William T. Kerr
Chairman of the Board

Stephen M. Lacy
President and
Chief Executive Officer

To Our Shareholders

Fiscal 2008 reported earnings per share were $2.83, including a special charge of $0.34 taken in the fourth quarter related primarily to the further repositioning of our book operations and selected reductions in force. Excluding the special charge, Meredith's earnings per share were $3.17, off 4 percent from the record $3.31 earned in fiscal 2007. Revenues were $1.6 billion, down slightly versus the prior year.

For more detailed analysis of our financial performance, we encourage you to read the Form 10-K included in this report. Additional information on the special charge is available in Appendix 1 immmediately following the 10-K.

Through the first six months of fiscal 2008, we were on pace to deliver another record year. Advertising performance was strong, and initiatives put in place to accelerate the growth of revenues not dependent on traditional advertising were exceeding expectations.

In the second half, as we began to access calendar 2008 advertising budgets, our performance – along with many in the media industry – was slowed by a number of factors. Chief among them were rising prices for energy and related commodities, which prompted many advertisers to reduce spending.

Additionally, the weak housing market hurt retail sales of our home-related books and magazines and impacted advertising at our television stations. Also, raw material costs escalated in our own businesses, including a 25 percent increase in paper prices during fiscal 2008.

Our strategy to grow non-advertising revenue sources partially offset these factors. Meredith Integrated Marketing had an outstanding year in fiscal 2008, increasing revenues nearly 50 percent and operating profit almost 75 percent. Revenues from our brand licensing operations increased 30 percent, and our online and video businesses also experienced strong growth.

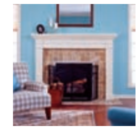
We increased our ongoing commitment of returning capital to shareholders in fiscal 2008 by repurchasing 3.2 million shares, nearly triple the amount repurchased in fiscal 2007. Also, in January 2008, the Board of Directors raised the quarterly dividend rate 16 percent – our 15th consecutive annual dividend increase.

Improving Performance in the Current Environment

We believe the marketplace trends experienced to date in calendar 2008 are cyclical and not tied to structural issues for the industries in which we operate, or for Meredith in particular. Data related to consumer media usage and advertising spending continue to support this position. Meredith experienced audience growth for magazines and television programming, as well as online unique visitors. This is important because advertising dollars – which account for about 60 percent of our total revenues – tend to follow aggregation of large and growing consumer audiences.

In the current economic environment, it's important to have great consumer brands, sound growth strategies and a strong financial foundation. Meredith possesses all of these elements, and they are essential to the success of the performance improvement plan we are executing.



We are focused on three major initiatives:

(1) Maximizing performance from our core publishing and broadcasting brands through product enhancements and special sales incentives.

Meredith is clearly the leading media company serving women. The portfolio of properties we've strategically assembled reaches 75 million unduplicated women every month, unmatched in our industry. We provide the information and inspiration that fuel women's key passions in the areas of home, family, and their health and well-being. We offer advertisers the powerful combination of very large and targeted audiences at key life stages, beginning with parenthood and initial home ownership, and lasting throughout adulthood.

In fiscal 2008, several of our magazines received prestigious industry recognition, particularly *Better Homes and Gardens*, *More* and *Family Circle* (see box below).

Additionally, *Parents* magazine – the clear leader in the parenthood category – registered strong growth in revenues and profit, gaining substantial market share in the process.

Our Hispanic business continued to make impressive strides, led by *Siempre Mujer*, our women's lifestyle title, and *Ser Padres*, our parenting magazine. Meredith is now the country's leading publisher serving Hispanic women, reaching one-third of all adult Hispanic women annually. We will continue to strengthen these and other brands in our Publishing portfolio through improved creative leadership, and by adding important new platforms for increased consumer interaction.

Additionally, we significantly strengthened our sales organization in fiscal 2008, especially those areas focused on group and large multi-platform initiatives. In particular, we've experienced an increase in demand for advertising and marketing solutions that combine

Meredith's Creative Success

Highlighting the continued strength of our key brands, Meredith won several prestigious industry awards in fiscal 2008:

- *Better Homes and Gardens* was named Magazine of the Year by *Advertising Age*, and *More* was named runner-up, marking the first time any company has captured the top two spots on the trade publication's influential 10-title A-list.
- *Family Circle* was named to *Adweek*'s Hot List of top 10 magazines.
- The staff of BHG.com was named "Online Team of the Year" by Media Industry Newsletter.

1 BETTER HOMES AND GARDENS

PARENT: Meredith Corp.
VP-PUBLISHER: Jan Studin
EDITOR IN CHIEF: Gayle Goodson Butler

AD PAGES:	1,669.2	↑ 5.1%
TOTAL CIRCULATION:	7,675,910	↑ 0.8%
SUBSCRIPTIONS:	7,433,077	FLAT VS. LAST YEAR
SINGLE-COPY SALES:	242,833	↑ 35.5%

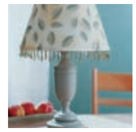
Better Homes and Gardens rode a February redesign to a huge spike in newsstand sales–during a year choppy enough for editors and publishers elsewhere to joke grimly that down is the new flat. The brand team also fixed Better Homes' website: added a video channel, Better.tv; and struck a long-term licensing deal to return its name to the residential real-estate business.

2 MORE

PARENT: Meredith Corp.
VP-PUBLISHER: Brenda Saget Darling
EDITOR IN CHIEF: Peggy Northrop

AD PAGES:	1,041.2	↑ 20.4%
TOTAL CIRCULATION:	1,254,273	↑ 8.5%
SUBSCRIPTIONS:	1,067,873	↑ 6.1%
SINGLE-COPY SALES:	186,400	↑ 24.6%

More magazine is a year older, wiser and wealthier since topping our 2006 A-List, proving again that a little aging doesn't mean the end of times. In the case of More, in fact, it barely means showing your age (not that there's anything wrong with that): This magazine's ad sales are still growing like it's a launch, but More is almost 10 years old. Rate base is slated to climb again, by 9.1% to 1.2 million in 2008.




print, online, broadcast, video, experiential and other elements. Meredith is well-equipped to meet these client needs given our deep content expertise and the broad scale of our assets.

At the local level in Broadcasting, we're focused on growing our news product, improving our ratings, and monetizing that ratings growth. Additionally, we are growing revenue from non-traditional sources such as online and video, and through our unique Cornerstone and other local-market programs.

(2) Accelerating the development of additional new revenue streams, many of which are not dependent on traditional advertising.

We put particular attention on creating and developing new revenue streams in fiscal 2008. Much of this revolved around our ongoing strategy to develop revenue sources not dependent on traditional advertising, including our integrated marketing, brand licensing, online and video businesses.

As we mentioned earlier, Meredith Integrated Marketing had an outstanding year in fiscal 2008, bolstered by increased contributions from key acquisitions as well as continued growth in core custom publishing activities. The depth and breadth of our integrated marketing skills helped us secure the largest custom marketing contract in the industry – the Kraft Food and Family account. In addition to our ability to produce a custom magazine distributed to millions of consumers, a key reason we won the account was the enhanced digital and video capabilities we brought to the relationship. Already, we have expanded the range of services provided, including custom videos produced by Meredith Video Solutions.

In fiscal 2008 we acquired two leading-edge companies – Big Communications and Directive – that further expanded the capabilities of Meredith Integrated Marketing. Big Communications is a leader in business-to-business healthcare marketing. Directive possesses expertise in database marketing. Additionally, we continued to invest in previous online marketing acquisitions.

Growing Meredith Integrated Marketing

Over the past two years, Meredith has made a series of marketing services acquisitions that have added significant capabilities, revenue and profit to our custom marketing business.

These businesses – O'Grady Meyers, Genex, New Media Strategies, Directive and Big Communications – contributed to a 50 percent increase in revenues and a 75 percent jump in operating profit for Meredith Integrated Marketing during fiscal 2008.

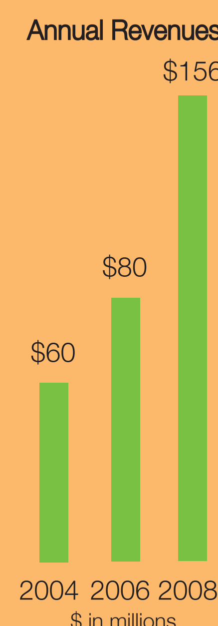
O'GRADY\MEYERS INTERACTIVE AGENCY

genex

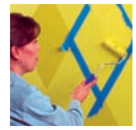
NMS new media strategies

directive A SMARTER WAY TO CONNECT THE DOTS

BIG COMMUNICATIONS








We accomplished a large expansion of our brand licensing business in fiscal 2008 and grew revenues 30 percent. We culminated an initiative to expand the Better Homes and Gardens brand at Wal-Mart. As you read this letter, Wal-Mart shelves across the country are stocked with a line of more than 500 Better Homes and Gardens-branded home products.

Also, we negotiated an agreement with Realogy, the world's largest real estate franchisor, to relaunch the Better Homes and Gardens real estate brand just as our current agreement with GMAC was expiring. Finally, we grew a very successful licensing agreement with Universal Furniture. The Better Homes and Gardens collection has become the most successful furniture line launched in 20 years, according to industry experts.

We invested in new tools and platforms across our 40+ Web sites as well in fiscal 2008. We created the Parents.com super-portal to serve as the launch pad for our online parenting businesses, and continued to invest in our BHG.com flagship site and niche enthusiast growth sites. Also, we made ongoing enhancements to our television station Web sites, adding to our creative and sales teams. As a result, unique visitors to our sites increased five fold, and Broadcasting online advertising revenues grew 40 percent.

We grew Meredith Video Solutions, including the launch of the Better television show and its syndication to more than 35 markets this fall. We created two broadband channels, Better.TV and Parents.TV, and started our first Video onDemand channel, Parents TV. Additionally, we created numerous video segments in support of our Internet sites and custom marketing clients such as Kraft.

Finally, we increased retransmission revenues by 50 percent in fiscal 2008. These fees are paid by local cable, satellite and telephone companies in return for the right to carry programming from our television stations. Looking ahead, our largest agreements are up for renewal at the end of calendar 2008, and we expect to recognize the full financial benefit of new contracts in fiscal 2010.

(3) Ongoing disciplined expense management, including tight control of labor and vendor costs.

Given the economic climate, we are even more focused on judiciously managing expenses. We limited total growth in expenses in fiscal 2008 to just 1 percent from fiscal 2007, including the dramatic increases in paper costs mentioned earlier. Excluding acquisition costs and a special charge taken in the fourth quarter, total Meredith expenses actually declined 2 percent in fiscal 2008.

Extending our Brands

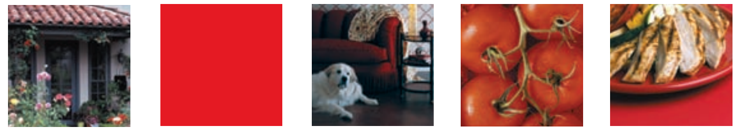
Meredith has several emerging brand licensing programs that we expect will add meaningful revenues and profits going forward. In fiscal 2009, we expect Meredith's licensing business will grow to approximately $25 million; up from $15 million in fiscal 2008. This growth is largely attributed to three programs:

Wal-Mart
A vastly expanded line of more than 500 Better Homes and Gardens-branded home-related products is currently available at Wal-Mart stores across the country.

Better Homes and Gardens REAL ESTATE

Realogy
In July, Realogy launched a new, international real estate franchise under the Better Homes and Gardens brand.

Universal Furniture
Four lines of Better Homes and Gardens-branded home furniture are available at approximately 300 retail locations across the country.



We trimmed staff 5 percent in fiscal 2008 through the elimination of open positions and reductions in force. Many of these reductions came in our book operation, which we restructured to reduce our exposure at retail and improve financial performance.

Another cost-control strategy we've adopted is increased use of our in-house digital production services. This involves the preparation of content across multiple media platforms – television, print, radio, electronic and interactive – by our own staff instead of more expensive outside vendors. It is producing several million dollars in ongoing annual savings. It is one part of an aggressive strategic sourcing initiative that has resulted in approximately $30 million in cost savings since fiscal 2007.

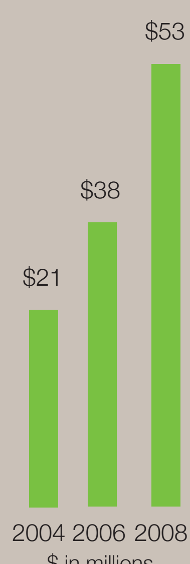
Broadcasting: Growing Non-Traditional Revenues

Meredith Broadcasting's Cornerstones program leverages content from our publishing brands to enhance and increase advertising sold on our local stations. We create custom magazines and deliver them to targeted consumers in each local market. Revenues from this program, along with other local marketing programs, increased 18 percent in fiscal 2008.

creative spaces

healthy lifestyles

BACK TO school



Positioned for Continued Growth

Meredith possesses a solid foundation and is well positioned to build shareholder value over time. We have a powerful portfolio of highly profitable media brands and assets. We possess a strong and growing connection with the American consumer, and women in particular.

Our revenue is generated through a balanced mix of advertising (60 percent) and non-advertising (40 percent) sources. These non-advertising sources, particularly our integrated marketing and brand licensing businesses, are positioned for continued rapid growth.

We generate significant free cash flow, have a conservative balance sheet, and maintain a modest level of debt at a low cost of funds. Also, we have a talented and deep management team that is adept at identifying revenue growth opportunities and implementing disciplined expense management practices in times of marketplace uncertainty.

At Meredith, we have a proven track record of outperforming our respective industries and growing market share. Once again, we believe current trends are cyclical and not structural as they relate to our industry or Meredith in particular. We are confident we will manage through this challenging time, and emerge an even stronger company.

On behalf of Meredith's 3,500 employees, we thank you for your trust and support.

William T. Kerr
Chairman

Stephen M. Lacy
President and CEO