11, 2002.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The principal market for trading Meredith's common stock is the New York Stock Exchange (trading symbol MDP). There is no separate public trading market for Meredith's class B stock, which is convertible share−for−share at any time into common stock. Holders of both classes of stock receive equal dividends per share.

The range of trading prices for the Company's common stock and the dividends paid during each quarter of the past two fiscal years are presented below.

	High	Low	Dividends
Fiscal 2002			
First Quarter	$36.99	$26.50	$0.085
Second Quarter	$36.60	$30.95	$0.085
Third Quarter	$42.74	$33.95	$0.090
Fourth Quarter	$45.00	$38.04	$0.090

	High	Low	Dividends
Fiscal 2003			
First Quarter	$44.75	$33.42	$0.090
Second Quarter	$47.75	$40.11	$0.090
Third Quarter	$43.10	$36.91	$0.095
Fourth Quarter	$47.75	$37.92	$0.095

Stock of Meredith became publicly traded in 1946, and quarterly dividends have been paid continuously since 1947. Meredith has increased its dividend in each of the last 10 years. It is anticipated that comparable dividends will continue to be paid in the future.

On July 31, 2003, there were approximately 1,700 holders of record of the Company's common stock and 1,000 holders of record of class B stock.

ITEM 6. SELECTED FINANCIAL DATA

Selected financial data for the years 1999 through 2003 is contained under the heading "Eleven−Year Financial History with Selected Financial Data" on pages 66−69 and is derived from financial statements for those years which were audited by KPMG LLP, independent accountants. The information contained in the "Selected Financial Data" is not necessarily indicative of the results of operations to be expected for future years, and should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Item 8, "Financial Statements and Supplementary Data" of this Form 10−K.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion presents the key factors that have affected the businesses of Meredith Corporation and its subsidiaries (Meredith/the Company) over the last three years. This commentary should be read in conjunction with the Company's consolidated financial statements and the 11−year financial history presented elsewhere in this Form 10−K. All per share amounts in this section refer to diluted earnings per share and are computed on an after−tax basis.

FORWARD − LOOKING STATEMENTS

Sections of this annual report − and management's public commentary from time to time − may contain certain forward−looking statements that are subject to risks and uncertainties. The words *expect, anticipate, believe, likely, will*, and similar terms generally identify forward−looking statements. These statements are based on management's current knowledge and estimates of factors affecting the Company's operations. Readers are cautioned not to place undue reliance on such forward−looking information; actual results may differ materially from those currently anticipated.

Factors that could adversely affect future results include but are not limited to downturns in national and/or local economies; a softening of the domestic advertising market; world, national, or local events that could disrupt broadcast television; increased consolidation among major advertisers or other events depressing the level of advertising spending; the unexpected loss of one or more major clients; changes in consumer reading, purchase, order, and/or television viewing patterns; unanticipated increases in paper, postage, printing, or syndicated programming costs; changes in television network affiliation agreements; technological developments affecting products or methods of distribution; changes in government regulations affecting the Company's industries; unexpected changes in interest rates; and any acquisitions and/or dispositions. The Company undertakes no obligation to publicly update any forward−looking statement, whether as a result of new information, future events, or otherwise.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. The Company bases its estimates on historical experience, management expectations for future performance, and other assumptions as appropriate. The Company reevaluates its estimates on an ongoing basis; results, however, may vary from these estimates.

The following are the accounting policies that management believes are most critical to the preparation of the Company's financial statements and require management's most difficult, subjective, or complex judgments. These and other significant accounting policies are explained in the first note to the Consolidated Financial Statements.

Goodwill and intangible

assets
Meredith adopted Statement of Financial Accounting Standard (SFAS) No. 142, *Goodwill and Other Intangible Assets*, effective July 1, 2002. SFAS No. 142 requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings and be tested for impairment at least annually. The impairment tests are based on a fair−value approach as described in SFAS No. 142. The estimated fair values of these assets are determined by developing discounted future cash flow analyses. Intangible assets with finite lives are amortized over their estimated useful lives; the carrying value is evaluated whenever events or circumstances indicate that the carrying value may not be recoverable. The carrying value is not recoverable when the projected undiscounted future cash flows are less than the carrying value. Tests for impairment or recoverability require significant management judgment, and future events affecting cash flows and market conditions could result in impairment losses.

Broadcast rights

Broadcast rights and the liabilities for future payments are recorded at cost when the programs become available for airing. Amortization of broadcast rights is recorded on an accelerated basis over the contract period. Broadcast rights are valued at the lower of unamortized cost or net realizable value. The determination of net realizable value is based on management's expectations of future net revenues and is therefore highly subjective. Future revenues can be affected by changes in the level of advertising demand, competition from other television stations or other media, changes in television programming ratings, changes in the planned usage of programming materials, and other factors. Changes such as these can lead to revised estimates of future net revenues and therefore result in the write−down of broadcast rights.

Revenue recognition

Revenues are recognized only when realized/realizable and earned. Revenues are recorded net of provisions for estimated future returns and other allowances. The recognition of revenues from both the newsstand sale of magazines and the sale of books requires significant assumptions regarding reserves for future returns. The Company bases its estimates on historical experience and current marketplace conditions. Reserves are adjusted continually on the basis of actual results. The Company has not experienced significant deviations between estimated and actual results.

Pension and postretirement expense

Pension and postretirement benefit expenses are actuarially determined and include assumptions regarding discount rates, expected returns on plan assets, and rates of increase in compensation and healthcare costs. Changes in assumptions would affect associated assets and/or liabilities as well as benefit expenses. Management monitors trends in the marketplace and relies on guidance from employee benefit specialists to arrive at reasonable estimates, reviews the estimates annually, and updates them as deemed necessary. Nevertheless, the estimates are highly subjective and may vary from actual results.

SIGNIFICANT EVENTS

Acquisitions, exchanges, and dispositions

In December 2002, Meredith purchased *American Baby* magazine and related assets (American Baby Group) from Primedia Inc. for $117.6 million ($115.0 million plus certain costs). *American Baby* magazine, introduced in 1938, is published monthly and has a circulation of 2 million. Other American Baby Group properties acquired include *Childbirth* and *First Year of Life* magazines, three Hispanic titles and related marketing programs, the *American Baby* television program currently shown on The Discovery Channel® television network, web sites, custom publications, and other related programs.

In June 2002, Meredith exchanged its Orlando and Ocala, FL, television stations for KPTV in Portland, OR. KPTV was a UPN affiliate at the time. The transaction with News Corporation and Fox Television Stations, Inc. created a Meredith duopoly in Portland, where the Company also owns KPDX−TV, a FOX affiliate at the time. A duopoly, defined as the ownership of two stations in a single market, offers increased efficiency while providing stronger outlets for advertisers and viewers. Also as part of the transaction, Meredith entered into new affiliation agreements for all of its FOX−affiliated stations and switched network affiliations between KPTV and KPDX−TV.

For financial reporting purposes, Meredith recorded the exchange as two simultaneous but separate events: the sale of the two Florida stations, for which a nonoperating gain was recognized, and the acquisition of the Portland station, which was accounted for as an asset purchase. The nonoperating gain on the sale of the Florida stations was $61.8 million ($37.9 million after tax), or 74 cents per share, based on the fair value of the assets acquired ($90.0 million) as determined by an independent appraisal. The fair value of $90.0 million was the purchase price of the Portland station.

The operations of the acquired properties have been included in the Company's consolidated operating results since their respective acquisition dates.

In June 2003, Meredith sold the stock of a wholly owned subsidiary that produced and sold calendars and books through annual programs. The revenues and operating profits of the subsidiary were not material to the publishing segment or the Company. The sale resulted in a loss of $2.2 million.

In May 2001, Meredith sold Golf for Women magazine to The Golf Digest Companies, a subsidiary of Advance Magazine Publishers, Inc., effective with the first issue of fiscal 2002. The sale resulted in a nonoperating gain of $21.5 million ($13.1 million after tax), or 26 cents per share. Meredith also sold the assets of American Park Network, but the resulting gain was not material.

Nonrecurring items

In response to a weakening economy and a widespread advertising downturn, management took steps in fiscal 2001 to reduce the number of Meredith employees, including a one−time, voluntary early retirement program. Other selective workforce reductions were achieved through attrition, realignments, and job eliminations. The Company also recorded certain asset write−downs. These costs were partially offset by the reversal of certain accruals no longer deemed necessary. In combination, the actions resulted in a fourth−quarter nonrecurring charge of $25.3 million ($15.4 million after tax), or 30 cents per share.

Expenses for retirement benefits, severance, and outplacement charges resulting from the employee reduction totaled $18.4 million. Approximately 200 positions were eliminated in fiscal 2001 and early fiscal 2002. More than 90 percent of these costs were paid by June 30, 2003. The remaining accrual balance represents early retirement benefit costs and will be paid over the next five fiscal years.

The charge for asset write−downs totaled $8.2 million. The charge included the write−off of $6.0 million in investments in Internet−related alliances after Meredith ended its business relationships with two small Internet companies. A review of the fair value of the Company's investments in those two businesses, which included examination of financial information they provided, resulted in the write−off. The remaining charges of $2.2 million consisted primarily of costs associated with discontinuing *Family Money* magazine, *Mature Outlook* magazine, the *Shop Online 1−2−3* supplement, and the *Better Homes and Gardens* television show.

The reversal of certain accruals reduced the nonrecurring charge by $1.3 million. These reversals came primarily from satisfying certain contractual obligations for less than accrued amounts.

New accounting standards

Meredith adopted SFAS No. 142, *Goodwill and Other Intangible Assets*, effective July 1, 2002. SFAS No. 142 requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be reviewed at least annually for impairment. The adoption of this standard substantially reduced Meredith's amortization expense related to intangible assets and goodwill. Amortization expense totaled $2.4 million in fiscal 2003 compared with $25.9 million in fiscal 2002 and $26.1 million in fiscal 2001. The majority of the amortization expense in fiscal 2003 resulted from the acquisition of the American Baby Group in December 2002. SFAS No. 142 does not permit the restatement of prior years' results.

The provisions of SFAS No. 142 that pertain to the impairment of goodwill and intangible assets not being amortized have superceded the impairment−related provisions in SFAS No. 121, *Accounting for the Impairment of Long−Lived Assets and for Long−Lived Assets to be Disposed of*. Under SFAS No. 121, the impairment review was based generally on future undiscounted cash flows. Under SFAS No. 142, the impairment review must be based on a fair−value approach. The estimated fair values of these assets are determined by developing discounted future cash flow analyses.

SFAS No. 142 requires an initial review of goodwill and intangible assets with indefinite lives as of the beginning of the fiscal year of adoption and another review later in the same fiscal year. The Company's initial review resulted in transitional impairment losses of $139.9 million ($85.7 million after tax), or $1.68 per diluted share. The impairment losses reflect the write−down of FCC television licenses/network affiliation agreements ($33.7 million) and goodwill at certain television stations ($106.2 million). The majority of the impaired assets related to the acquisition of television station WGCL−Atlanta in March 1999. The charge was recorded net of tax as the cumulative effect of a change in accounting principle in the first quarter of fiscal 2003. The subsequent annual review for impairment was performed as of May 31, 2003. No further adjustments were required as a result of that review.

USE OF NON − GAAP FINANCIAL MEASURES

Financial measures included in this Management's Discussion and Analysis of Financial condition and Results of Operations that are not in accordance with generally accepted accounting principles (GAAP) are referred to as non−GAAP financial measures. While management believes these measures contribute to an understanding of the Company's financial performance, they should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Management uses and presents non−GAAP financial measures, along with GAAP results, to evaluate and communicate the performance of the Company and its segments. Management believes the non−GAAP financial measures provide an additional analytic tool to understand the Company's results from core operations and underlying trends. Management believes that adjusted earnings calculations are helpful in making period−to−period comparisons because they eliminate the effect of certain accounting changes, as well as gains or losses on certain transactions.

Meredith's primary use of non−GAAP financial measures relates to adjustments for amortization no longer required under SFAS No. 142, exclusion of nonrecurring and nonoperating items, and references to earnings before interest, taxes, depreciation, and amortization (EBITDA) which also excludes nonoperating income (expense) and nonrecurring charges. Each section of this Management's Discussion and Analysis of Financial Condition and Results of Operations reporting non−GAAP financial measures includes reconciliations to the most directly comparable GAAP financial measures.

The adoption of SFAS No. 142 eliminated a significant amount of amortization related to intangible assets and goodwill. Because this elimination of amortization resulted from a change in accounting principle and did not reflect a change in the underlying performance of the business, management believes it is useful to present adjusted segment operating profit and adjusted earnings as if the amortization provisions of SFAS No. 142 had been effective in all periods presented. The adjusted earnings data do not reflect the after−tax impairment loss of $85.7 million that was recognized by the Company upon the adoption of SFAS No. 142 on July 1, 2002 and do not take into account impairment charges that may have been recorded had the Company adopted this statement at an earlier date. See "New accounting standards" for additional information about SFAS No. 142.

Net earnings over the last three fiscal years have included nonrecurring charges and nonoperating items such as gains or losses on the sale of various businesses. These items have had an impact on net earnings and are important to an understanding of the Company's performance within that time frame. Since, however, these items typically relate to changes in the makeup of Meredith's businesses or result from circumstances not expected to reoccur, management believes it is helpful to the understanding of the comparative performance of ongoing operations to present adjusted earnings excluding these items.

Meredith's management uses EBITDA along with operating profit and other GAAP measures to evaluate the financial performance of the Company's broadcasting segment. EBITDA is a common alternative measure of performance in the broadcasting industry and is used by investors, financial analysts, and ratings agencies.

These groups use EBITDA and other measures to estimate the value of a business and to evaluate a company's ability to meet its debt service requirements. The calculation of EBITDA may vary between companies.

RESULTS OF OPERATIONS

CONSOLIDATED

Years ended June 30	**2003**	**Change**	**2002**	**Change**	**2001**
(In millions except per share)					
Total revenues	$ 1,080.1	9 %	$ 987.8	(5)%	$ 1,043.5
Costs and expenses	871.4	7 %	816.4	(3)%	839.9
Depreciation and amortization	31.4	(41)%	53.6	4 %	51.6
Nonrecurring items	−−	−−	−−	(100)%	25.3
Total operating costs and expenses	902.8	4 %	870.0	(5)%	916.8
Income from operations	$ 177.3	51 %	$ 117.8	(7)%	$ 126.6
Nonoperating (expense) income	$ (1.6)	NM	$ 63.8	197 %	$ 21.5
Earnings before cumulative effect of change in accounting principle	$ 91.1	−−	$ 91.4	28 %	$ 71.3
Net earnings	$ 5.3	(94)%	$ 91.4	28 %	$ 71.3
Diluted earnings per share before cumulative effect of change in accounting principle	$ 1.78	(1)%	$ 1.79	29 %	$ 1.39
Diluted earnings per share	$ 0.10	(94)%	$ 1.79	29 %	$ 1.39

NM − Not measurable

Revenues

Revenues increased 9 percent in fiscal 2003 after declining 5 percent in the prior fiscal year. Exclusive of the impact of the American Baby Group acquisition and adjusted for same−station broadcasting revenues, fiscal 2003 revenues increased 8 percent. Same−station comparisons include revenues of KPTV−Portland in all periods and exclude revenues of the two Florida stations traded for KPTV in June 2002. The increase in comparable revenues reflected higher advertising revenues, including $20.9 million of political revenues at the broadcasting stations (primarily in the first half of fiscal 2003), and increased book sales. These revenue increases were partially offset by slightly lower revenues from magazine circulation and integrated marketing operations.

The decline in fiscal 2002 revenues from the prior year largely reflected two factors: the absence of revenues from operations that were discontinued late in fiscal 2001 and soft economic conditions. On a comparable basis (excluding discontinued publishing operations) revenues declined 3 percent. The decline primarily reflected lower magazine and broadcasting advertising revenues. Advertising demand in both businesses had been weak in the months leading into fiscal 2002, and the situation was exacerbated by the terrorist attacks of September 2001. In addition, net political advertising revenues at the broadcasting stations declined $12.6 million due to the biennial nature of election campaigns. Advertising demand slowly rebounded in the second half of the fiscal year. Fourth quarter fiscal 2002 advertising revenues grew 4 percent following comparative declines in the first three quarters. Revenues from Meredith's integrated marketing operations also declined in fiscal 2002. These declines were partially offset by higher circulation revenues.

Operating costs

Operating costs and expenses increased 4 percent in fiscal 2003 following a 5 percent decline in fiscal 2002. Fiscal 2001 operating costs and expenses included $25.3 million in nonrecurring items (see "Nonrecurring items"). When those items are excluded from the comparisons, fiscal 2002 costs were down 2 percent from the prior year.

Fiscal 2003 production, distribution, and editorial costs increased 7 percent primarily due to the acquisition of the American Baby Group in December 2002. Excluding American Baby Group costs, the Company's production, distribution, and editorial costs increased 4 percent, reflecting higher volumes in publishing and higher postal rates. Higher volumes resulted from an increase in the number of advertising pages and books sold. Selling, general, and administrative expenses increased 6 percent in fiscal 2003. The increase was 3 percent, excluding American Baby Group costs, and primarily reflected higher performance−based incentive accruals. Depreciation and amortization expenses declined 41 percent in fiscal 2003 because of the significant amortization expense eliminated by the adoption of SFAS No. 142 (see "New accounting standards"). Excluding the impact of the new accounting standard, depreciation and amortization expenses increased 12 percent due to the amortization of intangibles resulting from the American Baby Group acquisition and higher depreciation expense primarily from investments in digital technology equipment at the broadcasting stations.

Fiscal 2002 production, distribution, and editorial costs decreased 6 percent, reflecting the absence of costs for discontinued titles included in the prior year, volume−related declines in manufacturing and paper costs, and lower paper prices. Partially offsetting these favorable variances were higher postal rates in publishing and higher amortization of broadcasting rights. Selling, general, and administrative expenses increased 1 percent in fiscal 2002 due to higher subscription acquisition costs, increased employee benefit costs, and higher unallocated corporate expenses. These expense increases were partially offset by lower costs attributable to the absence of discontinued titles. Depreciation and amortization expenses increased 4 percent in fiscal 2002.

The Company's workforce reduction program (part of the nonrecurring charge recorded in fiscal 2001) was expected to result in the reduction of certain costs in fiscal 2002. The anticipated savings were achieved but, as expected, were largely offset by other cost increases, primarily in employee benefits and postage. Companywide compensation costs, excluding benefits, decreased 2 percent in fiscal 2002. The average number of employees declined 6 percent from fiscal 2001.

Income from operations

Income from operations increased 51 percent in fiscal 2003, reflecting growth in revenues, the decline in amortization expense resulting from the adoption of SFAS No. 142, and improved operating margins. In fiscal 2002 income from operations declined 7 percent. Income from operations in fiscal 2001 included $25.3 million in nonrecurring charges. Excluding those charges, income from operations declined 22 percent in fiscal 2002. Fiscal 2002 results reflected the impact of weak advertising demand, especially following the September 2001 attacks.

Nonoperating (expense) income

Nonoperating expense totaled $1.6 million in fiscal 2003 and included a loss on the sale of a subsidiary ($2.2 million) and the write−off of an investment in a start−up technology company ($1.6 million). These charges were partially offset by a gain related to final post closing adjustments on the June 2002 exchange of two Florida television stations for KPTV−Portland ($1.3 million) and proceeds from life insurance policies ($0.9 million).

Fiscal 2002 nonoperating income totaled $63.8 million, consisting of a noncash gain from the disposition of two television stations ($61.8 million) and proceeds from the demutualization of an insurance company with which Meredith holds policies ($2.0 million).

Fiscal 2001 nonoperating income was $21.5 million and represented a gain from the sale of Golf for Women magazine.

Interest

Net interest expense was $27.2 million in fiscal 2003 compared with $32.6 million in fiscal 2002 and $31.9 million in fiscal 2001. Average long−term debt outstanding declined to $390 million in fiscal 2003 from $430 million in fiscal 2002 and $500 million in fiscal 2001. The favorable effect of declining debt outstanding was partially offset by higher interest rates. The Company's approximate weighted average interest rate was 7.0 percent in fiscal 2003, 6.8 percent in fiscal 2002, and 6.5 percent in 2001. The rate increases were a result of the April 2002 debt refinancing that converted $100 million in variable−rate debt to fixed−rate debt and the effect of interest rate swap contracts.

Fiscal 2002 interest expense also included a charge of $3.5 million due to the discontinuation of hedge accounting for a portion of Meredith's interest rate swap contracts. As a result of the April 2002 debt refinancing, the notional amount of interest rate swap contracts exceeded the variable−rate debt outstanding. Management determined it was probable the level of variable−rate debt would not increase to allow utilization of these swaps over the term of the swap contracts; related amounts in accumulated other comprehensive loss were therefore reclassified to earnings.

Income taxes

The Company's effective tax rate was 38.7 percent in each of the past three fiscal years.

Earnings and earnings per share

Net earnings were $5.3 million ($0.10 per share) in fiscal 2003 and included a charge of $85.7 million ($1.68 per share) for the cumulative effect of a change in accounting principle related to the adoption of SFAS No. 142. Earnings before the cumulative effect of a change in accounting principle were $91.1 million ($1.78 per share) compared with net earnings of $91.4 million ($1.79 per share) in fiscal 2002 and $71.3 million ($1.39 per share) in fiscal 2001. The slight decrease in earnings before the cumulative effect of a change in accounting principle in fiscal 2003 reflected the absence of the prior year's nonoperating gain on the swap of two Florida television stations for KPTV−Portland. That absence was largely offset by improved results from the publishing and broadcasting businesses and a significant decline in amortization expense from the adoption of SFAS No. 142. The 28 percent net earnings increase reported in fiscal 2002 was largely attributable to the significant nonoperating gain recorded in that year; operating profits were down for both publishing and broadcasting.

Supplemental disclosure of consolidated net earnings and earnings per share

The following supplemental disclosure reconciles earnings and diluted earnings per share before the cumulative effect of a change in accounting principle to adjusted earnings and earnings per share by identifying the after−tax effect of the special items. This presentation is not in accordance with GAAP and should not be considered in isolation or as a substitute for the historical analysis previously provided. See "Use of non−GAAP Financial Measures" for a discussion of management's rationale for the use of such measures.

Years ended June 30	**2003**	**2002**	**2001**
(In millions)			
Earnings before cumulative effect of change in accounting principle			
As reported	$ 91.1	$ 91.4	$ 71.3
Special items, net of taxes			
SFAS No. 142 amortization	−−	15.7	15.9
Nonrecurring charges	−−	−−	15.4
Nonoperating expense (income)	0.9	(39.1)	(13.1)
Loss on discontinued interest rate hedge	−−	2.1	−−
As adjusted	$ 92.0	$ 70.1	$ 89.5

Years ended June 30		2003		2002		2001
Diluted earnings per share before cumulative effect of change in accounting principle						
As reported	$	1.78	$	1.79	$	1.39
Special items, net of taxes						
SFAS No. 142 amortization		−−		0.31		0.31
Nonrecurring charges		−−		−−		0.30
Nonoperating expense (income)		0.02		(0.76)		(0.26)
Loss on discontinued interest rate hedge		−−		0.04		−−
As adjusted	$	1.80	$	1.38	$	1.74

SEGMENT INFORMATION

The following analysis of segment results includes the presentation of adjusted segment operating profit. Adjusted segment operating profit is defined as segment operating profit plus amortization expense that would not have been recorded had the amortization provisions of SFAS No. 142 been in effect. This presentation is not in accordance with GAAP and should not be considered in isolation or as a substitute for the GAAP operating profit analysis. See "Use of non−GAAP Financial Measures" for a discussion of management's rationale for the use of such measures.

Publishing

The following table presents operating results for the Company's publishing segment, which includes magazine and book publishing, integrated marketing, interactive media, brand licensing, and other related operations.

Years ended June 30 *(In millions)*		2003	Change		2002	Change		2001
Revenues								
Advertising	$	383.1	18 %	$	325.5	(8)%	$	352.5
Circulation		259.1	(1)%		261.6	2 %		257.4
Other		165.8	14 %		146.1	(11)%		163.3
Total revenues	$	808.0	10 %	$	733.2	(5)%	$	773.2
Operating profit [1]	$	139.3	19 %	$	117.0	(12)%	$	132.8
Adjusted operating profit [1, 2]	$	139.3	17 %	$	119.3	(12)%	$	135.1

1. *Operating profit is reported before nonrecurring charges of $15.1 million in fiscal 2001.*
2. *Adjusted operating profit assumes the amortization provisions of SFAS No. 142 were effective July 1, 2000. See "Reconciliations of Non−GAAP Financial Measures" on page 27.*

Revenues

Publishing revenues increased 10 percent in fiscal 2003 due to strong growth in advertising and book revenues and the acquisition of the American Baby Group. Excluding the American Baby Group, revenues increased 6 percent. Publishing revenues declined 5 percent in fiscal 2002, reflecting weak advertising demand and the absence of revenues from discontinued operations. Adjusted for operations discontinued in fiscal 2001, revenues declined 2 percent in fiscal 2002. Discontinued operations included Golf for Women, *Family Money*, and *Mature Outlook* magazines and the California Tourism and American Park Network publications. To enhance comparability, the following discussion excludes revenue from the American Baby Group and the discontinued titles.

Comparable publishing advertising revenues increased 11 percent in fiscal 2003 following a 3 percent decline in fiscal 2002. The September 11, 2001 terrorist attacks and the resulting economic slowdown negatively affected advertising demand in fiscal 2002. The impact of the attacks and the slow recovery that followed was evident in quarterly results. All first quarter fiscal 2002 issues were closed prior to September 11, and comparable advertising revenues were up 2 percent for that quarter. They were down 13 percent in the second quarter, down 6 percent in the third, and up 5 percent in the fourth quarter. Improvement continued in fiscal 2003 with the year−over−year growth increasing in each quarter compared to the prior quarter.

The fiscal 2002 decline in advertising demand was widespread, affecting most categories of advertising and most of the Company's titles. Management took steps to build market share during these difficult times, which contributed to the recovery in revenues in the second half of fiscal 2002 and in fiscal 2003. These steps included initiatives designed to capture a greater share of advertisers' budgets, specific market share incentives for sellers, and a trade industry promotional program. These efforts achieved notable market share gains. The combined advertising revenue market share of *Better Homes and Gardens* and *Ladies' Home Journal* in the women's service field was over 43 percent in fiscal 2003 and has increased in each of the last two fiscal years. *Country Home* and *Traditional Home* magazines also increased advertising revenue share with respect to competing titles in fiscal 2002 and fiscal 2003.

Comparable magazine circulation revenues decreased 2 percent in fiscal 2003 following a 5 percent increase in fiscal 2002. Fiscal 2003 subscription revenues were affected by a slight decline in average revenue per copy for several titles due to an increase in the term of direct mail offers. Fiscal 2003 newsstand revenues increased from the prior year despite industrywide weakness in the second half of the fiscal year. The industry downturn coincided with the U.S. involvement in the conflict in Iraq. The growth in fiscal 2002 circulation revenues came primarily from increased newsstand sales of many titles, including *Better Homes and Gardens* Special Interest Publications, Creative Collection titles, and *Ladies' Home Journal* magazine. Subscription revenues increased in fiscal 2002 due to higher sales of newer titles such as *MORE* magazine and higher average prices for several titles. The fiscal 2002 circulation revenue increase included a favorable adjustment to an accrual for retailer allowances resulting from the final settlement of a discontinued program. Excluding that adjustment, comparable circulation revenues increased 4 percent in fiscal 2002.

Other publishing revenues increased 7 percent in fiscal 2003 on a comparable basis. This growth followed a 9 percent decline in fiscal 2002. Fiscal 2003's growth was primarily the result of an increase in the volume of book sales. Book revenues increased 27 percent largely due to the fall 2002 release of the 12th edition of the *Better Homes and Gardens New Cook Book* and the spring 2003 release of a book based on The Learning Channel® cable network's popular Trading Spaces® decorating show. Fiscal 2002 revenues from book sales declined 2 percent in part because of weak consumer demand following the September 11 attacks. A more significant factor in the decline in other publishing revenues in fiscal 2002 was lower sales volume in integrated marketing. In fiscal 2002 and, to a lesser extent, fiscal 2003, new integrated marketing business was insufficient to offset programs reduced or eliminated by existing clients. Integrated marketing new business sales improved significantly in fiscal 2003, but, due to long lead times, revenues from most new programs will not be recorded until fiscal 2004.

Operating costs

Costs increased 9 percent in fiscal 2003 after declining 4 percent in fiscal 2002. Excluding costs of the newly acquired American Baby Group in fiscal 2003 and amortization expense no longer required under SFAS No. 142 in fiscal 2002, costs increased 4 percent in fiscal 2003. The increase in comparable costs reflected higher sales volume in advertising pages and books, higher postal rates, and higher payroll and employee benefit costs. Partially offsetting these increases were lower sales volume from integrated marketing, lower paper prices, and lower magazine subscription acquisition costs. The fiscal 2002 decline reflected the absence of costs for discontinued titles, management's cost control initiatives, lower paper prices, and a smaller investment in interactive media operations. Partially offsetting these declines were higher postal rates and higher costs for employee benefits.

Paper, printing, and postage costs of the magazine and book operations account for approximately 40 percent of the publishing segment's operating costs. As a result of weaker market demand for paper and newly negotiated vendor relationships, the Company's average paper prices declined approximately 11 percent in fiscal 2002. Average paper prices remained steady early in fiscal 2003 and began to increase in the second half of the fiscal year. Because of the timing of the price changes, average paper prices were down approximately 8 percent in fiscal 2003. Paper prices are driven by overall market conditions and are difficult to predict, but management anticipates they will increase as paper demand grows during the next fiscal year.

Postal rates for periodicals rose 10 percent in June 2002 following increases of almost 3 percent in July 2001 and nearly 10 percent in January 2001. The Postmaster General has stated that no further rate increases will be requested until at least 2006. Meredith continues to work with others in the industry and through trade organizations to encourage the Postal Service to implement efficiencies and contain rates.

Operating profit and adjusted operating profit

Publishing operating profit increased 19 percent in fiscal 2003 following a 12 percent decline in fiscal 2002. The adoption of SFAS No. 142 effective July 1, 2002 eliminated much of the publishing segment's amortization expense for intangible assets and goodwill. Adjusted operating profit (stated as if the amortization provisions of SFAS No. 142 had been effective July 1, 2000) increased 17 percent in fiscal 2003. Major contributors were higher advertising revenues, increased book sales and operating profits, and lower paper prices. They were partially offset by higher postal rates and increased employee costs. The decline in fiscal 2002 adjusted operating profit was primarily a result of lower advertising revenues and lower integrated marketing sales. The revenue decline was partially offset by lower operating costs.

Broadcasting

The following table presents operating results for the Company's broadcasting segment, which consists of network−affiliated television stations, including their interactive media operations.

Years ended June 30		**2003**	**Change**		**2002**	**Change**		**2001**
(In millions)								
Revenues								
Advertising	$	265.5	7 %	$	247.2	(6)%	$	263.3
Other		6.6	(11)%		7.4	6 %		7.0
Total revenues	$	272.1	7 %	$	254.6	(6)%	$	270.3
Operating profit [1]	$	63.9	216 %	$	20.2	(42)%	$	34.7
Adjusted operating profit [1, 2]	$	63.9	47 %	$	43.6	(25)%	$	58.3

1. *Operating profit is reported before nonrecurring charges of $8.1 million in fiscal 2001.*

2. *Adjusted operating profit assumes the amortization provisions of SFAS No. 142 were effective July 1, 2000. See "Reconciliations of Non−GAAP Financial Measures" on page 27.*

Revenues

Broadcasting revenues increased 7 percent in fiscal 2003 following a 6 percent decline in fiscal 2002. On June 17, 2002, Meredith exchanged its Orlando and Ocala, FL television stations for KPTV in Portland, OR. The exchange negatively affected revenues in fiscal 2003, but did not have a material effect on operating profits because of cost savings associated with the duopoly in Portland. On a same−station basis, revenues increased 15 percent in fiscal 2003. Same−station comparisons include revenues of KPTV−Portland and exclude revenues of the two Florida stations in all periods.

One factor in the revenue changes over the three−year period was the impact of political advertising revenues associated with biennial election campaigns. Net political revenues totaled $20.9 million in fiscal 2003

compared with $1.6 million in fiscal 2002 and $14.3 million in fiscal 2001. Political revenues displace a certain amount of nonpolitical advertising revenues and therefore are not entirely incremental.

Excluding political advertising, same−station broadcasting revenues increased 7 percent in fiscal 2003 after being down 1 percent in fiscal 2002. To build station revenues, management changes were implemented, programming procurement procedures were improved, newscasts were revamped, and sales practices were modified. These initiatives contributed to ratings increases and revenue growth that exceeded industry averages.

Fiscal 2002 revenues were affected not only by the absence of political revenues but also by an industrywide weakness in the demand for television advertising. Demand had begun to weaken in fiscal 2001, and the terrorist attacks had an immediate worsening effect. Meredith's September 2001 advertising revenues, which had been pacing even with the prior fiscal year's, ended the month down 20 percent. Part of the decline resulted from the uninterrupted news coverage the Company's stations provided for several days following September 11 and the postponement of the following weekend's sporting events. The balance was caused by the dramatic slowdown in advertising following the attacks. Broadcasting revenues were down an average of 13 percent in the first and second quarters of fiscal 2002, rebounded to flat in the third, and rose 4 percent in the fourth quarter.

Operating costs

Operating costs declined 11 percent in fiscal 2003 following a slight decline in fiscal 2002. The elimination of amortization expense for intangible assets and goodwill, effective with the adoption of SFAS No. 142 on July 1, 2002, was the primary reason for the decline in operating costs in fiscal 2003. When fiscal 2002 costs are adjusted to exclude such amortization, operating costs were down 1 percent in fiscal 2003. Also affecting the cost comparisons were charges for the write−down of broadcast rights to net realizable value of $2.4 million in fiscal 2003, $3.7 million in fiscal 2002, and $9.9 million in fiscal 2001. Excluding the broadcast rights write−downs, operating costs were down slightly in fiscal 2003 following a 3 percent increase in fiscal 2002. The cost increase in fiscal 2002 reflected higher amortization of broadcasting rights and increased employee compensation costs.

Operating profit and adjusted operating profit

Including the effect of no longer amortizing most intangible assets and goodwill, broadcasting operating profit increased 216 percent in fiscal 2003. If the amortization provisions of SFAS No. 142 had also been in effect in fiscal 2001 and 2002, adjusted operating profit would have increased 47 percent in fiscal 2003 following a 25 percent decline in fiscal 2002. Most of the fluctuation in adjusted operating profit is attributable to changes in advertising revenues.

Supplemental disclosure of broadcasting EBITDA

Meredith's broadcasting EBITDA is defined as broadcasting segment operating profit plus depreciation and amortization expense. EBITDA is not a GAAP financial measure and should not be considered in isolation or as a substitute for GAAP financial measures. See discussion of management's rationale for the use of EBITDA in "Use of non−GAAP Financial Measures." Broadcasting EBITDA was as follows:

Years ended June 30	**2003**	**Change**	**2002**	**Change**	**2001**
(In millions)					
EBITDA [1]	$ 80.6	35%	$ 59.8	(20)%	$ 74.7

1. *See "Reconciliations of Non−GAAP Financial Measures" on page 27.*

The EBITDA margin, or EBITDA as a percentage of segment revenues, was 29.6 percent in fiscal 2003, 23.5 percent in fiscal 2002, and 27.6 percent in fiscal 2001. The fourth quarter of fiscal 2003 represented the fifth consecutive quarter of year−over−year improvement in this ratio.

Unallocated Corporate Expenses

Unallocated corporate expenses are general corporate overhead expenses not attributable to the operating groups.

Years ended June 30		2003	Change		2002	Change		2001
(In millions)								
Unallocated corporate expense	$	25.8	33 %	$	19.4	24 %	$	15.6

Unallocated corporate expenses increased 33 percent in fiscal 2003 following a 24 percent increase in fiscal 2002. The increase in fiscal 2003 reflected higher performance−based incentive accruals, higher employee benefit expenses and increased costs for professional services such as insurance and auditing fees. The fiscal 2002 increase came primarily from higher consulting and pension expenses as well as costs to terminate an outsourcing contract. The increase in consulting expenses stemmed from a review of vendor relationships and an analysis of opportunities for process improvements. The increase in pension expense resulted from lower than expected returns on plan assets. Pension expense calculations use numerous assumptions. If actual results differ from these assumptions, expense in future periods may increase or decrease. The outsourcing contract termination has resulted in lower costs going forward.

Reconciliations of Non − GAAP Financial Measures

The following tables provide reconciliations among segment operating profit, adjusted segment operating profit, and broadcasting segment EBITDA (a measure of segment earnings before depreciation and amortization). Broadcasting EBITDA margin is defined as segment EBITDA divided by segment revenues.

Publishing

(In millions)

Years ended June 30		2003		2002		2001
Segment operating profit	$	139.3	$	117.0	$	132.8
Amortization eliminated if SFAS No. 142 effective 7/1/2000		−−		2.3		2.3
Adjusted segment operating profit	$	139.3	$	119.3	$	135.1

Broadcasting

(In millions)

Years ended June 30	2003	2002	2001
Segment revenues	$ 272.1	$ 254.6	$ 270.3
Segment operating profit	$ 63.9	$ 20.2	$ 34.7
Amortization eliminated if SFAS No. 142 effective 7/1/2000			

	––
	23.4
	23.6
Adjusted segment operating profit	
	63.9
	43.6
	58.3
Other depreciation and amortization	
	16.7
	16.2
	16.4
Segment EBITDA	
	$
	80.6
	$
	59.8
	$
	74.7
Segment EBITDA margin	

29.6

%

23.5

%

27.6

%

LIQUIDITY AND CAPITAL RESOURCES

Years ended June 30	2003	Change	2002	Change	2001
(In millions)					
Net earnings	$ 5.3	(94)%	$ 91.4	28 %	$ 71.3
Cash flows from operations	$ 172.4	26 %	$ 136.8	−− %	$ 137.1
Cash flows from investing	$ (140.9)	(598)%	$ (20.2)	46 %	$ (37.6)
Cash flows from financing	$ (37.4)	70 %	$ (124.6)	(45)%	$ (86.1)
Net cash flows	$ (5.9)	26 %	$ (8.0)	NM	$ 13.4

NM − Not measurable

Meredith's primary source of funds for operations is cash generated by operating activities. Debt financing is typically used for acquisitions. The Company's core businesses−magazine and book publishing and television broadcasting−have been strong cash generators. Despite the introduction of many new technologies such as the Internet and cable and satellite television, management believes these businesses will continue to have strong market appeal for the foreseeable future. As with any business, operating results and cash flows are subject to changes in demand for the Company's products. Changes in the level of demand for magazine and television advertising and/or other products can have a significant effect on cash flows.

Historically, Meredith has been able to absorb normal business downturns without significant increases in debt, and management believes the Company will continue to do so. Management therefore expects that cash on hand, internally generated cash flow, and borrowings from credit agreements will provide funds for any additional operating and recurring cash needs (e.g., working capital, capital expenditures, and cash dividends) into the foreseeable future.

Cash and cash equivalents decreased $5.9 million in fiscal 2003; they decreased $8.0 million in fiscal 2002. Major factors affecting the change in cash usage included a 26 percent increase in cash provided by operations, the acquisition of the American Baby Group, and the effect of that acquisition on the change in net debt outstanding during the period.

Fiscal 2003 cash provided by operating activities grew to $172.4 million from $136.8 million in the prior fiscal year, reflecting an increase in earnings excluding the fiscal 2003 noncash charge for a change in accounting principle and the fiscal 2002 noncash gain from the television station swap for KPTV. Also contributing to the increase in cash provided by operating activities were favorable changes in deferred income taxes and unearned subscription revenues partially offset by an increase in accounts receivable.

The December 2002 acquisition of the American Baby Group for $117.6 million was financed with $100.0 million in debt from existing credit facilities and cash on hand. Debt outstanding decreased $10.0 million in fiscal 2003 in spite of the debt incurred for the acquisition. The Company reported an $85.0 million net decrease in debt outstanding during the previous fiscal year.

Tax deductible contributions to qualified pension plans totaled $12.0 million in fiscal 2003 compared with $5.7 million in fiscal 2002. Though not required to do so, the Company expects to contribute approximately $9.0 million to these plans in fiscal 2004.

Long−term debt

At June 30, 2003, long−term debt outstanding totaled $375.0 million. It consisted of $75.0 million under an asset−backed commercial paper facility and $300.0 million in fixed−rate unsecured senior notes.

In April 2002, Meredith entered into a revolving agreement to sell all of its rights, title, and interest in the majority of its accounts receivable related to advertising, book, and miscellaneous revenues to Meredith Funding Corporation, a special−purpose entity established to purchase accounts receivable from Meredith. At June 30, 2003, $133.1 million of accounts receivable, net of reserves, were outstanding under the agreement. Meredith Funding Corporation in turn sells receivable interests to an asset−backed commercial paper conduit administered by Bank One, N.A. In consideration of the sale, Meredith receives cash and a subordinated note that bears interest at the prime rate (4.00 percent at June 30, 2003) from Meredith Funding Corporation.

The revolving agreement is structured as a true sale under which the creditors of Meredith Funding Corporation will be entitled to be satisfied out of the assets of Meredith Funding Corporation prior to any value being returned to Meredith or its creditors. The accounts of Meredith Funding Corporation are fully consolidated in Meredith's consolidated financial statements. The asset−backed commercial paper facility has a capacity of up to $100 million and renews annually in April. Meredith has the ability and the intent to renew the facility each year. Hence, the principal is reflected as due on April 9, 2007, the facility termination date. The interest rate changes monthly and is based on a fixed spread over the average commercial paper cost to the lender. The interest rate was 1.54 percent in June 2003.

The fixed−rate unsecured senior notes are in amounts of $50 million and $75 million and are due from March 1, 2005 to April 1, 2008. Interest rates range from 6.39 percent to 6.65 percent.

Meredith has a revolving credit facility of $150 million that expires on April 5, 2007. At June 30, 2003, borrowings made under the revolving credit facility were subject to an interest rate of 1.85%. This rate is variable based on LIBOR and the Company's leverage ratio. No amount was borrowed under this facility at June 30, 2003.

All of the Company's debt agreements include financial covenants, and failure to comply with any such covenants could result in the debt becoming payable on demand. A summary of the Company's significant financial covenants and their status at June 30, 2003 follows:

	Required at June 30, 2003	**Actual at June 30, 2003**
Ratio of debt to EBITDA[1]	Less than 3.5	1.8
Ratio of EBITDA[1] to interest expense	Greater than 3.0	7.2
Ratio of EBIT[2] to interest expense	Greater than 2.5	6.1
Consolidated shareholders' equity[3]	Greater than $411.6 million	$586.5 million

- *EBITDA is earnings before interest, taxes, depreciation and amortization as defined in the debt agreements.*
- *EBIT is earnings before interest and taxes as defined in the debt agreements.*
- *Consolidated shareholders' equity is adjusted for special items as defined in the debt agreements.*

The Company was in compliance with these and all other debt covenants at June 30, 2003 and expects to remain so in the future.

Meredith uses interest rate swap contracts to manage interest cost and risk associated with possible increases in variable interest rates. These contracts effectively fix the base interest rate on a substantial portion of the variable−rate credit facilities, but the applicable margins vary based on the Company's debt−to−EBITDA ratio. The swap contracts expire in June 2004. The average notional amount of indebtedness outstanding under the contracts was $166 million in fiscal 2003 and will be $132 million in fiscal 2004. The Company is exposed to credit−related losses in the event of nonperformance by counterparties to the contracts. Given the strong creditworthiness of the counterparties, management does not expect any of them to fail to meet their obligations. The weighted average interest rate on debt outstanding at June 30, 2003, including the effect of hedged interest rate swap contracts, was approximately 6.5 percent.

As a result of the debt refinancing completed in April 2002 and subsequent debt repayments, Meredith had swap contracts that no longer met the qualifications for hedge accounting. These swap contracts were deemed to be ineffective and dedesignated as hedge contracts. Before the dedesignations, expense related to fair market value adjustments on the swap contracts had been recorded in other comprehensive income (loss). Upon the dedesignations, the loss was required to be amortized into earnings over the life of the swap contracts. Interest expense of $1.3 million was recorded in fiscal 2002 for such amortization and changes in fair market value. Subsequent to the dedesignations, management determined that it was probable the level of variable−rate debt would not increase to allow use of the dedesignated swaps over the term of the swap contracts. Therefore, $3.5 million remaining in accumulated other comprehensive loss related to the dedesignated swap contracts was reclassified as interest expense in the fourth quarter of fiscal 2002. Changes in the fair market value of the dedesignated swap contracts resulted in a $0.9 million reduction of interest expense in fiscal 2003.

Contractual obligations

The following table presents the long−term debt maturities, required payments under contractual agreements for broadcast rights and other purchase obligations, and future minimum lease payments under noncancelable leases as of June 30, 2003:

		Payments Due by Period			
	Total	**Less than 1 Year**	**1 − 3 Years**	**4 − 5 Years**	**After 5 Years**
Contractual obligations *(In millions)*					
Long−term debt	$ 375.0	$ −−	$ 200.0	$ 175.0	$ −−
Broadcast rights	100.4	37.3	47.6	11.9	3.6
Operating leases	62.0	8.9	17.0	14.0	22.1
Purchase obligations	29.9	13.4	13.9	2.5	0.1
Total contractual cash obligations	$ 567.3	$ 59.6	$ 278.5	$ 203.4	$ 25.8

Funds for meeting contractual cash obligations are expected to come from cash generated by future operating activities. Debt agreements may be renewed or refinanced if the Company determines it is advantageous to do so. Contractual obligations for broadcast rights shown in the preceding table include $55.8 million for broadcast rights that are not currently available for airing and are therefore not included in the Consolidated Balance Sheet at June 30, 2003. Meredith also has commitments in the form of standby letters of credit and other guarantees totaling $1.6 million. Approximately half of the commitments expire within one year; the rest of them are long−term.

Share repurchase program

Meredith has maintained a program of Company share repurchases for more than ten years. In fiscal 2003, the Company spent $31.5 million to repurchase an aggregate of 761,000 shares of Meredith Corporation common stock at market prices. The Company spent $30.2 million to repurchase an aggregate of 877,000 shares in fiscal 2002. Meredith has spent more than $100 million on Company share repurchases over the past three fiscal years and, subject to market conditions, expects to repurchase additional shares from time to time in the foreseeable future. As of July 31, 2003, approximately 820,000 shares were authorized for repurchase. The status of the repurchase program is reviewed at each quarterly Board of Directors meeting.

Dividends

Meredith has paid quarterly dividends continuously since 1947. In February 2003, the Board of Directors increased the quarterly dividend 6 percent, or one−half cent per share, to 9.5 cents per share effective with the dividend payable on March 14, 2003. Given the current number of shares outstanding, this increase will result in additional dividend payments of approximately $1 million annually. Dividends paid in fiscal 2003 were $18.4 million, or 37 cents per share, compared with $17.3 million, or 35 cents per share, in fiscal 2002.

Capital expenditures

Expenditures for property, plant, and equipment were $26.6 million in fiscal 2003 compared with $23.4 million in fiscal 2002. The increase reflected higher spending for equipment and remodeling associated with the consolidation of the Portland duopoly and for the initial transition to digital technology at five television stations. The Company has no material commitments for capital expenditures. Funds for capital expenditures are expected to come from operating activities or, if necessary, borrowings under credit agreements.

OTHER MATTERS

Outlook for fiscal 2004

First quarter publishing advertising revenues are running up in the mid−teens on a percentage basis. Excluding the American Baby Group, they are running up in the mid−single digits. Broadcasting advertising bookings are currently pacing up in the mid−single digits on a percentage basis from the prior first quarter total. Broadcasting pacing data are as of a moment in time and subject to change.

Fiscal 2003 results included $20.9 million in net political advertising revenues, of which $6.3 million were recorded in the first quarter and $14.1 million were recorded in the second quarter. This will create challenging comparisons, especially in the second quarter of fiscal 2004.

For the first quarter and the twelve months of fiscal 2004, management believes low double−digit earnings per share growth is realistic. In the first quarter of fiscal 2003, the Company reported earnings per share of $0.32 before the cumulative effect of a change in accounting principle related to SFAS No. 142.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Meredith is exposed to certain market risks as a result of its use of financial instruments, in particular the potential market value loss arising from adverse changes in interest rates. All of the Company's financial instruments subject to market risk are held for purposes other than trading.

Long−term debt

At June 30, 2003, Meredith had outstanding $75 million in variable−rate long−term debt and $300 million in fixed−rate long−term debt. There are no material earnings or liquidity risks associated with the Company's variable−rate debt because of interest rate swap contracts that reduce exposure to interest rate fluctuations by effectively converting variable−rate debt to fixed−rate debt. The fair market value of the variable−rate debt approximates the carrying amount. There also are no earnings or liquidity risks associated with the Company's fixed−rate debt. The fair market value of the fixed−rate debt (based on discounted cash flows reflecting borrowing rates currently available for debt with similar terms and maturities) varies with fluctuations in interest rates. A 10 percent decrease in interest rates would have changed the fair market value of the fixed−rate debt to $329.2 million from $325.7 million at June 30, 2003.

Interest rate swap contracts

Meredith has an interest rate swap contract outstanding that is designated as a cash flow hedge and effectively converts a portion of the Company's variable−rate debt to fixed−rate debt. There are no earnings or liquidity risks associated with this swap contract. The fair market value of the interest rate swap contract is the estimated amount (based on discounted cash flows) the Company would pay or receive to terminate the swap contract. A 10 percent decrease in interest rates would have had no material effect on the $1.7 million cost to terminate the swap contract at June 30, 2003.

As a result of the April 2002 debt refinancing, Meredith also has interest rate swap contracts outstanding that are no longer designated as hedges against variable−rate debt obligations. While there is no liquidity risk associated with these swap contracts, changes in interest rates expose the Company to earnings risk because all changes in the fair market value of the swap contracts are recorded in interest expense. At June 30, 2003, a 10 percent decrease in interest rates would have increased the cost to terminate these swap contracts to $4.1 million from $3.9 million.

Broadcast rights payable

The Company enters into broadcast rights contracts for its television stations. As a rule, these contracts are on a market−by−market basis and subject to terms and conditions of the seller of the broadcast rights. These rights generally are sold to the highest bidder in each market, and the process is very competitive. There are no earnings or liquidity risks associated with broadcast rights payable. Fair market values are determined using discounted cash flows. At June 30, 2003, a 10 percent decrease in interest rates would have resulted in a $1.0 million increase in the fair market value of the available and unavailable broadcast rights payable.

ITEM 8.   FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements,
Financial Statement Schedules
and Other Financial Information

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and
Shareholders of Meredith Corporation:

We have audited the accompanying consolidated balance sheets of Meredith Corporation and subsidiaries as of June 30, 2003 and 2002, and the related consolidated statements of earnings, shareholders' equity and cash flows for each of the years in the three−year period ended June 30, 2003. In connection with our audits of the aforementioned financial statements, we also audited the related financial statement schedule (as listed in Part IV, Item 15 (a) 2 herein). These consolidated financial statements and financial statement schedule are the responsibility of company management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Meredith Corporation and subsidiaries as of June 30, 2003 and 2002, and the results of their operations and their cash flows for each of the years in the three−year period ended June 30, 2003, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As described in Note 2 to the consolidated financial statements, the Company adopted the provisions of Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, on July 1, 2002.

/s/ KPMG LLP

KPMG LLP
Des Moines, Iowa
July 31, 2003

REPORT OF MANAGEMENT

To the Shareholders of Meredith Corporation:

Meredith management is responsible for the preparation, integrity and objectivity of the financial information included in this annual report to shareholders. We take this responsibility very seriously as we recognize the importance of having well informed, confident investors. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include amounts based on our informed judgments and estimates. We have adopted appropriate accounting policies and are fully committed to ensuring that those policies are applied properly and consistently. In addition, we strive to report our financial results in a manner that is relevant, complete and understandable. We welcome any suggestions from those who use our reports.

To meet our responsibility for financial reporting, internal control systems and accounting procedures are designed to provide reasonable assurance as to the reliability of financial records. In addition, the internal audit staff monitors and reports on compliance with Company policies, procedures and internal control systems.

The consolidated financial statements have been audited by independent auditors. In accordance with auditing standards generally accepted in the United States of America, the independent auditors conducted a review of the Company's internal accounting controls and performed tests and other procedures necessary to determine an opinion on the fairness of the Company's consolidated financial statements. The independent auditors were given unrestricted access to all financial records and related information, including all Board of Directors' and Board committees' minutes. The audit committee of the Board of Directors, which consists of five independent directors, meets with the independent auditors, management and internal auditors to review accounting, auditing and financial reporting matters. To ensure complete independence, the independent auditors have direct access to the audit committee without the presence of management representatives.

At Meredith, we have always placed a high priority on good corporate governance. We endorse the recent improvements in this area.

/s/ Suku V. Radia

Suku V. Radia
Vice President − Chief Financial Officer

Consolidated Balance Sheets
Meredith Corporation and Subsidiaries

Assets	**June 30**	**2003**		**2002**
(In thousands)				
Current assets				
Cash and cash equivalents	$	22,294	$	28,225
Accounts receivable				
(net of allowances of $13,822 in 2003 and $15,138 in 2002)		144,717		128,204
Inventories		27,148		32,921
Current portion of subscription acquisition costs		46,050		43,549
Current portion of broadcast rights		15,366		19,223
Other current assets		12,854		20,089
Total current assets		268,429		272,211
Property, plant and equipment				
Land		19,488		21,116
Buildings and improvements		108,740		110,484
Machinery and equipment		239,421		222,542
Leasehold improvements		8,735		8,722
Construction in progress		4,413		12,556
Total property, plant and equipment		380,797		375,420
Less accumulated depreciation		(179,313)		(164,170)
Net property, plant and equipment		201,484		211,250
Subscription acquisition costs		33,464		31,473
Broadcast rights		9,252		13,876
Other assets		49,038		37,837
Intangibles, net		683,223		672,969
Goodwill		191,831		220,648
Total assets	$	1,436,721	$	1,460,264

See accompanying Notes to Consolidated Financial Statements

Consolidated Balance Sheets (*continued*)
Meredith Corporation and Subsidiaries

Liabilities and Shareholders' Equity *(In thousands except share data*)	**June 30**	**2003**	**2002**
Current liabilities			
Current portion of long−term broadcast rights payable	$	23,060	$ 19,425
Accounts payable		38,907	42,749
Accrued expenses			
Compensation and benefits		45,018	35,529
Distribution expenses		21,139	21,694
Other taxes and expenses		30,448	46,361
Total accrued expenses		96,605	103,584
Current portion of unearned subscription revenues		138,627	141,648
Total current liabilities		297,199	307,406
Long−term debt		375,000	385,000
Long−term broadcast rights payable		21,514	24,906
Unearned subscription revenues		122,275	91,270
Deferred income taxes		71,979	92,351
Other noncurrent liabilities		47,989	51,614
Total liabilities		935,956	952,547
Shareholders' equity			
Series preferred stock, par value $1 per share			
Authorized 5,000,000 shares; none issued		−−	−−
Common stock, par value $1 per share			
Authorized 80,000,000 shares; issued and outstanding 40,180,529 shares in 2003 (excluding 28,788,285 shares held in treasury) and 39,256,126 shares in 2002 (excluding 28,553,908 shares held in treasury)		40,181	39,256
Class B stock, par value $1 per share, convertible to common stock			
Authorized 15,000,000 shares; issued and outstanding 9,968,534 shares in 2003 and 10,319,765 shares in 2002		9,969	10,320
Additional paid−in capital		5,038	−−
Retained earnings		448,964	462,057
Accumulated other comprehensive loss		(1,550)	(2,310)
Unearned compensation		(1,837)	(1,606)
Total shareholders' equity		500,765	507,717
Total liabilities and shareholders' equity	$	1,436,721	$ 1,460,264

See accompanying Notes to Consolidated Financial Statements

Consolidated Statements of Earnings
Meredith Corporation and Subsidiaries

Years ended June 30	**2003**	**2002**	**2001**
(In thousands except per share data)			
Revenues			
Advertising	$ 648,653	$ 572,691	$ 615,722
Circulation	259,141	261,640	257,410
All other	172,310	153,498	170,319
Total revenues	1,080,104	987,829	1,043,451
Operating costs and expenses			
Production, distribution and editorial	464,764	433,645	462,159
Selling, general and administrative	406,578	382,695	377,788
Depreciation and amortization	31,443	53,640	51,572
Nonrecurring items	−−	−−	25,308
Total operating costs and expenses	902,785	869,980	916,827
Income from operations	177,319	117,849	126,624
Nonoperating (expense) income	(1,551)	63,812	21,477
Interest income	567	621	1,028
Interest expense	(27,776)	(33,210)	(32,929)
Earnings before income taxes and cumulative effect of change in accounting principle	148,559	149,072	116,200
Income taxes	57,491	57,691	44,928
Earnings before cumulative effect of change in accounting principle	91,068	91,381	71,272
Cumulative effect of change in accounting principle, net of taxes	(85,749)	−−	−−
Net earnings	$ 5,319	$ 91,381	$ 71,272
Basic earnings per share			
Before cumulative effect of change in accounting principle	$ 1.84	$ 1.85	$ 1.43
Cumulative effect of change in accounting principle	(1.73)	−−	−−
Basic earnings per share	$ 0.11	$ 1.85	$ 1.43
Basic average shares outstanding	49,706	49,528	49,977
Diluted earnings per share			
Before cumulative effect of change in accounting principle	$ 1.78	$ 1.79	$ 1.39
Cumulative effect of change in accounting principle	(1.68)	−−	−−
Diluted earnings per share	$ 0.10	$ 1.79	$ 1.39
Diluted average shares outstanding	51,093	50,921	51,354

See accompanying Notes to Consolidated Financial Statements

Consolidated Statements of Cash Flows
Meredith Corporation and Subsidiaries

Years ended June 30	**2003**	**2002**	**2001**
(In thousands)			
Cash flows from operating activities			
Net earnings	$ 5,319	$ 91,381	$ 71,272
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation	29,059	27,741	25,467
Amortization	2,384	25,899	26,105
Cumulative effect of change in accounting principle, net of taxes	85,749	−−	−−
Interest rate swap adjustments	(851)	4,791	−−
Amortization of broadcast rights	37,343	40,130	44,127
Payments for broadcast rights	(35,877)	(36,446)	(37,451)
Losses (gains) from dispositions, net of taxes	524	(39,117)	(13,101)
Nonrecurring items, net of taxes	−−	−−	13,929
Changes in assets and liabilities, net of acquisitions/dispositions:			
Accounts receivable	(16,513)	5,388	8,265
Inventories	5,773	(86)	2,735
Supplies and prepayments	(4,768)	(692)	2,252
Subscription acquisition costs	(3,587)	162	4,531
Other assets	(5,118)	(4,810)	(1,077)
Accounts payable	(3,842)	(3,483)	(7,916)
Accruals	5,696	(3,397)	3,233
Unearned subscription revenues	24,859	11,617	(9,997)
Deferred income taxes	45,483	18,130	2,953
Other noncurrent liabilities	722	(421)	1,764
Net cash provided by operating activities	172,355	136,787	137,091
Cash flows from investing activities			
Acquisitions of businesses	(117,594)	−−	−−
Proceeds from dispositions	313	−−	20,150
Additions to property, plant and equipment	(26,645)	(23,365)	(55,967)
Changes in other	3,061	3,145	(1,760)
Net cash used by investing activities	(140,865)	(20,220)	(37,577)
Cash flows from financing activities			
Long−term debt incurred	124,000	220,000	50,000
Repayment of long−term debt	(134,000)	(305,000)	(85,000)
Debt acquisition costs	−−	(636)	−−
Proceeds from common stock issued	22,512	8,561	8,867
Purchases of Company stock	(31,521)	(30,178)	(43,506)
Dividends paid	(18,412)	(17,343)	(16,482)
Net cash used by financing activities	(37,421)	(124,596)	(86,121)
Net (decrease) increase in cash and cash equivalents	(5,931)	(8,029)	13,393
Cash and cash equivalents at beginning of year	28,225	36,254	22,861
Cash and cash equivalents at end of year	$ 22,294	$ 28,225	$ 36,254

See accompanying Notes to Consolidated Financial Statements

Consolidated Statements of Cash Flows (*continued*)
Meredith Corporation and Subsidiaries

Years ended June 30		**2003**		**2002**		**2001**
(In thousands)						
Supplemental disclosures of cash flow information						
Cash paid:						
Interest	$	28,490	$	29,091	$	32,675
Income taxes	$	20,148	$	10,032	$	32,934
Noncash transactions:						
Broadcast rights financed by contracts payable	$	36,120	$	45,019	$	37,063
Tax benefit related to stock options	$	13,721	$	6,491	$	5,248

See accompanying Notes to Consolidated Financial Statements

Consolidated Statements of Shareholders' Equity
Meredith Corporation and Subsidiaries

(In thousands)	Common Stock	Class B Stock	Additional Paid−in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Unearned Compensation	Total
Balance at June 30, 2000	$38,326	$10,883	$ −−	$334,448	$(776)	$(3,037)	$379,844
Net earnings	−−	−−	−−	71,272	−−	−−	71,272
Other comprehensive loss, net	−−	−−	−−	−−	(1,191)	−−	(1,191)
Total comprehensive income							70,081
Stock issued under various incentive plans,							
net of forfeitures	651	−−	8,680	−−	−−	(484)	8,847
Purchases of Company stock	(1,285)	(47)	(13,928)	(28,246)	−−	−−	(43,506)
Reclassification of put option agreement	1,264	−−	−−	41,401	−−	−−	42,665
Conversion of class B to common stock	292	(292)	−−	−−	−−	−−	−−
Dividends paid, 33 cents per share							
Common stock	−−	−−	−−	(12,957)	−−	−−	(12,957)
Class B stock	−−	−−	−−	(3,525)	−−	−−	(3,525)
Restricted stock amortized to operations	−−	−−	−−	−−	−−	1,211	1,211
Tax benefit from incentive plans	−−	−−	5,248	−−	−−	−−	5,248
Balance at June 30, 2001	$39,248	$10,544	$ −−	$402,393	$(1,967)	$(2,310)	$447,908
Net earnings	−−	−−	−−	91,381	−−	−−	91,381
Other comprehensive loss, net	−−	−−	−−	−−	(343)	−−	(343)
Total comprehensive income							91,038
Stock issued under various incentive							
plans, net of forfeitures	661	−−	8,436	−−	−−	(536)	8,561
Purchases of Company stock	(730)	(147)	(14,927)	(14,374)	−−	−−	(30,178)
Conversion of class B to common stock	77	(77)	−−	−−	−−	−−	−−
Dividends paid, 35 cents per share							
Common stock	−−	−−	−−	(13,684)	−−	−−	(13,684)
Class B stock	−−	−−	−−	(3,659)	−−	−−	(3,659)
Restricted stock amortized to operations	−−	−−	−−	−−	−−	1,240	1,240
Tax benefit from incentive plans	−−	−−	6,491	−−	−−	−−	6,491
Balance at June 30, 2002	$39,256	$10,320	$ −−	$462,057	$(2,310)	$(1,606)	$507,717
Net earnings	−−	−−	−−	5,319	−−	−−	5,319
Other comprehensive income, net	−−	−−	−−	−−	760	−−	760
Total comprehensive income							6,079
Stock issued under various incentive							
plans, net of forfeitures	1,335	−−	22,077	−−	−−	(1,104)	22,308
Purchases of Company stock	(747)	(14)	(30,760)	−−	−−	−−	(31,521)
Conversion of class B to common stock	337	(337)	−−	−−	−−	−−	−−
Dividends paid, 37 cents per share							
Common stock	−−	−−	−−	(14,683)	−−	−−	(14,683)

Class B stock	−−	−−	−−	(3,729)	−−	−−	(3,729)
Restricted stock amortized to operations	−−	−−	−−	−−	−−	873	873
Tax benefit from incentive plans	−−	−−	13,721	−−	−−	−−	13,721
Balance at June 30, 2003	$40,181	$9,969	$5,038	$448,964	$(1,550)	$(1,837)	$500,765

See accompanying Notes to Consolidated Financial Statements

1. Organization and Summary of Significant Accounting Policies

a. Nature of operations

Meredith Corporation is a diversified media company primarily focused on the home and family marketplace. The Company's principal businesses are magazine publishing and television broadcasting. Revenues of the publishing and broadcasting segments were 75 percent and 25 percent, respectively, of total revenues in fiscal 2003. The publishing segment includes magazine and book publishing, integrated marketing, interactive media, database−related activities, brand licensing and other related operations. *Better Homes and Gardens* is the most significant trademark of the publishing segment and is used extensively in its operations. The Company's television broadcasting operations include 11 network−affiliated television stations. Meredith's operations are diversified geographically within the United States, and the Company has a broad customer base.

Advertising and magazine circulation revenues accounted for 60 percent and 24 percent, respectively, of the Company's revenues in fiscal 2003. Revenues and operating results can be affected by changes in the demand for advertising and/or consumer demand for the Company's products. National and local economic conditions largely affect the magnitude of advertising revenues. Magazine circulation revenues are generally affected by national and/or regional economic conditions and competition from other forms of media.

b. Principles of consolidation

The consolidated financial statements include the accounts of Meredith Corporation and its majority−owned subsidiaries. In December 2002, the Company acquired the American Baby Group and its accounts are included in the Company's consolidated financial statements from that date forward. Significant intercompany transactions, primarily those between Meredith Corporation and Meredith Funding Corporation, are eliminated.

c. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. The Company bases its estimates on historical experience, management expectations for future performance, and other assumptions, as appropriate. Key areas affected by estimates include: the assessment of the recoverability of long−lived assets, which is based on such factors as estimated future cash flows; the determination of the net realizable value of broadcast rights, which is based on estimated future revenues; provisions for returns of magazines and books sold, which are based on historical experience and current marketplace conditions; and, pension and postretirement benefit expenses, which are actuarially determined and include assumptions regarding discount rates, expected returns on plan assets, and rates of increase in compensation and healthcare costs. The Company re−evaluates its estimates on an ongoing basis. Actual results may vary from those estimates.

d. Cash and cash equivalents

All cash and short−term investments with original maturities of three months or less are considered cash and cash equivalents, since they are readily convertible to cash. These short−term investments are stated at cost, which approximates fair value.

e. Inventories

Paper inventories are stated at cost, which is not in excess of market value, using the last−in first−out (LIFO) method. All other inventories are stated at the lower of cost (first−in first−out, or average) or market.

f. Subscription acquisition costs

Subscription acquisition costs primarily represent magazine direct−mail agency commissions. These costs are deferred and amortized over the related subscription term, typically one or two years.

g. Property, plant and equipment

Property, plant and equipment are stated at cost. Costs of replacements and major improvements are capitalized, and maintenance and repairs are charged to operations as incurred. Depreciation expense is provided primarily by the straight−line method over the estimated useful lives of the assets: five to 45 years for buildings and improvements, and three to 20 years for machinery and equipment. The costs of leasehold improvements are amortized over the lesser of the useful lives or the terms of the respective leases. Depreciation and amortization of property, plant and equipment was $29.1 million in fiscal 2003 ($27.7 million in fiscal 2002 and $25.5 million in fiscal 2001).

h. Broadcast rights

Broadcast rights and the liabilities for future payments are reflected in the consolidated financial statements when programs become available for broadcast. These rights are valued at the lower of unamortized cost or estimated net realizable value and are generally charged to operations on an accelerated basis over the contract period. Amortization of these rights is included in production, distribution and editorial expenses. Reductions in unamortized costs to net realizable value are typically included in amortization of broadcast rights in the accompanying consolidated financial statements. Fiscal 2003 results include expense of approximately $2.4 million for such reductions in unamortized costs ($3.7 million in fiscal 2002 and $9.9 million in fiscal 2001).

i. Goodwill and other intangible assets

Meredith adopted Statement of Financial Accounting Standard (SFAS) No. 142, *Goodwill and Other Intangible Assets,* effective July 1, 2002. SFAS No. 142 requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be tested for impairment at least annually. The impairment tests are based on a fair−value approach as described in SFAS No. 142. The estimated fair values of these assets are determined by developing discounted future cash flow analyses. Intangible assets with finite lives are amortized over their estimated useful lives; the carrying value is evaluated whenever events or circumstances indicate that the carrying value may not be recoverable. The carrying value is not recoverable when the projected undiscounted future cash flows are less than the carrying value. Tests for impairment or recoverability require significant management judgment, and future events affecting cash flows and market conditions could result in impairment losses. Additional information regarding goodwill and other intangible assets is in Note 6.

j. Derivative financial instruments

Meredith adopted SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, including subsequent amendments, as required on July 1, 2000.

Meredith uses derivative financial instruments to manage the risk that changes in interest rates will affect its future interest payments. Interest rate swap contracts are generally considered to be cash flow hedges against changes in the amount of future interest payments on the Company's variable−rate debt obligations. The fair market value of the interest rate swap contracts is recorded in *Accrued expenses: Other taxes and expenses* in the Consolidated Balance Sheets. The related unrealized gains (losses) on these contracts are recorded in shareholders' equity as a component of other comprehensive income (loss), net of tax, and then recognized as an adjustment to interest expense over the same period in which the related interest payments being hedged are recognized in income. However, to the extent that any of these contracts are not considered to be highly effective in offsetting the change in the value of the interest payments being hedged, any changes in fair value relating to the ineffective portion of these contracts are immediately recognized in interest expense. The net effect of this accounting on the Company's operating results is that interest expense on the portion of the variable−rate debt being hedged is generally recorded based on fixed interest rates.

As a result of its debt refinancing in April 2002, the notional amount of Meredith's interest rate swap contracts exceeded the variable−rate debt outstanding. Therefore a portion of the Company's interest rate swap contracts no longer meet the qualifications for hedge accounting. All future changes in the fair market value of these swaps will affect future net earnings. Previously changes in the fair market value were recorded in other comprehensive income (loss). Management determined that it was probable that the level of variable−rate debt would not increase to allow use of these swaps over the term of the swap contracts. Therefore, $3.5 million in accumulated other comprehensive loss related to these swaps was reclassified to interest expense in fiscal 2002.

k. Revenues

Revenues are recognized only when realized/realizable and earned, in accordance with accounting principles generally accepted in the United States of America (GAAP). Advertising revenues are recognized, net of agency commissions, when the underlying advertisements are published, defined as the issue's on−sale date, or aired by the broadcasting stations. Magazine advertising revenues totaled $383.1 million in fiscal 2003 ($325.5 million in fiscal 2002 and $352.5 million in fiscal 2001). Broadcasting advertising revenues were $265.5 million in fiscal 2003 ($247.2 million in fiscal 2002 and $263.3 million in fiscal 2001). Barter advertising revenues, and the offsetting expense, are recognized at the fair value of the advertising surrendered, as determined by similar cash transactions. Barter advertising revenues were not material in any period. Revenues from magazine subscriptions are deferred and recognized proportionately as products are delivered to subscribers. Revenues from magazine and book retail sales are recognized upon delivery, net of provisions for anticipated returns. The Company bases its estimates for returns on historical experience and has not experienced significant fluctuations between estimated and actual return experience. Revenues from integrated marketing and other custom programs are recognized when the products or services are delivered. In certain instances, revenues are recorded gross in accordance with GAAP although the Company receives cash for a lesser amount due to the netting of certain expenses.

l. Advertising expenses

Total advertising expenses included in the Consolidated Statements of Earnings were $74.9 million in fiscal 2003 ($70.0 million in fiscal 2002 and $68.2 million in fiscal 2001). The majority of the Company's advertising expenses relate to direct−mail costs for magazine subscription acquisition efforts. These costs are expensed as incurred.

m. Stock−based compensation

The Company has several stock−based compensation plans which are more fully described in Note 13. Meredith accounts for those plans under the recognition and measurement principles of Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*, and related interpretations. Compensation costs are reflected in net earnings for restricted stock plans; however, no stock−based compensation cost is reflected in net earnings for the employee stock purchase plan or for options granted as all options had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net earnings and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123, *Accounting for Stock−based Compensation*, to stock−based employee compensation:

Years ended June 30 *(In thousands except per share data)*	**2003**	**2002**	**2001**
Net earnings as reported	$ 5,319	$ 91,381	$ 71,272
Add: Total stock−based employee compensation expense included in reported net earnings, net of related tax effects	535	760	742
Deduct: Total stock−based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(6,943)	(6,455)	(5,683)
Pro forma net (loss) earnings	$ (1,089)	$ 85,686	$ 66,331
Basic earnings per share as reported	$ 0.11	$ 1.85	$ 1.43
Pro forma basic (loss) earnings per share	$ (0.02)	$ 1.73	$ 1.33
Diluted earnings per share as reported	$ 0.10	$ 1.79	$ 1.39
Pro forma diluted (loss) earnings per share	$ (0.02)	$ 1.67	$ 1.29

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting periods. Options vest over a period of several years and additional awards are generally made each year. In addition, valuations are based on highly subjective assumptions about the future, including stock price volatility and exercise patterns. The Company used the Black−Scholes option pricing model to determine the fair value of grants made.

The following assumptions were applied in determining the pro forma compensation costs:

Years ended June 30	**2003**	**2002**	**2001**
Risk−free interest rate	3.63 %	4.62 %	5.20 %
Expected dividend yield	0.75 %	0.75 %	0.75 %
Expected option life	6.3 yrs	6.5 yrs	7.3 yrs
Expected stock price volatility	25.00 %	24.00 %	23.00 %

n. Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

o. Earnings per share

Basic earnings per share are computed using the weighted average number of actual common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that would occur from the exercise of common stock options outstanding and the issuance of other stock equivalents. The following table presents the calculations of earnings per share:

Years ended June 30 *(In thousands)*	**2003**	**2002**	**2001**
Earnings before cumulative effect of change in accounting principle	$ 91,068	$ 91,381	$ 71,272
Basic average shares outstanding	49,706	49,528	49,977
Dilutive effect of stock options and equivalents	1,387	1,393	1,377
Diluted average shares outstanding	51,093	50,921	51,354
Earnings per share before cumulative effect of change in accounting principle			
Basic	$ 1.84	$ 1.85	$ 1.43
Diluted	$ 1.78	$ 1.79	$ 1.39

Antidilutive options excluded from the above calculations totaled 101,000 options at June 30, 2003 (with a weighted average exercise price of $45.16); 9,000 options at June 30, 2002 (with a weighted average exercise price of $43.40); and 560,000 options at June 30, 2001 (with a weighted average exercise price of $40.41).

p. Special−purpose entities

Meredith does not have any off−balance sheet financing activities. The Company's use of special−purpose entities is limited to Meredith Funding Corporation, whose activities are fully consolidated in Meredith's Consolidated Financial Statements (see Note 7).

q. New accounting pronouncements

In June 2002, the Financial Accounting Standards Board (FASB) issued SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities*. This statement requires that a liability for costs associated with an exit or disposal activity, such as shutting down a location or facility, be recognized when the costs are incurred rather than at the date of commitment to the exit or disposal plan. This statement was effective for exit or disposal activities that were initiated after December 31, 2002.

In November 2002, the FASB issued Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*. This interpretation elaborates on required disclosures and clarifies certain accounting related to guarantees.

In December 2002, the FASB issued SFAS No. 148, *Accounting for Stock−Based Compensation − Transition and Disclosure − an amendment of FASB Statement No. 123.* This statement requires prominent disclosures in both annual and interim financial statements about the method of accounting for stock−based employee compensation and the effect of the method used on reported results.

In January 2003, the FASB issued Interpretation No. 46, *Consolidation of Variable Interest Entities.* This interpretation addresses consolidation by business enterprises of certain variable interest entities.

There was no material impact on the Company's financial position or results of operations from the adoption or implementation of these accounting standards.

In April 2003, the FASB issued SFAS No. 149, A*mendment of FASB Statement No. 133 on Derivative Instruments and Hedging Activities.* This statement amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. This statement is effective for contracts entered into or modified after June 30, 2003.

In May 2003, the FASB issued SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*. This statement established standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. This statement will be effective on July 1, 2003.

The adoption of SFAS No. 149 and 150 are not expected to have a material impact on the Company's financial position or results of operations.

r. Other

Certain prior−year financial information has been reclassified or restated to conform to the fiscal 2003 financial statement presentation.

2. Change in Accounting Principle

Meredith adopted SFAS No. 142, *Goodwill and Other Intangible Assets*, effective July 1, 2002. SFAS No. 142 requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings, but be reviewed at least annually for impairment. The adoption of this standard has eliminated much of Meredith's amortization expense related to intangible assets and goodwill. The Company's intangible asset amortization expense was $2.4 million in fiscal 2003 including $2.2 million of amortization resulting from the acquisition of the American Baby Group in December 2002. Amortization expense related to intangible assets and goodwill totaled $25.9 million in fiscal 2002 and $26.1 million in fiscal 2001.

SFAS No. 142 does not permit the restatement of prior year's results. The following adjusted amounts assume the non−amortization provisions of SFAS No. 142 had been effective at the beginning of fiscal 2001.

Years ended June 30	**2002**			**2001**		
	Net Earnings	Basic EPS	Diluted EPS	Net Earnings	Basic EPS	Diluted EPS
(In thousands except per share)						
As reported	$ 91,381	$1.85	$1.79	$ 71,272	$1.43	$1.39
Add back amortization, net of taxes						
FCC licenses	7,021	0.14	0.14	7,034	0.14	0.14
Network affiliation & other	3,964	0.08	0.08	3,979	0.08	0.08
Goodwill	4,735	0.09	0.09	4,829	0.09	0.09
As adjusted	$ 107,101	$2.16	$2.10	$ 87,114	$1.74	$1.70

SFAS No. 142 also establishes requirements for the periodic impairment review of goodwill and intangible assets with indefinite lives. Reviews are based on a fair−value approach as described in SFAS No. 142, which requires an initial review of goodwill and intangible assets with indefinite lives as of the beginning of the fiscal year of adoption. The Company completed the initial review and it resulted in transitional impairment losses of $139.9 million ($85.7 million after tax), or $1.68 per diluted share. This charge was recorded net of tax as the cumulative effect of a change in accounting principle in the first quarter of fiscal 2003. The impairment losses relate to certain television Federal Communication Commission (FCC) licenses/network affiliation agreements ($33.7 million) and goodwill at certain television stations ($106.2 million). The fair values of the FCC licenses/network affiliation agreements and goodwill were determined by developing discounted cash flow analyses. The impairments are primarily the result of lower revenues and cash flows at television station WGCL−TV in Atlanta as compared to the projections on which the purchase price was based. The Company also completed impairment reviews of goodwill and intangible assets subject to review as of May 31, 2003. No impairments were recorded as a result of those reviews.

The FASB also issued SFAS No. 141, *Business Combinations*, in June 2001. SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. It also specifies criteria that must be met for the recognition of intangible assets separate from goodwill. Adoption of SFAS No. 142 required Meredith to evaluate its existing intangible assets and make any reclassifications necessary to meet the criteria specified in SFAS No. 141. The resulting reclassifications did not have a material impact on the Company's financial position.

3. Nonrecurring Items and Nonoperating Income

In response to a weakening economy and a widespread advertising downturn in fiscal 2001, management took steps to reduce the number of Meredith employees, including a one−time, voluntary early retirement program. Other selective workforce reductions were achieved through attrition, realignments and job eliminations. Approximately 200 positions were eliminated in fiscal 2001 and early fiscal 2002. The Company also wrote off certain Internet investments. These actions were the primary factors in a fiscal 2001 fourth−quarter nonrecurring charge of $25.3 million ($15.4 million after tax), or 30 cents per share, for personnel costs ($18.4 million), asset write−downs and other ($8.2 million), offset by the reversal of excess accruals ($1.3 million). The nonrecurring charge resulted in balance sheet adjustments of $8.5 million and cash payments of $1.1 million in fiscal 2001, leaving an accrual balance of $15.7 million for personnel costs at June 30, 2001. Details of the activities affecting the accrual since that date follow:

(In thousands)		
Restructuring accrual at June 30, 2001	$	15,716
Payments		(10,975)
Adjustments		232
Restructuring accrual at June 30, 2002	$	4,973
Payments		(3,494)
Adjustments		(157)
Restructuring accrual at June 30, 2003	$	1,322

Payments made were for enhanced retirement benefits, severance, and other associated costs. The adjustments in fiscal 2002 represent an additional accrual of $0.4 million for higher than expected severance costs which was partially offset by a charge of $0.2 million for accelerated amortization of restricted stock. The adjustments in fiscal 2003 represent the reversal of excess accruals. The adjustments were recorded in selling, general and administrative expenses in both fiscal 2002 and 2003. More than 90 percent of the personnel costs accrued at June 30, 2001 were paid out by June 30, 2003. The remaining accrual primarily represents early retirement benefit costs that will be paid over the next 5 fiscal years.

Meredith also had an accrual balance of $0.4 million at June 30, 2002 resulting from a nonrecurring charge recorded in fiscal 2000. The charge related to the closing of certain operations that no longer fit the Company's business objectives. During fiscal 2003 the accrual was deemed no longer necessary and was reversed. The reversal was recorded as an offset to selling, general and administrative expenses.

In fiscal 2003, Meredith recorded nonoperating expense of $1.6 million. It included a loss of $2.2 million on the sale of a subsidiary and the write−off of a $1.6 million investment in a start−up technology company. These charges were partially offset by a $1.3 million gain related to final post closing adjustments on the June 2002 exchange of two Florida television stations for KPTV−Portland and $0.9 million in life insurance proceeds.

In fiscal 2002, Meredith recorded nonoperating income of $2.0 million from the demutualization of an insurance company with which Meredith holds policies. Nonoperating income also included gains from dispositions of $61.8 million in fiscal 2002 and $21.5 million in fiscal 2001 as described in Note 4.

4. Acquisitions, Exchanges and Dispositions

On December 5, 2002, Meredith purchased *American Baby* magazine and related assets (American Baby Group) from Primedia Inc., for $117.6 million ($115.0 million plus certain costs). The acquisition was financed with existing credit facilities and cash on hand. The cost was allocated based on the fair values of assets acquired and liabilities assumed, as determined by an independent appraisal, as follows: property, plant and equipment of $0.1 million; intangible assets subject to amortization of $4.4 million; intangible assets not subject to amortization of $38.9 million; goodwill of $76.8 million; and liabilities, primarily for unearned subscription revenues, of $2.6 million. Intangible assets subject to amortization will be amortized on a straight−line basis over their estimated useful lives of less than one year to five years. Goodwill was assigned to the Publishing segment and is fully deductible for tax purposes.

Operating results of the properties are included in Meredith's consolidated operating results since the acquisition date. *American Baby* magazine, introduced in 1938, is published monthly and has a circulation of 2 million. Other American Baby Group properties acquired include *Childbirth* and *First Year of Life* magazines, three Hispanic titles and related marketing programs, the *American Baby* television program currently shown on The Discovery Channel® television network, web sites, custom publications and other related programs.

The acquisition of American Baby Group builds on Meredith's strategy to expand its home and family leadership position to a younger and more culturally diverse demographic spectrum of the family marketplace. Management believes this multi−tier franchise will help the Company reach young families who are just beginning to build their home and family lives. The American Baby Group is a well−established large−scale brand with a strong array of products that reaches younger women and the Hispanic market−two areas that management believes will enhance the Company's already strong presence in the home and family arena.

Pro forma results of operations as if this asset purchase had occurred at the beginning of the fiscal year for each period presented are as follows:

Years ended June 30 *(In thousands except per share)*	**2003**	**2002**
Total revenues	$ 1,101,559	$ 1,039,285
Earnings before cumulative effect of change		
in accounting principle	$ 92,975	$ 93,944
Net earnings	$ 7,226	$ 93,944
Basic earnings per share		
Before cumulative effect of change		
in accounting principle	$ 1.87	$ 1.90
Net earnings	$ 0.15	$ 1.90
Diluted earnings per share		
Before cumulative effect of change		
in accounting principle	$ 1.82	$ 1.84
Net earnings	$ 0.14	$ 1.84

On June 17, 2002, Meredith exchanged its Orlando and Ocala, FL, television stations for station KPTV, in Portland, OR. KPTV was a UPN affiliate at that time. The transaction with News Corporation and Fox Television Stations, Inc., created a Meredith duopoly in Portland where the Company also owns KPDX−TV, a Fox affiliate at the time. A duopoly, defined as the ownership of two stations in a market, offers increased efficiency while providing stronger outlets for advertisers and viewers. The operations of the acquired property are included in the Company's consolidated operating results since the acquisition date.

For financial reporting purposes, Meredith recorded the exchange as two simultaneous but separate events: the sale of the two Florida stations, for which a nonoperating gain was recognized, and the acquisition of the Portland station, which was accounted for as an asset purchase. The nonoperating gain on the sale of the Florida stations was $61.8 million ($37.9 million after tax), or 74 cents per share, based on the fair value of the assets acquired as determined by an independent appraisal. The fair value of $90.0 million was the purchase price of the Portland station. The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date.

(In thousands)		
Property, plant and equipment	$	17,563
Broadcast rights		11,952
Intangible asset		75,258
Goodwill		4,649
Total assets acquired		109,422
Broadcast rights payable		(19,422)
Net assets acquired	$	90,000

The intangible asset represents the value of the station's FCC license and network affiliation agreement. This intangible asset is indefinite−lived and, therefore, will not be amortized. It will be reviewed for impairment annually or as circumstances warrant. Goodwill was assigned to the broadcasting segment and is fully deductible for tax purposes.

Pro forma results of operations as if this asset sale and purchase had occurred at the beginning of the fiscal year for each period presented are as follows:

Years ended June 30		**2002**		**2001**
(In thousands except per share)				
Total revenues	$	973,786	$	1,032,412
Net earnings	$	89,561	$	107,190
Basic earnings per share	$	1.81	$	2.14
Diluted earnings per share	$	1.76	$	2.09

The pro forma results include estimated noncash gains from the disposition of the two Florida television stations of 72 cents per diluted share in fiscal 2002 and 69 cents per diluted share in fiscal 2001.

In June 2003, Meredith sold the stock of a wholly owned subsidiary that produced and sold calendars and books through annual programs. The revenues and operating profits of the subsidiary were not material to the publishing segment or the Company. The sale resulted in a loss of $2.2 million.

In May 2001, Meredith sold Golf for Women magazine to The Golf Digest Companies, a subsidiary of Advance Magazine Publishers, Inc. The sale resulted in a nonoperating gain of $21.5 million ($13.1 million after tax), or 26 cents per share. Meredith also sold the assets of American Park Network in fiscal 2001, but the resulting gain was not material.

5. Inventories

Inventories consist of paper stock, books and editorial content. Of net inventory values shown, approximate portions determined using the LIFO method were 30 percent at June 30, 2003, and 37 percent at June 30, 2002. LIFO inventory expense (income) included in the Consolidated Statements of Earnings was $0.7 million in fiscal 2003, ($2.8) million in fiscal 2002 and $(1.1) million in fiscal 2001.

June 30	**2003**	**2002**
(In thousands)		
Raw materials	$ 8,745	$ 12,931
Work in process	18,095	18,015
Finished goods	6,199	7,123
	33,039	38,069
Reserve for LIFO cost valuation	(5,891)	(5,148)
Inventories	$ 27,148	$ 32,921

6. Goodwill and Intangibles

Intangible assets and goodwill consist of the following:

June 30	**2003**			**2002**		
(In thousands)	**Gross Amount**	**Accumulated Amortization**	**Net Amount**	**Gross Amount**	**Accumulated Amortization**	**Net Amount**
Intangible assets subject to amortization						
Publishing Group						
Noncompete agreements	$ 2,534	$ (383)	$ 2,151	$ 22,500	$ (22,351)	$ 149
Customer lists	1,863	(1,863)	−−	10	(10)	−−
Total	$ 4,397	$ (2,246)	2,151	$ 22,510	$ (22,361)	149
Intangible assets not subject to amortization						
Publishing Group						
Trademarks			48,131			9,325
Broadcasting Group						
FCC licenses/network affiliation agreements			632,941			660,463
Other			−−			3,032
Total			681,072			672,820
Intangibles, net			$ 683,223			$ 672,969

On December 5, 2002, Meredith acquired the American Baby Group from Primedia, Inc. This acquisition resulted in the recognition of $4.4 million in intangible assets subject to amortization, $38.9 million in intangible assets not subject to amortization and $76.8 million in goodwill.

Amortization expense was $2.4 million for the year ended June 30, 2003. This includes $2.2 million of amortization resulting from the acquisition of the American Baby Group of assets in December 2002. Future amortization expense for intangible assets is expected to be as follows: $0.7 million in fiscal 2004, $0.6 million in fiscal 2005, $0.5 million in fiscal 2006, $0.3 million in fiscal 2007 and $0.1 million in fiscal 2008.

The noncompete agreements are being amortized on a straight−line basis over periods of 3 or 5 years. The customer lists are being amortized over periods of one year or less, primarily on a straight−line basis.

The changes in the carrying amount of goodwill for the year ended June 30, 2003, are as follows:

(In thousands)	**Publishing Group**	**Broadcasting Group**	**Total**
Balance as of June 30, 2002	$ 36,455	$ 184,193	$ 220,648
Acquisitions	76,786	––	76,786
Dispositions	(2,389)	––	(2,389

)

Impairment writedowns

−−

(106,173

)

(106,173

)

Reclassified/other

−−

2,959

2,959

Balance as of June 30, 2003

$

110,852

$

80,979

$

191,831

7. Long−term Debt

Long−term debt consists of the following:

June 30 *(In thousands)*	**2003**	**2002**
Variable−rate credit facilities		

Asset−backed commercial paper facility of $100 million due 4/9/2007	$ 75,000	$ 85,000
Revolving credit facility of $150 million due 4/5/2007	−−	−−
Private placement notes		
6.51% senior notes, due 3/1/2005	75,000	75,000
6.57% senior notes, due 9/1/2005	50,000	50,000
6.65% senior notes, due 3/1/2006	75,000	75,000
6.39% senior notes, due 4/1/2007	50,000	50,000
6.62% senior notes, due 4/1/2008	50,000	50,000
Total long−term debt	375,000	385,000
Current portion of long−term debt	−−	−−
Long−term debt	$ 375,000	$ 385,000

Principal payments on the debt due in succeeding fiscal years are:

Years ended June 30	
(In thousands)	
2004	$ −−
2005	75,000
2006	125,000
2007	125,000
2008	50,000
Total long−term debt	$ 375,000

In connection with the asset−backed commercial paper facility, Meredith entered into a revolving agreement to sell all of its rights, title and interest in the majority of its accounts receivable related to advertising, book and miscellaneous revenues to Meredith Funding Corporation, a special purpose entity established to purchase accounts receivable from Meredith. At June 30, 2003, $133.1 million of accounts receivable, net of reserves, were outstanding under the agreement. Meredith Funding Corporation in turn sells receivable interests to an asset−backed commercial paper conduit administered by Bank One, N.A. In consideration of the sale, Meredith receives cash and a subordinated note, bearing interest at the prime rate (4.00 percent at June 30, 2003), from Meredith Funding Corporation. The agreement is structured as a true sale under which the creditors of Meredith Funding Corporation will be entitled to be satisfied out of the assets of Meredith Funding Corporation prior to any value being returned to Meredith or its creditors. The accounts of Meredith Funding Corporation are fully consolidated in Meredith's consolidated financial statements. The asset−backed commercial paper facility renews annually in April. Meredith has the ability and the intent to renew the facility each year and, therefore, the principal is reflected as due on April 9, 2007, the facility termination date.

The interest rate on the asset−backed commercial paper program changes monthly and is based on a fixed spread over the average commercial paper cost to the lender. The interest rate was 1.54 percent in June 2003. The interest rate on the variable−rate revolving credit facility is based on a spread over LIBOR determined by the Company's leverage ratio. This rate was 1.85 percent at June 30, 2003, although no amounts were borrowed at the time. Interest rates on the private placement notes range from 6.39 to 6.65 percent. The weighted average interest rate on debt outstanding at June 30, 2003, including the effect of hedged interest rate swap contracts, was approximately 6.5 percent.

All of the Company's debt agreements include financial covenants, and failure to comply with any such covenants could result in the debt becoming payable on demand. A summary of the Company's significant financial covenants and their status at June 30, 2003 follows:

	Required at June 30, 2003	**Actual at June 30, 2003**
Ratio of debt to EBITDA[1]	Less than 3.5	1.8
Ratio of EBITDA[1] to interest expense	Greater than 3.0	7.2
Ratio of EBIT[2] to interest expense	Greater than 2.5	6.1
Consolidated shareholders' equity[3]	Greater than $411.6 million	$586.5 million

1. *EBITDA is earnings before interest, taxes, depreciation and amortization as defined in the debt agreements.*
2. *EBIT is earnings before interest and taxes as defined in the debt agreements.*
3. *Consolidated shareholders' equity is adjusted for special items as defined in the debt agreements.*

The Company was in compliance with all debt covenants at June 30, 2003.

Interest expense related to long−term debt totaled $28.0 million in fiscal 2003, $27.2 million in fiscal 2002, and $32.1 million (excluding $0.2 million in capitalized interest) in fiscal 2001.

At June 30, 2003, Meredith had $150 million of credit available under the revolving credit facility. The commitment fee rate for the revolving credit facility ranges from 0.125 to 0.225 percent of the unused commitment based on the Company's leverage ratio. The commitment fee rate for the asset−backed commercial paper facility is 0.19 percent of the unused commitment. Commitment fees paid in fiscal 2003 were not material.

8. Derivative Financial Instruments

Meredith uses derivative financial instruments to manage the risk that changes in interest rates will affect its future interest payments. Interest rate swap contracts are used to effectively convert a substantial portion of the Company's variable interest rate debt to fixed interest rate debt. Under an interest rate swap contract, Meredith agrees to pay an amount equal to a specified fixed rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable rate of interest times the same notional principal amount. The notional amounts of the contract are not exchanged. No other cash payments are made unless the contract is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the

contract. Meredith is exposed to credit−related losses in the event of nonperformance by counterparties to the swap contracts. This risk is minimized by entering into contracts with large, stable financial institutions.

At June 30, 2003, Meredith had interest rate swap contracts to pay fixed rates of interest (average 5.3 percent) and receive variable rates of interest (3−month LIBOR rate of 1.1 percent as of June 30, 2003) on a notional amount of $150.0 million. These contracts expire in June 2004. The average notional amount outstanding under the contracts will be $132 million in fiscal 2004. The fair market value of the interest rate swap contracts was a liability of $5.6 million at June 30, 2003. The estimated amount of the loss expected to be reclassified into earnings over the next twelve months is $5.6 million.

As a result of the debt refinancing completed in April 2002 and subsequent debt repayments, Meredith had swap contracts that no longer met the qualifications for hedge accounting. Those swap contracts were deemed to be ineffective and dedesignated as hedge contracts. Expense related to fair market value adjustments on the swap contracts had been recorded in other comprehensive income (loss). As a result of the dedesignation, the loss was to be amortized into earnings over the life of the swap contracts and all future changes in the fair market value of the dedesignated swap contracts would affect future net earnings. Interest expense of $1.3 million was recorded through June 30, 2002, for such amortization and changes in fair market value. Subsequent to the dedesignation, management determined that it was probable that the level of the Company's variable−rate debt would not increase to allow use of the dedesignated swaps over the term of the swap contracts. Therefore, $3.5 million remaining in accumulated other comprehensive loss related to the dedesignated swap contracts was reclassified as interest expense in the fourth quarter of fiscal 2002. Changes in the fair market value of the dedesignated swap contracts resulted in a $0.9 million reduction of interest expense in fiscal 2003.

9. Fair Values of Financial Instruments

Carrying amounts and estimated fair values of financial instruments are as follows:

June 30	**2003**		**2002**	
(In thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Broadcast rights payable	$ 44,574	$ 41,365	$ 44,331	$ 40,613
Long−term debt	$ 375,000	$ 400,750	$ 385,000	$ 395,495

Fair values were determined as follows:

Broadcast rights payable: Present value of future cash flows discounted at the Company's current borrowing rate.

Long−term debt: Present value of future cash flows using borrowing rates currently available for debt with similar terms and maturities.

Interest rate swap contracts are reported at fair market value in the Consolidated Balance Sheets. The carrying amounts for all other financial instruments approximate their respective fair values due to the short−term nature of these instruments. Fair value estimates are made at a specific point in time based on relevant market and financial instrument information. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision.

Changes in assumptions could significantly affect these estimates.

10. Income taxes

Income tax expense attributable to earnings before the cumulative effect of a change in accounting principle consists of:

Years ended June 30 *(In thousands)*	**2003**	**2002**	**2001**
Currently payable			
Federal	$ 10,233	$ 14,859	$ 35,288
State	1,775	2,193	6,687
	12,008	17,052	41,975
Deferred			
Federal	38,388	34,299	2,492
State	7,095	6,340	461
	45,483	40,639	2,953
Income taxes	$ 57,491	$ 57,691	$ 44,928

In addition, a deferred income tax benefit of $54.2 million was recognized in association with the charge for the cumulative effect of a change in accounting principle.

The differences between the effective tax rates and the statutory U.S. federal income tax rate are as follows:

Years ended June 30	**2003**	**2002**	**2001**
U.S. statutory tax rate	35.0 %	35.0 %	35.0 %
State income taxes, less federal income tax benefits	3.9	3.7	4.0
Goodwill amortization	––	0.7	0.8
Other	(0.2)	(0.7)	(1.1)
Effective income tax rate	38.7 %	38.7 %	38.7 %

The tax effects of temporary differences that gave rise to the deferred income tax assets and liabilities are as follows:

June 30 *(In thousands)*	**2003**	**2002**
Deferred tax assets		
Accounts receivable allowances and return reserves	$ 10,047	$ 16,421
Compensation and benefits	26,243	25,587
All other assets	11,261	14,292
Total deferred tax assets	47,551	56,300
Deferred tax liabilities		
Subscription acquisition costs	28,429	26,829
Accumulated depreciation and amortization	55,357	77,391
Gains from dispositions	25,625	23,734
All other liabilities	10,377	8,749
Total deferred tax liabilities	119,788	136,703
Net deferred tax liability	$ 72,237	$ 80,403

The current portions of deferred tax assets and liabilities are included in *Accrued expenses: Other taxes and expenses* at June 30, 2003 and in *Other current assets* at June 30, 2002 in the Consolidated Balance Sheets.

11. Pension and Postretirement Benefit Plans

Savings and Investment Plan

The Company maintains a 401(k) Savings and Investment Plan which permits eligible employees to contribute funds on a pre−tax basis. The plan allows employee contributions of up to 50 percent of eligible compensation subject to the maximum allowed under federal tax provisions. The Company matches 100 percent of the first 3 percent and 50 percent of the next 2 percent of employee contributions.

The 401(k) Savings and Investment Plan allows employees to choose among various investment options, including the Company's common stock, for both their contributions and the Company's matching contribution. Company contribution expense under this plan totaled $4.6 million annually in fiscal 2003, fiscal 2002, and fiscal 2001.

Pension and Postretirement Plans

The Company has noncontributory pension plans covering substantially all employees. The Company also sponsors defined healthcare and life insurance plans that provide benefits to eligible retirees.

The following tables present changes in, and components of, the Company's net assets/liabilities for pension and other postretirement benefits:

	Pension		Postretirement	
June 30	**2003**	**2002**	**2003**	**2002**
(In thousands)				
Change in benefit obligation				
Benefit obligation, beginning of year	$ 68,403	$ 72,584	$ 18,652	$ 17,851
Service cost	4,805	4,853	752	738
Interest cost	4,991	5,256	1,351	1,285
Participant contributions	−−	−−	446	329
Plan amendments	−−	(31)	−−	−−
Actuarial gain	(1,914)	(1,195)	(938)	(162)
Benefits paid (including lump sums)	(8,571)	(13,064)	(1,540)	(1,389)
Benefit obligation, end of year	$ 67,714	$ 68,403	$ 18,723	$ 18,652
Change in plan assets				
Fair value of plan assets, beginning of year	$ 58,409	$ 63,738	$ −−	$ 43
Actual (loss) return on plan assets	(10,687)	6,901	−−	4
Employer contributions	16,198	834	1,094	1,013
Participant contributions	−−	−−	446	329
Benefits paid (including lump sums)	(8,571)	(13,064)	(1,540)	(1,389)
Fair value of plan assets, end of year	$ 55,349	$ 58,409	$ −−	$ −−
Funded status, end of year	$ (12,365)	$ (9,994)	$ (18,723)	$ (18,652)
Unrecognized actuarial loss (gain)	8,306	(5,849)	(912)	25
Unrecognized prior service cost	4,677	5,343	(1,646)	(1,845)
Unrecognized net transition obligation	168	391	−−	−−
Contributions between measurement date and fiscal year end	4,143	5,843	376	297
Net recognized amount, end of year	$ 4,929	$ (4,266)	$ (20,905)	$ (20,175)

June 30	Pension 2003	Pension 2002	Postretirement 2003	Postretirement 2002
(In thousands)				
Consolidated Balance Sheets				
Prepaid benefit cost	$ 14,728	$ 6,160	$ −−	$ −−
Accrued benefit liability	(9,799)	(10,426)	(20,905)	(20,175)
Additional minimum liability	(2,532)	(3,037)	−−	−−
Intangible asset	2,532	2,464	−−	−−
Accumulated other comprehensive loss	−−	573	−−	−−
Net recognized amount, end of year	$ 4,929	$ (4,266)	$ (20,905)	$ (20,175)

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were $12.9 million, $12.1 million and $52 thousand respectively, as of June 30, 2003; and $14.8 million, $13.6 million and $39 thousand, respectively, as of June 30, 2002.

Benefit obligations were determined using the following weighted−average assumptions:

June 30	Pension 2003	Pension 2002	Postretirement 2003	Postretirement 2002
Weighted−average assumptions				
Discount rate	6.25 %	7.25 %	6.25 %	7.25 %
Rate of compensation increase	5.00 %	5.00 %	5.00 %	5.00 %
Expected return on plan assets	8.25 %	8.25 %	NA	NA

NA − Not applicable

The rate of increase in healthcare cost levels used in measuring the postretirement benefit obligation at June 30, 2003 was 12 percent, decreasing to 5.50 percent in 2008 and thereafter. At June 30, 2002 the rate of increase used was 8 percent, decreasing to 5.75 percent in fiscal 2007 and thereafter.

Assumed rates of increase in healthcare cost levels have a significant effect on the amounts reported for the healthcare plans. A one−percentage−point change in the assumed healthcare cost trend rates would have the following effects:

Year ended June 30, 2003	One−Percentage−Point Increase	One−Percentage−Point Decrease
(In thousands)		
Effect on service and interest cost components	$ 162	$ (138)
Effect on postretirement benefit obligation	$ 850	$ (751)

The components of net periodic benefit costs recognized in the Consolidated Statements of Earnings were as follows:

	Pension			Postretirement		
Years ended June 30	**2003**	**2002**	**2001**	**2003**	**2002**	**2001**
(In thousands)						
Components of net periodic benefit cost						
Service cost	$ 4,805	$ 4,853	$ 4,555	$ 752	$ 738	$ 671
Interest cost	4,991	5,256	4,940	1,351	1,285	1,082
Expected return on plan assets	(4,950)	(4,971)	(6,333)	−−	(3)	(41)
Prior service cost amortization	666	858	434	(200)	(200)	(200)
Actuarial (gain) loss amortization	(166)	11	(1,445)	−−	−−	−−
Transition amount amortization	223	356	356	−−	−−	−−
Settlement gain	(266)	(920)	(149)	−−	−−	−−
Net periodic benefit expense	$ 5,303	$ 5,443	$ 2,358	$ 1,903	$ 1,820	$ 1,512

In each of the last three fiscal years, lump sum benefit payments have triggered accelerated recognition of past gains, resulting in settlement gains that reduced the Company's pension expense.

Meredith offered a voluntary early retirement option to all employees meeting specified age and years of service criteria during the fourth quarter of fiscal 2001. The offer included enhanced pension and postretirement benefits. The effect of these special termination benefits was an increase in the projected benefit obligation of the pension plans of $0.1 million and an increase in the accumulated benefit obligation of the postretirement plan of $1.5 million. The associated expense was included in the fiscal 2001 nonrecurring charge.

Additional information regarding the assets held by the Company's pension plans follows:

June 30	**2003**	**2002**
Equity securities	$ 38,430	$ 34,690
Fixed income investments	16,919	16,067
Company stock	−−	7,652
Fair value of plan assets	$ 55,349	$ 58,409

The Company's current target allocation for pension plan assets is 65 − 75 percent in equity securities and 25 − 35 percent in fixed income investments. The expected long−term rates of returns are 9.0 percent for equity securities and 5.5 percent for fixed income investments. Dividend income of $24 thousand was received on Meredith common stock in fiscal 2003 prior to the sale of such shares.

Additional information regarding the Company's pension benefit obligation follows:

June 30	**2003**	**Weighted−Average Duration**
Retirees	$ 3,061	5 years
Deferred vested employees	8,033	3 years
Current employees	56,620	4 years
Benefit obligation	$ 67,714	

The Company's total accumulated benefit obligation was $62.0 million at June 30, 2003. Meredith expects to make tax−deductible contributions to qualified pension plans of approximately $9.0 million in fiscal 2004. In addition, the Company expects to pay approximately $3.2 million in pension benefits from corporate assets in fiscal 2004.

12. Capital Stock

The Company has two classes of common stock outstanding: common and class B. Holders of both classes of common stock receive equal dividends per share. Class B stock, which has 10 votes per share, is not transferable as class B stock except to family members of the holder or certain other related entities. At any time, class B stock is convertible, share for share, into common stock with one vote per share. Class B stock transferred to persons or entities not entitled to receive it as class B stock will automatically be converted and issued as common stock to the transferee. The principal market for trading the Company's common stock is the New York Stock Exchange (trading symbol MDP). No separate public trading market exists for the Company's class B stock.

From time to time, the Company's Board of Directors has authorized the repurchase of shares of the Company's common stock on the open market.

Repurchases under these authorizations were as follows:

Years ended June 30	**2003**	**2002**	**2001**
(In thousands)			
Number of shares	761	877	1,332
Cost at market value	$ 31,521	$ 30,178	$ 43,506

As of June 30, 2003, approximately 828,000 shares could be repurchased under existing authorizations by the Board of Directors.

13. Common Stock and Stock Option Plans

Restricted Stock and Stock Equivalent Plans

The Company has awarded common stock and/or common stock equivalents to eligible key employees under a stock incentive plan and to nonemployee directors under restricted stock and stock equivalent plans. All plans have restriction periods tied primarily to employment and/or service. In addition, certain awards are granted based on specified levels of Company stock ownership. The awards are recorded at market value on the date of the grant as unearned compensation. The initial values of the grants are amortized over the restriction periods, net of forfeitures.

The number of stock units and annual expense information follows:

Years ended June 30	**2003**	**2002**	**2001**
(In thousands except per share)			
Number of stock units awarded	28	18	33
Average market price of stock units awarded	$ 42.71	$ 35.28	$ 32.03
Stock units outstanding	159	170	197
Annual expense, net	$ 873	$ 1,240	$ 1,211

Employee Stock Purchase Plan

Meredith has a noncompensatory employee stock purchase plan (ESPP) available to substantially all employees. The ESPP allows employees to purchase shares of Meredith common stock through payroll deductions at the lesser of 85 percent of the fair market value of the stock on either the first or last trading day of the offering period. The initial offering period was July 1 to December 31, 2002. Beginning January 1, 2003, the ESPP had quarterly offering periods. Shareholders authorized the reservation of 500,000 common shares for issuance under the ESPP at the November 2002 annual meeting. In fiscal 2003 employees purchased 23,173 shares at an average price of $32.25. The average fair value of the shares issued was $39.91.

Stock Option Plans

Under the Company's stock incentive plan, nonqualified stock options may be granted to certain employees to purchase shares of common stock at prices not less than market prices at the dates of grants. All options granted under these plans expire at the end of 10 years. Most of these option grants vest one−third each year over a three−year period. Others have cliff vesting after either three− or five−year periods. Certain options granted in August 2000 were tied to attaining specified earnings per share and return on equity goals for the subsequent three−year periods. Attaining these goals would have resulted in the acceleration of vesting for all, or a portion, of the options to three years from the date of grant. The goals established for the August 2000 options were not met and, therefore, the options will vest eight years from the date of grant, subject to certain tenure qualifications.

The Company also has a nonqualified stock option plan for nonemployee directors. Options vest one−third each year over a three−year period and expire 10 years after issuance.

A summary of stock option activity and weighted average exercise prices follows:

Years ended June 30	**2003**		**2002**		**2001**	
(Options in thousands)	Options	Exercise Price	Options	Exercise Price	Options	Exercise Price
Outstanding, beginning of year	6,461	$ 26.58	6,320	$ 24.21	6,125	$ 22.57
Granted at market price	876	$ 39.74	886	$ 34.66	1,155	$ 28.55
Exercised	(1,276)	$ 16.54	(635)	$ 13.01	(610)	$ 13.39
Forfeited	(69)	$ 33.69	(110)	$ 34.14	(350)	$ 28.71
Outstanding, end of year	5,992	$ 30.56	6,461	$ 26.58	6,320	$ 24.21
Exercisable, end of year	4,146	$ 28.34	4,554	$ 24.26	3,817	$ 20.86
Fair value of options granted at market price		$ 11.98		$ 11.19		$ 10.98

A summary of stock options outstanding and exercisable as of June 30, 2003, follows:

	Options outstanding			**Options exercisable**	
Range of exercise prices	**Number outstanding**	**Weighted average remaining life (years)**	**Weighted average exercise price**	**Number exercisable**	**Weighted average exercise price**

(Options in thousands)

\$10.22 − \$26.37	1,513	2.74	\$ 20.01	1,513	\$ 20.01
\$26.81 − \$30.75	1,554	5.84	\$ 28.97	1,126	\$ 29.22
\$31.41 − \$36.72	1,545	6.98	\$ 33.98	1,008	\$ 33.73
\$36.94 − \$45.43	1,380	7.65	\$ 40.07	499	\$ 40.69
	5,992	5.77	\$ 30.56		

4,146

$ 28.34

The maximum number of shares reserved for use in all company restricted stock, stock equivalent and stock incentive plans totals 13.6 million. The total number of shares, including restricted and equivalent stock shares, and stock options that have been awarded under these plans as of June 30, 2003, is approximately 10.5 million. No stock options have expired unexercised to date.

14. Commitments and Contingent Liabilities

The Company occupies certain facilities and sales offices and uses certain equipment under lease agreements. Rental expense for such leases was $9.2 million in 2003 ($9.2 million in 2002 and $8.7 million in 2001). Minimum rental commitments at June 30, 2003, under all noncancelable operating leases due in succeeding fiscal years are:

Years ended June 30		
(In thousands)		
2004	$	8,930
2005		8,600
2006		8,434
2007		7,557
2008		6,473
Later years		22,035
Total amounts payable	$	62,029

Most of the future lease payments relate to the lease of office facilities in New York City through December 31, 2011. In the normal course of business, leases that expire are generally renewed or replaced by leases on similar property.

The Company has recorded commitments for broadcast rights payable in future fiscal years. The Company also is obligated to make payments under contracts for broadcast rights not currently available for use, and therefore not included in the Consolidated Financial Statements, in the amount of $55.8 million at June 30, 2003 ($58.9 million at June 30, 2002). The fair values of these commitments for unavailable broadcast rights, determined by the present value of future cash flows discounted at the Company's current borrowing rate, were $48.5 million and $52.1 million at June 30, 2003 and 2002, respectively.

The broadcast rights payments due in succeeding fiscal years are:

Years ended June 30	**Recorded Commitments**	**Unavailable Rights**
(In thousands)		
2004	$ 23,060	$ 14,230
2005	13,860	

		13,402
2006	6,838	13,481
2007	816	6,980
2008	––	4,045
Later years	––	3,626
Total amounts payable	$ 44,574	$ 55,764

The Company is involved in certain litigation and claims arising in the normal course of business. In the opinion of management, liabilities, if any, arising from existing litigation and claims will not have a material effect on the Company's earnings, financial position or liquidity.

15. Other Comprehensive Income

Comprehensive income is defined as the change in equity during a period from transactions and other events and circumstances from nonowner sources. Comprehensive income includes net earnings as well as items of other comprehensive income.

The following table summarizes the items of other comprehensive income (loss) and the accumulated other comprehensive income (loss) balances:

(In thousands)	**Foreign Currency Translation Adjustments**	**Minimum Pension Liability Adjustments**	**Interest Rate Swaps**	**Accumulated Other Comprehensive Income (Loss)**
Balance at June 30, 2000	$ (637)	$ (139)	$ −−	$ (776)
Current−year adjustments, pre−tax	(166)	14	(5,849)	(6,001)
Tax benefit (expense)				

55

(9

)

2,281

2,327

Other comprehensive (loss) income

(111

)

5

(3,568

)

(3,674

)

Cumulative effect of change in
accounting principle (net of taxes)

−−

−−

2,483

2,483

Balance at June 30, 2001

$

(748

)

$

(134

)

$

(1,085

)

$

(1,967

)

Current−year adjustments, pre−tax

23

(354

)

(231

)

(562

)

Tax benefit (expense)

(9

)

138

90

219

Other comprehensive income (loss)

14

(216

)

(141

)

				(343)
Balance at June 30, 2002	$ (734)	$ (350)	$ (1,226)	$ (2,310)
Current−year adjustments, pre−tax	333	573	340	1,246
Tax expense	(130)	(223)	(133)	(486)
Other comprehensive income	203			

350

207

760

Balance at June 30, 2003

$

(531

)

$

−−

$

(1,019

)

$

(1,550

)

16. Financial Information about Industry Segments

Meredith is a diversified media company primarily focused on the home and family marketplace. Based on products and services, the Company has established two reportable segments: publishing and broadcasting. The publishing segment includes magazine and book publishing, integrated marketing, interactive media, database−related activities, brand licensing and other related operations. The publishing segment information includes the effect of the acquisition of the American Baby Group in December 2002. The broadcasting segment includes the operations of 11 network−affiliated television stations. The broadcasting segment information includes the effect of the acquisition of KPTV and the disposition of WOFL−TV and WOGX−TV in June 2002. Virtually all of the Company's revenues are generated and assets reside within the United States. There are no material intersegment transactions.

Operating profit is the measure reported to the chief operating decision maker for use in assessing segment performance and allocating resources. Operating profit for segment reporting is revenues less operating costs and does not include nonrecurring charges, nonoperating income, interest income and expense, or unallocated corporate expenses. Segment operating costs include allocations of certain centrally incurred costs such as employee benefits, occupancy, information systems, accounting services, internal legal staff and human resources administration expenses. These costs are allocated based on actual usage or other appropriate methods, primarily number of employees. Unallocated corporate expenses are corporate overhead expenses not attributable to the operating groups.

The adoption of SFAS No. 142, *Goodwill and Other Intangible Assets*, effective July 1, 2002 had a significant effect on the amortization expense and operating profit of the broadcasting segment, and to a lesser extent the publishing segment. See Note 2.

A significant noncash item included in segment operating costs, other than depreciation and amortization of fixed and intangible assets, is the amortization of broadcast rights in the broadcasting segment. Broadcast rights amortization totaled $37.3 million in fiscal 2003, $40.1 million in fiscal 2002 and $44.1 million in fiscal 2001.

Segment assets include intangible, fixed and all other noncash assets identified with each segment. Jointly used assets such as office buildings and information technology equipment are allocated to the segments by appropriate methods, primarily number of employees. Unallocated corporate assets consist primarily of cash and cash items, assets allocated to or identified with corporate staff departments and other miscellaneous assets not assigned to one of the segments.

Expenditures for long−lived assets other than capital expenditures in the publishing segment included the acquisition of the American Baby Group in December 2002 for $117.6 million. Expenditures for long−lived assets other than capital expenditures in the broadcasting segment included the acquisition of one television station in exchange for two of Meredith's television stations in June 2002. This exchange resulted in net additions to broadcasting segment long−lived assets of $69.4 million.

The following table presents financial information by segment:

Years ended June 30	**2003**	**2002**	**2001**
(In thousands)			
Revenues			
Publishing	$ 808,049	$ 733,251	$ 773,175
Broadcasting	272,055	254,578	270,276
Total revenues	$ 1,080,104	$ 987,829	$ 1,043,451
Operating Profit			
Publishing	$ 139,306	$ 117,023	$ 132,815
Broadcasting	63,859	20,186	34,683
Unallocated corporate	(25,846)	(19,360)	(15,566)
Nonrecurring items	−−	−−	(25,308)
Income from operations	$ 177,319	$ 117,849	$ 126,624
Depreciation/amortization			
Publishing	$ 11,685	$ 11,441	$ 8,983
Broadcasting	16,711	39,639	40,034
Unallocated corporate	3,047	2,560	2,555
Total depreciation/amortization	$ 31,443	$ 53,640	$ 51,572
Assets			
Publishing	$ 428,054	$ 297,732	$ 310,066
Broadcasting	913,237	1,054,470	1,011,483
Unallocated corporate	95,430	108,062	116,198
Total assets	$ 1,436,721	$ 1,460,264	$ 1,437,747
Capital expenditures			
Publishing	$ 3,919	$ 4,991	$ 10,642
Broadcasting	18,643	12,270	24,745
Unallocated corporate	4,083	6,104	20,580
Total capital expenditures	$ 26,645	$ 23,365	$ 55,967

17. Selected Quarterly Financial Data (unaudited)

Year ended June 30, 2003 *(In thousands except per share)*	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenues					
Publishing	$ 185,868	$ 170,927	$ 220,800	$ 230,454	$ 808,049
Broadcasting	64,194	80,784	57,376	69,701	272,055
Total revenues	$ 250,062	$ 251,711	$ 278,176	$ 300,155	$ 1,080,104
Operating Profit					
Publishing	$ 28,938	$ 17,402	$ 46,551	$ 46,415	$ 139,306
Broadcasting	11,320	27,143	7,311	18,085	63,859
Unallocated corporate expense	(5,100)	(6,252)	(5,912)	(8,582)	(25,846)
Income from operations	$ 35,158	$ 38,293	$ 47,950	$ 55,918	$ 177,319
Earnings before cumulative effect of change in accounting principle	$ 16,460	$ 19,321	$ 25,488	$ 29,799	$ 91,068
Net (loss) earnings	$ (69,289)	$ 19,321	$ 25,488	$ 29,799	$ 5,319
Basic earnings per share					
Before cumulative effect of change in accounting principle	$ 0.33	$ 0.39	$ 0.51	$ 0.60	$ 1.84
Net (loss) earnings	$ (1.40)	$ 0.39	$ 0.51	$ 0.60	$ 0.11
Diluted earnings per share					
Before cumulative effect of change in accounting principle	$ 0.32	$ 0.38	$ 0.50	$ 0.58	$ 1.78
Net (loss) earnings	$ (1.36)	$ 0.38	$ 0.50	$ 0.58	$ 0.10
Dividends per share	$ 0.090	$ 0.090	$ 0.095	$ 0.095	$ 0.370

Fiscal 2003

First quarter results included a charge for the cumulative effect of a change in accounting principle related to the adoption of SFAS No. 142, *Accounting for Goodwill and Intangible Assets*, of $139.9 million ($85.7 million after tax), or $1.68 per diluted share (Note 2).

Second quarter results included nonoperating expense of $0.3 million for the write−off of an investment in a start−up technology company, net of a gain related to final post closing adjustments on the June 2002 exchange of two Florida television stations for KPTV−Portland (Note 3).

Fourth quarter results included nonoperating expense of $1.3 million for a loss on the sale of a subsidiary, net of insurance proceeds (Note 3).

As a result of rounding and share repurchases made during the year, the sum of the four quarters' earnings per share may not necessarily equal the earnings per share for the year.

Year ended June 30, 2002	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
(In thousands except per share)					
Revenues					
Publishing	$ 180,155	$ 158,954	$ 197,394	$ 196,748	$ 733,251
Broadcasting	56,354	69,011	58,801	70,412	254,578
Total revenues	$ 236,509	$ 227,965	$ 256,195	$ 267,160	$ 987,829
Operating Profit					
Publishing	$ 25,536	$ 13,768	$ 40,700	$ 37,019	$ 117,023
Broadcasting	59	10,357	781	8,989	20,186
Unallocated corporate expense	(4,309)	(4,613)	(5,803)	(4,635)	(19,360)
Income from operations	$ 21,286	$ 19,512	$ 35,678	$ 41,373	$ 117,849
Net earnings	$ 8,663	$ 8,704	$ 17,884	$ 56,130	$ 91,381
Basic earnings per share	$ 0.17	$ 0.18	$ 0.36	$ 1.13	$ 1.85
Diluted earnings per share	$ 0.17	$ 0.17	$ 0.35	$ 1.10	$ 1.79
Dividends per share	$ 0.085	$ 0.085	$ 0.090	$ 0.090	$ 0.350

Fiscal 2002

Second quarter results included nonoperating income of $2.0 million for proceeds from the demutualization of an insurance company with which Meredith holds policies (Note 3).

Fourth quarter results included nonoperating income of $61.8 million for the gain from the disposition of WOFL−TV, serving Orlando, FL, and WOGX−TV, serving Ocala/Gainesville, FL. In exchange for these two television stations, Meredith acquired KPTV, serving Portland, OR (Note 4).

Fourth quarter results included a charge in interest expense of $3.5 million due to the discontinuation of hedge accounting for a portion of Meredith's interest rate swap contracts (Note 8).

Fourth quarter broadcasting operating profit included expense of $3.7 million for the write−down of certain programming rights to net realizable value.

As a result of rounding and share repurchases made during the year, the sum of the four quarters' earnings per share may not necessarily equal the earnings per share for the year.

ELEVEN − YEAR FINANCIAL HISTORY WITH SELECTED FINANCIAL DATA

Meredith Corporation and Subsidiaries

Years ended June 30	2003	2002	2001	2000	1999	1998
($ in thousands except per share)						
Results of operations						
Revenues	$ 1,080,104	$ 987,829	$ 1,043,451	$ 1,089,470	$ 1,029,804	$ 1,004,922
Costs and expenses	871,342	816,340	839,947	852,688	814,634	815,581
Depreciation and amortization	31,443	53,640	51,572	52,349	44,083	36,840
Nonrecurring items	−−	−−	25,308	23,096	−−	−−
Income from operations	177,319	117,849	126,624	161,337	171,087	152,501
Nonoperating (expense) income	(1,551)	63,812	21,477	−−	2,375	−−
Net interest (expense) income	(27,209)	(32,589)	(31,901)	(33,751)	(21,287)	(13,387)
Income taxes	(57,491)	(57,691)	(44,928)	(56,556)	(62,518)	(59,256)
Earnings from continuing operations	91,068	91,381	71,272	71,030	89,657	79,858
Discontinued operations	−−	−−	−−	−−	−−	−−
Cumulative effect of change in accounting principle	(85,749)	−−	−−	−−	−−	−−
Net earnings (loss)	$ 5,319	$ 91,381	$ 71,272	$ 71,030	$ 89,657	$ 79,858
Basic per share information						
Earnings from continuing operations	$ 1.84	$ 1.85	$ 1.43	$ 1.38	$ 1.72	$ 1.51
Discontinued operations	−−	−−	−−	−	−	−
Cumulative effect of change in accounting principle	(1.73)	−−	−−	−	−	−
Net earnings (loss)	$ 0.11	$ 1.85	$ 1.43	$ 1.38	$ 1.72	$ 1.51
Diluted per share information						
Earnings from continuing operations	$ 1.78	$ 1.79	$ 1.39	$ 1.35	$ 1.67	$ 1.46
Discontinued operations	−−	−−	−−	−−	−−	−−
Cumulative effect of change in accounting principle	(1.68)	−−	−−	−−	−−	−−
Net earnings (loss)	$ 0.10	$ 1.79	$ 1.39	$ 1.35	$ 1.67	$ 1.46
(In thousands)						
Average diluted shares outstanding	51,093	50,921	51,354	52,774	53,761	54,603
Other per share information						
Dividends	$ 0.37	$ 0.35	$ 0.33	$ 0.31	$ 0.29	$ 0.27
Stock price−high	$ 47.75	$ 45.00	$ 38.97	$ 42.00	$ 48.50	$ 46.94
Stock price−low	$ 33.42	$ 26.50	$ 26.75	$ 22.37	$ 26.69	$ 26.75
Financial Position at June 30						
Current assets	$ 268,429	$ 272,211	$ 291,082	$ 288,799	$ 256,175	$ 246,801
Working capital	$ (28,770)	$ (35,195)	$ (80,324)	$ (69,902)	$ (87,940)	$ (100,068)
Net assets of discontinued operations	$ −−	$ −−	$ −−	$ −	$ −	$ −
Total assets	$ 1,436,721	$ 1,460,264	$ 1,437,747	$ 1,439,773	$ 1,423,396	$ 1,065,989
Long−term obligations (including current portion)	$ 419,574	$ 429,331	$ 505,758	$ 541,146	$ 564,573	$ 244,607
Shareholders' equity	$ 500,765	$ 507,717	$ 447,908	$ 422,509	$ 413,305	$ 378,013
Number of employees at June 30	2,633	2,569	2,616	2,703	2,642	2,559
Comparable Basis Reporting[1]						
Earnings from continuing operations as reported	$ 91,068	$ 91,381	$ 71,272	$ 71,030	$ 89,657	$ 79,858

Adjustment for SFAS No. 142:												
add back amortization, net of tax		−−		15,720		15,844		16,249		12,509		10,011
Adjusted income from continuing operations	$	91,068	$	107,101	$	87,116	$	87,279	$	102,166	$	89,869
Adjusted income from continuing operations: per basic/diluted share	$	1.84/1.78	$	2.16/2.10	$	1.74/1.70	$	1.70/1.65	$	1.96/1.90	$	1.70/1.65

1. Comparable basis reporting assumes the provisions of SFAS No. 142 eliminating the amortization of goodwill and certain intangible assets were effective in all periods. See Note 2 of the "Notes to Consolidated Financial Statements."

ELEVEN − YEAR FINANCIAL HISTORY WITH SELECTED FINANCIAL DATA (*continued*)

Meredith Corporation and Subsidiaries

Years ended June 30	**1997**	**1996**	**1995**	**1994**	**1993**
($ in thousands except per share)					
Results of operations					
Revenues	$ 850,702	$ 864,676	$ 826,194	$ 741,100	$ 718,190
Costs and expenses	713,034	742,041	734,475	670,898	665,453
Depreciation and amortization	22,997	25,130	19,017	16,942	16,872
Nonrecurring items	−−	−−	−−	7,384	−−
Income from operations	114,671	97,505	72,702	45,876	35,865
Nonoperating (expense) income	−−	5,898	−−	11,997	−−
Net interest (expense) income	3,756	(3,347)	6,894	1,529	1,205
Income taxes	(50,835)	(45,399)	(35,398)	(26,929)	(15,629)
Earnings from continuing operations	67,592	54,657	44,198	32,473	21,441
Discontinued operations	27,693	(717)	(4,353)	(5,319)	(2,815)
Cumulative effect of change in accounting principle	−−	−−	(46,160)	−−	−−
Net earnings (loss)	$ 95,285	$ 53,940	$ (6,315)	$ 27,154	$ 18,626
Basic per share information					
Earnings from continuing operations	$ 1.26	$ 1.00	$ 0.81	$ 0.57	$ 0.35
Discontinued operations	0.52	(0.02)	(0.07)	(0.09)	(0.04)
Cumulative effect of change in accounting principle	−−	−−	(0.86)	−−	−−
Net earnings (loss)	$ 1.78	$ 0.98	$ (0.12)	$ 0.48	$ 0.31
Diluted per share information					
Earnings from continuing operations	$ 1.22	$ 0.97	$ 0.79	$ 0.57	$ 0.35
Discontinued operations	0.50	(0.01)	(0.07)	(0.09)	(0.04)
Cumulative effect of change in accounting principle	−−	−−	(0.83)	−−	−−
Net earnings (loss)	$ 1.72	$ 0.96	$ (0.11)	$ 0.48	$ 0.31
(In thousands)					
Average diluted shares outstanding	55,522	56,391	55,508	56,730	61,066
Other per share information					
Dividends	$ 0.24	$ 0.21	$ 0.19	$ 0.17	$ 0.16
Stock price−high	$ 29.37	$ 24.37	$ 13.50	$ 11.41	$ 9.00
Stock price−low	$ 19.69	$ 11.75	$ 10.62	$ 8.37	$ 5.47
Financial Position at June 30					
Current assets	$ 337,208	$ 210,676	$ 250,598	$ 290,177	$ 282,630
Working capital	$ 59,248	$ (68,831)	$ (28,436)	$ 27,766	$ 10,018
Net assets of discontinued operations	$ −	$ 88,051	$ 88,097	$ 90,579	$ 95,672
Total assets	$ 760,433	$ 733,692	$ 743,796	$ 679,813	$ 716,716
Long−term obligations (including current portion)	$ 17,032	$ 71,482	$ 102,259	$ 10,801	$ 15,867
Shareholders' equity	$ 326,649	$ 261,516	$ 241,050	$ 257,761	$ 284,096
Number of employees at June 30	2,102	2,234	2,400	2,194	2,335

Comparable Basis Reporting[1]

Earnings from continuing operations

as reported	$ 67,592	$ 54,657	$ 44,198	$ 32,473	$ 21,441
Adjustment for SFAS No. 142:					
add back amortization, net of tax	4,918	3,489	3,546	2,692	2,960
Adjusted income from continuing operations	$ 72,510	$ 58,146	$ 47,744	$ 35,165	$ 24,401
Adjusted income from continuing operations: per basic/diluted share	$ 1.35/1.31	$ 1.06/1.03	$ 0.87/0.86	$ 0.62/0.62	$ 0.40/0.40

1. Comparable basis reporting assumes the provisions of SFAS No. 142 eliminating the amortization of goodwill and certain intangible assets were effective in all periods. See Note 2 of the "Notes to Consolidated Financial Statements."

NOTES TO ELEVEN − YEAR FINANCIAL HISTORY WITH SELECTED FINANCIAL DATA

General

Prior years are reclassified to conform with the current−year presentation.

Significant acquisitions occurred: in December 2002 with the acquisition of the American Baby Group; in June 2002 with the exchange of WOFL and WOGX for KPTV; in March 1999 with the acquisition of WGCL; in September 1997 with the acquisition of WFSB; in July 1997 with the purchase of KPDX, WHNS and KFXO; and in January 1995 with the purchase of WSMV.

Data has been adjusted to reflect two−for−one stock splits in March 1997 and March 1995.

Long−term obligations include broadcast rights payable and Company debt associated with continuing operations.

Shareholders' equity includes temporary equity where applicable.

Earnings from continuing operations

Fiscal 2003

nonoperating expense primarily represented a loss on the sale of stock of Craftways Corporation, a wholly−owned publishing subsidiary.

Fiscal 2002

nonoperating income primarily represented a gain from the disposition of the Orlando and Ocala television stations.

Fiscal 2001

nonrecurring items primarily represented charges for employment reduction programs and Internet investment write−offs. Nonoperating income represented a gain from the disposition of Golf for Women magazine.

Fiscal 2000

nonrecurring items represented charges for asset write−downs, contractual obligations and personnel costs associated with the decision to exit certain publishing operations and other restructuring activities.

Fiscal 1999

nonoperating income represented a gain from the sale of the real estate operations.

Fiscal 1996

nonoperating income represented a gain from the sale of three book clubs.

Fiscal 1995

included interest income of $8.6 million from the IRS for the settlement of the Company's 1986 through 1990 tax years.

Fiscal 1994

nonrecurring items represented charges for broadcasting film write−downs and taxes on disposed properties. Nonoperating income represented a gain from the disposition of the Syracuse and Fresno television properties.

Discontinued operations

Fiscal years 1993 through 1997

include the results of the Company's former cable television operation reflected as a discontinued operation.

Fiscal 1997

included an after−tax gain from the disposition of the Company's remaining interest in the cable television operation.

Fiscal 1996

reflected cable net losses through the measurement date of September 30, 1995.

Fiscal 1995

included an after−tax gain from the disposition of a cable property.

Changes in accounting principles

Fiscal 2003

reflected the adoption of SFAS No. 142, *Goodwill and Other Intangible Assets.*

Fiscal 1995

reflected the adoption of Practice Bulletin 13, *Direct−Response Advertising and Probable Future Benefits.*

SCHEDULE II − VALUATION AND QUALIFYING ACCOUNTS

Meredith Corporation and Subsidiaries

Those reserves which are deducted in the Consolidated Financial Statements from Receivables:	Balance at beginning of period	Additions: Charged to costs and expenses	Additions: Charged to other accounts	Deductions	Balance at end of period
(In thousands)					
Fiscal year ended June 30, 2003					
Reserve for doubtful accounts	$ 7,904	$ 3,236	$ −−	$ (3,681)	$ 7,459
Reserve for returns	7,234	16,402	−−	(17,273)	6,363
Total	$ 15,138	$ 19,638	$ −−	$ (20,954)	$ 13,822
Fiscal year ended June 30, 2002					
Reserve for doubtful accounts	$ 8,564	$ 3,366	$ 174	$ (4,200)	$ 7,904
Reserve for returns	6,269	19,337	−−	(18,372)	7,234
Total	$ 14,833	$ 22,703	$ 174	$ (22,572)	$ 15,138
Fiscal year ended June 30, 2001					
Reserve for doubtful accounts	$ 8,089	$ 4,743	$ −−	$ (4,268)	$ 8,564
Reserve for returns	6,279	12,258	−−	(12,268)	6,269
Total	$ 14,368	$ 17,001	$ −−	$ (16,536)	$ 14,833

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item is set forth in Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on November 10, 2003, under the caption "Election of Directors" and in Part I of this Form 10−K on page 13 under the caption "Executive Officers of the Company" and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is set forth in Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on November 10, 2003, under the captions "Compensation of Executive Officers," "Retirement Programs and Employment Agreements" and "Board Committees, Meetings and Compensation − Compensation of the Board" and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Certain information required by this Item is set forth in Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on November 10, 2003, under the caption "Security Ownership of Certain Beneficial Owners and Management" and is incorporated herein by reference.

The following table sets forth information with respect to the Company's common stock that may be issued under all equity compensation plans of the Company in existence as of June 30, 2003. All of the equity compensation plans for which information is included in the following table have been approved by shareholders.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted−average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	6,123,447	$ 30.48	3,035,354
Equity compensation plans not approved by shareholders	None	NA	None
Total	6,123,447	$ 30.48	3,035,354

NA − Not applicable

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is set forth in Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on November 10, 2003, under the caption "Certain Relationships and Related Transactions" and is incorporated herein by reference.

ITEM 14. CONTROLS AND PROCEDURES

Meredith's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by this Form 10−K, that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports that Meredith files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8−K

The following consolidated financial statements listed under (a) 1. and the financial statement schedule listed under (a) 2. of the Company and its subsidiaries are filed as part of this report as set forth in the Index on page 33 (Item 8).

(a) Financial Statements, Financial Statement Schedules and Exhibits

1. Financial Statements

Independent Auditors' Report

Consolidated Balance Sheets as of June 30, 2003 and 2002

Consolidated Statements of Earnings for the years ended June 30, 2003, 2002 and 2001

Consolidated Statements of Cash Flows for the years ended June 30, 2003, 2002 and 2001

Consolidated Statements of Shareholders' Equity for the years ended June 30, 2003, 2002 and 2001

Notes to Consolidated Financial Statements

Eleven−Year Financial History with Selected Financial Data

2. Financial Statement Schedule for the years ended June 30, 2003, 2002 and 2001

Schedule II − Valuation and Qualifying Accounts

All other Schedules have been omitted for the reason that the items required by such schedules are not present in the consolidated financial statements, are covered in the consolidated financial statements or notes thereto, or are not significant in amount.

3. Exhibits

Certain of the exhibits to this Form 10−K are incorporated herein by reference, as specified:

(See

Index to Attached Exhibits on page E−1 of this Form 10−K.)

3.1 The Company's Restated Articles of Incorporation, as amended, are incorporated herein by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10−Q for the period ended March 31, 1996.

3.2 The Restated Bylaws, as amended.

4.1 Note Purchase Agreement dated March 1, 1999 among Meredith Corporation, as issuer and seller, and named purchasers is incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8−K dated March 1, 1999. Amendment to the aforementioned agreement is incorporated herein by reference to Exhibit 4.3 to the Company's Quarterly Report on Form 10−Q for the period ended March 31, 2002.

4.2 Credit Agreement dated April 5, 2002 among Meredith Corporation and a group of banks with Fleet National Bank, as Administrative Agent and Issuing Lender, is incorporated herein by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10−Q for the period ended March 31, 2002.

4.3 $100 million Note Purchase Agreements dated as of April 1, 2002 among Meredith Corporation, as issuer and seller, and named purchasers, is incorporated herein by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10−Q for the period ended March 31, 2002.

10.1 Amendment to the Meredith Corporation 1990 Restricted Stock Plan for Non−Employee Directors is incorporated herein by reference to Exhibit 10.1 to the Company's Annual Report on Form 10−K for the year ended June 30, 1999.*

10.2 Agreement dated February 25, 1999, between Meredith Corporation and William T. Kerr regarding conversion of restricted stock award shares into stock equivalents is incorporated herein by reference to Exhibit 10.2 to the Company's Annual Report on Form 10−K for the year ended June 30, 1999.*

10.3 Meredith Corporation Management Incentive Plan is incorporated herein by reference to Exhibit 10.3 to the Company's Annual Report on Form 10−K for the year ended June 30, 1999.*

10.4 Employment Agreement dated February 1, 2001, between Meredith Corporation and William T. Kerr.*

10.5 Meredith Corporation 1990 Restricted Stock Plan for Non−Employee Directors, as amended, is incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10−Q for the period ended September 30, 1996.*

10.6 Meredith Corporation 1993 Stock Option Plan for Non−Employee Directors, as amended, is incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10−Q for the period ended September 30, 1996. Amendment to the aforementioned plan is incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10−Q for the period ended December 31, 2000.*

10.7 Meredith Corporation Deferred Compensation Plan, dated as of November 8, 1993, is incorporated herein by reference to Exhibit 10 to the Company's Quarterly Report on Form 10−Q for the period ending December 31, 1993.*

10.8 1992 Meredith Corporation Stock Incentive Plan effective August 12, 1992, is incorporated herein by reference to Exhibit 10b to the Company's Annual Report on Form 10−K for the year ended June 30, 1992. Amendment to the aforementioned agreement is incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10−Q for the period ended September 30, 1996.*

10.9 Meredith Corporation 1996 Stock Incentive Plan effective August 14, 1996, is incorporated herein by reference to Exhibit A to the Company's Proxy Statement for the Annual Meeting of Shareholders on November 11, 1996. Amendment to the aforementioned plan is incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10−Q for the period ended December 31, 2000.*

10.10 Indemnification Agreement in the form entered into between the Company and its officers and directors is incorporated herein by reference to Exhibit 10 to the Company's Quarterly Report on Form 10−Q for the period ending December 31, 1988.*

10.11 Amended and Restated Severance Agreement in the form entered into between the Company and its executive officers is incorporated herein by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10−Q for the period ended December 31, 2000.*

10.12 Receivables Sale Agreement dated as of April 9, 2002 among Meredith Corporation, as Sole Initial Originator and Meredith Funding Corporation (a wholly−owned subsidiary of Meredith Corporation), as buyer, is incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10−Q for the period ended March 31, 2002.

10.13 Receivables Purchase Agreement dated as of April 9, 2002 among Meredith Funding Corporation, as Seller; Meredith Corporation, as Servicer; Falcon Asset Securitization Corporation; The Financial Institutions from time to time party hereto and Bank One, N.A. (Main Office Chicago), as Agent, is incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10−Q for the period ended March 31, 2002.

10.14 Meredith Corporation Stock Plan for Non−Employee Directors is incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10−Q for the period ended December 31, 2002.*

10.15 Employment Agreement dated November 9, 2001, between Meredith Corporation and Kevin P. O'Brien.*

10.16 Employment Agreement dated June 20, 2003, between Meredith Corporation and John H. (Jack) Griffin, Jr.*

10.17 Amended and Restated Replacement Benefit Plan effective January 1, 2001.*

10.18 Amended and Restated Supplemental Benefit Plan effective January 1, 2001.*

21 Subsidiaries of the Registrant

23 Consent of Independent Auditors

31 Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002.

32 Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002.

*

Management contract or compensatory plan or arrangement

(b) Reports on Form 8−K

During the fourth quarter of fiscal 2003, the Company filed a report on Form 8−K on April 29, 2003, reporting under Item 9 and providing under Item 7 the text of a news release dated April 29, 2003, reporting earnings for the third fiscal quarter and nine months ended March 31, 2003. The Company also filed a report on Form 8−K on April 29, 2003, reporting under Item 9 and providing under Item 7 the script of a conference call held with analysts concerning the news release dated April 29, 2003.

Also during the fourth quarter of fiscal 2003, the Company filed a report on Form 8−K on June 24, 2003, reporting under Item 5 and providing under Item 7 the text of a management presentation at the Mid−Year Media Review conference on June 24, 2003.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MEREDITH CORPORATION

By /s/ John S. Zieser
John S. Zieser, Vice President−
Corporate and Employee Services/General Counsel and
Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Suku V. Radia
Suku V. Radia, Vice President−
Chief Financial Officer (Principal
Accounting and Financial Officer)

/s/ William T. Kerr

William T. Kerr, Chairman of the
Board, Chief Executive Officer and
Director (Principal Executive Officer)

/s/ Herbert M. Baum

/s/ Mary Sue Coleman

Herbert M. Baum, Director

Mary Sue Coleman, Director

/s/ Frederick B. Henry

/s/ Joel W. Johnson

Frederick B. Henry, Director

Joel W. Johnson, Director

/s/ Robert E. Lee

/s/ David Londoner

Robert E. Lee, Director

David Londoner, Director

/s/ Philip A. Marineau

/s/ Mell Meredith Frazier

Philip A. Marineau, Director

Mell Meredith Frazier, Director

/s/ Charles D. Peebler, Jr.

/s/ Nicholas L. Reding

Charles D. Peebler, Jr., Director

Nicholas L. Reding, Director

Each of the above signatures is affixed as of September 18, 2003.

INDEX TO ATTACHED EXHIBITS

Exhibit Number	Item
3.2	The Restated Bylaws, as amended.
10.4	Employment Agreement dated February 1, 2001, between Meredith Corporation and William T. Kerr.
10.15	Employment Agreement dated November 9, 2001, between Meredith Corporation and Kevin P. O'Brien.
10.16	Employment Agreement dated June 20, 2003, between Meredith Corporation and John H. (Jack) Griffin, Jr.
10.17	Amended and Restated Replacement Benefit Plan effective January 1, 2001.
10.18	Amended and Restated Supplemental Benefit Plan effective January 1, 2001.

Subsidiaries of the Registrant

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Consent of Independent Auditors

31

Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002.

32

Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002.

HIGHLIGHTS

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FINANCIAL STATEMENTS:

Exhibit 3.2

BYLAWS
OF
MEREDITH CORPORATION
Effective May 14, 2003

ARTICLE I. OFFICES

The principal office of the corporation in the State of Iowa shall be located in the City of Des Moines, County of Polk, or as otherwise or more particularly identified in the most recently filed (at any time), annual report of the corporation on file with the Iowa Secretary of State.

ARTICLE II. SHAREHOLDERS

Section 1. ANNUAL MEETING. The annual meeting of the shareholders shall be held on the second Monday in the month of November in each year, at the hour of 10:00 a.m., at the principal office of the corporation, or at such other date, time and place as may be fixed from time to time by resolution of the Board of Directors and set forth in the notice of the meeting, for the purpose of electing directors and transacting such other business as may properly come before the meeting.

At an annual meeting of the shareholders, only such business shall be conducted as shall have been properly brought before an annual meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of the meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors or (iii) otherwise properly brought before the meeting by a shareholder of the corporation who was a shareholder of record at the time of giving of notice provided for in this Section, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section. For business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the corporation at the principal executive offices of the corporation. To be timely, a shareholder's notice shall be delivered <u>not earlier than the close of business on the 120th day nor</u> later than the close of business on the 90th day prior to the first anniversary of the preceding year's meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the shareholder, to be timely, must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement (as defined herein) of the date of such meeting is first made.

Such shareholder's notice shall set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and (ii) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made (A) the name and address of such shareholder, as they appear on the corporation's books, and the name and address of such beneficial owner and (B) the class and number of shares of the corporation which are owned beneficially and of record by such shareholder and such beneficial owner; and (iii) in the event that such business includes a proposal to amend either the Articles of Incorporation or the Bylaws of the corporation, the language of the proposed amendment. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at any annual meeting except in accordance with this paragraph, and the Chairman of the Board or other person presiding at an annual meeting of shareholders, may refuse to permit any business to be brought before an annual meeting without compliance with the foregoing procedures. For the purposes of this paragraph "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition to the provisions of this paragraph, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in these Bylaws shall be deemed to affect any rights of shareholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a−8 under the Exchange Act.

Section 2. SPECIAL MEETINGS. Special meetings of the shareholders, for any purpose or purposes, may be called by the Chairman of the Board, the Chief Executive Officer, the Secretary or the Board of Directors. If the holders of shares having at least fifty percent of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver to the corporation's Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held, the Board of Directors, or, at its discretion, the Chairman, shall establish a reasonable time, date and place for holding such special meeting. Business transacted at a special meeting of the shareholders shall be confined to the purpose or purposes of the meeting described in the notice of the meeting.

Section 3. PLACE OF SHAREHOLDERS' MEETING. The Board of Directors may designate any place, either within or without the State of Iowa as the place of meeting for any annual meeting or for any special meeting of shareholders. If no designation is made the place of meeting shall be the principal office of the corporation in the State of Iowa.

Section 4. NOTICE OF MEETING. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days, nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the Chairman of the Board, the Chief Executive Officer, the Secretary or the Board of Directors, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at the address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

Section 5. POSTPONEMENT OF MEETINGS. Any previously scheduled annual or special meeting of shareholders may be postponed by resolution of the Board of Directors upon public announcement (as defined in Article II, Section 1 of these Bylaws) made on or prior to the date previously scheduled for such annual or special meeting.

Section 6. FIXING OF RECORD DATE. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the corporation may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than seventy days and, in case of a meeting of shareholders, not less than ten days prior to the date on which the particular action requiring such determination of shareholders is to be taken. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the day before the first date on which notice of the meeting is mailed or the day before the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. In order to determine the shareholders entitled to demand a special meeting, the record date shall be the sixtieth day preceding the date of receipt by the corporation of written demands sufficient to require the calling of such meeting, unless otherwise fixed by the Board of Directors. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board of Directors selects a new record date or unless a new record date is required by law.

Section 7. VOTING LISTS. After the record date for a meeting has been fixed, the officer or agent having charge of the stock transfer books for shares of the corporation shall make, at least ten days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting, or any adjournment thereof, arranged by voting group and within each voting group, in alphabetical order, with the address of and the number and class of shares held by each, which list, for a period beginning two business days after notice of the meeting was first given for which the list was prepared and continuing through the meeting, shall be kept on file at the principal office of the corporation or at the place identified in the meeting notice in the city where the meeting will be held. The list shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The list furnished to the corporation by its stock transfer agent shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders.

Section 8. QUORUM. At any meeting of the shareholders, a majority of the votes entitled to be cast on the matter by a voting group constitutes a quorum of that voting group for action on that matter, unless the representation of a different number is required by law, and in that case, the representation of the number so required shall constitute a quorum. If a quorum shall fail to attend any meeting, the chairman of the meeting or a majority of the votes present may adjourn the meeting to another place, date or time. When a meeting is adjourned to another place, date or time, notice need not be given of the adjourned meeting if the place, date and time thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than one hundred twenty (120) days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, notice of the place, date and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 9. PROXIES. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by the shareholder's duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. No holder of any share of any class of stock of the corporation shall sell the vote pertaining to such share or issue a proxy to vote such share in consideration of any sum of money or anything of value.

Section 10. VOTING OF SHARES. Each outstanding share entitled to vote shall be entitled to vote as follows:

(a) At each annual or special meeting of shareholders, each holder of common stock shall be entitled to one [1] vote in person or by proxy for each share of common stock standing in the holder's name on the stock transfer records of the corporation, and (except as provided in subsection [b] of this Section 10) each holder of class B stock shall be entitled to ten [10] votes in person or by proxy for each share of class B stock standing in the holder's name on the stock transfer records of the corporation. Except as required pursuant to the Business Corporation Act of the State of Iowa, all actions submitted to a vote of shareholders shall be voted on by the holders of common stock and class B stock voting together as a single class.

(b) Notwithstanding subsection [a] of this Section 10, each holder of class B stock shall be entitled to only one [1] vote, in person or by proxy, for each share of class B stock standing in the holder's name on the stock transfer records of the corporation with respect to the following matters:

(i) The removal of any director of the corporation pursuant to Article IV of the Articles of Incorporation;

(ii) Any amendment to the Articles of Incorporation which would permit the holders of stock of the corporation to amend, alter, change or repeal the Bylaws or any part thereof, pursuant to Article V of the Articles of Incorporation; and

(iii) Any repeal or amendment of Article IV or Article VI of the Articles of Incorporation.

Section 11. VOTING OF SHARES BY CERTAIN HOLDERS. Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the Bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

Shares held by an administrator, executor, guardian or conservator may be voted, either in person or by proxy, without a transfer of such shares. Shares standing in the name of a trustee may be voted by the trustee, either in person or by proxy, but no trustee shall be entitled to vote shares so held without a transfer of such shares into the name of the trustee.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof if authority to do so is contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Neither treasury shares nor, absent special circumstances, shares held by another corporation if a majority of the shares entitled to vote for the election of directors of such other corporation is held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time.

Section 12. VOTING BY BALLOT. Voting by shareholders on any question or in any election may be viva voce unless the presiding officer shall order or any shareholder shall demand that voting be by ballot.

ARTICLE III. BOARD OF DIRECTORS

Section 1. GENERAL POWERS. The business and affairs of the corporation shall be managed by its Board of Directors.

Section 2. NUMBER, TENURE AND QUALIFICATIONS; NOMINATIONS. Within the limits set forth in Article IV of the Articles of Incorporation, the number of directors of the corporation shall be as fixed from time to time by resolution of the Board of Directors. The directors shall be divided into classes, and hold office for the terms as provided in Article IV of the Articles of Incorporation. Directors need not be residents of the State of Iowa or shareholders of the corporation.

Nominations of persons for election as directors may be made by the Board of Directors or by any shareholder entitled to vote for the election of directors. Any shareholder entitled to vote for the election of directors may nominate a person or persons for election as director only if written notice of such shareholder's intent is delivered to the Secretary of the corporation at the principal executive offices of the corporation (i) with respect to an election to be held at an annual meeting of shareholders, <u>not earlier than the close of business on the 120th day nor</u> later than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting, or as set out below, and (ii) with respect to an election to be held at a special meeting of shareholders for the election of directors, not later than the close of business on the 10th day following the date on which public announcement (as defined in Article II, Section 1 of these Bylaws) of the date of such meeting is first made. In the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from the anniversary date of the annual meeting, notice by the shareholder must be delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Notwithstanding anything in the foregoing sentence to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least 100 days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by this Section shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made.

Such shareholder's notice shall set forth: (a) the name and address of the shareholder who intends to make the nomination and the name, address, age, and principal occupation or employment of the person or persons to be nominated; (b) a representation that the shareholder is a holder of record of stock of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) the number and class of shares of the corporation which are owned by such shareholder and the beneficial owner, if any, and the number and class of shares, if any, beneficially owned by the nominee; (d) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (e) such other information regarding each nominee that is required to be disclosed in connection with the solicitation of proxies for the election of directors, or as otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including, without limitation, such person's written consent to being named in a proxy statement as a nominee and to serving as a director if nominated). The Chairman of the Board or other person presiding at a meeting of shareholders may refuse to acknowledge the nomination of any person not made in accordance with the procedures prescribed by these Bylaws, and in that event the defective nomination shall be disregarded.

Section 3. REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Iowa, for the holding of additional regular meetings without other notice than such resolution.

Section 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the Chief Executive Officer, the Secretary or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Iowa, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. NOTICE. Notice of any special meeting of the Board of Directors shall be given at least two days previously thereto by written notice delivered personally or mailed to each director at the director's business address, or by telephone, cable, telefax, wireless or telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. QUORUM. A majority of the number of directors fixed pursuant to Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. MANNER OF ACTING. Except as otherwise specified in these Bylaws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. VACANCIES. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for a term which shall expire at the next election of directors by the shareholders. A director elected by the shareholders to fill a vacancy shall be elected for the unexpired term of the director last elected by the shareholders with respect to the position being filled. Any directorship to be filled by reason of any increase in the number of directors by not more than thirty percent (30%) of the number of directors last approved by the shareholders, may be filled by the Board of Directors for a term of office continuing only until the next election of directors by the shareholders.

Section 9. COMPENSATION. By resolution of the Board of Directors, those directors who are not at the time active employees of the corporation may be paid an annual retainer. All directors may be reimbursed for expenses incurred in connection with their services. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 10. PRESUMPTION OF ASSENT. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director's dissent shall be entered in the minutes of the meeting or unless the director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 11. INFORMAL ACTION BY DIRECTORS. Any action required to be taken at a meeting of the directors, or any other action which may be taken at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof.

Section 12. EXECUTIVE COMMITTEE. An Executive Committee consisting of two or more members of the Board of Directors may be designated by the Board of Directors at the time of the annual meeting or at such other time as the Board of Directors may determine. The chairman of said committee shall be the person elected by the Board of Directors to the office of Chairman of the Executive Committee, and such officer shall be designated a member of said committee. If an Executive Committee is designated, it shall, during the intervals between the meetings of the Board of Directors and so far as it lawfully may, possess and exercise all of the authority of the Board of Directors in the management of the business of the corporation, in all cases in which specific directions shall not have been given by the Board of Directors, provided that notwithstanding the foregoing, the Executive Committee shall not have authority:

(1) to authorize dividends or other distributions;

(2) to approve or propose to shareholders actions or proposals required by the Iowa Business Corporation Act to be approved by shareholders;

(3) to fill vacancies on the Board of Directors or any committee thereof;

(4) to amend the Articles of Incorporation of the corporation;

(5) to adopt, amend or repeal Bylaws;

(6) to approve a plan of merger not requiring shareholder approval;

(7) to authorize or approve the reacquisition of shares unless pursuant to a general formula or method specified by the Board of Directors;

(8) to authorize or approve the issuance or sale of, or any contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares; except that the Board of Directors may authorize a committee or senior officer to do so within limits specifically prescribed by the Board of Directors; or

(9) to remove the Chairman of the Board, Chairman of the Executive Committee, Chief Executive Officer or the President, or to appoint any person to fill a vacancy in any such office.

Section 13. FINANCE COMMITTEE. A Finance Committee consisting of two or more members of the Board of Directors may be designated by the Board of Directors at the time of the annual meeting or at such time as the Board of Directors may determine. If a Finance Committee is designated, said committee's duties shall be to:

(1) review corporate financial policies and procedures and make recommendations to the Board of Directors or the Executive Committee in regard thereto;

(2) provide financial advice and counsel to management;

(3) formulate dividend policy and make recommendations to the Board of Directors in regard thereto;

(4) make provisions for the appointment of depositories of funds of the corporation and the specification of conditions of deposit and withdrawal of said funds;

(5) review specific corporate financing plans and advise the Board of Directors or Executive Committee in regard thereto;

(6) supervise corporate investment portfolios;

(7) give consideration and approval or disapproval of capital expenditure requests by management within limits established by the Board of Directors;

(8) review annual capital and operating budgets and advise the Board of Directors or Executive Committee regarding the financial implications thereof;

(9) monitor the corporation's financial condition and standing in the financial and investment communities;

(10) review and make recommendations to the Board of Directors concerning acquisitions and dispositions;

(11) monitor the risk management activities of the corporation; and

(12) consider any other matters concerning the corporation's financial structure, condition, financing plans and policies and make recommendations to the Board of Directors on such matters.

Section 14. COMPENSATION COMMITTEE. A Compensation Committee consisting of two or more members of the Board of Directors who are non−employee directors as defined in Rule 16b−3(b)(3)(i) under the Exchange Act and outside directors as defined in regulations under Section 162(m) of the Internal Revenue Code may be designated by the Board of Directors at the time of the annual meeting, or at such other time as the Board of Directors may determine. If a Compensation Committee is designated, said committee's duties shall be to:

(1) review and approve changes in corporate officers' compensation;

(2) review and make recommendations to the Board of Directors on directors' compensation;

(3) review the corporation's salary administration programs and make changes therein as may be required;

(4) approve prior to adoption any management incentive, bonus or stock plans, all agreements related thereto, and administer and supervise such plans as the language thereof may require;

(5) review and make recommendations to the Board of Directors on director stock plans and all agreements related thereto;

(6) review all employee benefit plans, including the levels and types of benefits provided thereunder and propose amendments thereto for approval by the Board of Directors;

(7) recommend to the Board of Directors the appointment of such management personnel or committees as it deems desirable for the administration, detailed study, or recommendation of possible changes in employee benefit plans;

(8) act as a nominating committee to propose and recommend to the Board of Directors nominees for election or appointment as directors; and

(9) engage in such additional review and assessment as it may deem necessary or appropriate to perform the foregoing duties.

Section 15. AUDIT COMMITTEE. An Audit Committee consisting of two or more members of the Board of Directors who are independent of management within the meaning of the policy statement on audit committees issued by the New York Stock Exchange shall be designated by the Board of Directors at the time of the annual meeting, or at such other time as the board may determine. The duties of said committee shall be to:

(1) pursuant to the Audit Committee Charter, on an annual basis, review and retain the independent auditor to audit the books and records of the corporation and its subsidiaries. The Audit Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee;

(2) meet prior to the start of any audit by the outside audit firm and review the scope of the audit to be performed;

(3) meet prior to the publication of the annual report and review results of the audit by the outside audit firm for the year;

(4) meet with and determine the responsibilities and scope of the internal audit department and review internal audit reports;

(5) review the corporation's accounting principles and policies and internal accounting controls;

(6) review the effect of changes in accounting principles or of other developments emanating from the profession, its standard board or any governmental authority;

(7) carry on such other activities so as to give additional assurance regarding the financial information used by the Board of Directors in making decisions;

(8) carry on such other activities so as to give additional assurance regarding the financial information distributed to outsiders; and

(9) review the standards and policies of proper business conduct and practices for the corporation and its employees and monitor the implementation of, and the compliance with the standards and policies.

Section 16. PENSION COMMITTEE. A Pension Committee consisting of two or more members of the Board of Directors may be designated by the Board of Directors at the time of the annual meeting or at such time as the Board of Directors may determine. If a Pension Committee is designated, said committee's duties shall be to:

(1) review the corporation's pension plans and propose amendments thereto for approval by the Board of Directors;

(2) review the levels and types of benefits provided under the corporation's pension plans and other features thereof, including eligibility, vesting and the form of payment of benefits;

(3) recommend to the Board of Directors investment policy and objectives for all employee pension funds, review the investment performance of such funds and recommend revision of the policy and objectives as may be required;

(4) recommend to the Board of Directors the funding policies for all employee pension funds;

(5) recommend to the Board of Directors the appointment of such management personnel or committees as it deems desirable for the administration, detailed study, or recommendation of possible changes in the corporation's pension plans; and

(6) engage in such additional review and assessment as it may deem necessary or appropriate to perform the foregoing duties.

Section 17. LEGAL AFFAIRS COMMITTEE. A Legal Affairs Committee consisting of two or more members of the Board of Directors may be designated by the Board of Directors at the time of the annual meeting, or such other time as the board may determine. If a Legal Affairs Committee is designated, said committee's duties shall be to:

(1) review the structure, functions and personnel of the corporation's internal legal staff;

(2) review the procedures established for the engagement of outside counsel and the monitoring of their activities;

(3) meet with the general counsel of the corporation, and outside counsel engaged by the corporation, to review all significant threatened, pending and settled litigation involving the corporation; including the impact, or potential impact, of such matters upon the policies, planning, operations or finances of the corporation;

(4) receive reports from the general counsel and outside counsel, as to changes in the law which have or could have an effect upon the corporation or its policies, planning, operations or finances, and assist in the development of strategies in response thereto; and

(5) inquire into the existence, and encourage the development, of practices and procedures, including legal audits, which could benefit the corporation in avoiding litigation or other legal problems.

Section 18. COMMITTEE PROCEDURES. The chairman of each committee, other than the Executive Committee, shall be selected by the Board of Directors or by the Executive Committee. In the absence of the chairman of any committee, a temporary chairman may be appointed from among the members of the committee. Each committee shall keep minutes of the proceedings of its meetings which shall be submitted to the Board of Directors at the next meeting of the Board of Directors. A majority of members of any committee shall constitute a quorum for the transaction of business. Meetings of any committee shall be called upon the request of any member of the committee or the Chairman of the Board, Chief Executive Officer or the Secretary, and notice of such meetings shall in each instance be given to each member of the committee at least twenty−four hours before the meeting either orally or in writing. Expenses of attendance, if any, shall be paid for attendance at each meeting of any committee. Each director serving on a committee shall hold such office until the annual meeting held next after such director's designation, or until such director's successor shall have been designated.

Section 19. NOMINATING / GOVERNANCE COMMITTEE. A Nominating / Governance Committee consisting of no fewer than three members of the Board of Directors each of which shall meet the independence requirements of the New York Stock Exchange shall be designated by the Board of Directors at the time of the annual meeting or at such other time as the Board of Directors may determine. The Nominating / Governance Committee's duties shall be to:

1. assist the Board of Directors by identifying individuals qualified to become board members, and to recommend to the Board of Directors the director nominees for the next annual meeting of shareholders;
2. recommend to the Board of Directors the Corporate Governance Guidelines applicable to the Company;
3. lead the Board of Directors in its annual review of the board's performance;
4. recommend to the Board of Directors the director nominees for each committee; and
5. engage in such additional duties as the Board of Directors may prescribe in the Nominating / Governance Committee Charter adopted from time to time by the Board of Directors.

To the extent the duties of Nominating & Governance Committee herein prescribed or set forth in the Nominating & Governance Committee Charter overlap or conflict with the duties prescribed for any other committee set forth in these Bylaws, the authority vested in the Nominating & Governance Committee shall be construed to take precedence over any such other overlapping or conflicting provision.

ARTICLE IV. OFFICERS

Section 1. NUMBER. The officers of the corporation shall be a Chairman of the Board, a Chief Executive Officer, a President (who, unless otherwise determined by the Board, shall be the Chief Operating Officer of the corporation), one or more Group Presidents, one or more Executive Vice Presidents, one or more Senior Vice Presidents or one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and a Controller, and such other officers as the Board of Directors may from time to time designate by resolution, each of whom shall be elected by the Board of Directors. Any two or more offices may be held by the same person. In its discretion, the Board of Directors may delegate the powers or duties of any officer to any other officer or agents, notwithstanding any provision of these Bylaws, and the Board of Directors may leave unfilled for any such period as it may fix, any office except those of Chairman of the Board, Chief Executive Officer, President (unless the duties of President are performed by the Chief Executive Officer), Vice President−Finance and Secretary.

Section 2. ELECTION AND TERM OF OFFICE. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until such officer's successor shall have been duly elected or until death or until such officer shall resign or shall have been removed in the manner hereinafter provided.

Section 3. REMOVAL. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer or agent elected by the Board of Directors except the Chairman of the Board, Chairman of the Executive Committee, Chief Executive Officer and President, may be removed by the Executive Committee. Any officer or agent elected by the Board of Directors except the Chairman of the Board and the Chairman of the Executive Committee may be removed by the Chief Executive Officer.

Section 4. VACANCIES. A vacancy in the office of Chairman of the Board, Chairman of the Executive Committee, Chief Executive Officer or President because of death, resignation, removal, disqualification or otherwise, may be filled only by the Board of Directors for the unexpired portion of the term. A vacancy in any other office may be filled by the Executive Committee or the Chief Executive Officer.

Section 5. CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the shareholders and of the Board of Directors and shall be a member of the Executive Committee. The Chairman of the Board shall perform such other duties as may be prescribed by the Board of Directors from time to time and shall have the general powers and duties usually vested in the Chairman of the Board.

Section 6. CHAIRMAN OF THE EXECUTIVE COMMITTEE. The Chairman of the Executive Committee shall be a member of that committee and preside at all of its meetings, and in the absence of the Chairman of the Board, shall preside at all meetings of the shareholders and the Board of Directors. The Chairman of the Executive Committee shall perform such other duties as may be prescribed by the Board of Directors from time to time.

Section 7. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall be the principal executive officer of the corporation and, in general shall, subject to the authority of the Board of Directors, supervise and control all of the business, policies and affairs of the corporation and all other officers of the corporation except for the Chairman of the Board and the Chairman of the Executive Committee. The Chief Executive Officer shall have the general powers and duties usually vested in the principal executive officer of a corporation, unless the Board of Directors shall elect another person as President and shall delegate some or all of such powers and duties to the President. The Chief Executive Officer shall perform such other duties as may be prescribed by the Board of Directors from time to time.

Section 8. PRESIDENT. The President shall be the Chief Operating Officer of the corporation (unless otherwise determined by the Board of Directors). As the Chief Operating Officer, the President shall have the management of and exercise general supervision over the corporation's operating groups and all its Group Presidents, subject to the control and supervision of the Chief Executive Officer. The President shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer from time to time.

Section 9. GROUP PRESIDENTS. Each Group President, within the limitations placed by the policies adopted by the Board of Directors or the Chief Executive Officer, shall be a corporate officer and shall be the Chief Operating Officer of the operating group assigned and shall in general supervise and control such business and affairs of the group and operations assigned thereto and perform such other duties as may be prescribed from time to time by the Board of Directors or the Chief Executive Officer.

Section 10. EXECUTIVE VICE PRESIDENTS, SENIOR VICE PRESIDENTS AND VICE PRESIDENTS. Each corporate Executive Vice President, Senior Vice President or Vice President shall perform such duties as may be assigned by the Board of Directors or the Chief Executive Officer. An Executive Vice President, Senior Vice President or Vice President may be assigned the operating authority for managing one or more operating units or service operations of the corporation as established by the Board of Directors. Upon assignment by the Board of Directors of operating authority for an operation or service unit, such Executive Vice President, Senior Vice President or Vice President shall in general supervise and control all of the business and affairs of such operation or service unit, subject only to such supervision and direction as the Board of Directors or the Chief Executive Officer may provide. Each Executive Vice President, Senior Vice President and Vice President shall be authorized to sign contracts and other documents related to the corporation or to the operations under such officer's supervision and control.

Section 11. VICE PRESIDENT−FINANCE. The Vice President−Finance shall be the principal and chief accounting and principal and chief finance officer of the corporation. In that capacity, the Vice President−Finance shall keep and maintain, or cause to be kept and maintained accurate, correct books and records of accounts of the properties and business transactions of the corporation, including accounts of the assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The Vice President−Finance shall deposit all monies and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors or by the Finance Committee appointed by the Board of Directors. The Vice President−Finance shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the Chairman of the Board, the Chief Executive Officer, the President and the Board of Directors, upon their request, an account of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors or the Chief Executive Officer.

Section 12. THE SECRETARY. The Secretary shall: (a) prepare and keep the minutes of the meetings of the shareholders, the Board of Directors, and committees of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each shareholder which shall be furnished to the Secretary by such shareholder, unless such register is maintained by the transfer agent or registrar of the corporation; (e) authenticate the records of the corporation; (f) have general charge of the stock transfer books of the corporation; and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors or the Chief Executive Officer.

Section 13. THE TREASURER. Subject to the supervision of the Vice President−Finance, the Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these Bylaws; (b) be responsible for filing all required tax returns, and (c) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the Board of Directors, the Chief Executive Officer or the Vice President−Finance.

Section 14. THE CONTROLLER. The Controller shall maintain adequate records showing the financial condition of the corporation and the results of its operations by established accounting periods, and see that adequate audits thereof are regularly and currently made. The Controller shall perform such other duties as from time to time may be assigned by the Board of Directors, the Chief Executive Officer or the Vice President−Finance.

Section 15. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The Assistant Secretaries, when authorized by the Board of Directors, may sign with the Chairman of the Board, the Chief Executive Officer, the President or a Vice President certificates for shares of the corporation, the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Secretary, the Chief Executive Officer or the Board of Directors. The Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Treasurer, the Chief Executive Officer, the Board of Directors or the Vice President−Finance.

Section 16. OTHER ASSISTANT AND ACTING OFFICERS. The Board of Directors or the Chief Executive Officer shall have the power to appoint any person to act as assistant to any officer, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer so appointed by the Board of Directors or the Chief Executive Officer shall have the power to perform all the duties of the office to which the person is so appointed to be assistant, or as to which the person is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors.

Section 17. SALARIES. The salaries of the officers shall be fixed from time to time by the Compensation Committee of the Board of Directors and no officer shall be prevented from receiving such salary by reason of also being a director of the corporation.

ARTICLE V. GROUPS AND STAFF

Section 1. ESTABLISHMENT OF GROUPS. The Board of Directors or the Chief Executive Officer may cause the business to be divided into one or more groups, based upon product manufactured, geographical territory, character and type of operations, or upon such other basis as the Board of Directors or the Chief Executive Officer may from time to time determine to be advisable. The groups shall operate under the authority and direction of a Group President and may operate under trade names approved for such purpose as may be authorized by the Board of Directors or the Chief Executive Officer.

Section 2. GROUP OFFICERS. The Group President of a group may appoint any number of group officers (who shall not, by virtue of such appointment, be corporate officers), and may remove any such group officer. Such officers shall have such authority as may from time to time be assigned by the Group President.

Section 3. STAFF OFFICERS. The Chief Executive Officer may appoint any number of staff officers (who shall not, by virtue of such appointment, be corporate officers), and may remove any such staff officer as the Chief Executive Officer may deem appropriate from time to time. Such officers shall have such authority as may from time to time be assigned by the Chief Executive Officer.

ARTICLE VI. CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. CONTRACTS. The Chairman of the Board, the Chairman of the Executive Committee, the Chief Executive Officer or the President may at any time execute and deliver any deeds, mortgages or bonds which the Board of Directors has authorized to be executed and delivered and may at any time execute and deliver any lease, bid, application, note, guarantee, consent, election, notice or other contract, document or instrument as may be required in the ordinary course and scope of the business of the corporation or as may be specifically authorized by the Board of Directors. The Chairman of the Board, the Chairman of the Executive Committee, the Chief Executive Officer or the President may in writing delegate the foregoing authority, and may delegate authority to redelegate such authority, to any other officer or officers, agent or agents, or other persons and the authority so delegated may be general or confined to specific instances. The Board of Directors may authorize any other officer or officers, agent or agents or other persons to execute and deliver any other contracts, documents or instruments and such authority may be general or confined to specific instances.

Section 2. LOANS. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. EVIDENCES OF INDEBTEDNESS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. DEPOSITS. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors or the Finance Committee, or committees or officers to whom the Board of Directors or the Finance Committee have delegated such authority may select.

ARTICLE VII. CERTIFICATES FOR SHARES AND THEIR TRANSFER

Section 1. CERTIFICATES FOR SHARES. Certificates for shares of capital stock of the corporation shall be in such form as shall be determined by the Board of Directors. They shall be issued in consecutive order and shall be numbered in the order of their issue and shall be signed by the Chairman of the Board, the Chief Executive Officer, the President or a Vice President and by the Secretary or an Assistant Secretary, provided, however, that if any stock certificate is countersigned by a transfer agent, other than the corporation or its employee, or by a registrar, other than the corporation or its employee, any other signature, including that of any such officer, on such certificate may be a facsimile, engraved, stamped or printed. In case any officer or agent who has signed or whose facsimile signature shall be used on any stock certificate shall cease to be such officer or agent of the corporation because of death, resignation or otherwise before such stock certificate shall have been delivered by the corporation, such stock certificate may nevertheless be issued and delivered as though the person or agent who signed the certificate or whose facsimile signature shall have been used thereon had not ceased to be such officer or agent of the corporation.

Section 2. TRANSFER OF SHARES. Upon surrender to the corporation or its transfer agent of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction on its books.

Section 3. RESTRICTIONS ON OWNERSHIP, TRANSFER AND VOTING. So long as the corporation or any of its subsidiaries is subject to any law of the United States or any state therein which restricts ownership or voting of capital stock by Aliens (as defined herein), not more than one−fifth of the shares outstanding shall be owned of record or voted by or for the account of Aliens or their representatives or affiliates. The Board of Directors may issue share certificates representing not more than one−fifth of the shares of the stock of the corporation at any time outstanding in special form which may be owned or held by Aliens, such certificates to be known as "Foreign Share Certificates" and to be so marked, but under no circumstances shall the total amount of voting stock of any class represented by Foreign Share Certificates, plus the amount of voting stock of that class owned by or for the account of Aliens and represented by certificates not so marked, exceed one−fifth of the aggregate number of outstanding shares of such class.

Shares of stock shall be transferable on the books of the corporation by the holder thereof, in person or by duly authorized attorney, upon the surrender of the certificate representing the shares to be transferred, properly endorsed; provided, however, that shares of stock other than shares represented by Foreign Share Certificates shall be transferable to Aliens or any person holding for the account thereof only when the aggregate number of shares of stock owned by or for the account of Aliens will not then be more than one−fifth of the number of shares of stock outstanding. The Board of Directors may direct that, before shares of stock shall be transferred on the books of the corporation, the corporation may require information as to whether the proposed transferee is an Alien or will hold the stock for the account of an Alien.

If the stock records of the corporation shall at any time disclose Alien ownership of one−fifth or more of the voting stock of any class and it shall be found by the corporation that any certificate for shares marked "Domestic Share Certificate" is, in fact, held by or for the account of any Alien, the holder of the shares represented by that certificate shall not be entitled to vote, to receive dividends or to have any other rights with respect to such shares, except the right to transfer the shares to a Non−Alien (as defined herein).

If the stock records of the corporation shall at any time disclose Alien ownership of one−fifth or more of the voting stock of any class and a request is made by an Alien to have shares registered in its name or for its account, the corporation shall be under no obligation to effect the transfer or to issue or reissue any stock certificates to or for the account of the Alien. In addition, if a proposed transferee of any shares is an Alien, and the transfer to such Alien would result in Alien ownership of one−fifth or more of the voting stock of any class, the corporation shall be under no obligation to effect the transfer or to issue or reissue any stock certificates to or for the account of the Alien. Further, if it is determined at any time that a transfer has resulted in Alien ownership of one−fifth or more of the voting stock of any class, the holder of the shares which resulted in the Alien ownership of one−fifth or more of the voting stock shall not be entitled to vote, to receive dividends or have any other rights with respect to such shares, except the right to transfer those shares to a Non−Alien.

The Board of Directors shall establish rules, regulations and procedures to assure compliance with and enforcement of this Article VII, Section 3.

The term "Alien" is defined to mean and include the following:

(1) Any person (including an individual, a partnership, a corporation or an association or any other entity) who is not a United States citizen or is the representative of or fiduciary for any person who is not a United States citizen;

(2) Any foreign government or the representative thereof;

(3) Any corporation any officer of which is an Alien, or of which more than 25% of its directors are Aliens;

(4) Any corporation or association organized under the laws of any foreign government;

(5) Any corporation of which more than 20% of its stock is owned beneficially or of record or may be voted by Aliens, or which by any other means whatsoever direct or indirect control of the corporation is held or permitted to be exercised by Aliens;

(6) Any partnership, association or other entity which is owned or controlled by Aliens;

(7) Any other person, corporation, trust, partnership or association deemed by the Board of Directors to be an Alien as to the United States or the corporation (or any subsidiary of the corporation).

No person, holding shares of class B stock (hereinafter such class B stock is called "class B stock" and such holder thereof is called a "class B holder") may transfer, and the corporation shall not register the transfer of, such shares of class B stock, whether by sale, assignment, gift, bequest, appointment or otherwise, except to a Permitted Transferee of such class B holder, which term shall have the following meanings:

(i) In the case of a class B holder who is a natural person and the holder of record and beneficial owner of the shares of class B stock subject to said proposed transfer, "Permitted Transferee" means (A) the spouse of such class B holder, (B) a lineal descendant of a grandparent of such class B holder or a spouse of any such lineal descendant, (C) the trustee of a trust (including a voting trust) for the benefit of one or more class B holders, other lineal descendants of a grandparent of such class B holder, the spouse of such class B holder the spouses of such other lineal descendants and an organization contributions to which are deductible for federal income, estate or gift tax purposes (hereinafter called a "Charitable Organization"), and for the benefit of no other person, provided that such trust may grant a general or special power of appointment to such class B holder, the spouse of such class B holder, any lineal descendant of such class B holder or the spouse of any such lineal descendant, and may permit trust assets to be used to pay taxes, legacies and other obligations of the trust or the estate of such class B holder payable by reason of the death of such class B holder and provided that such trust prohibits transfer of shares of class B stock to persons other than Permitted Transferees, as defined in clause (ii) below, (D) the estate of such deceased class B holder, (E) a Charitable Organization established by such class B holder, such class B holder's spouse, a lineal descendant of a grandparent of such class B holder or a spouse of any such lineal descendant, and (F) a corporation all the outstanding capital stock of which is owned by, or a partnership all the partners of which are, one or more of such class B holders, other lineal descendants of a grandparent of such class B holder or a spouse of any such lineal descendant, and the spouse of such class B holder provided that if any share of capital stock of such a corporation (or of any survivor of a merger or consolidation of such a corporation), or any partnership interest in such a partnership, is acquired by any person who is not within such class of persons, all shares of class B stock then held by such corporation or partnership, as the case may be, shall be deemed, without further action, to be automatically converted into shares of common stock, and stock certificates formerly representing such shares of class B stock shall thereupon and thereafter be deemed to represent the like number of shares of common stock.

(ii) In the case of a class B holder holding the shares of class B stock subject to said proposed transfer as trustee pursuant to a trust other than a trust described in clause (iii) below, "Permitted Transferee" means (A) the person who established such trust and (B) a Permitted Transferee of such person determined pursuant to clause (i) above.

(iii) In the case of a class B holder holding the shares of class B stock subject to said proposed transfer as trustee pursuant to a trust which was irrevocable on the record date for the initial distribution of shares of class B stock ("Record Date"), "Permitted Transferee" means any person to whom or for whose benefit principal may be distributed either during or at the end of the term of such trust whether by power of appointment or otherwise or any "Permitted Transferee" of such person determined pursuant to clause (i), (ii), (iv), (v) or (vi) hereof, as the case may be.

(iv) In the case of a class B holder who is the record (but not beneficial) owner of the shares of class B stock subject to said proposed transfer as nominee for the person who was the beneficial owner thereof on the Record Date, "Permitted Transferee" means such beneficial owner and a Permitted Transferee of such beneficial owner determined pursuant to clause (i), (ii), (iii), (v) or (vi) hereof, as the case may be.

(v) In the case of a class B holder which is a partnership and the holder of record and beneficial owner of the shares of class B stock subject to said proposed transfer, "Permitted Transferee" means any partner of such partnership or any "Permitted Transferee" of such partner determined pursuant to clause (i), (ii), (iii), (iv) or (vi) hereof, as the case may be.

(vi) In the case of a class B holder which is a corporation (other than a Charitable Organization described in subclause (E) of clause (i) above and the holder of record and beneficial owner of the shares of class B stock subject to said proposed transfer, "Permitted Transferee" means any stockholder of such corporation receiving shares of class B stock through a dividend or through a distribution made upon liquidation of such corporation or any "Permitted Transferee" of such stockholder determined pursuant to clause (i), (ii), (iii), (iv) or (v) hereof, as the case may be.

(vii) In the case of a class B holder which is the estate of a deceased class B holder, or which is the estate of a bankrupt or insolvent class B holder, and provided such deceased, bankrupt or insolvent class B holder, as the case may be, was the record and beneficial owner of the shares of class B stock subject to said proposed transfer, "Permitted Transferee" means a Permitted Transferee of such deceased, bankrupt or insolvent class B holder as determined pursuant to clause (i), (v) or (vi) above, as the case may be.

Notwithstanding anything to the contrary set forth herein, any class B holder may pledge such holder's shares of class B stock to a pledgee pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee, provided that such shares shall not be transferred to or registered in the name of the pledgee and shall remain subject to the provisions of this Article VII, Section 3. In the event of foreclosure or other similar action by the pledgee, such pledged shares of class B stock may only be transferred to a Permitted Transferee of the pledgor or converted into shares of common stock, as the pledgee may elect.

For purposes of this Article VII, Section 3:

(i) The relationship of any person that is derived by or through legal adoption shall be considered a natural one.

(ii) Each joint owner of shares of class B stock shall be considered a "class B holder" of such shares.

(iii) A minor for whom shares of class B stock are held pursuant to a Uniform Gifts or Transfers to Minors Act or similar law shall be considered a "class B holder" of such shares.

(iv) Unless otherwise specified, the term "person" means both natural persons and legal entities.

(v) The term "grandparent" means an ancestor in any degree born after January 1, 1876.

Any purported transfer of shares of class B stock not permitted hereunder shall result, without further action, in the automatic conversion of the transferee's shares of class B stock into shares of common stock, effective on the date of such purported transfer. The corporation may, as a condition to the transfer or the registration of transfer of shares of class B stock to a purported Permitted Transferee, require the furnishing of such affidavits or other proof as it deems necessary to establish that such transferee is a Permitted Transferee.

Shares of class B stock shall be registered in the name(s) of the beneficial owner(s) thereof (as hereafter defined) and not in "street" or "nominee" names; provided, however, certificates representing shares of class B stock issued as a stock dividend on the corporation's then outstanding common stock may be registered in the same name and manner as the certificates representing the shares of common stock with respect to which the shares of class B stock were issued. For the purposes of this Article VII, Section 3, the term "beneficial owner(s)" of any shares of class B stock shall mean the person or persons who possess the power to dispose, or to direct the disposition, of such shares.

The corporation shall note on the certificates representing the shares of class B stock that there are restrictions on transfer and registration of transfer imposed by this Article VII, Section 3.

Section 4. REGISTERED SHAREHOLDERS. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable claim or other interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Iowa.

Section 5. LOST CERTIFICATES. Upon the making of an affidavit that a certificate has been lost or destroyed, the Board of Directors may direct that a new certificate be issued to the person alleging the loss or destruction of such certificate. When authorizing such issuance of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or such owner's legal representative to give the corporation a bond in such sums as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

Section 6. STOCK REGULATIONS. The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with the statutes of Iowa as they may deem expedient concerning the issue, transfer and registration of certificates representing shares of the corporation.

ARTICLE VIII. FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of July and end on the thirtieth day of June in each year.

ARTICLE IX. DIVIDENDS

The Board of Directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Articles of Incorporation.

ARTICLE X. SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words, "Corporate Seal."

ARTICLE XI. WAIVER OF NOTICE

Whenever any notice is required to be given to any shareholder or director of the corporation under the provisions of the Articles of Incorporation or under the provisions of the Iowa Business Corporations Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII. INDEMNIFICATION OF DIRECTORS, OFFICERS OR EMPLOYEES

Section 1. RIGHT TO INDEMNIFICATION. Each person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a director, officer or employee of the corporation or is or was serving at the request of the corporation as director, officer or employee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, shall be indemnified and held harmless by the corporation to the fullest extent consistent with the laws of Iowa as the same now or may hereafter exist (but, in the case of any change, only to the extent that such change authorizes the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such change) against all costs, charges, expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such person; provided, however, that the right to indemnification conferred in this Section shall be conditioned upon the corporation being afforded the opportunity to participate directly on behalf of such person in such proceeding and any settlement discussions relating thereto. The right to indemnification conferred in this Section shall be a contract right and shall, except with respect to an action or proceeding against the corporation by an employee who is neither a director nor an officer of the corporation, include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition upon receipt by the corporation of an undertaking, by or on behalf of such director, officer or employee to repay all amounts so advanced if it shall ultimately be determined that the director, officer or employee is not entitled to be indemnified under this Section or otherwise.

Section 2. RIGHT OF CLAIMANT TO BRING SUIT. If a claim under Section I of this Article is not paid in full by the corporation within thirty days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall also be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the corporation) that the claimant has failed to meet a standard of conduct which makes it permissible under Iowa law for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is permissible in the circumstances because such person has met such standard of conduct, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its shareholders) that the claimant has not met such standard of conduct, nor the termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall create a presumption that the claimant has failed to meet the required standard of conduct.

Section 3. NON−EXCLUSIVITY OF RIGHTS. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, bylaw, agreement, vote of shareholders or disinterested directors or otherwise.

Section 4. INSURANCE. The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under Iowa law.

Section 5. EXPENSES AS A WITNESS. To the extent that any director, officer or employee of the corporation is by reason of such position, or a position with another entity at the request of the corporation, a witness in any proceeding, such person shall be reimbursed for all costs and expenses actually and reasonably incurred in connection therewith.

Section 6. EFFECT OF AMENDMENT. Any amendment, repeal or modification of any provision of this Article by the shareholders or the directors of the corporation shall not adversely affect any right or protection of a director, officer or employee of the corporation existing at the time of such amendment, repeal or modification.

Section 7. SEVERABILITY. In the event any one or more of the provisions contained in this Article shall, for any reason, be held to be invalid, illegal or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Article.

ARTICLE XIII. AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors.

EMPLOYMENT AGREEMENT

AGREEMENT entered into as of February 1, 2001, by and between MEREDITH CORPORATION, an Iowa corporation (the "Company"), and WILLIAM T. KERR ("Kerr").

W I T N E S S E T H:

WHEREAS, Kerr has been employed by the Company since September 10, 1991, pursuant to an Employment Agreement of that same date;

WHEREAS, the Company wishes to continue to employ Kerr pursuant to the terms and conditions hereof, and in order to induce Kerr to enter into this agreement (the "Agreement") and to secure the benefits to accrue from his performance hereunder is willing to undertake the obligations assigned to it herein; and

WHEREAS, Kerr is willing to continue his employment with the Company under the terms hereof and to enter into the Agreement;

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Position; Duties; Responsibilities
   .
   1. Kerr shall serve as Chairman of the Board, Chief Executive Officer and President of the Company. Kerr shall at all times report to and be subject to the supervision, control and direction of the Board of Directors of the Company. Kerr shall at all times be the most senior executive officer of the Company and all other officers shall report to him. Kerr shall have such other responsibilities and authorities consistent with the status, titles and reporting requirements set forth herein as are appropriate to said positions, subject to change (other than diminution in position, authority, duties or responsibilities) from time to time by the Board of Directors of the Company. Anything to the contrary above notwithstanding, the Board of Directors may elect another employee of the Company to the office of President, which shall not constitute a breach by the Company of its obligation to Kerr under this paragraph so long as the compensation to be paid to Kerr under this Agreement is not reduced as a result of such election.
   2. During the course of his employment, Kerr agrees to devote his full time and attention and give his best efforts and skills to furthering the business and interests of the Company, which may include Kerr volunteering his time and efforts on behalf of charitable, civic, professional organizations and boards of other corporations.
2. Term
   .

   The term of employment under this Agreement shall commence as of February 1, 2001, and shall continue through June 30, 2006, unless sooner terminated in accordance with this Agreement, and thereafter as herein provided. Kerr's term of employment shall automatically renew for subsequent one (1) year terms, the first of which would begin on July 1, 2006, subject to the terms of this Agreement unless either party gives written notice six (6) months or more prior to the expiration of the then existing term of its decision not to renew (the "Term").

3. Salary
   .
   1. The Company shall pay Kerr a base salary during the term of employment at the minimum annual rate of Six Hundred Ninety Thousand Dollars ($690,000) ("Base Salary"), payable in accordance with the standard payroll practices of the Company.
   2. It is understood that the Base Salary is to be Kerr's minimum annual compensation during Kerr's employment with the Company. The Base Salary may increase at the discretion of the Compensation/Nominating Committee of the Company's Board of Directors ("Compensation Committee"). Base Salary shall include all such increased amounts.
4. Long−Term Incentive Plans
   .

   During the course of his employment, Kerr shall be eligible to participate in all long−term incentive plans, including, without limitation, stock incentive plans adopted by the Company and in effect (collectively, "Long−Term Incentive Plans"), at levels of awards to be granted by the Compensation Committee commensurate with the level of Kerr's responsibilities and performance thereof.

5. Bonus
   .

1. During the course of his employment, Kerr shall be eligible to participate in the Meredith Management Incentive Plan (or any successor or replacement annual incentive plan of the Company) ("MIP"), for such periods as it continues in effect, subject to the terms of the MIP, and to the discretion vested in the Compensation Committee under the MIP; provided, however, that the percentage of Base Salary payable as a target bonus under the MIP shall not be less than fifty−five percent (55%) (actual Company financial results may result in an actual bonus paid to Kerr equal to less than or more than fifty−five percent (55%) of Base Salary).
2. All bonuses pursuant to this Section 5 shall be paid to Kerr in conformance with the Company's normal bonus pay policies following the end of the respective fiscal year. For the purpose of this Section 5, the phrase "paid with respect to the fiscal year" shall include payments made outside of the fiscal year but for such fiscal year and shall exclude payments made in the fiscal year that are for another fiscal year.

6. Short−Term Disability
.

During any period of short−term disability, the Company will continue to pay to Kerr the Base Salary throughout the period of short−term disability, but in no event beyond the end of Term. In addition, Kerr will continue to receive all rights and benefits under the benefit plans and programs of the Company in which Kerr is a participant as determined in accordance with the terms of such plans and programs, and Kerr shall be eligible to receive the benefit of the bonus for the year or years in which the short−term disability occurs without reduction for the period of short−term disability. In the event of Kerr's death during a period of short−term disability, the provisions of Section 9.1 shall apply. For the purposes of this Agreement, short−term disability shall be defined as the incapacitation of Kerr by reason of sickness, accident or other physical or mental disability which continues for a period not to exceed the fifth month anniversary of the date of the cause or onset of such incapacitation. In the event Kerr becomes permanently disabled (as determined under Section 9.2), the provisions of Section 9.2 shall apply.

7. Employee Benefit Plans
.

1. During Kerr's employment with the Company and subject to all eligibility requirements, and to the extent permitted by law, Kerr will have the opportunity to participate in all employee benefit plans and programs generally available to the Company's employees in accordance with the provisions thereof as in effect from time to time, including, without limitation, medical coverage, group life insurance, holidays and vacations, Meredith Savings and Investment Plan (401k) and the Meredith Employees' Retirement Income Plan, but not including the Company's short−term and long−term disability plans, except to the extent that such disability plans provide greater benefits than the disability benefits provided under this Agreement, in which case the applicable disability plan would supersede the applicable provisions of this Agreement.
2. In addition to benefits described in Section 7.1, Kerr shall also receive or participate in, to the extent permitted by law, the various perquisites and plans generally available to officers of the Company in accordance with the provisions thereof as in effect from time to time including, without limitation, the following perquisites to the extent the Company continues to offer them: an automobile or automobile allowance, country club dues, dining club dues, tax and estate planning, supplemental medical plan and executive life insurance (if insurable). In addition, Kerr shall participate in the Meredith Replacement Benefit Plan and the Meredith Supplemental Benefit Plan.
3. In addition to the other pension benefits, qualified and non−qualified, to be provided Kerr under this Section 7, the Company agrees to continue to provide a non−qualified retirement program for Kerr as described in the attached Exhibit A ("SERP"); however, Kerr's entitlements to benefits under such non−qualified retirement programs are subject to termination under the provisions of Sections 9.3, 9.5 and 9.8 below. Except as provided in Sections 9.3, 9.5 and 9.8, the SERP shall not be subject to termination or amendment by the Company without the consent of Kerr, which may be withheld for any or no reason.

If at any time the SERP cannot operate because of prohibitions of law and Kerr is otherwise eligible to receive benefits under the terms of the SERP, the Company agrees to make a payment or payments to Kerr or, if applicable, to his estate to provide the economic equivalent (giving effect to the time use of money and tax−affecting such payment) to him or his beneficiaries, provided that no such payments shall be made if such payments would be prohibited by law. It is the intention of the parties, should the circumstances contemplated by the preceding sentence occur, that payments to Kerr in lieu of payments under the SERP shall be made at the time and in the manner permissible that most nearly approximates the time, manner, and tax treatment of the payments that would have been made under the SERP.

8. Expense Reimbursements
.

During Kerr's employment with the Company, Kerr will be entitled to receive reimbursement by the Company for all reasonable, out−of−pocket expenses incurred by him (in accordance with policies and procedures established by the Company), in connection with his performing services hereunder, provided Kerr properly accounts therefor. In consideration of Kerr's use of his own residence while conducting business in New York City, the Company agrees to pay Kerr Two Hundred Twenty−five Dollars ($225) for each night Kerr is reasonably required to spend in New York City on account of his attention to the Company's business in New York City or environs.

9. Consequences of Termination of Employment

.

1. Death

. In the event of the death of Kerr during the term of this Agreement or during the period when payments are being made pursuant to Sections 6 or 9.2, this Agreement shall terminate and all obligations to Kerr shall cease as of the date of death except that, (a) the Company will pay to the legal representative of his estate the Base Salary until the end of the month of the first anniversary of Kerr's death (but not beyond June 30, 2006), and (b) all rights and benefits of Kerr under the benefit plans and programs of the Company including, without limitation, the SERP in which Kerr is a participant, will be provided as determined in accordance with the terms and provisions of such plans and programs. Any bonus (or amounts in lieu thereof) pursuant to Section 5, payable for the fiscal year in which Kerr's death occurs, shall be determined by the Compensation Committee at its meeting following the end of such fiscal year pro rata to the date of death and promptly paid to Kerr's estate. All awards of restricted stock, stock options and any other benefits under the Long−Term Incentive Plans shall be handled in accordance with the terms of the relevant plan and agreements entered into between Kerr and the Company with respect to such awards.

2. Disability

. If Kerr shall become permanently incapacitated by reasons of sickness, accident or other physical or mental disability, as such incapacitation is certified by a physician chosen by the Company and reasonably acceptable to Kerr (if he is then able to exercise sound judgment), and shall therefore be unable to perform his normal duties hereunder, then the employment of Kerr hereunder and this Agreement may be terminated by Kerr or the Company upon thirty (30) days' written notice to the other party following such certification. Should Kerr not acquiesce (or should he be unable to acquiesce) in the selection of the certifying doctor, a doctor chosen by Kerr (or if he is not then able to exercise sound judgment, by his spouse or personal representative) and reasonably acceptable to the Company shall be required to concur in the medical determination of incapacitation, failing which the two doctors shall designate a third doctor whose decision shall be determinative as of the end of the calendar month in which such concurrence or third−doctor decision, as the case may be, is made. The Company shall thereafter pay to Kerr, at such times as Base Salary provided for in Section 3 of this Agreement would normally be paid, 100% of Base Salary for the first twelve months following such termination, 75% of Base Salary for the next twelve−month period and 50% of Base Salary for the remaining period of what would have constituted the current term of employment but for termination by reason of disability (but in no event beyond June 30, 2006). Following the termination pursuant to this Section 9.2, the Company shall pay or provide to Kerr such other rights and benefits of participation under the employee benefit plans and programs of the Company including, without limitation, the SERP in which Kerr is a participant, to the extent that such continued participation is not otherwise prohibited by applicable law or by the express terms and provisions of such plans and programs. All benefits provided under this Section 9.2 shall be in replacement of and not in addition to benefits payable under the Company's short−term and long−term disability plans. All awards of restricted stock, stock options and any other benefits under the Long−Term Incentive Plans shall be handled in accordance with the terms of the relevant plan and agreements entered into between Kerr and the Company with respect to such awards.

3. Due Cause

. The Company may terminate Kerr's employment, remove him as an officer and director of the Company and terminate this Agreement at any time for Due Cause. In the event of such termination for Due Cause, Kerr shall continue to receive Base Salary payments provided for in this Agreement only through the date of such termination for Due Cause and shall be entitled to any previously earned but unpaid bonus amounts, and Kerr shall be entitled to no further benefits under this Agreement, except that any rights and benefits Kerr may have under the employee benefit plans and programs of the Company, in which Kerr is a participant, shall be determined in accordance with the terms and provisions of such plans and programs. Kerr understands and agrees that in the event of the termination of employment, removal as an officer and director and termination of this Agreement pursuant to this Section 9.3: (a) All awards of restricted stock, stock options and any other benefits under the Long−Term Incentive Plans shall be handled in accordance with the terms of the relevant plan and agreements entered into between Kerr and the Company with respect to such awards; (b) the Company shall have no further obligation to pay any bonus to Kerr under the terms of the MIP or this Agreement; and (c) the Company shall have no obligation to provide benefits under the SERP, but that the obligations of Kerr under Section 10 shall remain in full force and effect. The term "Due Cause" shall mean repeated and gross negligence in fulfillment of, or repeated failure of Kerr to fulfill his material obligations under this Agreement (other than any such failure resulting from Kerr's mental or physical incapacity as determined by a physician chosen pursuant to the methodology in Section 9.2), in either event after due written notice thereof, or serious willful misconduct by Kerr in respect of his obligations hereunder. Due Cause should not include, without limitation, (w) refusal by Kerr of an assignment not consistent with the status, titles and reporting requirements set forth herein or contemplated hereby, or (x) bad judgment or negligence of Kerr, or (y) any act or omission (other than one constituting a material breach of trust committed in willful or reckless disregard of the interests of the Company and undertaken for personal gain) in respect of which a determination could properly have been made by the Board of Directors of the Company that Kerr met the applicable standard of conduct prescribed for indemnification or reimbursement under the Bylaws of the Company or the laws of Iowa, in each case in effect at the time of such act or omission, or (z) any act or omission with respect to which notice of termination is given more than twelve (12) months after the earliest date on which any non−employee director of the Company who was not a party to such act or omission knew or should have known of such act or omission. Notwithstanding the foregoing, Kerr shall not be deemed to have been terminated for Due Cause unless and until there shall have been delivered to Kerr a copy of a resolution duly adopted by the affirmative vote of at least three−quarters (3/4) of the Board (excluding Kerr) at a meeting of the Board called and held for such purpose (after reasonable notice is provided to Kerr and Kerr is given an opportunity, together with counsel for Kerr, to be heard before the Board) finding that in the good faith opinion of the Board, Kerr was guilty of conduct set forth in the fourth sentence of this Section 9.3 and specifying the particulars thereof.

4. At Will

. The other provisions of this Agreement notwithstanding, the Company may terminate Kerr's employment, remove him as an officer and director and terminate this Agreement at any time for whatever reason it deems appropriate, with or without cause and with or without prior notice. In the event of such a termination of Kerr's employment and this Agreement, Kerr shall have no further obligations of any kind under or arising out of the Agreement (except for the obligations of Kerr under Section 10) and the Company shall be obligated only to pay Kerr the following: (a) Base Salary and the bonus amounts provided in Section 5 of this Agreement through the end of the then current term of employment (the "Remaining Term") as provided in Section 2 of this Agreement, but no less than a total of twelve (12) months of Base Salary and target bonus under the MIP or successor plans; and (b) any other amounts due and owing not then paid; provided, however, that in the event that as a result of such termination of employment Kerr would otherwise be entitled to a severance payment (a "Change of Control Severance Payment") under Section 4 of the Amended and Restated Severance Agreement dated as of February 1, 2001, between Kerr and the Company (the "Severance Agreement"), Kerr shall be entitled to the amounts described in clause (b) above and the greater of (i) the cash severance benefits described in clause (a) of this sentence and (ii) the cash severance benefits described in Section 4(a) of the Severance Agreement, but in no event to both payments.

After the date of termination under this Section 9.4 or Sections 9.6 or 9.7, Kerr shall not be treated as an employee for purposes of the Company's employee benefit plans or programs even though he may continue to receive payments as provided in this Section 9.4, except that Kerr and his eligible dependents shall continue, to the extent permitted by law, to be covered by health and welfare insurance plans or programs in which Kerr and his eligible dependents participate immediately prior to Kerr's termination of employment for the Remaining Term; provided, however, that if during such time period Kerr should enter into employment with a new employer and become eligible to receive comparable insurance benefits, the continued insurance benefits described herein shall be secondary to those provided under the plans of such employer during such applicable period of eligibility. In the event that Kerr is ineligible, for whatever reason, to continue to be so covered with respect to any of the above−referenced plans or programs, the Company shall provide substantially equivalent coverage through other sources (determined on an after−tax basis). In the event Kerr would otherwise be entitled to a Change of Control Severance Payment under the Severance Agreement as a result of a termination of employment under this Section 9.4, Kerr may elect to receive the continued health and welfare insurance benefits under this Section 9.4 or under Section 4(b) of the Severance Agreement.

Kerr's (and any of his eligible dependents') entitlement to continued health plan coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended, and Section 4980B of the Code shall commence as of the next day following the date on which the Remaining Term ends.

All awards of restricted stock, stock options and any other benefits under the Long−Term Incentive Plans shall be handled in accordance with the terms of the relevant plan and agreements entered into between Kerr and the Company with respect to such awards.

Kerr agrees that the payments described in this Section 9.4 shall be full and adequate compensation to Kerr for all damages Kerr may suffer as a result of the termination of his employment pursuant to this Section 9.4 or Sections 9.6 or 9.7 and hereby waives and releases the Company from any and all obligations or liabilities to Kerr arising from or in connection with Kerr's employment with the Company or the termination of his employment including, without limitation, all rights and claims Kerr may have under federal, state or local statutes, regulations or ordinances or under any common law principles of breach of contract or the covenant of good faith and fair dealing, defamation, wrongful discharge, intentional infliction of emotional distress or promissory estoppel; provided, however, that any rights and benefits Kerr may have under the employee benefit plans and programs of the Company, including, without limitation, the SERP, in which Kerr is a participant, shall be determined in accordance with the terms and provisions of such plans and programs and, except as provided in this Section 9.4 with respect to cash severance payments and continued health and welfare insurance plans, under the Severance Agreement in the event of a termination of employment which would otherwise entitle Kerr to a Change of Control Severance Payment.

5. Employee Voluntary

. In the event Kerr terminates his employment of his own volition prior to the end of the term of this Agreement, except for a termination as described in Sections 9.6 or 9.7 and except for termination for Good Reason as specifically provided otherwise in the Severance Agreement (as if the Severance Agreement were applicable in the event of such termination of employment), such termination shall constitute a voluntary termination and in such event the Company's only obligation to Kerr shall be to make Base Salary payments provided for in this Agreement through the period ending with the date of such voluntary termination. Except as may be otherwise expressly provided in Sections 6, 7.3, and 9.2, but subject to the following provisions of this Section 9.5, any rights and benefits Kerr may have under the employee benefit plans and programs of the Company, in which he is a participant, shall be determined in accordance with the terms and provision of such plans and programs. Kerr understands and agrees that in the event of the termination of employment pursuant to this Section 9.5: (a) All awards of restricted stock, stock options and any other benefits under the Long−Term Incentive Plans shall be handled in accordance with the terms of the relevant plan and agreements entered into between Kerr and the Company with respect to such awards; (b) the Company shall have no further obligation to pay any bonus to Kerr under the terms of the MIP or this Agreement; and (c) the Company shall have no obligation to provide benefits under the SERP, but that the obligations of Kerr under Section 10 shall remain in full force and effect.

6. Failure to Re−elect as Chairman of the Board of Directors
. In the event Kerr is not re−elected to or is removed from the position of Chairman of the Board (for reasons other than for Due Cause or physical or mental incapacity) prior to the end of the term of this Agreement, Kerr shall have the right to terminate his employment with the Company within ninety (90) days of being notified of such action, and such termination shall be deemed to be termination by the Company without "Due Cause," and such termination shall be treated in accordance with the terms of Section 9.4 above.

If Kerr shall terminate his employment and such termination is deemed to be termination by the Company without Due Cause pursuant to this Section or Section 9.7, Kerr shall be entitled to the same rights and benefits, and free of all further obligations of any kind under or arising out of this Agreement (except for obligations under Section 10), all as provided in connection with a termination pursuant to Section 9.4 above. Kerr agrees that the payments described in Section 9.4 shall be full and adequate compensation to Kerr for all damages he may suffer as a result of the termination of his employment pursuant to this Section or Section 9.7, and hereby waives and releases the Company from any and all obligations or liabilities to Kerr arising from or in connection with Kerr's employment with the Company or the termination of his employment including, without limitation, all rights and claims Kerr may have under federal, state or local statutes, regulations or ordinances or under any common law principles of breach of contract or the covenant of good faith and fair dealing, defamation, wrongful discharge, intentional infliction of emotional distress or promissory estoppel; provided, however, that any rights and benefits Kerr may have under the employment benefit plans and programs of the Company, including, without limitation, the SERP, in which Kerr is a participant, shall be determined in accordance with the terms and provisions of such plans and programs. All awards of restricted stock, stock options and any other benefits under the Long−Term Incentive Plans shall be handled in accordance with the terms of the relevant plan and agreements entered into between Kerr and the Company with respect to such awards.

In the event of a sale or other disposition (including any split−up of the Company) of all or substantially all of the assets of the Company ("Sale of Assets"), which is not treated as a Change of Control of the Company under the Severance Agreement, if Kerr is not permitted to become the Chairman of the Board and Chief Executive Officer, or Chief Executive Officer and President of the company (or other entity or person) acquiring or receiving all or substantially all of the assets of the Company, Kerr shall have the right to voluntarily resign his employment with the Company within the thirty (30) day period following such Sale of Assets and such voluntary resignation shall be considered a termination of employment pursuant to Section 9.4 hereof and Kerr shall be entitled to all of the benefits described therein.

7. Failure to Re−elect as Chief Executive Officer, Director or Member of Executive Committee
. If at any time prior to the end of the term of this Agreement Kerr is not re−elected to or is removed from the office of Chief Executive Officer, or as a Director of the Company or as a member of the Executive Committee of the Company's Board of Directors (for reasons other than for Due Cause), Kerr shall have the right to terminate his employment with the Company by giving written notice within ninety (90) days after the date of such action, and such termination shall be deemed to be termination by the Company without "Due Cause," and such termination shall be treated in accordance with the terms of Section 9.4 above.

8. Retirement Before Age 65
. In the event Kerr elects to retire from employment with the Company and commence the available benefits under certain of the Company's benefit plans and programs prior to attaining age 65, Kerr shall receive retirement benefits under the SERP only to the extent and in the amounts as determined by the Board of Directors of the Company. Termination of employment pursuant to Sections 9.4, 9.6, or 9.7, shall not be deemed to be retirement within the meaning of this Section and Kerr shall be entitled to retirement benefits under the SERP. All awards of restricted stock, stock options and any other benefits under the Long−Term Incentive Plans shall be handled in accordance with the terms of the relevant plan and agreements entered into between Kerr and the Company with respect to such awards.

10. Covenants of Kerr
.

1. Kerr acknowledges that as a result of the services to be rendered to the Company hereunder, Kerr will be brought into close contact with many confidential affairs of the Company, its subsidiaries and affiliates, not

readily available to the public. Kerr further acknowledges that the services to be performed under this Agreement are of a special, unique, unusual, extraordinary and intellectual character; that the business of the Company is national in scope; that its goods and services are marketed throughout the United States; and that the Company competes with other organizations that are or could be located in nearly any part of the United States.

2. In recognition of the foregoing, Kerr covenants and agrees that, except as is necessary in providing services under this Agreement or to the extent necessary to comply with law or the valid order of a court or government agency of competent jurisdiction, Kerr will not knowingly use for his own benefit nor knowingly divulge any Confidential Information and Trade Secrets of the Company, its subsidiaries and affiliated entities, which are not otherwise in the public domain and, so long as they remain Confidential Information and Trade Secrets not in the public domain, will not intentionally disclose them to anyone outside of the Company either during or after his employment. For the purposes of this Agreement, "Confidential Information and Trade Secrets" of the Company means information which is secret to the Company, its subsidiaries and affiliated entities. It may include, but is not limited to, information relating to the magazines, books, publications, products, services, television stations, real estate franchise operations, new and future concepts and business of the Company, its subsidiaries and affiliates, in the form of memoranda, reports, computer software and data banks, customer lists, employee lists, books, records, financial statements, manuals, papers, contracts and strategic plans. As a guide, Kerr is to consider information originated, owned, controlled or possessed by the Company, its subsidiaries or affiliated entities which is not disclosed in printed publications stated to be available for distribution outside the Company, its subsidiaries and affiliated entities as being secret and confidential. In instances where doubt does or should reasonably be understood to exist in Kerr's mind as to whether information is secret and confidential to the Company, its subsidiaries and affiliated entities, Kerr agrees to request an opinion, in writing, from the Company.
3. Anything to the contrary in this Section 10 notwithstanding, Kerr shall disclose to the public and discuss such information as is customary or legally required to be disclosed by a Company whose stock is publicly traded, or that is otherwise legally required to disclose, or that is in the best interests of the Company to do so.
4. Kerr will deliver promptly to the Company on the termination of his employment with the Company, or at any other time the Company may so request, all memoranda, notes, records, reports and other documents relating to the Company, its subsidiaries and affiliated entities, and all property owned by the Company, its subsidiaries and affiliated entities, which Kerr obtained while employed by the Company, and which Kerr may then possess or have under his control.
5. During and for a period of one (1) year after the termination of employment with the Company (except that the time period of such restrictions shall be extended by any period during which Kerr is in violation of this Section 10.5), Kerr will not: (a) knowingly interfere with, disrupt or attempt to disrupt, any then existing relationship, contractual or otherwise between the Company, its subsidiaries or affiliated entities, and any customer, client, supplier, or agent, it being understood that the right to seek or enter into contractual arrangements with independent contractors, including, without limitation, consultants, professionals, authors, advertisers and the like, shall not be abridged by reason of this Section 10; or (b) knowingly solicit, or assist any other entity in soliciting for employment, any person known to Kerr to be an agent or executive employee of the Company, its subsidiaries or affiliated entities.
6. Kerr will promptly disclose to the Company all inventions, processes, original works of authorship, trademarks, patents, improvements and discoveries related to the business of the Company, its subsidiaries and affiliated entities (collectively "Developments"), conceived or developed during Kerr's employment with the Company and based upon information to which he had access during the term of employment, whether or not conceived during regular working hours, through the use of the Company time, material or facilities or otherwise. All such Developments shall be the sole and exclusive property of the Company, and upon request Kerr shall deliver to the Company all outlines, descriptions and other data and records relating to such Developments, and shall execute any documents deemed necessary by the Company to protect the Company's rights hereunder. Kerr agrees upon request to assist the Company to obtain United States or foreign letters patent and copyright registrations covering inventions and original works of authorship belonging to the Company hereunder. If the Company is unable because of Kerr's mental or physical incapacity to secure Kerr's signature to apply for or to pursue any application for any United States or foreign letters patent or copyright registrations covering inventions and original works of authorship belonging to the Company hereunder, then Kerr hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as his agent and attorney in fact, to act for and in his behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright registrations thereon with the same legal force and effect as if executed by him. Kerr hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, that he may hereafter have for infringement of any patents or copyright resulting from any such application for letters patent or copyright registrations belonging to the Company hereunder.
7. Kerr agrees that the remedy at law for any breach or threatened breach of any covenant contained in this Section 10 may be inadequate and that the Company, in addition to such other remedies as may be available to it, in law or in equity, shall be entitled to injunctive relief without bond or other security.
8. Although the restrictions contained in Sections 10.1, 10.2, 10.4 and 10.5 above are considered by the parties hereto to be fair and reasonable in the circumstances, it is recognized that restrictions of such nature may fail for technical reasons, and accordingly it is hereby agreed that if any of such restrictions shall be

adjudged to be void or unenforceable for whatever reason, but would be valid if part of the wording thereof were deleted, or the period thereof reduced or the area dealt with thereby reduced in scope, the restrictions contained in Section 10.1, 10.2, 10.4 and 10.5 shall be enforced to the maximum extend permitted by law, and the parties consent and agree that such scope or wording may be accordingly judicially modified in any proceeding brought to enforce such restrictions.

9. Notwithstanding that Kerr's employment hereunder may expire or be terminated as provided in Sections 2 or 9 above, this Agreement shall continue in full force and effect insofar as is necessary to enforce the covenants and agreements of Kerr contained in this Section 10. In addition, the Company obligations under Section 9 shall continue in full force and effect with respect to Kerr or his estate.

11. Arbitration
.

The parties shall use their best efforts and good will to settle all disputes by amicable negotiations. The Company and Kerr agree that, with the express exception of any dispute or controversy arising under Section 9.2 or Section 10 of this Agreement or as may be required under Section 3(g) of the Severance Agreement, any controversy or claim arising out of or in any way relating to Kerr's employment with the Company, including, without limitation, any and all disputes concerning this Agreement and the termination of this Agreement that are not amicably resolved by negotiation, shall be settled by arbitration in New York, New York, or such other place agreed to by the parties, as follows:

a. Any such arbitration shall be heard before a panel consisting of one (1) to three (3) arbitrators, each of whom shall be impartial. Except as the parties may otherwise agree, all arbitrators shall be appointed in the first instance by the President of the New York State Bar Association or, in the event of his unavailability by reason of disqualification or otherwise, by the Chairman of the Executive Committee of said Bar Association. In determining the number and appropriate background of the arbitrators, the appointing authority shall give due consideration to the issues to be resolved, but his decision as to the number of arbitrators and their identities shall be final.
b. An arbitration may be commenced by any party to this Agreement by the service of a written Request for Arbitration upon the other affected party. Such Request for Arbitration shall summarize the controversy or claim to be arbitrated, and shall be referred by the complaining party to the appointing authority for appointment of arbitrators ten (10) days following such service or thereafter. If the panel of arbitrators is not appointed by the appointing authority within thirty (30) days following such reference, any party may apply to any court within the State of New York for an order appointing arbitrators qualified as set forth below. No Request for Arbitration shall be valid if it relates to a claim, dispute, disagreement or controversy that would have been time barred under the applicable statute of limitations had such claim, dispute, disagreement or controversy been submitted to the courts of the State of New York.
c. The Company agrees to reimburse Kerr, to the full extent permitted by law, for all legal fees and costs which Kerr may reasonably incur as a result of any contest by the Company, Kerr or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by Kerr about the amount of any payment pursuant to this Agreement), provided that Kerr prevails on at least one material claim against the Company or such other party in connection with such contest. The parties hereby expressly waive punitive damages, and under no circumstances shall an award contain any amount that in any way reflects punitive damages.
d. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.
e. It is intended that controversies or claims submitted to arbitration under this Section 11 shall remain confidential, and to that end it is agreed by the parties that neither the facts disclosed in the arbitration, the issues arbitrated, nor the views or opinions of any persons concerning them, shall be disclosed by third persons at any time, except to the extent necessary to enforce an award or judgment or as required by law or in response to legal process or in connection with such arbitration. In addition, Kerr shall be entitled to disclose the facts disclosed in arbitration, the issues arbitrated, and the views or opinions of any persons concerning them to legal and tax advisors so long as such advisors agree to be bound by the terms of this Agreement.

12. Successors and Assigns
.

1. Assignment by the Company
. This Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company.
2. Assignment by Kerr

. Kerr may not assign this Agreement or any part thereof; provided, however, that nothing herein shall preclude one or more beneficiaries of Kerr from receiving any amount that may be payable following the occurrence of his legal incompetency or his death and shall not preclude the legal representative of his estate from receiving such amount or from assigning any right hereunder to the person or persons entitled thereto under his will or, in the case of intestacy, to the person or persons entitled thereto under the laws of the intestacy applicable to his estate.

13. Governing Law
.

This Agreement shall be deemed a contract made under, and for all purposes shall be construed in accordance with, the laws of the State of New York without reference to the principles of conflict of laws.

14. Entire Agreement
.

This Agreement and the attached Exhibits contain all the understandings and representations between the parties hereto pertaining to the subject of the employment of Kerr by the Company and supersedes all undertakings and agreements, whether oral or in writing, if any there be, previously entered into by them with respect thereto other than those agreements listed on the attached Exhibit B.

15. Amendment or Modification; Waiver
.

No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing, signed by Kerr and by a duly authorized officer of the Company and approved in advance by the Compensation Committee. Except as otherwise specifically provided in this Agreement, no waiver by either party hereto of any breach by the other party of any condition or provision of the Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar provision or condition at the same or any prior or subsequent time.

16. Notices
.

Any notice to be given hereunder shall be in writing and delivered personally or sent by overnight mail, such as Federal Express, addressed to the party concerned at the address indicated below or to such other address as such party may subsequently give notice of hereunder in writing:

If to Company:

Chairman of the Compensation/Nominating Committee
Board of Directors
Meredith Corporation
1716 Locust Street
Des Moines, Iowa 50309−3023

with a copy to:

John Zieser, Esquire
Vice President−General Counsel & Secretary
Meredith Corporation
1716 Locust Street
Des Moines, Iowa 50309−3023

If to Kerr:

William T. KerrP.O. Box 1545
Litchfield, Connecticut 06759

with a copy to:

Edward Rover, Esquire
White & Case
1155 Avenue of the Americas
New York, N.Y. 10036

17. Severability
.

In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, the remaining provisions or portions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law.

18. Withholding
.

Anything to the contrary notwithstanding, all payments required to be made by the Company hereunder to Kerr or his beneficiaries, including his estate, shall be subject to withholding and deductions as the Company may reasonably determine it should withhold or deduct pursuant to any applicable law or regulation. In lieu of withholding or deducting, such amounts, in whole or in part, the Company may, in its sole discretion, accept other provision for payment as permitted by law, provided it is satisfied in its sole discretion that all requirements of law affecting its responsibilities to withhold such taxes have been satisfied.

19. Deferred Payments
.

Any amounts required under this Agreement to be paid to Kerr that Kerr can and does elect to defer under any Company benefit plan or program shall be deemed to have been paid to him for purposes of this Agreement; provided, however, that if the Company breaches the terms of any deferred compensation plan, arrangement or agreement with respect to which such amounts are to be paid, Kerr may claim a breach of this Agreement.

20. Survivorship
.

The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

21. Duty to Mitigate; Set−off
.

Kerr shall not be required to seek employment, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Kerr as the result of employment by another employer after the date of termination of Kerr's employment, or otherwise, except as may be provided under Section 9.4 with respect to health and welfare insurance benefits. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set off, counterclaim, recoupment, defense, or other claim, right or action that the Company may have against Kerr or others.

22. Headings
.

Headings of the sections of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the title of any section.

23. Knowledge and Representation

.

Kerr acknowledges that the terms of this Agreement have been fully explained to him, that Kerr understands the nature and extent of the rights and obligations provided under this Agreement, and that Kerr has been represented by legal counsel in the negotiation and preparation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

MEREDITH CORPORATION

By: /s/ William T. Kerr
William T. Kerr

Dated: February 1, 2001

By: /s/ E.T. Meredith III
E. T. Meredith III
Chairman of the Executive Committee

Dated: February 1, 2001

EXHIBIT A

MINIMUM SUPPLEMENTAL
RETIREMENT BENEFIT PROGRAM

In addition to Meredith Employees' Retirement Income Plan, a qualified defined benefit pension plan, and Meredith Replacement Benefit Plan and Meredith Supplemental Benefit Plan, both nonqualified retirement plans, Meredith Corporation, an Iowa corporation (the "Company"), will provide a Minimum Supplemental Retirement Benefit to Kerr ("Employee") as described in this Exhibit A to the extent, if any, Employee qualifies for such benefit under the terms of this Exhibit A.

A Minimum Supplemental Retirement Benefit shall be payable to Employee unless:

Employee voluntarily terminates his employment (provided that, a termination under the last paragraph of Section 9.6 of the Agreement, under Section 9.7 of the Agreement, for death or disability under the Agreement or the Severance Agreement, or as a result of Good Reason under the Severance Agreement, will not be treated as voluntary termination) with the Company or voluntarily retires at or after attaining age 55 but before attaining age 65; or

Employee's employment with the Company is terminated for Due Cause under Section 9.3 of this Agreement, irrespective of Employee's attained age.

Notwithstanding the next preceding sentence, if Employee's employment with the Company terminates as described in subparagraph (A) above, the Board of Directors of the Company, at its sole discretion, may approve payment to Employee of part or all of the Minimum Supplemental Retirement Benefit, and shall designate the date on which such benefit, if any, shall become payable to Employee. The Minimum Supplemental Retirement Benefit, if any, Employee qualifies for shall be payable under the same options and in the same manner as Employee's benefits are payable under the Meredith Replacement Benefit Plan and the Meredith Supplemental Benefit Plan.

No death benefits shall be payable under the Minimum Supplemental Retirement Benefit Program except as follows:

A. In the event of Employee's death while employed by the Company, an amount equal to the lump sum actuarially equivalent value of Employee's accrued benefit under this Minimum Supplemental Retirement Program as of the date of his death shall be paid in a lump sum to Employee's beneficiary under the Meredith Supplemental Benefit Plan.

   If Employee's death occurs after his retirement from the Company, an amount equal to the lump sum actuarially equivalent value of the portion, if any, of the benefit to which he was entitled under this Minimum Supplemental Retirement Program at the time of his retirement but had not received shall be paid in a lump sum to Employee's beneficiary under the Meredith Supplemental Benefit Plan.

   Payment of the lump sum death benefit, if any, to which Employee's spouse or beneficiary under the Meredith Supplemental Benefit Plan is entitled to receive as a result of Employee's death, as described above, shall be made as soon as practicable after Employee's death, without interest.

   The Minimum Supplemental Retirement Benefit shall be determined as (A) minus (B) minus (C) minus (D):

B. The annual benefit payable on a life annuity basis determined under the formula for the Minimum Supplemental Retirement Benefit set forth below payable at retirement, if applicable.
C. Employee's benefits determined under Meredith Employees' Retirement Income Plan, Meredith Replacement Benefit Plan and the Meredith Supplemental Benefit Plan at the particular age at which benefits commence under (A) above, but with such benefits expressed as an annual benefit payable on a life annuity basis commencing at the particular age at which benefits commence under (A) above.
D. Employee's vested benefits under all qualified and nonqualified defined benefit pension and supplemental retirement programs maintained by The New York Times Company in which Employee participated prior to his employment with the Company, but with such benefits expressed as an annual benefit payable on a life annuity basis commencing at the particular age at which benefits commence under (A) above.
E. Beginning at age 62, the estimated annual Primary Social Security benefits payable with respect to Employee at age 62, determined under the assumption that Employee had earned maximum taxable earnings for Social Security determination purposes for all years, including the year of attainment of age 62.

Benefits described in (B) and (C) above shall be converted to an annual benefit payable on a life annuity basis commencing at the particular age at which benefits commence under (A) above on the basis of the appropriate actuarial factors, assumptions and tables used in determining actuarially equivalent benefits under Meredith Employees' Retirement Income Plan.

Subject to the requirements described above for entitlement to such benefit, Employee's Minimum Supplemental Retirement Benefit (prior to the reductions set forth above) is an annual amount payable on a life annuity basis commencing upon retirement after age 55 equal to the product obtained by multiplying (i) Employee's Final Average Pay as determined as of Employee's retirement date by (ii) 50%.

Subject to the following provisions of this Exhibit A, Employee's "Final Average Pay" means the average of the July 1 through June 30 salaries (Base Salary plus incentive compensation earned or bonus earned) for the period of five (5) consecutive fiscal years of the Company ended immediately prior to Employee's actual retirement date.

Determination of actuarially equivalent benefits (including the lump sum actuarially equivalent value of a benefit) for purposes of this Exhibit A shall be made on the basis of the appropriate actuarial factors, assumptions and tables used in determining actuarially equivalent benefits (including the lump sum actuarially equivalent value of a benefit) under Meredith Employees' Retirement Income Plan, as of the date of the determination.

As of June 30, 2000, the "Final Average Pay" for the five−year period ending on that date was $1,271,000.

The "Agreement" shall mean the Employment Agreement entered into as of the 1st day of February, 2001, by and between the Company and Employee.

The "Severance Agreement" shall mean the Amended and Restated Severance Agreement entered into as of the 1st day of February, 2001, by and between the Company and Employee.

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated November 9, 2001, by and between Meredith Corporation, a Corporation with principal offices at 1716 Locust Street, Des Moines, Iowa (hereinafter referred to as "Meredith") and KEVIN P. O'BRIEN, an individual currently residing at 3096 Washington Street, San Francisco, California 94115 (hereinafter referred to as "O'Brien").

W I T N E S S E T H:

WHEREAS, Meredith desires to employ the services of O'Brien as President of its Broadcasting Group; and

WHEREAS, O'Brien desires to accept Meredith's employment of him as President of its Broadcasting Group; and

WHEREAS, the parties desire to set forth the terms and conditions of O'Brien's employment by Meredith.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties intending to be legally bound, agree as follows:

1. Employment. Meredith agrees to employ O'Brien and O'Brien agrees to serve Meredith on the terms and conditions hereinafter set forth.

2. Term. The employment of O'Brien by Meredith pursuant to this Agreement shall be for a period commencing on the date stated above, and terminating on June 30, 2005 ("Term"), unless sooner terminated in accordance with paragraph 6 hereof.

3. Duties. During the Term of this Agreement, O'Brien shall be employed as President, Broadcasting Group of Meredith Corporation and O'Brien shall devote his best efforts to his duties, and shall perform his duties diligently and competently. During his employment hereunder, O'Brien shall provide his services exclusively for Meredith and shall not engage in any other business activity without the prior written consent of Meredith. In addition, O'Brien shall perform and assume such other duties and responsibilities as the Chief Executive Officer of Meredith, or his duly authorized designees, shall assign to O'Brien from time to time, which duties and responsibilities shall be consistent with O'Brien's position as President, Broadcasting Group. O'Brien shall perform his services at a location to be mutually determined by Meredith and O'Brien and at such other places as Meredith may require from time to time. During the Term of this Agreement O'Brien's title will not be changed and his material duties will

remain consistent with his title.

4. Compensation.

(a) Base Salary. As compensation for O'Brien's services, O'Brien shall be entitled to receive a base salary ("Base Salary") of Five Hundred Twenty−Five Thousand Dollars ($525,000) less applicable withholdings and deductions, payable at the times Meredith normally pays its executive employees. O'Brien shall be eligible to be considered for an annual merit increase per Meredith's corporate policy beginning July 1, 2002, provided however, that there shall be no increase in Base Salary for any period in which Meredith initiates a general salary freeze for its executives and/or managerial employees as a result of economic conditions.

(b) MIP Bonus.

(1) During the course of his employment, O'Brien shall be eligible to participate in the Meredith Management Incentive Plan (or any successor or replacement annual incentive plan of Meredith) ("MIP"), for such periods as it continues in effect, subject to the terms of the MIP, and to the discretion vested in the Compensation/Nominating Committee under the MIP.

(2) All bonuses pursuant to this paragraph 4(b) shall be paid to O'Brien in conformance with Meredith's normal bonus pay policies following the end of the respective fiscal year (*i.e.*, July 1−June 30).

(c) Special Long−Term Incentive Plan.

(1) In addition to his Base Salary and any Annual MIP Bonus, O'Brien shall also be entitled to a Special Long−Term Incentive Plan Bonus of 6% of cumulative income in excess of Base Income

compounded annually, reduced by the total of such Special Bonuses previously paid. For purposes of this bonus, Base Income shall be the actual income of the Broadcasting Group in FY 2002, inflated annually by (a) 6% in FY 2003, (b) 6% in FY 2004 and (c) 7% in FY 2005. For purposes of this bonus, Base Income, shall be calculated based on earnings before interest, tax, depreciation, and amortization ("EBITDA") and such amounts will be determined in accordance with generally accepted accounting principles ("GAAP") and will be adjusted as appropriate due to changes in GAAP. Furthermore, corporate allocations and other charges will be made on a consistent basis.

(2) Not later than sixty (60) days after the end of each fiscal year during which O'Brien is employed pursuant to this Agreement, Meredith shall deliver to O'Brien a certificate (the "Certificate") signed by the Chief Financial Officer of Meredith setting forth the amount of O'Brien's Special Long−Term Incentive Bonus and, in reasonable detail, schedules reflecting the calculation thereof for the applicable fiscal year. A financial officer of Meredith shall be made available to O'Brien or his designated accountant or representative, within fifteen (15) days after the delivery of said Certificate for the purpose of reviewing the computations contained in the schedules accompanying the Certificate. The Special Long−Term Incentive Bonus set forth in the Certificate shall be binding upon Meredith and O'Brien unless, within thirty (30) days after its delivery, notice is given by O'Brien of his objection to any item on the Certificate and/or accompanying schedules. In the event of any dispute regarding the determination of the Special Long−Term Incentive Bonus, the item or items under dispute shall be reviewed by Meredith's independent outside auditing firm and such firm's resolution of any such dispute shall be conclusive and binding upon Meredith and O'Brien.

(d) Moving Allowance. Within ten (10) days of O'Brien's written notice of having moved to the mutually agreed to location referenced in paragraph 3 herein, Meredith shall pay O'Brien the sum of Fifty Thousand Dollars ($50,000) less applicable withholdings and deductions as a moving allowance.

(e) Minimum Compensation, 2002 Fiscal Year. With respect to compensation due and owing O'Brien, there shall be paid to O'Brien, provided his employment is not earlier terminated under paragraph 6 herein, for work performed by O'Brien during Meredith's 2002 Fiscal Year, a minimum amount of Five Hundred Ten Thousand, Six Hundred Eighty−four Dollars and 93 Cents ($510,684.93). In determining whether or not O'Brien has received such minimum compensation, there shall only be taken into account the following items of compensation: (1) the total Base Salary paid to O'Brien through the end of Meredith's 2002 Fiscal Year; and (2) the total Annual MIP Bonus awarded to O'Brien for 2002 Fiscal Year.

(f) Minimum Compensation at End of Term. With respect to the compensation due and owing O'Brien, there shall be paid to O'Brien, provided his Employment is not earlier terminated under paragraph 6 herein, by August 30, 2005, an aggregate minimum amount of Two Million Nine Hundred Ten Thousand Six Hundred Eighty−Four Dollars and 93 Cents ($2,910,684.93). In determining whether or not O'Brien has received such minimum compensation, there shall only be taken into account the following items of compensation, (1) The total Base Salary paid to O'Brien during the Term; (2) the total Annual MIP Bonuses awarded to O'Brien's for the 2002−2005 fiscal years; and (3) any amount paid to fulfill the minimum compensation requirement referenced in paragraph 4(e) herein.

(g) Nonqualified Stock Options.

O'Brien shall be entitled to participate in the Company's then existing non−qualified stock incentive plan, in accordance with all of the terms and provisions of such plan with grants to be provided as follows:

Date of Hire	130,000 Shares
August 2002	40,000 Shares
August 2003	40,000 Shares
August 2004	40,000 Shares

(h) O'Brien shall be entitled to participate in the Meredith Executive Stock Ownership Program with a target ownership goal of 30,000 shares.

5. Expenses; Benefits.

(a) Meredith shall reimburse O'Brien in accordance with Meredith policy, for reasonable expenses incurred by him in connection with the performance of his duties for Meredith, including, without limitation, for reasonable meals, transportation and living expenses incurred by O'Brien in performing his services away from the mutually agreed to location referenced in paragraph 3 herein and its environs.

(b) Meredith shall provide O'Brien with an automobile allowance during his employment under this Agreement, under Meredith's executive automobile policy. In addition, Meredith shall reimburse O'Brien for the initiation fee and annual dues in a single country club and single health club pursuant to the policy described in Schedule 5(B) attached.

(c) O'Brien shall be entitled to reasonable vacation time, consistent with his executive position and the policies of Meredith. O'Brien shall also be entitled to all other fringe benefits generally provided to other senior executives of Meredith in accordance with the provisions thereof as in effect from time to time (to the extent he otherwise qualifies for those benefits under the terms and conditions of each benefit), including long−term disability, life and medical insurance, Meredith's Savings and Investment Plan (401K) and Meredith's Employees' Retirement Income Plan, and Meredith's nonqualified retirement plans.

6. Termination. The employment of O'Brien hereunder shall terminate as a result of any of the following events.

(a) O'Brien's death.

(b) In the event O'Brien shall have been unable to perform his regular full time duties hereunder by reason of illness, accident or other physical or mental disability for a continuous period of at least sixty (60) days or an aggregate of four (4) months during any continuous twelve−month (12−month) period ("Disability"), if Meredith chooses to give written notice of termination.

(c) For cause where "Cause" shall mean the occurrence of any of the following events: (i) O'Brien engages in fraudulent activity injurious to Meredith, (ii) O'Brien refuses to follow the instruction of the Chief Executive Officer of Meredith or his duly authorized designees, consistent with the terms of this Agreement, (iii) O'Brien is convicted of the commission of a felony, or a crime, whether or not a felony, involving misappropriation of property of Meredith, (iv) O'Brien breaches his obligation not to compete under paragraph 9 hereof, (v) O'Brien breaches any of the material terms and conditions of this Agreement, (vi) O'Brien conducts himself in a manner detrimental to the business, property, assets or interest of Meredith as determined by the Compensation/ Nominating Committee of Meredith's Board of Directors, (vii) O'Brien violates any written policy or directive of Meredith, or (viii) O'Brien fails to fulfill his material obligations under this Agreement, provided (except with respect to subparagraphs 6(c)(i) and (iii)) Meredith has given written notice of termination to O'Brien, and, if the basis of such termination is susceptible to being cured, Meredith shall afford O'Brien five (5) business days to effect such cure, at the end of which period said termination shall be automatic unless written notice to the contrary is provided to O'Brien by Meredith by the conclusion of said five−day (5−day) period.

(d) "Without Cause" based on a determination by Meredith that it is in the best interests of Meredith to terminate O'Brien's employment at any time and for whatever reason it deems appropriate.

(e) In the event of a "Change of Control" as defined in the Amended and Restated Severance Agreement between O'Brien and Meredith dated as of the date of this Agreement.

(f) In the event of notice by Meredith of termination concurrent with the consummation of a sale or other disposition to a third party (by merger, share exchange or similar corporate transaction) of all the assets of Meredith's Broadcasting Group if not involving a "Change of Control" as referenced in paragraph 6(e) above.

(g) In the event O'Brien terminates his employment of his own volition prior to the end of the Term of this Agreement, except for a termination for "good reason" as specifically provided for in the Amended and Restated Severance Agreement.

(h) In its ordinary course, at the conclusion of the Term, assuming there is no renewal or extension of the Agreement.

7. Date of Termination. O'Brien's employment under this Agreement shall be deemed to have terminated as follows: (a) if O'Brien's employment is terminated pursuant to paragraph 6(a) on the last day of the month of his death; or (b) if O'Brien's employment terminated pursuant to paragraph 6(b) on the last day of the month in which Meredith gives written notice that O'Brien's Disability shall have been deemed to have occurred; or (c) if O'Brien's employment is terminated pursuant to paragraph 6(c), on the day on which notice of termination is given; or (d) if O'Brien's employment is terminated pursuant to paragraph 6(d), on the day on which the notice of termination is given; or (e) if O'Brien's employment is terminated pursuant to paragraph 6(e) then as provided for under the Amended and Restated Severance Agreement; or (f) if O'Brien's employment is terminated pursuant to paragraph 6(f) on the day on which notice is given; or (g) in the event O'Brien terminates his employment pursuant to paragraph 6(g) on the day of the voluntary termination; or in the event O'Brien's employment terminates at the end of the Term, pursuant to paragraph 6(h), on June 30, 2005. The date on which the termination is deemed to have occurred pursuant to this paragraph 7 is referred to as the "Date of Termination."

8. Payment on Termination.

(a) Death. In the event of O'Brien's death under paragraph 6(a), then Meredith shall pay O'Brien (1) his Base Salary through the Date of Termination and the proportionate part of any MIP and Special Long−Term Incentive Plan Bonus for the calendar year in which such termination occurs, or (2) a pro rata share of his minimum compensation as defined in paragraph 4(f) herein, whichever is greater. Under such circumstances, those stock options described in paragraph 4(g) herein and that restricted stock described in paragraph 4(h) herein shall vest simultaneously with the event.

(b) Disability. In the event Meredith terminates O'Brien's employment under paragraph 6(b) for Disability, then Meredith shall pay O'Brien his (1) Base Salary through the Date of Termination and the proportionate part of any MIP and Special Long−Term Incentive Plan Bonus for the calendar year in which such termination occurs, or (2) a pro rata share of his minimum compensation as defined in paragraph 4(f) herein, whichever is greater. Under such circumstances, those stock options described in paragraph 4(g) herein and that restricted stock described in paragraph 4(h) herein shall vest simultaneously with the event.

(c) Cause. In the event O'Brien's employment is terminated for Cause pursuant to paragraph 6(c), then Meredith shall pay to O'Brien only his Base Salary through the Date of Termination. Under such circumstances, O'Brien's vested stock options may be exercised within thirty (30) days of the event. Unvested options and rights to restricted stock automatically terminate.

(d) Without Cause. In the event O'Brien's employment is terminated Without Cause pursuant to paragraph 6(d), then Meredith shall pay O'Brien only the following: (1) the Base Salary he would otherwise be entitled to receive under this Agreement until the end of the Term ("remaining Term") and the proportionate part of any MIP Bonus and Special Long−Term Incentive Bonus for the calendar year in which such termination occurs, or (2) his minimum compensation as defined in paragraph 4(f) herein, whichever is greater. Under such circumstances, those stock options described in paragraph 4(g) herein and that restricted stock described in paragraph 4(h) herein shall vest simultaneously with the event.

(e) Change in Control. In the event O'Brien's employment shall terminate as a result of a Change in Control under paragraph 6(e) O'Brien shall be entitled to the larger of (1) the amounts described in paragraph 8(d) herein or (2) the amounts described in Section 4(a) of the Amended and Restated Severance Agreement, but in no event shall he be entitled to both payments. Under such circumstances, those stock options described in paragraph 4(g) herein and that restricted stock described in paragraph 4(h) herein shall vest simultaneously with the event.

(f) In the event O'Brien's employment terminates as a result of an event impacting the Broadcasting Group described under paragraph 6(f) and O'Brien is not offered the opportunity to continue in his current or a substantially similar position, O'Brien shall be entitled to the same payment options described in paragraph 8(d) herein. Under such circumstances, those stock options described in paragraph 4(g) herein and that restricted stock described in paragraph 4(h) herein shall vest simultaneously with the event.

(g) In the event O'Brien terminates his employment under paragraph 6(g) herein, Meredith shall be obligated to pay to O'Brien only his Base Salary through the period ending with the date of such voluntary termination. Under such circumstances, O'Brien's vested stock options may be exercised within thirty (30) days of the event. Unvested options and rights to restricted stock automatically terminate.

(h) In the event O'Brien's employment terminates under paragraph 6(h), Meredith shall pay to O'Brien that compensation to which he is entitled under paragraph 4 herein. Under such circumstances, those stock options described in paragraph 4(g) herein and that restricted stock described in paragraph 4(h) herein shall vest in accordance with their respective vesting schedules and terms.

9. Confidentiality and Non−Competition.

(a) All memoranda, notes, records or other documents made or compiled by O'Brien or made available to him during the term of his employment, concerning the business of Meredith shall be and remain the exclusive property of Meredith and any and all copies thereof shall be delivered to Meredith upon the termination of O'Brien's employment for whatever reason or at any other time upon request. O'Brien shall not use for his own benefit or the benefit of others, or divulge to others, any information, trade secrets, knowledge, or data of a secret or confidential nature or otherwise not readily available to members of the general public which concerns the business or affairs of Meredith and which was acquired by him during the term of his employment hereunder, except with the specific prior written consent of Meredith. Included in such confidential information, without limiting the scope of protected information generally, shall be technical data, programming data and planning with respect to future programming, marketing and advertising data and plans, advertiser lists, and demographic and viewer studies.

(b) O'Brien shall never at any time during his employment, or after the termination of his employment, have or claim any right, title or interest in any trade name, patent, trademark, copyright, or other similar rights belonging to or used by Meredith and shall never have or claim any right, title or interest in any material or matter of any sort prepared for or used in connection with the business or promotion of Meredith, whether produced, prepared, or published in whole or in part by him or by Meredith. O'Brien shall cooperate fully with Meredith during his employment and thereafter in the securing of trade name, patent, trademark or copyright protection or other similar rights in the United States and in foreign countries and shall give evidence and testimony and execute and deliver to Meredith all papers reasonably requested by them in connection therewith.

(c) O'Brien agrees that during the Term, and for a period of twelve (12) months after the termination of O'Brien's employment as the case may be, he will not, directly or indirectly, whether as a sole proprietor, partner, venturer, stockholder, director, officer, employee, consultant, or in any other capacity as principal or agent or through any person, subsidiary, affiliate or employee acting as nominee or agent, engage in any of the following activities:

(1) Conduct or engage in, or be interested in or associated with any person or entity which conducts or engages in the ownership, operation and management of a television station in a market in which Meredith owns, operates and manages a television station;

(2) Take any action to finance or to guarantee or knowingly to provide other material assistance to any person or entity so engaged;

(3) Influence or attempt to influence any person or entity who is a contracting party with Meredith, to terminate any written or oral agreement with Meredith;

(4) Hire or attempt to hire for employment any person who is employed by Meredith or attempt to influence any such person to terminate employment with Meredith.

(d) O'Brien acknowledges that the remedy at law for breach of the provisions of this paragraph 9 would be inadequate and that in addition to any other remedy Meredith may have for breach of this paragraph 9, Meredith shall be entitled to an injunction restraining any such breach or threatened breach, without any bond or other security being required.

(e) For the purposes of this paragraph 9, Meredith shall include all parent, subsidiary and related entities including, without limitation, all broadcast properties of Meredith.

(f) O'Brien agrees that any breach by him of the provisions of this paragraph 9 will be difficult, if not impossible, to measure and that such injury will be immediate and irreparable for which Meredith will have no adequate remedy at law, and consequently Meredith shall be entitled to specifically enforce this paragraph 9 by an injunction, in addition to any other remedies Meredith may have.

(g) It is the desire and intention of the parties that the provisions of this paragraph 9 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular portion of this paragraph 9 shall be adjudicated to be invalid or unenforceable, this paragraph shall be deemed amended to provide, to the maximum extent permitted in the jurisdiction, restrictive provisions most closely conforming to the intent of the parties as expressed herein, such amendment to apply only with respect to the operation of this paragraph in the particular jurisdiction in which such adjudication is made.

10. Benefit and Assignment. The obligations and rights of O'Brien under this Agreement shall inure to the benefit of and shall be binding upon the heirs and legal representatives of O'Brien. This Agreement may not be assigned by either party except that if Meredith or its Broadcasting Group is sold or otherwise transferred, this Agreement may be assigned by Meredith to the transferee, provided that the transferee expressly assumes the obligations of Meredith under this Agreement. In the event the transferee does not assume the obligations of Meredith under this Agreement, or having assumed such obligations subsequently defaults thereunder, Meredith shall remain obligated hereunder.

11. Notices. Any notices required or permitted to be given under the provisions of this Agreement shall be in writing and delivered personally or by certified or registered mail, return receipt requested, postage prepaid, to the following persons at the following addresses, or to such other person at such other address as any party may request by notice in writing to the other party to this Agreement.

To O'Brien:
Mr. Kevin P. O'Brien
3096 Washington Street
San Francisco, California 94115

To Meredith:
Meredith Corporation
c/o Vice President−General Counsel and Secretary
1716 Locust Street
Des Moines, Iowa 50309−3023

Copy to:
Staff Vice President−Corporate Relations
Director of Human Resources
Meredith Corporation
1716 Locust Street
Des Moines, Iowa 50309−3023

12. Situs. All disputes arising under this Agreement and the interpretation or validity of any provisions thereof shall be brought in and governed by the laws of the State of Iowa.

13. Entire Agreement. This Agreement, including related stock option plans and Amended and Restated Severance Agreement, contains all of the understandings and agreements between Meredith and O'Brien with respect to its subject matter and shall, as of the

execution of this Agreement, supersede and terminate all other understandings and agreements between the parties relating to O'Brien's employment during the period of employment herein provided. There are no other understandings or agreements made contemporaneously herewith with respect to such employment, nor may this Agreement be changed or modified in any manner whatsoever except in writing, signed by O'Brien and the Chief Executive Officer of Meredith or a duly authorized officer of Meredith, and specifically stating that the writing is an amendment to this Agreement.

14. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect. If any provision is held to be invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

IN WITNESS WHEREOF, O'Brien has executed this Agreement and Meredith has caused this Agreement to be executed by an officer hereunto duly authorized the day and year first above written.

MEREDITH CORPORATION

By: /s/ Bill Kerr

ATTEST: /s/ John Zieser

Secretary

/s/ Kevin P. O'Brien

Kevin P. O'Brien

SCHEDULE 5(B) TO EMPLOYMENT AGREEMENT

With respect to country/social club initiation fees and monthly dues, Meredith's policy is:

- **Initiation Fee**
  : Meredith Corporation pays the entire amount regardless of whether title to the membership is held in an individual's name or in the Corporation's name. If the title is held in an individual's name and is thus non−transferable, the initiation fee is imputed as W−2 income and is grossed−up for federal and state income tax purposes at the individual's marginal tax rate. If the executive should leave Meredith in less than three (3) years because of (a) "cause" or (b) his own volition, he would owe Meredith the after−tax portion of his initiation on a pro rata basis for a three−year 'vesting' of his membership.
- **Monthly Dues**

: Meredith Corporation reimburses the entire amount of such dues to the individual. The personal usage of the club, on an annual basis, determines the amount of imputed income, e.g. if the club were utilized 50 times annually in total and the personal usage was 20 times, 40% of the dues are imputed as W−2 income. Presumably, the other 30 times were business usage, properly substantiated, and reimbursed by Meredith Corporation.

Exhibit 10.16

June 20, 2003

Mr. Jack Griffin
401 Brookbend Road
Fairfield, Connecticut 06824

Dear Jack:

This is to confirm Meredith Corporation's offer to employ you in New York, New York, as President, Magazine Group of Meredith Corporation, reporting to Steve Lacy (or his successor if applicable), and the terms and conditions of your employment. In your position, you will have the full responsibility and authority commensurate with being President of Meredith's Magazine Group.

Your base salary (annualized) for year one (start date through 6/30/04) will be $500,000. Subsequent to year one, you will be eligible for merit consideration pursuant to company policy. You will be eligible to participate in the Meredith Management Incentive Plan (or any successor or replacement annual incentive plan of Meredith) ("MIP") for such periods as it continues in effect, subject to the terms of the Plan and to the discretion vested in Meredith by the Plan. Under this Plan you will receive a guaranteed Target Bonus for the 03/04 fiscal year of sixty percent (60%) of base pay (i.e. $300,000), assuming you remain within Meredith's employment throughout the 03/04 fiscal year, subject to approval of the Compensation Committee at its regular August 2003 meeting.

You will receive a one time Signing Bonus of One Hundred Seventy−Five Thousand Dollars ($175,000.00) less applicable withholdings and deductions.

You will receive an Annual Stay Bonus of Seventy−Five Thousand Dollars ($75,000.00) less applicable withholdings and deductions, to be payable in twelve (12) equal installments of Six Thousand Two Hundred−Fifty Dollars ($6,250) commencing with the first regular payday in July 2004 and continuing on the first regular payday of each month thereafter, conditioned on your continuing employment with Meredith on each such payday.

Meredith will pay up to Thirty Thousand Dollars ($30,000) less applicable withholdings and deductions to reimburse you for those closing costs associated with the refinancing of your residences located in Connecticut and Massachusetts, upon receipt of verification of such expenditures incurred by you.

You will be provided with a one time grant of 10,000 shares of restricted stock (with a three (3) year cliff vesting), at the August 2003 meeting of the Compensation Committee of Meredith's Board of Directors, subject to the Committee's approval of said grant.

You will be granted 25,000 nonqualified unrestricted stock options (with a three (3) year cliff vesting) in accordance with the terms and provisions of Meredith's nonqualified stock incentive plan, at the August 2003 meeting of the Compensation Committee of Meredith's Board of Directors, subject to the Committee's approval of said grant.

Subsequent to the 03/04 fiscal year, you will be entitled to participate in Meredith's executive long term incentive plan, in accordance with all of the terms and provisions of such plan as determined by the Compensation Committee of Meredith's Board of Directors upon the recommendation of the Chief Executive Officer of Meredith.

You will also be entitled to participate in the Meredith Executive Stock Ownership Program with a target ownership goal of Twenty Thousand (20,000) shares.

Meredith will reimburse you in accordance with Meredith policy, for reasonable expenses incurred by you in connection with the performance of your duties for Meredith, including, without limitation, for reasonable meals, transportation and living expenses incurred by you in performing your services.

Meredith will provide you with an automobile allowance during your employment, pursuant to Meredith's executive automobile policy. In addition, Meredith will reimburse you for the regular annual dues for the Union League Club and the Yale Club, and for initiation fees and regular annual dues for a mutually agreed upon Country Club, incurred by you in furtherance of Meredith's business. These benefits will be subject to applicable withholdings and deductions.

You will be entitled to reasonable vacation time, (not less than four (4) weeks per year) consistent with your executive position and the policies of Meredith. To the extent you otherwise qualify for the following benefits under the terms and conditions of each benefit, you will also be entitled to participate in Meredith's short term disability, long term disability, life and medical insurance, Meredith's Savings and Investment Plan (401K), Meredith's Employees' Retirement Income Plan, and Meredith's nonqualified retirement plans.

Simultaneously, with the execution of this Employment Agreement, you and Meredith will also enter into Meredith's Amended and Restated Severance Agreement ("Severance Agreement").

It is understood that this Employment Agreement may be terminated at any time for "cause" in which case you will receive only your Base Salary through the date on which notice of termination is given. Cause is defined as misconduct in the performance of duties (including, but not limited to a violation of the Meredith Code of Business Conduct and Ethics, or any successors thereto), commission of a felony, or a crime involving the misappropriation of Meredith property, insubordination (after due written warning thereof and an opportunity to cure), professional misconduct that can reasonably be expected to bring public embarrassment or disgrace to Meredith, or your inability to perform your duties due to death or disability.

If Meredith terminates your employment without cause, then you will receive the equivalent of your regular biweekly Base Pay, on a regular payday basis, plus group health insurance coverage for a period of twelve months following the date of notice to you. If you have not located comparable employment within the date of notice to you, then you will receive an additional six months of salary continuation unless and until you have located comparable employment. Furthermore, if such termination occurs prior to the three year cliff vesting of the restricted stock and the stock options described above, that restricted stock and those stock options will continue to vest on schedule, and you will have the right to exercise those vested stock options for a period ending on the Date of Expiration set forth in the Stock Option Agreement.

If your employment is terminated without cause or due to death or disability, then you will also receive a proportionate part of any MIP Bonus for the fiscal year in which the termination occurs.

In return for the above consideration and in acceptance of this offer you agree to the following terms below:

1. While this Employment Agreement is in effect:

A. And for a period of twelve months thereafter (restricted period), you will not solicit for employment, refer for employment, employ in any capacity or advise or recommend to any other person or entity that it employ or solicit for employment any person who as of your last day of employment, or at any time during the restricted period, was an employee in Meredith's Publishing Group; and

B. In the event that you voluntarily terminate your employment with Meredith, then for a period of nine months following such termination, you will not render services directly or indirectly as an employee, officer, director, consultant, independent contractor, or in any other capacity with respect to the entities set forth in Schedule A hereto, provided however, that this Clause 1.B. will not apply, 1) in the event of your relocation to any place more than twenty−five (25) miles from the New York, New York location at which you historically perform your duties or from the location where you maintain your primary residence, except for required travel by you on Meredith business; or 2) in the event of a change in your reporting relationship such that you do not report directly to the President, Publishing Group of Meredith; President of Meredith; Meredith's Chief Executive Officer; or the Board of Directors. In the event the circumstances set forth in this Clause 1.B.1) or 1.B.2) apply, then such voluntary termination shall be treated as a termination without cause for purposes of this Employment Agreement.

2. You will not use, divulge, sell or deliver to or for yourself or any other person, firm or corporation other than Meredith any confidential information of Meredith in any form or memoranda, reports, computer software and data banks, customer lists, employee lists, contracts, strategic plans and any and all other documents containing trade secrets concerning Meredith and its business operations ("Confidential Information"). Confidential Information does not include information available from or which can be ascertained through public means (e.g., phone books, published materials or industry publications). You will destroy or surrender to Meredith all Confidential Information and all other property belonging to Meredith at the conclusion of your employment.

3. You agree to cooperate with Meredith, in the truthful and honest prosecution and/or defense of any claim in which Meredith may have an interest (with the right of reimbursement for reasonable expenses actually incurred) which may include, without limitation, being available to participate in any proceeding involving Meredith, permitting interviews with representatives of Meredith, appearing for depositions and trial testimony, and producing and/or providing any documents or names of other persons with relevant information in your possession or control arising out of your employment in a reasonable time, place and manner.

This Employment Agreement, including related stock option plans and the Severance Agreement, contain all of the understandings and agreements between you and Meredith as of the execution of this Employment Agreement and they supersede and terminate all other understandings and agreements relating to your employment with Meredith.

If any provision of this Employment Agreement shall be held to be invalid or unenforceable, the remainder of this Employment Agreement shall nevertheless remain in full force and effect. If any provision is held to be invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

This Employment Agreement shall be governed by New York law.

Meredith Corporation and I look forward to our association with you under the terms expressed above. Please confirm your acceptance by signing as indicated below.

MEREDITH CORPORATION

By: _/s/ Steve Lacy

Steve Lacy

I understand and accept the terms and conditions of my employment with Meredith as expressed above.

By: _/s/ Jack Griffin

Jack Griffin

Schedule A

AOL Time Warner (Magazine−Operations)
American Media
Conde Nast
Disney (Magazine−Operations)
Gruner + Jahr
Hachette
Hearst (Magazine−Operations)
Martha Stewart omnimedia
Mary Englebriet
Primedia
Readers' Digest
Rodale
The Scripps Network
i Village

MEREDITH REPLACEMENT BENEFIT PLAN

(As Amendment and Restated as of January 1, 2001)

SECTION 1

Introduction

1.1. The Plan, the Company, the Meredith Companies

. This MEREDITH REPLACEMENT BENEFIT PLAN (the "Replacement Plan") has been established by MEREDITH CORPORATION, an Iowa corporation (the "Company"), effective as of September 1, 1989 (the "Effective Date"), and has been amended and restated effective as of January 1, 2001. The term "Meredith Companies" as used in this Replacement Plan means the Company and its subsidiaries.

1.2. Purpose

. The Company maintains Meredith Employees' Retirement Income Plan (the "Cash Balance Plan"), a defined benefit plan that is intended to meet the requirements of a "qualified plan" under Section 401(a) of the Internal Revenue Code. The purpose of this Replacement Plan, a nonqualified plan, is to provide for eligible employees and the beneficiaries of eligible employees whose deaths occur during employment the additional benefits they would have become entitled to under the Cash Balance Plan but for the following limitations:

(a) Compensation Limitations. Section 401(a)(17) of the Internal Revenue Code limits the amount of an employee's annual compensation that may be taken into account in determining the benefits that may be paid to that employee from the Cash Balance Plan. The limitation described above is referred to as the "Compensation Limitation".

(b) Maximum Benefit Limitations. Section 415 of the Internal Revenue Code places limitations on the amount of benefits that may be paid from the Cash Balance Plan to or with respect to a retired or terminated employee. The limitations described above are referred to as the "Maximum Benefit Limitations".

Notwithstanding any other provisions of this Replacement Plan, in no event shall any benefits be payable under this Replacement Plan that would duplicate benefits that become payable under any other qualified or nonqualified plan maintained by the Company, any other employer or any other member of the controlled group of corporations of which the Company is a member.

1.3. Employer

. The Company shall be the only "Employer" under this Replacement Plan on the Effective Date. By writing filed with the Administrator, the Chief Executive Officer of the Company at any time or times after the Effective Date may designate a subsidiary of the Company that is an employer under the Cash Balance Plan as an "Employer" under this Replacement Plan.

1.4. Plan Administration

. This Replacement Plan shall be administered by a person or persons designated at any time or from time to time by the Chief Executive Officer of the Company. The person or persons so designated shall be known as the Administrator. Subject to the provisions set forth herein, the Administrator shall have full power to construe and interpret the Replacement Plan and any agreement or instrument entered into under the Replacement Plan; to establish, amend or waive rules and regulations for the Replacement Plan's administration and to make other determinations which may be necessary or advisable for the administration of the Replacement Plan. All determinations and decisions of the Administrator as to any disputed question arising under the Replacement Plan, including questions of construction and interpretation, shall be final, conclusive and binding on all parties. Each person who is or shall have been designated to serve as Administrator shall be indemnified and held harmless by the Company against and from all loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party, or in which such person may be involved by reason of any action taken or failure to act under this Replacement Plan. The Company shall, subject to the requirements and limitations of Iowa law, pay such loss, cost, liability or expense imposed on or incurred by such person promptly upon demand by such person, whether or not such person has actually advanced such amount prior thereto. The Company shall also indemnify each such person who is or shall have been designated to serve as Administrator against and from any and all amounts paid by such person in settlement thereof, with the Company's approval, or paid by such person in satisfaction of any judgment in any such action, suit or proceeding against such person, provided such person shall give the Company an opportunity, at its own expense, to handle and defend the same before such person undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

SECTION 2

Participation and Replacement Benefits

2.1. Participation

. The Chief Executive Officer of the Company shall be a "Covered Participant" under this Replacement Plan. Subject to the conditions and limitations of this Replacement Plan, any other employee of an Employer under this Replacement Plan who is a participant in the Cash Balance Plan will become a "Covered Participant" under this Replacement Plan only if the employee is designated as such by the Chief Executive Officer of the Company by writing filed with the Administrator. The effective date of the employee's participation in this Replacement Plan shall be specified in such designation.

2.2. Discontinuance of Participation During Employment

. The Chief Executive Officer of the Company, by writing filed with the Administrator, may revoke prospectively any prior designation of an employee as a Covered Participant under this Replacement Plan. In such event, if the Chief Executive Officer of the Company does not subsequently reinstate the employee as a Covered Participant under this Replacement Plan before the employee's termination of employment with the Meredith Companies, the employee shall be deemed to have continued as a covered participant but the benefits, if any, otherwise payable under this Replacement Plan to or with respect to such terminated employee, as determined in accordance with the provisions of subsection 2.5 or 2.6, whichever applies, shall be adjusted as provided in subsection 2.7.

2.3. Replacement Benefits, Replacement Death Benefits, and Actuarially Equivalent Benefits

. The benefits that become payable to a Covered Participant under this Replacement Plan, as determined as provided below in this Section 2, are referred to as "Replacement Benefits". The benefits a Beneficiary (as defined in Section 3.1) of a Covered Participant becomes entitled to receive under this Replacement Plan, as determined as provided below in this Section 2, are referred to as "Replacement Death Benefits". For purposes of this Replacement Plan, "actuarially equivalent" benefits shall be calculated on the basis of the actuarial factors, assumptions and tables applied for the same or similar purposes under the Cash Balance Plan, as determined by the Administrator.

2.4. Entitlement to Replacement Benefits and Replacement Death Benefits

. If a Covered Participant terminates from employment with the Meredith Companies prior to death but at or after attaining age 55 and completing seven or more years of Vesting Service (as defined below) and if the Covered Participant is entitled to receive a retirement benefit under the Cash Balance Plan, the Covered Participant will be entitled to Replacement Benefits under this Replacement Plan as determined in accordance with subsection 2.5 (but as adjusted as provided in subsection 2.7 if the provisions of that subsection are applicable to that Covered Participant). If death benefits become payable under the Cash Balance Plan to a Covered Participant's spouse or other Beneficiary as a result of the Covered Participant's death during employment with a Meredith Company, but after The Covered Participant had attained age 55 and had completed seven or more years of Vesting Service, the participant's Beneficiary shall be entitled to Replacement Death Benefits under this Replacement Plan as determined in accordance with subsection 2.6 (but as adjusted as provided in subsection 2.7 if the provisions of that subsection are applicable to the Beneficiary). The term "Vesting Service" as used in this subsection means Vesting Service as that term is defined and used in the Cash Balance Plan.

2.5. Amount of Replacement Benefits

. Subject to the conditions and limitations of this Replacement Plan, the Replacement Benefits a Covered Participant becomes entitled to receive under this Replacement Plan upon termination of employment with the Meredith Companies for a reason other than death shall be in an amount equal to the excess, if any, of the amount calculated in accordance with subparagraph (a) next below over the amount calculated in accordance with subparagraph (b) next below:

(a) The amount of the single−sum distribution that would be payable to the participant from the Cash Balance Plan as of the first day of the month that next follows the Covered Participant's termination of employment (as defined in the Cash Balance Plan) if:

(i) the benefit credits under the Cash Balance Plan for each year (including any credit resulting from application of the transition formula in effect under the Cash Balance Plan from September 1, 1989, to December 31, 1998) had been determined without applying the Compensation Limitation; and

(ii) the full cash balance account under the Cash Balance Plan had been credited each year with interest at the base interest crediting rate established under the Cash Balance Plan (that is, the special interest crediting rate that applies to the portion, if any, of the cash balance account attributable to benefit credits prior to January 1, 1994, on compensation in excess of the Compensation Limitation will be disregarded).

(iii) the Maximum Benefit Limitations were not required to be applied in determining the amount of the single−sum distribution from the Cash Balance Plan.

(b) The amount of the single−sum distribution actually payable from the Cash Balance Plan as of the first day of the month that next follows the Covered Participant's termination of employment (as defined in the Cash Balance Plan).

<u>2.6. Amount of Replacement Death Benefits</u>

. Subject to the conditions and limitations of this Replacement Plan, the Replacement Death Benefits the Beneficiary of a Covered Participant becomes entitled to receive under this Replacement Plan as a result of the Covered Participant's death while employed by a Meredith Company shall be in an amount equal to the excess, if any, of the amount calculated in accordance with subparagraph (a) next below over the amount calculated in accordance with subparagraph (b) next below:

(a) The amount of the single−sum distribution that would be payable to the Beneficiary from the Cash Balance Plan as of the first day of the month that next follows the date of the participant's death if the conditions specified in Sec. 2.5(a)(i), (ii) and (iii) were met.

(b) The amount of the single−sum distribution actually payable to the Beneficiary from the Cash Balance Plan as of the first day of the month that next follows the date of the participant's death.

<u>2.7. Adjustment of Replacement Benefits and Replacement Death Benefits</u>

. If pursuant to subsection 2.2 the Chief Executive Officer of the Company revokes a prior designation of an employee as a Covered Participant under this Replacement Plan, the benefits payable under this Replacement Plan to or with respect to that employee upon termination from employment with the Meredith Companies (including death while an employee) shall be the amount determined in accordance with subsection 2.5 or 2.6, whichever applies, but the amount under subparagraph 2.5(a) or 2.6(a) shall be determined as of the effective date of the revocation of the employee's designation as a Covered Participant as if termination of employment had occurred on that date, with such amount credited with interest to the payment date in subsection 2.5 or 2.6, whichever applies, at the base interest crediting rate established under the Cash Balance Plan.

<u>2.8. Payment of Replacement Benefits</u>

. Replacement Benefits that a Covered Participant becomes entitled to receive under this Replacement Plan on account of termination of employment for a reason other than death shall become payable on the earliest date on which the Covered Participant would have been entitled to receive those benefits, or to begin receiving those benefits, if they were payable under the Cash Balance Plan. Replacement Benefits shall be distributed pursuant to the payment rules established by the Administrator pursuant to subsection 2.9 that are in effect at the time of payment. If a Covered Participant's Replacement Benefits are to be paid in a lump sum or in installments pursuant to the rules described above, payment of the lump sum amount or the first installment, as the case may be, shall be made as soon as practicable after such benefits initially become payable. Remaining installments shall be paid as soon as practicable after the beginning of each subsequent installment period. If a Covered Participant's death occurs after the Covered Participant's employment termination date but prior to payment of the Covered Participant's entire Replacement Benefits, the unpaid portion of the Covered Participant's Replacement Benefits shall be paid to the Covered Participant's Beneficiary as soon as practicable after the Covered Participant's death. Notwithstanding the preceding provisions of this subsection 2.8, but subject to the requirements of subsection 2.9, the Administrator shall have the authority to delay the payment of amounts otherwise required to be paid in accordance with this subsection 2.8 to the extent necessary to avoid a limitation on the deductibility of the payment or any portion thereof under Section 162 (m) of the Code.

<u>2.9. Administrator Payment Rules</u>

. The Administrator shall establish "Payment Rules" incorporating objective standards that shall govern the form of payment of Replacement Benefits. A copy of the Payment Rules, certified by the Administrator, shall be filed with the Secretary of the Company. The Administrator may at any time adopt modified Payment Rules, but such modified payment rules shall not become effective until the calendar year next following the calendar year in which a copy of the modified Payment Rules, certified by the Administrator, has been filed with the Secretary of the Company. Such modified Payment Rules also shall apply to subsequent calendar years unless those rules are further modified and filed in the manner described above.

<u>2.10. Payment of Replacement Death Benefits</u>

. Replacement Death Benefits that become payable to a Covered Participant's Beneficiary because of the Covered Participant's death shall be paid in a lump sum as soon as practicable after such death.

<u>2.11. Effect of Deferred Compensation Plan</u>

. Subject to the limitations of this Replacement Plan, solely for purposes of determining the amount of benefit payable under subsections 2.5 and 2.6, the amount of compensation which would have been paid to a Covered Participant, but for the Covered Participant's election to defer compensation under the Meredith Corporation Deferred Compensation Plan (effective as of February 1, 1994), shall be considered to have been paid to the Covered Participant at the time and in the manner such compensation would have been payable but for the Covered Participant's deferral election under the deferred compensation plan and shall be taken into account as if paid at that time in determining the amount of benefit payable to the participant under the Cash Balance Plan for purposes of subparagraphs 2.5(a) and 2.6(a).

SECTION 3

Beneficiaries, Funding

3.1. Beneficiary

. A Covered Participant's "Beneficiary" means the persons, corporations, trustees or executors (in such proportions) as are designated in writing by such Covered Participant and filed during such Covered Participant's lifetime with the Administrator. A designation may provide for successive Beneficiaries in the event of the death of the primary Beneficiary or an occurrence of a described event. A Covered Participant's designation may be changed by the Covered Participant from time to time by filing during such Covered Participant's lifetime a new designation with the Administrator, which shall automatically revoke all prior designations. If a Covered Participant fails to designate a Beneficiary, or if the Beneficiary named predeceases the Covered Participant, any benefit under this Replacement Plan payable after the covered Participant's death shall be paid to the beneficiary determined for the Covered Participant under the provisions of the Cash Balance Plan.

3.2. Funding

. Benefits payable under this Replacement Plan to a Covered Participant or the Covered Participant's Beneficiary shall be paid directly by the Employers from their general assets in such proportions as the Company shall determine. The Employers shall not be required to segregate on their books or otherwise set aside or reserve any amount to be used for the payment of benefits under this Replacement Plan.

SECTION 4

General Provisions

4.1. Employment Rights

. Establishment of this Replacement Plan shall not be construed to give any Covered Participant the right to be retained in the employ of the Company or any other Employer or to any benefits not specifically provided by this Replacement Plan.

4.2. Interests Not Transferable

. Except as to withholding of any tax under the laws of the United States or any state or municipality, the interests of Covered Participants and their Beneficiaries are not subject to the claims of their creditors and may not be voluntarily or involuntarily transferred, assigned, alienated or encumbered.

4.3. Controlling Law

. The laws of Iowa shall be controlling in all matters relating to this Replacement Plan.

4.4. Gender and Number

. Where the context admits, words in the masculine gender shall include the feminine and neuter genders, the plural shall include the singular and the singular shall include the plural.

4.5. Action by the Company

. Any action required of or permitted by the Company under this Replacement Plan shall be by resolution of its Board of Directors or by a duly authorized committee of its Board of Directors, or by a person or persons authorized by resolution of its Board of Directors or such committee.

4.6. Successor to the Company or Any Other Employer

. The term "Company" as used in this Replacement Plan shall include any successor to the Company by reason of merger, consolidation, the purchase or transfer of all or substantially all of the Company's assets, or otherwise. The term "Employer" as used in this Replacement Plan with respect to the Company or any subsidiary of the Company shall include any successor to that corporation by reason of merger, consolidation, the purchase or transfer of all or substantially all of the assets of that corporation, or otherwise.

4.7. Facility of Payment

. Any amounts payable hereunder to any person under a legal disability or who, in the judgment of the Administrator, is unable to properly manage his or her affairs may be paid to the legal representative of such person or may be applied for the benefit of such person in any manner which the Administrator may select.

SECTION 5

Amendment and Termination

While the Company expects to continue this Replacement Plan, the Company must necessarily reserve and reserves the right to amend this Replacement Plan from time to time or to terminate this Replacement Plan at any time. However, no amendment of this Replacement Plan nor the termination of this Replacement Plan may cause the reduction or cessation of any benefits that, but for such amendment or termination, are payable under this Replacement Plan or would become payable under this Replacement Plan after the date such amendment is made or the termination of This Replacement Plan occurs with respect to benefits accrued under the Cash Balance Plan prior to such date.

Exhibit 10.18

MEREDITH SUPPLEMENTAL BENEFIT PLAN

(As Amendment and Restated as of January 1, 2001)

SECTION 1

Introduction

1.1. The Plan, the Company, the Meredith Companies

. This MEREDITH SUPPLEMENTAL BENEFIT PLAN (the "Supplemental Plan") has been established by MEREDITH CORPORATION, an Iowa corporation (the "Company"), effective as of September 1, 1989 (the "Effective Date"), and has been amended and restated effective as of January 1, 2001. The term "Meredith Companies" as used in this Supplemental Plan means the Company and its subsidiaries.

1.2. Prior Plan, Retirement Plan and Replacement Plan

. The Company maintained a defined benefit plan intended to meet the requirements of a "qualified plan" under Section 401(a) of the Internal Revenue Code known as Restated Retirement Income Plan for Employees of Meredith Corporation (GA 31147), which plan, as amended and in effect on August 31, 1989, is referred to in this Supplemental Plan as the "Prior Defined Benefit Plan". The Prior Defined Benefit Plan was amended and restated effective as of September 1, 1989 as Meredith Employees' Retirement Income Plan (the "Cash Balance Plan"). The Cash Balance Plan continues to be a qualified defined benefit plan but the benefit formula contained in the Prior Defined Benefit Plan and the other provisions of the Prior Defined Benefit Plan were substantially modified in order that the Cash Balance Plan would become what is commonly referred to as a "cash balance" type defined benefit plan. The Company also maintains the Meredith Replacement Benefit Plan (the "Replacement Plan"), a nonqualified plan that is intended to provide the additional benefits that eligible employees (or their beneficiaries) would have become entitled to under the Cash Balance Plan upon their retirement or other termination of employment on or after September 1, 1989 but for the limitation on the amount of compensation taken into account in computing benefits that is imposed by Section 401(a)(17) of the Internal Revenue Code (the "Compensation Limitation") and the maximum benefit limitations imposed by Section 415 of the Internal Revenue Code (the "Maximum Benefit Limitations").

1.3. Purpose of the Plan

. The purpose of this Supplemental Plan, a non−qualified plan, is to provide for Covered Participants as defined in Section 2.1 and the beneficiaries of Covered Participants who die while employed by The Meredith Company the excess, if any, of the benefits they would have become entitled to under the Prior Defined Benefit Plan if it had continued in effect after August 31, 1989 (but with such benefits determined on the basis of their "Compensation" and "Average Compensation" as those terms are defined in Sec. 2.5(a) and with such benefits determined as though the short service percentage were calculated with a denominator of 240) over the actual benefits they become entitled to under the Cash Balance Plan and the Replacement Plan.

1.4. Employer

. The Company shall be the only "Employer" under this Supplemental Plan on the effective date. By writing filed with the Administrator, the Chief Executive Officer of the Company at any time or times after the Effective Date may designate a subsidiary of the Company that is an employer under the Cash Balance Plan as an "Employer" under this Supplemental Plan.

1.5. Plan Administration

. This Supplemental Plan shall be administered by a person or persons designated at any time or from time to time by the Chief Executive Officer of the Company. The person or persons so designated shall be known as the Administrator. Subject to the provisions set forth herein, the Administrator shall have full power to construe and interpret the Supplemental Plan and any agreement or instrument entered into under the Supplemental Plan; to establish, amend or waive rules and regulations for the Supplemental Plan's administration and to make other determinations which may be necessary or advisable for the administration of the Supplemental Plan. All determinations and decisions of the Administrator as to any disputed question arising under the Supplemental Plan, including questions of construction and interpretation, shall be final, conclusive and binding on all parties. Each person who is or shall have been designated to serve as Administrator shall be indemnified and held harmless by the Company against and from all loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party, or in which such person may be involved by reason of any action taken or failure to act under this Supplemental Plan. The Company shall, subject to the requirements and limitations of Iowa law, pay such loss, cost, liability or expense imposed on or incurred by such person promptly upon demand by such person, whether or not such person has actually advanced such amount prior thereto. The Company shall also indemnify each such person who is or shall have been designated to serve as Administrator against and from any and all amounts paid by such person in settlement thereof, with the Company's approval, or paid by such person in satisfaction of any judgment in any such action, suit or proceeding against such person, provided such person shall give the Company an opportunity, at its own expense, to handle and defend the same before such person undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

SECTION 2

Participation and Supplemental Benefits

2.1. Participation

. The Chief Executive Officer of the Company shall be a "Covered Participant" under this Supplemental Plan. Subject to the conditions and limitations of this Supplemental Plan, any other employee of an Employer under this Supplemental Plan who is a participant in both the Cash Balance Plan and the Replacement Plan will become a "Covered Participant" under this Supplemental Plan only if the employee is designated as such by the Chief Executive Officer of the Company by writing filed with the Administrator. The effective date of the employee's participation in this Supplemental Plan shall be specified in such designation.

2.2. Discontinuance of Participation During Employment

. The Chief Executive Officer of the Company, by writing filed with the Administrator, may revoke prospectively any prior designation of an employee as a Covered Participant under this Supplemental Plan. In such event, if the Chief Executive Officer of the Company does not subsequently reinstate the employee as a Covered Participant under this Supplemental Plan before the employee's termination of employment with the Meredith Companies, the employee shall be deemed to have continued as a Covered Participant but the benefits, if any, otherwise payable under this Supplemental Plan to or with respect to such terminated employee, as determined in accordance with the provisions of subsection 2.5 or 2.6, whichever applies, shall be adjusted as provided in subsection 2.7.

2.3. Supplemental Benefits, Supplemental Death Benefits, and Actuarially Equivalent Benefits

. The benefits that become payable to a Covered Participant under this Supplemental Plan, as determined as provided below in this Section 2, are referred to as "Supplemental Benefits". The benefits a Beneficiary (as defined in Section 3.1) of a Covered Participant becomes entitled to receive under this Supplemental Plan, as determined as provided below in this Section 2, are referred to as "Supplemental Death Benefits". For purposes of this Supplemental Plan, "actuarially equivalent" benefits shall be calculated on the basis of the actuarial factors, assumptions and tables applied for the same or similar purposes under the Cash Balance Plan, as determined by the Administrator.

2.4. Entitlement to Supplemental Benefits and Supplemental Death Benefits

. If a Covered Participant terminates from employment with the Meredith Companies prior to death but at or after attaining age 55 and completing seven or more years of Vesting Service (as defined below) and if the Covered Participant is entitled to receive a retirement benefit under the Cash Balance Plan, the Covered Participant will be entitled to Supplemental Benefits under this Supplemental Plan as determined in accordance with subsection 2.5 (but as adjusted as provided in subsection 2.7 if the provisions of that subsection are applicable to that Covered Participant). If death benefits become payable under the Cash Balance Plan to a Covered Participant's spouse or other Beneficiary as a result of the Covered Participant's death during employment with a Meredith Company, but after the Covered Participant had attained age 55 and had completed seven or more years of Vesting Service, the Covered Participant's Beneficiary shall be entitled to Supplemental Death Benefits under this Supplemental Plan as determined in accordance with subsection 2.6 (but as adjusted as provided in subsection 2.7 if the provisions of that subsection are applicable to the Beneficiary). The term "Vesting Service" as used in this subsection means Vesting Service as that term is defined and used in the Cash Balance Plan. Based upon a recommendation from the Company's Chief Executive Officer, the Compensation/Nominating Committee of the Company's Board of Directors may determine, in its sole discretion and strictly for purposes of this Supplemental Plan, to credit any Covered Participant with more years of Vesting Service than would otherwise be determined under the provisions of the Cash Balance Plan. The amount of additional Vesting Service and the time when it is credited shall be determined by the Compensation/Nominating Committee and need not be the same for all Covered Participants.

2.5. Amount of Supplemental Benefits

. Subject to the conditions and limitations of this Supplemental Plan, the Supplemental Benefits a Covered Participant becomes entitled to receive under this Supplemental Plan upon termination of employment with the Meredith Companies for a reason other than death shall be in an amount equal to the excess, if any, of the amount calculated in accordance with subparagraph (a) next below over the amount calculated in accordance with subparagraph (b) next below:

(a) The single−sum actuarially equivalent value of what the Covered Participant's accrued benefit would have been under the Prior Defined Benefit Plan as of the first day of the month that next follows the Covered Participant's termination of employment (as defined in the Cash Balance Plan), if the Prior Plan had continued in effect after August 31, 1989, but assuming (i) the Prior Defined Benefit Plan required that such accrued benefit be calculated on the basis of the Covered Participant's "compensation" (as defined in the Cash Balance Plan) and "Average Compensation" (as defined below), except that payments received under the Meredith Corporation 1980 Long Term Incentive Plan and any successor plan thereto shall be disregarded in determining such amounts (rather than calculating such benefits on the basis of the Covered Participant's "monthly compensation" and "average compensation" as those terms were defined in the Prior Defined Benefit Plan), and (ii) the Compensation Limitation and Maximum Benefit Limitations were not required to be applied in determining such accrued benefit, and (iii) the Covered Participant's "Short Service Percentage" under the Prior Defined Benefit Plan shall mean an adjustment applied to determine a Covered Participant's accrued benefit, which shall, on any date, be equal to the quotient (to four decimal places) of (1) divided by (2):

(1) the Covered Participant's Credited Service, converted to whole months;

(2) 240;

provided that the Short Service Percentage will not exceed 100%.

(b) The amount of the single−sum distribution actually payable from the Cash Balance Plan and from the Replacement Plan as of the first day of the month that next follows the Covered Participant's termination of employment (as defined in the retirement plan).

For this purpose, "Average Compensation" means the monthly average of a Covered Participant's compensation from the Meredith Companies for the five consecutive calendar years (or total consecutive calendar years, if less than five) during the Covered Participant's period of participation in this Supplemental Plan that provide the highest average within the ten consecutive calendar years that immediately precede the calendar year of the Covered Participant's termination of employment (or the ten consecutive calendar years that end with the calendar year of the Covered Participant's termination of employment if inclusion of that calendar year within the five year (or lesser) period described above would result in the highest average compensation for the Covered Participant). Such monthly average will be determined by dividing the Covered Participant's aggregate compensation for the five (or less) year period described above by the number of months in such period.

The term "Credited Service" as used in this subsection means Credited Service as that term is defined and used in the Prior Defined Benefit Plan. Based upon a recommendation from the Company's Chief Executive Officer, the Compensation/Nominating Committee of the Company's Board of Directors may determine, in its sole discretion and strictly for purposes of this Supplemental Plan, to credit any Covered Participant with more years of Credited Service than would otherwise be determined under the provisions of the Prior Defined Benefit Plan. The amount of additional Credited Service and the time when it is credited shall be determined by the Compensation/Nominating Committee and need not be the same for all Covered Participants.

<u>2.6. Amount of Supplemental Death Benefits</u>

. Subject to the conditions and limitations of this Supplemental Plan, the Supplemental Death Benefits the Beneficiary of a Covered Participant becomes entitled to receive under this Supplemental Plan as a result of the Covered Participant's death while employed by one of the Meredith Companies shall be in an amount equal to the excess, if any, of the amount calculated in accordance with subparagraph (a) next below over the amount calculated in accordance with subparagraph (b) next below:

(a) The single−sum actuarially equivalent value of the qualified preretirement survivor annuity (as defined in the Prior Defined Benefit Plan) or other death benefits that would have been payable to the Beneficiary under the Prior Defined Benefit Plan as of the first day of the month that next follows the date of the Covered Participant's death if the conditions specified in Sec. 2.5(a) were met.

(b) The amount of the single−sum distribution actually payable to the Beneficiary from the Cash Balance Plan and from the Replacement Plan as of the first day of the month that next follows the date of the Covered Participant's death.

2.7. Adjustment of Supplemental Benefits and Supplemental Death Benefits

. If pursuant to subsection 2.2 the Chief Executive Officer of the Company revokes a prior designation of an employee as a Covered Participant under this Supplemental Plan, the benefits payable under this Supplemental Plan to or with respect to that employee upon termination from employment with the Meredith Companies (including death while an employee) shall be the amount determined in accordance with subsection 2.5 or 2.6, whichever applies, but the accrued benefit of the Covered Participant under subparagraph 2.5(a) or 2.6(a) shall be determined as of the effective date of the revocation of the employee's designation as a Covered Participant as if termination of employment had occurred on that date.

2.8. Payment of Supplemental Benefits

. Supplemental Benefits that a Covered Participant becomes entitled to receive under this Supplemental Plan on account of termination of employment for a reason other than death shall become payable on the earliest date on which the Covered Participant would have been entitled to receive those benefits, or to begin receiving those benefits, if they were payable under the Cash Balance Plan. Supplemental Benefits, shall be distributed pursuant to the payment rules established by the Administrator pursuant to subsection 2.9 that are in effect at the time of payment. If a Covered Participant's Supplemental Benefits are to be paid in a lump sum or in installments pursuant to the rules described above, payment of the lump sum amount or the first installment, as the case may be, shall be made as soon as practicable after such benefits initially become payable. Remaining installments shall be paid as soon as practicable after the beginning of each subsequent installment period. If a Covered Participant's death occurs after the Covered Participant's employment termination date but prior to payment of the Covered Participant's entire Supplemental Benefits, the unpaid portion of the Covered Participant's Supplemental Benefits shall continue to be paid to the Covered Participant's Beneficiary as soon as practicable after the Covered Participant's death. Notwithstanding the preceding provisions of this subsection 2.8, but subject to the requirements of subsection 2.9, the Administrator shall have the authority to delay the payments of amounts otherwise required to be paid in accordance with this subsection 2.8 to the extent necessary to avoid a limitation on the deductibility of the payment or any portion thereof under Section 162 (m) of the Internal Revenue Code of 1986, as amended.

2.9. Administrator Payment Rules

. The Administrator shall establish "Payment Rules" incorporating objective standards that shall govern the form of payment of Supplemental Benefits. A copy of the Payment Rules, certified by the Administrator, shall be filed with the Secretary of the Company. The Administrator may at any time adopt modified Payment Rules, but such modified Payment Rules shall not become effective until the calendar year next following the calendar year in which a copy of the modified Payment Rules, certified by the Administrator, has been filed with the Secretary of the Company. Such modified Payment Rules also shall apply to subsequent calendar years unless those rules are further modified and filed in the manner described above.

2.10. Payment of Supplemental Death Benefits

. Supplemental Death Benefits that become payable to a Covered Participant's Beneficiary because of the Covered Participant's death shall be paid in a lump sum as soon as practicable after such death.

2.11. Effect of Deferred Compensation Plan

. Subject to the limitations of this Supplemental Plan, solely for purposes of determining the amount of benefit payable under subsections 2.5 and 2.6, the amount of compensation which would have been paid to a Covered Participant, but for the Covered Participant's election to defer compensation under the Meredith Corporation Deferred Compensation Plan (effective as of February 1, 1994) shall be considered to have been paid to the Covered Participant at the time and in the manner such compensation would have been payable but for the Covered Participant's deferral election under the deferred compensation plan and shall be taken into account as if paid at that time in determining the amount which would have been payable to the Covered Participant under the Prior Defined Benefit Plan for purposes of subparagraphs 2.5 (a) and 2.6(a).

SECTION 3

Beneficiaries, Funding

3.1. Beneficiary

. A Covered Participant's "Beneficiary" means the persons, corporations, trustees or executors (in such proportions) as are designated in writing by such Covered Participant and filed during such Covered Participant's lifetime with the Administrator. A designation may provide for successive Beneficiaries in the event of the death of the primary Beneficiary or an occurrence of a described event. A Covered Participant's designation may be changed by the Covered Participant from time to time by filing during such Covered Participant's lifetime a new designation with the Administrator, which shall automatically revoke all prior designations.

If a Covered Participant fails to designate a Beneficiary, or if the Beneficiary named predeceases the Covered Participant, any benefit under this Supplemental Plan payable after the Covered Participant's death shall be paid to the beneficiary determined for the Covered Participant under the provisions of the Cash Balance Plan.

3.2. Funding

. Benefits payable under this Supplemental Plan to a Covered Participant or the Covered Participant's Beneficiary shall be paid directly by the Employers from their general assets in such proportions as the Company shall determine. The Employers shall not be required to segregate on their books or otherwise set aside or reserve any amount to be used for the payment of benefits under this Supplemental Plan.

SECTION 4

General Provisions

4.1. Employment Rights

. Establishment of this Supplemental Plan shall not be construed to give any Covered Participant the right to be retained in the employ of the Company or any other Employer or to any benefits not specifically provided by this Supplemental Plan.

4.2. Interests Not Transferable

. Except as to withholding of any tax under the laws of the United States or any state or municipality, the interests of Covered Participants and their Beneficiaries are not subject to the claims of their creditors and may not be voluntarily or involuntarily transferred, assigned, alienated or encumbered.

4.3. Controlling Law

. The laws of Iowa shall be controlling in all matters relating to this Supplemental Plan.

4.4. Gender and Number

. Where the context admits, words in the masculine gender shall include the feminine and neuter genders, the plural shall include the singular and the singular shall include the plural.

4.5. Action by the Company

. Any action required of or permitted by the Company under this Supplemental Plan shall be by resolution of its Board of Directors or by a duly authorized committee of its Board of Directors, or by a person or persons authorized by resolution of its Board of Directors or such committee.

4.6. Successor to the Company or Any Other Employer

. The term "Company" as used in this Supplemental Plan shall include any successor to the Company by reason of merger, consolidation, the purchase or transfer of all or substantially all of the Company's assets, or otherwise. The term "Employer" as used in this Supplemental Plan with respect to the Company or any subsidiary of the Company shall include any successor to that corporation by reason of merger, consolidation, the purchase or transfer of all or substantially all of the assets of that corporation, or otherwise.

4.7. Facility of Payment

. Any amounts payable hereunder to any person under a legal disability or who, in the judgment of the Administrator, is unable to properly manage his or her affairs may be paid to the legal representative of such person or may be applied for the benefit of such person in any manner which the Administrator may select.

SECTION 5

Amendment and Termination

While the Company expects to continue this Supplemental Plan, the Company must necessarily reserve and reserves the right to amend this Supplemental Plan from time to time or to terminate this Supplemental Plan at any time. However, no amendment of this Supplemental Plan nor the termination of this Supplemental Plan may cause the reduction or cessation of any benefits that, but for such amendment or termination, are payable under this Supplemental Plan, or would become payable under this Supplemental Plan after the date such amendment is made or the termination of this Supplemental Plan occurs, with respect to benefits accrued under the Cash Balance Plan and the Replacement Plan prior to such date and benefits that would have accrued under the Prior Defined Benefit Plan before that date on the basis of the assumptions described in subparagraphs 2.5(a) and 2.6(a) of this Supplemental Plan.

Exhibit 21

Subsidiaries of the Registrant

All Subsidiaries of the Company, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

Exhibit 23

Consent of Independent Auditors

The Board of Directors
Meredith Corporation:

We consent to incorporation by reference in the Registration Statements No. 333−87888, No. 333−21979, No. 333−04033, No. 33−2094, No. 2−54974, and No. 33−59258, each on Form S−8, of Meredith Corporation of our report dated July 31, 2003, relating to the consolidated balance sheets of Meredith Corporation and subsidiaries as of June 30, 2003 and 2002, and the related consolidated statements of earnings, shareholders' equity, and cash flows and related financial statement schedule for each of the years in the three−year period ended June 30, 2003, which appears in the June 30, 2003 annual report on Form 10−K of Meredith Corporation.

As described in note 2 to the consolidated financial statements, in 2003 the Company changed its method of accounting for goodwill and other intangible assets.

/s/ KPMG LLP

KPMG LLP

Des Moines, Iowa
September 16, 2003

Exhibit 31

CERTIFICATIONS

I, William T. Kerr, certify that:

1. I have reviewed this annual report on Form 10−K of Meredith Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 18, 2003

/s/ William T. Kerr

William T. Kerr, Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)

A signed original of this written statement required by Section 302 has been provided to Meredith and will be retained by Meredith and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31 continued

CERTIFICATIONS

I, Suku V. Radia, certify that:

1. I have reviewed this annual report on Form 10−K of Meredith Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 18, 2003

/s/ Suku V. Radia

Suku V. Radia, Vice President−
Chief Financial Officer (Principal
Accounting and Financial Officer)

A signed original of this written statement required by Section 302 has been provided to Meredith and will be retained by Meredith and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES−OXLEY ACT OF 2002

In connection with the Annual Report of Meredith Corporation (the "Company") on Form 10−K for the period ending June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we the undersigned certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, that:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William T. Kerr

William T. Kerr
Chairman of the Board,
Chief Executive Officer and Director

(Principal Executive Officer)

Dated: September 18, 2003

/s/ Suku V. Radia

Suku V. Radia
Vice President−Chief Financial Officer
(Principal Accounting and Financial Officer)

Dated: September 18, 2003