

To Our Shareholders

On behalf of Meredith Corporation and its 3,500 employees, we want to thank you for your investment in our company. As a shareholder, you've trusted us with your financial resources, and that's a responsibility we take very seriously.

To those who have been our shareholders for a long time, we have leveraged our very strong brands to generate significant and sustainable cash flow over time. For new shareholders, this annual report will provide more detail on our operations and a better understanding of our key strategic initiatives and vision for the future.

In Fiscal 2013, Meredith delivered strong growth in revenues, profit and cash flow. Overall, we grew earnings per share 16 percent to \$2.91, before special items. Total revenues rose 7 percent to \$1.5 billion, and advertising revenues increased 7 percent to \$824 million.

Our Local Media Group led the way, delivering all-time highs in revenues and operating profit, boosted by record political advertising performance. EBITDA margins grew 4 percentage points to 40 percent—the best performance since Fiscal 2007.

Our National Media Group grew total advertising revenues 5 percent, including a 60 percent increase in digital advertising revenues. Circulation revenues increased, and brand licensing revenues were the second-highest in our history.

Importantly, we again delivered on our promise to increase shareholder value. We grew cash returned to shareholders by nearly 40 percent through increased dividends and share repurchases. Our Total Shareholder Return strategy produced a return of more than 50 percent to Meredith shareholders in Fiscal 2013.

Our Current Strategic Initiatives

We continue to execute a series of well-defined strategic initiatives to position Meredith for long-term success and growth in revenue, profit and cash flow over time. Fiscal 2013 highlights included:

- ▶ **Growing our powerful consumer connection**—Meredith's national magazine audience is an impressive 115 million, providing our advertisers with unparalleled access to American women. Our strong and vibrant portfolio is led by Better Homes and Gardens, the nation's leading media brand. Our television stations, which reach about 10 percent of U.S. TV households, delivered strong performances in all rating sweeps periods. Our digital audience climbed to nearly 55 million monthly unique visitors.
- ▶ **Strengthening our core magazine and television brands**—Advertising rates grew in both our businesses. We successfully completed the first year of the innovative Meredith Sales Guarantee, in which participating brands experienced an average return of nearly \$8 for every \$1 invested in advertising in Meredith magazines. We also completed a number of re-engineering initiatives to increase efficiencies, reduce expenses and improve operating profit margins.

Record TV Performance

Our Local Media Group delivered all-time highs in revenue and profit in Fiscal 2013, fueled by higher political and digital revenues and growing retransmission fees. Record political advertising revenues of \$39 million were driven by competitive races in Las Vegas, Connecticut and Phoenix.

Total Broadcast Revenues

(dollars in millions)



- ▶ **Increasing revenues from non-advertising-related activities**—We significantly expanded the Better Homes and Gardens line of branded products at Walmart stores across the U.S. It represents one of the most successful licensing relationships in the industry. We also grew our Better Homes and Gardens Real Estate licensing arrangement with Realogy. After a soft Calendar 2012, all of Meredith Xcelerated Marketing's major clients renewed for Calendar 2013. In television, we renewed retransmission agreements with cable and satellite providers at higher rates, and secured long-term affiliation agreements with CBS and Fox, our two largest network relationships.
- ▶ **Investing to scale our business**—We strengthened Meredith's leadership position in the parenthood category by acquiring the Parenting and BabyTalk brands and integrating them into our existing portfolio, which is anchored by the strong Parents brand. To further enhance our #1 position in the food category, we unveiled plans to launch a magazine based on the Allrecipes digital brand. Additionally, we continue to successfully capitalize on our recent acquisitions of the very profitable Every Day with Rachael Ray, Family Fun and Eating Well brands.
- ▶ **Expanding our digital, mobile, video and social platforms**—Given the growing importance of reaching consumers across platforms and devices, we expanded our tablet and mobile initiatives. We are growing our video library, too, with a goal to produce 15,000 videos by Fiscal 2014. We also secured national cable distribution for *The Better Show*, our daily syndicated television program, to 90 million homes via the Hallmark Channel.
- ▶ **Executing our Total Shareholder Return (TSR) strategy**—Since the launch of our TSR strategy on October 25, 2011 through June 30, 2013, Meredith's stock price increased more than 90 percent, and the annual dividend yielded approximately 5 percent.

That equates to a TSR of nearly 100 percent. Key elements of the strategy are: (1) An annual dividend of \$1.63 per share; (2) A \$100 million share repurchase program; and (3) Ongoing strategic investments to scale the business and increase shareholder value over time.

Our Plans for Fiscal 2014

In our National Media Group, we will continue to develop and deliver comprehensive programs for clients across the print, digital, mobile, video and social platforms. At the same time, we are broadening the types of advertisers we attract, including those in the beauty, retail, auto and financial categories. We will expand the Meredith Sales Guarantee to new advertising categories, as well.

We are also developing new strategies to grow revenue and operating profit from our consumer relationships. This includes continuing to transition more subscription acquisition, renewal and customer service activities online. These initiatives enhance customer service, create better opportunities for us to upsell at digital checkout, and lower our operating expenses. Taken together, these factors help Meredith realize an incremental \$5 in operating profit per digital order over the average life of a subscription. Our Fiscal 2014 goal is to generate more than 7 million, or about 40 percent, of our total annual subscription orders digitally.



Since acquiring the world's largest digital food brand in Fiscal 2012, Meredith has been extending Allrecipes to new media platforms. Most recently, we announced the launch of *Allrecipes* magazine, representing the media industry's first large-scale digital-to-subscription magazine brand extension. Meredith is also now creating a regular *Allrecipes* branded television segment that will air as part of *The Better Show*, our nationally syndicated television program.



We have significantly strengthened the leadership at Meredith Xcelerated Marketing, and the team is executing a strong growth plan. We entered Fiscal 2014 with all major programs in place, and have secured several new accounts and large program expansions. Additionally, the new business pipeline remains robust. We continue to boost our industry profile, with Harvard University's Nieman Lab recently citing MXM as the inventor of content marketing.

In our Local Media Group, we will continue to grow audience ratings—which helps strengthen advertising rates. We are accomplishing this by adding more hours of locally produced programming, along with further enhancements to our digital and mobile activities. We also anticipate higher profit contribution from retransmission fees we generate from cable and satellite television providers, which will partially offset the loss of political advertising revenues in this non-election year.

Our Long-Term Vision

We believe that strong execution of our strategic initiatives has positioned Meredith well for the future. We are keenly focused on increasing our scale and reach, and are pursuing this vision along three parallel paths. They consist of:

- ▶ **Organically growing our existing national, local and marketing services businesses.**
- ▶ **Continuing as a consolidator in print and related media by acquiring brands that expand or augment our portfolio.**
- ▶ **Expanding our television station group to add scale in a strong, predictable cash flow business.**

Our talented and creative employees will continue to play a vital role in Meredith's success. This includes our inventive content creators, innovative sales and marketing professionals, dedicated support groups, and committed management team. Meredith has the best workforce in the media industry, and our 111-year track record of success underscores this belief.

In closing, we remain highly confident in the strength and resilience of Meredith's diversified business model. We have a proven track record of developing our existing brands and profitably integrating acquired properties. We have a long history of prudent capital stewardship, and an ongoing commitment to Total Shareholder Return. It is our mission and pledge to protect and grow the value of your investment in Meredith Corporation over time.

Steve Lacy
Chairman and
Chief Executive Officer

Mell Meredith Frazier
Vice Chairman

Meredith Sales Guarantee

We stand behind our media products because we know they work. As the only media company offering unparalleled scale and superior data combined with premium content, we deliver results—guaranteed. The Meredith Sales Guarantee is the first-ever program guaranteeing an increase in retail sales. Details include:

- ▶ **26 participating brands**
- ▶ **Average sales lift = +9%**
- ▶ **Average ROI = \$7.81**



Quantifying the
Impact of Magazine
Investment on
Brand Sales

Board of Directors



Donald C. Berg^{1, 2}

Mr. Berg, 58, a director since 2012, is executive vice president and chief financial officer of The Brown-Forman Corporation, a leading spirits and wine company.



Mary Sue Coleman^{1, 2}

Dr. Coleman, 69, a director since 1997, is president of the University of Michigan, one of the nation's top public universities.



James R. Craigie^{1, 2}

Mr. Craigie, 59, a director since 2006, is chairman and chief executive officer of Church & Dwight, Inc., a leading consumer products company.



Mell Meredith Frazier^{3, 4}

Ms. Frazier, 57, a director since 2000, is vice chairman of Meredith Corporation and chair of the Meredith Corporation Foundation.



Frederick B. Henry^{3, 4}

Mr. Henry, 67, a director since 1969, is president of the Bohen Foundation, a private charitable foundation.



Joel W. Johnson^{2, 3}

Mr. Johnson, 70, a director since 1994, is the retired chairman and chief executive of Hormel Foods Corporation, a leading producer of meat and other products.



Stephen M. Lacy

Mr. Lacy, 59, a director since 2004, is chairman and chief executive officer of Meredith Corporation, the leading media and marketing company serving American women.



Philip A. Marineau^{1, 4}

Mr. Marineau, 66, a director since 1998, is the retired president and chief executive officer of Levi Strauss & Co., a leading brand apparel company.



Elizabeth Tallett^{3, 4}

Ms. Tallett, 64, a director since 2008, is principal of Hunter Partners, LLC, a management company for biotech and medical device companies.

Committee Assignments (as of 11/8/2012): 1 Audit; 2 Finance; 3 Nominating/Governance; 4 Compensation

Officers

Stephen M. Lacy

Chairman and
Chief Executive Officer

John S. Zieser

Chief Development Officer
and General Counsel

Thomas H. Harty

President, National Media Group

Joseph H. Ceryanec

Chief Financial Officer and Treasurer

Paul A. Karpowicz

President, Local Media Group

Steven M. Cappaert

Corporate Controller