

## To Our Shareholders

On behalf of Meredith Corporation and our nearly 4,000 employees, we want to thank you for your investment in our Company. As a shareholder, you've entrusted us with your financial resources. That's a responsibility we take very seriously.

At Meredith, we are continuing to execute a strategic plan to grow our strong connection with consumers; expand, enhance and extend our portfolio of media brands; rapidly grow our digital activities; and deliver a superior return for our shareholders.

In fiscal 2015, we made excellent progress on all these goals, leading with strong financial performance. We delivered more than 20 percent growth in earnings per share as revenues rose 9 percent to a record \$1.6 billion. Total Company advertising revenues grew 15 percent, and digital advertising revenues grew more than 45 percent.

Our Local Media Group delivered the best financial performance in its history, driven by a record \$44 million in political advertising revenues; contributions from recent acquisitions; and growth in retransmission fees. Our National Media Group delivered an 8 percent increase in operating profit, and set records for digital advertising and brand licensing revenues.

We continued to deliver on our Total Shareholder Return strategy, returning more than \$125 million to shareholders through dividends and share repurchases. At the same time, we made strategic investments to scale our business.

In fiscal 2015, we achieved several important objectives that position Meredith for continued growth in revenues, profit and cash flow over time:

- ▶ **We significantly broadened our media portfolio** by adding and successfully integrating a series of new properties. In our National Media Group, we added the Shape brand and we acquired the rights to operate Martha Stewart's media properties. We entered the millennial-rich wedding category with the addition of the Martha Stewart Weddings brand and leading digital business mywedding.com.

In the Local Media Group, we added two attractive stations to our portfolio: WALA, the Mobile-Pensacola FOX affiliate; and WGGB, the ABC affiliate in Springfield, Massachusetts, that also airs FOX on a digital tier. Together with the fiscal 2014 acquisitions of KMOV in St. Louis and KTVK in Phoenix, we added great properties to our station group and created two new and profitable duopoly markets.

## STRATEGIC ACQUISITIONS & INVESTMENTS

In our **Local Media Group**, we added **WALA**, the Mobile-Pensacola FOX affiliate; and **WGGB**, the ABC and FOX affiliate in Springfield, Massachusetts. Including our acquisitions of stations in Phoenix and St. Louis in fiscal 2014, we expect these properties to add approximately 30 percent to our local media group revenues.



In our **National Media Group**, we added the **Shape** brand, the leader in the women's active lifestyle category; acquired the rights to operate **Martha Stewart Living** and related digital brands; and entered the millennial-rich wedding category with the addition of the **Martha Stewart Weddings** brand and leading digital destination **mywedding.com**.



mywedding®

- ▶ **We expanded our rapidly growing digital business.** In our National Media Group, we acquired leading advertising technology platform Selectable Media, driving CPM growth across our digital business. We relaunched several key digital destinations, including allrecipes.com and BHG.com, updating their design and increasing their social networking capabilities. In our Local Media Group, we enhanced our digital and mobile destinations and we also launched a new technology platform that enables us to sell digital advertising across our stations.
- ▶ **We strengthened our competitive position by enhancing many of our existing media brands and launching new ones.** This included rate base expansions for *Allrecipes* and *EatingWell* magazines; redesigns of *Family Circle* and *WOOD* magazines; and the premiere of the *Eat This! Not That!* bookazine. We also launched *Parents Latina*, expanding our market-leading reach to the U.S. Hispanic millennial mom, one of the fastest-growing consumer segments in our country. We laid the foundation to launch our agricultural brand, Successful Farming, in farm-rich Brazil. Our Local Media Group added newscasts at several stations, bringing to 660 the number of hours of news and local programming created weekly.
- ▶ **We delivered growth in our businesses not dependent on advertising.** Our Brand Licensing activities delivered excellent performance, driven by strong sales of

products at Walmart stores across the U.S. Meredith Xcelerated Marketing generated more than 20 percent growth in operating profit, as the digital marketing agency leveraged its content marketing expertise on behalf of clients in the automotive, casual dining, consumer packaged goods and retail industries.

Our Local Media Group delivered significant growth in retransmission revenues from subscription television operators such as cable, satellite and phone companies, and is well-positioned for increased profit contribution in fiscal 2016 and 2017.

- ▶ **Finally, we continued to execute our Total Shareholder Return strategy.** We increased our dividend by 6 percent early in calendar 2015, marking our 22nd straight year of dividend increases.

## Our Plans for Fiscal 2016

As we look to fiscal year 2016, we will continue to engage and entertain our audiences with great content across media platforms, while also delivering innovative advertising programs for our clients. This is particularly true of the millennial generation, whose oldest members are beginning to form families of their own.

We will continue to enhance our digital, video and mobile media products; optimize our circulation activities; expand our brand licensing arrangements; and pursue further strategic portfolio expansions.

## CONTINUED ADVERTISING EFFECTIVENESS

We believe so strongly in the effectiveness of advertising across our national brands that we launched the **Meredith Sales Guarantee** several years ago to prove - using third-party data from Nielsen - that advertising across our media properties effectively and efficiently drives retail sales. We were the first to provide this measurement and are taking steps to make it a broad industry tool.

To date, we delivered strong sales lifts and positive returns on investment for EACH of the more than 50 measurements we've conducted. Details include:

- ▶ Sales lifts ranging from 2% to nearly 50%
- ▶ Positive ROI ranging from \$1.60 to \$20.00

We believe the results demonstrate the continued effectiveness of advertising in media properties, no matter the platform.



## Our Long-Term Vision

Looking beyond fiscal 2016, we will continue to focus on investing in our brands; pursuing accretive acquisitions to grow our portfolio; carefully managing expenses; and rewarding our shareholders through dividend growth and share repurchases. To accomplish these goals, we are pursuing several parallel paths:

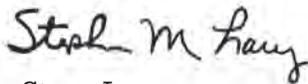
- ▶ Ensuring our acquisitions are successfully integrated and that we grow our existing businesses organically;
- ▶ Growing our digital, video and mobile businesses with the goal of increasing our millennial reach;
- ▶ Pursuing opportunities to add to our media portfolio;
- ▶ Diversifying our revenue mix in favor of businesses not dependent on traditional advertising; and
- ▶ Delivering growth in cash flow as part of our Total Shareholder Return strategy.

Our talented and creative employees play a vital role in Meredith's success. They include our inventive content creators, innovative sales and marketing professionals, dedicated support groups and committed management team. Our workforce is the best in the media industry, underscored by our 113-year track record of success.

In closing, we continue to be 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 over time.

Sincerely,



Steve Lacy  
Chairman and  
Chief Executive Officer

## RAPID DIGITAL EXPANSION

We acquired leading ad technology platform **Selectable Media**, giving us more premium digital advertising inventory through its powerful native and engagement-based advertising products. We redesigned and relaunched several of our key digital destinations, including **allrecipes.com** and **BHG.com**. Digital ad revenues accounted for nearly 25 percent of the National Media Group's total ad revenues in fiscal 2015, up from just 7 percent five years ago.

In our Local Media Group, we continued to enhance our digital and mobile destinations, helping us increase traffic to our websites by approximately 30 percent in fiscal 2015. We also launched a new ad technology platform that enables us to sell digital advertising across our station group.

As a whole, unique visitors to our websites grew to a record high of approximately 70 million monthly unique visitors in fiscal 2015, ranking Meredith among the top 35 digital operators in the U.S.



selectable  
media 



Mell Meredith Frazier  
Vice Chairman

On September 8, 2015, Media General, Inc. and Meredith Corporation announced a definitive merger agreement to create a powerful new multiplatform and diversified media company to be known as Meredith Media General. We're excited about the growth opportunities and shareholder value creation we expect from this merger. Current Meredith CEO Steve Lacy will be the CEO and current Meredith CFO Joe Ceryanec will be CFO of Meredith Media General. More details are available at [meredith.com](http://meredith.com).