

Meredith Reports Over 20 Percent Growth In Fiscal 2015 Earnings Per Share

Local Media Group Delivers Record Revenue and Profit Performance

Company Generates Record Digital Advertising & Licensing Revenues

DES MOINES, Iowa, July 30, 2015 /[PRNewswire](#)/ -- Meredith Corporation (**NYSE:MDP**; www.meredith.com), the leading media and marketing company serving more than 100 million unduplicated American women and over 60 percent of U.S. millennial women, today reported fiscal 2015 earnings per share of \$3.02, compared to \$2.50 in the prior year, a 21 percent increase.

Excluding special items in both years, fiscal 2015 earnings per share were \$3.30, compared to \$2.80, an 18 percent increase. Fiscal 2015 revenues rose 9 percent to a record \$1.6 billion, including 15 percent growth in advertising revenues. (*See Tables 1-2 for supplemental disclosures regarding non-GAAP financial measures.*)

"Fiscal 2015 was a year of strong growth in revenues, profit and cash flow," said Meredith Chairman and CEO Stephen M. Lacy. "Our Local Media Group delivered the best financial performance in its over 65-year history, and our National Media Group set records in digital advertising and brand licensing revenues. We aggressively added to our portfolio, including acquiring great local television stations, powerful national brands, and cutting-edge digital properties. Importantly, we continued to deliver on our Total Shareholder Return strategy by returning cash to shareholders through increased dividends and our share repurchase program."

Looking at Meredith's fiscal year 2015 performance compared to the prior year:

- **Local Media Group operating profit increased 44 percent to a record \$163 million.** Growth was driven primarily by the addition of television stations KMOV in St. Louis and KTVK in Phoenix; a strong political cycle led by Meredith stations in Phoenix, Hartford and Kansas City; and a higher net retransmission contribution.
- **National Media Group operating profit increased 8 percent,** led by the additions of the Shape and Martha Stewart media properties; strong performance by the Allrecipes brand; growth in Brand Licensing and Meredith Xcelerated Marketing; and disciplined expense management.
- **Total Company digital advertising revenues grew more than 45 percent, driven by recent acquisitions and organic growth.** National Media Group digital advertising revenues increased nearly 50 percent, while Local Media Group digital advertising revenues increased nearly 40 percent.
- **Cash flow from operations grew to more than \$190 million.** Meredith returned over \$125 million to shareholders through dividends and share repurchases, consistent with the Company's successful Total Shareholder Return strategy.

For the fourth-quarter of fiscal 2015, Meredith's earnings per share were \$0.94, compared to \$0.89 in the prior-year period (\$0.88 excluding special items). Total revenues rose 9 percent to \$426 million, including 13 percent growth in advertising revenues.

FISCAL 2015 BUSINESS HIGHLIGHTS

Meredith continued to execute **a series of well-defined strategic initiatives** in fiscal 2015 to accelerate profit and free cash flow growth. These included:

- **Increasing its powerful consumer connection** - Consumer engagement strengthened across Meredith's media platforms, including magazine readership, television news viewership, digital and mobile traffic, and sales of branded product at retail.
- **Generating record political advertising revenues** - Meredith's television stations combined to generate \$44 million of political advertising revenues, an increase of 12 percent compared to fiscal 2013, the last election cycle.
- **Continued expansion of the Company's media portfolio including:**
 - **In the Local Media Group**, Meredith added WALA, the FOX affiliate in Mobile-Pensacola, and WGGB, the ABC affiliate in Springfield, Mass. WGGB is also the FOX affiliate, airing it on a digital tier, and Meredith already owned the CBS affiliate in Springfield. Meredith's 17 stations - including five duopolies - now reach 11 percent of U.S. television households.
 - **In the National Media Group**, Meredith acquired the Shape brand, the clear leader in the women's active lifestyle category. It also entered into a long-term partnership with the Martha Stewart media properties, and expanded into the wedding category with the addition of the Martha Stewart Weddings brand and leading digital destination mywedding.com. Meredith increased the rate bases of *Allrecipes* and *EatingWell* magazines, and launched *Parents Latina*, a new brand aimed at growing its reach to U.S. Hispanic millennial women.
- **Rapid growth in digital, mobile, video and social platforms** - Traffic across Meredith's digital properties is now averaging approximately 70 million unique visitors per month, ranking Meredith among the top 35 digital operators in the U.S. In addition to mywedding.com, Meredith acquired Selectable Media, a leading native and engagement-based advertising platform; and Qponix, a leading shopper marketing platform and network.
- **Strong performance from non-advertising-related activities** - Brand Licensing delivered excellent performance, driven by strong sales of Better Homes and Gardens branded 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, managed healthcare, and retail industries. Additionally, Meredith's Local Media Group delivered significant growth in retransmission revenues.
- **Successful execution of its Total Shareholder Return Strategy** - Meredith increased its dividend by 6 percent to \$1.83 per share on an annualized basis, the 22nd consecutive year of dividend growth. The dividend is currently yielding approximately 4 percent.

OPERATING GROUP DETAIL

LOCAL MEDIA GROUP

Meredith's Local Media Group includes 17 owned or operated television stations reaching 11 percent of U.S. households. Meredith's portfolio is concentrated in large, fast-growing markets, including seven stations in the nation's Top 25 and 13 in Top 50 markets. Meredith's stations produce more than 660 hours of local news and entertainment content each week. Meredith expects to continue to grow its Local Media Group both organically and through strategic acquisitions.

Fiscal 2015 Local Media Group operating profit increased 44 percent to a record \$163 million. Excluding special items in both periods, operating profit and adjusted EBITDA grew more than 35 percent each to \$169 million and \$206 million, respectively. Adjusted EBITDA margin was 39 percent. Revenues increased 33 percent to \$534 million. (*See Tables 1-4.*)

Looking more closely at fiscal 2015 financial performance compared to the prior year:

- Total advertising revenues increased 35 percent to \$400 million, an all-time record.
- Non-political advertising revenues grew 23 percent to \$357 million. Results were led

by acquired stations in Phoenix, St. Louis, Mobile and Springfield, along with strong digital advertising revenue performance.

- Political advertising revenues were \$44 million, a record high. Performance was led by newly acquired stations in St. Louis and Phoenix, along with Meredith's existing stations in Phoenix, Hartford and Kansas City.
- Other revenues and operating expenses increased, due primarily to growth in retransmission revenues from cable and satellite television operators and higher programming fees paid to affiliated networks, along with increases from recent acquisitions.

Meredith demonstrated its strong connection with viewers in the May ratings period, as eight of its stations were No. 1 or No. 2 in late news, and nine were No. 1 or No. 2 in morning news.

"Our television expansion strategy continues to drive growth in revenue and profit," said Meredith Local Media Group President Paul Karpowicz. "We have successfully integrated the four stations we acquired, while also delivering stronger financial performance from our existing stations. Looking ahead, we are focused on continued growth across our group - including from our digital and mobile platforms - while actively looking for opportunities to add to our portfolio."

For the fourth-quarter of fiscal 2015, Local Media Group operating profit was \$40 million compared to \$25 million in the prior-year period (\$32 million excluding special items, *See Tables 1-2*). Revenues increased 17 percent to \$130 million.

NATIONAL MEDIA GROUP

Meredith's National Media Group reaches a multi-channel audience of approximately 220 million consumers each month, including more than 100 million unduplicated American women, and over 60 percent of U.S. millennial women. Meredith is a leader at creating content across media platforms and life stages in key consumer interest areas such as food, home, parenthood and health. It also features robust brand licensing activities and innovative business-to-business marketing services. Meredith expects to continue to grow its National Media Group organically and through strategic acquisitions.

Fiscal 2015 National Media Group operating profit increased 8 percent to \$123 million. Excluding special items in both periods, operating profit increased 3 percent to \$137 million. Revenues were flat at \$1.1 billion. (*See Tables 1-2.*)

Looking more closely at fiscal 2015 advertising performance compared to the prior year:

- Total advertising revenues grew 3 percent to \$496 million. Performance was driven by the addition of *Shape* and *Martha Stewart Living*, along with food-oriented brands *Allrecipes*, *EatingWell* and *Family Circle*. In particular, the prescription drug, retail and food categories were stronger than the prior year.
- Digital advertising revenues increased nearly 50 percent, accounting for nearly 25 percent of total National Media Group advertising revenues. Growth was driven by *Allrecipes.com*, along with the addition of *Marthastewart.com*, *Shape.com*, *mywedding.com* and *Selectable Media*.

Circulation contribution and margin increased in fiscal 2015. Meredith continued to expand its digital consumer marketing activities, driving approximately one-third of magazine subscription acquisitions via digital sources over the last 12 months. During the year, Meredith increased the rate base of *Allrecipes* magazine to 1.1 million, more than doubling its size at launch in November 2013. Meredith also grew the rate base of *EatingWell* magazine to 1 million, up from 350,000 when acquired four years ago. Total circulation revenues declined 4 percent to \$314 million, primarily due to the *Ladies' Home Journal* transition to a quarterly newsstand title, partially offset by the additions of *Martha Stewart Living* and *Shape*.

Meredith's consumer engagement remained robust. According to the May year-to-date Magazine Media 360 audience report, *Better Homes and Gardens* was the 3rd largest brand in the industry, with a total monthly audience average of 48 million, and *Allrecipes* was No. 5, with a total monthly audience average of 44 million. Additionally, the *EatingWell* and *FamilyFun* brands delivered over 10 percent audience growth.

Meredith also delivered stronger results from businesses not dependent on advertising:

- Brand Licensing revenues and operating profit increased, driven by sales of more than 3,000 SKUs of Better Homes and Gardens licensed products at over 4,000 Walmart stores nationwide. Meredith's licensing activities were named the world's third largest by *License!Global* magazine for the second straight year.
- Meredith Xcelerated Marketing delivered significantly higher operating profit and margin. MXM was named Content Marketing Agency of the Year by the Content Marketing Institute.

"We're pleased with our growth in operating profit, led by contributions from our newly acquired businesses, along with record digital and brand licensing performance," said Meredith National Media Group President Tom Harty. "Looking ahead, we will continue execution of the innovative and successful strategies that are driving rapid growth in our digital operations, and actively explore opportunities to add to our portfolio."

For the fourth-quarter of fiscal 2015, National Media Group operating profit increased to \$44 million. Revenues increased 6 percent to \$296 million, including 11 percent growth in advertising revenue.

OTHER FINANCIAL INFORMATION

Consistent with its Total Shareholder Return strategy, Meredith repurchased approximately 925,000 shares of stock in fiscal 2015, and \$97 million remained under the current repurchase authorization. Total debt was \$795 million, and the weighted average interest rate was 2.5 percent, with \$450 million effectively at a fixed rate. Meredith's debt-to-EBITDA ratio for the trailing 12 months was 2.5 to 1 (as defined in Meredith's credit agreements). All metrics are as of June 30, 2015.

Key elements of Meredith's Total Shareholder Return strategy are (1) An annual dividend of \$1.83 per share (yielding approximately 4 percent), a 6 percent increase over the prior year and a nearly 80 percent increase since Meredith launched its TSR strategy in October 2011; (2) An ongoing share repurchase program; and (3) Strategic investments to scale the business and increase shareholder value.

All earnings per share figures in the text of this release are diluted. Both basic and diluted earnings per share can be found in the attached Condensed Consolidated Statements of Earnings. All fiscal 2015 full-year and fourth-quarter comparisons are against the comparable prior-year period unless otherwise stated.

OUTLOOK

Meredith expects full year fiscal 2016 earnings per share to range from \$2.90 to \$3.25. Meredith will be cycling against a record \$44 million (or \$0.59 per share) in net political advertising revenues recorded by its Local Media Group in fiscal 2015.

Looking more closely at the first quarter of fiscal 2016 compared to the prior-year period:

- Total Company revenues are expected to be up low-single digits.
- Total Local Media Group revenues are expected to be flat to up slightly.
- Total National Media Group revenues are expected to be up low- to mid-single digits.
- Meredith expects fiscal 2016 first quarter earnings per share to range from \$0.47 to \$0.52, compared to \$0.65 in the prior year period. Meredith will be cycling against \$13 million (or \$0.18 per share) in net political advertising revenues recorded in the prior-year period.

A number of uncertainties remain that may affect Meredith's outlook as stated in this press release for the first quarter and full year fiscal 2016. These and other uncertainties are referenced below under "Safe Harbor" and in certain filings with the U.S. Securities and Exchange Commission.

CONFERENCE CALL WEBCAST

Meredith will host a conference call on July 30, 2015, at 11 a.m. EDT to discuss fiscal 2015 and fourth-quarter results. A live webcast will be accessible to the public on the Company's website, www.meredith.com, and a replay will be available for two weeks. A

transcript will be available within 48 hours of the call at www.meredith.com.

RATIONALE FOR USE AND ACCESS TO NON-GAAP RESULTS

Management uses and presents GAAP and non-GAAP results to evaluate and communicate its performance. Non-GAAP measures should not be construed as alternatives to GAAP measures. EBITDA, adjusted EBITDA, EBITDA margin and adjusted EBITDA margin are common supplemental measures of performance used by investors and financial analysts. Management believes that EBITDA provides an additional analytical tool to clarify the Company's results from core operations and delineate underlying trends. Management does not use EBITDA as a measure of liquidity or funds available for management's discretionary use because it includes certain contractual and non-discretionary expenditures. Adjusted EBITDA is defined as EBITDA before special items.

Results excluding special items are supplemental non-GAAP financial measures. While these adjusted results are not a substitute for reported results under GAAP, management believes this information is useful as an aid in better understanding Meredith's current performance, performance trends and financial condition. Reconciliations of non-GAAP to GAAP measures are attached to this press release and available at www.meredith.com.

SAFE HARBOR

This release contains certain forward-looking statements that are subject to risks and uncertainties. These statements are based on management's current knowledge and estimates of factors affecting the Company and its operations. Statements in this release that are forward-looking include, but are not limited to, the Company's revenue and earnings-per-share outlook for first-quarter and full-year fiscal 2016.

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 or insolvency of one or more major clients or vendors; the integration of acquired businesses; changes in consumer reading, purchasing and/or television viewing patterns; increases in paper, postage, printing, syndicated programming or other costs; changes in television network affiliation agreements; technological developments affecting products or methods of distribution; changes in government regulations affecting the Company's industries; increases in interest rates; and the consequences of acquisitions and/or dispositions. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

ABOUT MEREDITH CORPORATION

Meredith Corporation (**NYSE: MDP**; www.meredith.com) has been committed to service journalism for more than 110 years. Today, Meredith uses multiple distribution platforms - including broadcast television, print, digital, mobile, tablets and video - to provide consumers with content they desire and to deliver the messages of its advertising and marketing partners.

Meredith's Local Media Group includes 17 owned or operated television stations reaching 11 percent of U.S. television households. Meredith's portfolio is concentrated in large, fast-growing markets, with seven stations in the nation's Top 25 - including Atlanta, Phoenix, St. Louis and Portland - and 13 in Top 50 markets. Meredith's stations produce more than 660 hours of local news and entertainment content each week, and operate leading local digital destinations.

Meredith's National Media Group reaches a multi-channel audience of approximately 220 million consumers monthly, including more than 100 million unduplicated women and over 60 percent of American millennial women. Meredith is the leader in creating content across media platforms in key consumer interest areas such as food, home, parenthood and health through well-known brands such as Better Homes and Gardens, Parents, Allrecipes and Shape. The National Media Group features robust brand licensing

activities, including more than 3,000 SKUs of branded products at 4,000 Walmart stores across the U.S. and at Walmart.com. Meredith Xcelerated Marketing is a leader at developing and delivering custom content and customer relationship marketing programs for many of the world's top brands, including Kraft, Lowe's and NBC Universal.

Meredith's balanced portfolio consistently generates substantial free cash flow, and the Company is committed to growing Total Shareholder Return through dividend payments, share repurchases and strategic business investments. Meredith's current annualized dividend of \$1.83 per share yields approximately 4 percent. Meredith has paid a dividend for 68 straight years and increased it for 22 consecutive years.

Meredith Corporation and Subsidiaries
Condensed Consolidated Statements of Earnings (Unaudited)

	Three Months		Twelve Months	
Years ended June 30,	2015	2014	2015	2014
<i>(In thousands except per share data)</i>				
Revenues				
Advertising	\$ 231,085	\$ 204,138	\$ 896,548	\$ 778,391
Circulation	92,295	87,669	313,685	327,214
All other	102,528	98,987	383,943	363,103
Total revenues	425,908	390,794	1,594,176	1,468,708
Operating expenses				
Production, distribution, and editorial	162,323	149,265	598,941	567,024
Selling, general, and administrative	174,176	167,442	695,319	655,241
Depreciation and amortization	16,117	13,510	57,804	59,928
Total operating expenses	352,616	330,217	1,352,064	1,282,193
Income from operations	73,292	60,577	242,112	186,515
Interest expense, net	(5,146)	(3,500)	(19,352)	(12,176)
Earnings before income taxes	68,146	57,077	222,760	174,339
Income taxes	(25,567)	(16,632)	(85,969)	(60,798)
Net earnings	\$ 42,579	\$ 40,445	\$ 136,791	\$ 113,541
Basic earnings per share	\$ 0.95	\$ 0.91	\$ 3.07	\$ 2.54
Basic average shares outstanding	44,596	44,551	44,522	44,636
Diluted earnings per share	\$ 0.94	\$ 0.89	\$ 3.02	\$ 2.50
Diluted average shares outstanding	45,416	45,250	45,323	45,410

Dividends paid per share	\$ 0.4575	\$ 0.4325	\$ 1.7800	\$ 1.6800
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Meredith Corporation and Subsidiaries
Segment Information (Unaudited)

	Three Months		Twelve Months	
Years ended June 30, <i>(In thousands)</i>	2015	2014	2015	2014
Revenues				
National media				
Advertising	\$ 136,219	\$ 122,734	\$ 496,204	\$ 482,808
Circulation	92,295	87,669	313,685	327,214
Other revenues	67,333	69,222	249,963	255,876
Total national media	295,847	279,625	1,059,852	1,065,898
Local media				
Non-political advertising	93,633	78,280	356,547	290,698
Political advertising	1,233	3,124	43,797	4,885
Other revenues	35,195	29,765	133,980	107,227
Total local media	130,061	111,169	534,324	402,810
Total revenues	\$ 425,908	\$ 390,794	\$ 1,594,176	\$ 1,468,708
Operating profit				
National media	\$ 44,219	\$ 43,353	\$ 122,681	\$ 113,113
Local media	39,959	25,463	162,677	113,060
Unallocated corporate	(10,886)	(8,239)	(43,246)	(39,658)
Income from operations	\$ 73,292	\$ 60,577	\$ 242,112	\$ 186,515
Depreciation and amortization				
National media	\$ 5,705	\$ 4,100	\$ 17,186	\$ 29,455
Local media	9,853	8,974	38,779	28,815
Unallocated corporate	559	436	1,839	1,658
Total depreciation and amortization	\$ 16,117	\$ 13,510	\$ 57,804	\$ 59,928
EBITDA ¹				
National media	\$ 49,924	\$ 47,453	\$ 139,867	\$ 142,568
Local media	49,812	34,437	201,456	141,875
Unallocated corporate	(10,327)	(7,803)	(41,407)	(38,000)

Total				
EBITDA ¹	\$ 89,409	\$ 74,087	\$ 299,916	\$ 246,443
¹ EBITDA is net earnings before interest, taxes, depreciation, and amortization.				

Meredith Corporation and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)

	June 30, 2015	June 30, 2014
Assets		
<i>(In thousands)</i>		
Current assets		
Cash and cash equivalents	\$ 22,833	\$ 36,587
Accounts receivable, net	284,646	257,644
Inventories	24,681	24,008
Current portion of subscription acquisition costs	122,350	96,893
Current portion of broadcast rights	4,516	4,551
Assets held for sale	—	56,010
Other current assets	23,505	17,429
Total current assets	482,531	493,122
Property, plant, and equipment	527,622	501,106
Less accumulated depreciation	(313,886)	(296,168)
Net property, plant, and equipment	213,736	204,938
Subscription acquisition costs	103,842	101,533
Broadcast rights	1,795	3,114
Other assets	67,750	86,935
Intangible assets, net	972,382	813,297
Goodwill	1,001,246	840,861
Total assets	\$ 2,843,282	\$ 2,543,800
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 62,500	\$ 87,500
Current portion of long-term broadcast rights payable	4,776	4,511
Accounts payable	93,944	81,402
Accrued expenses and other liabilities	163,655	136,047
Current portion of unearned subscription revenues	206,126	173,643
Total current liabilities	531,001	483,103
Long-term debt	732,500	627,500
Long-term broadcast rights payable	2,998	4,327
Unearned subscription revenues	151,221	151,533
Deferred income taxes	311,645	277,477
Other noncurrent liabilities	162,067	108,208
Total liabilities	1,891,432	1,652,148
Shareholders' equity		
Common stock	37,657	36,776
Class B stock	6,963	7,700
Additional paid-in capital	49,019	41,884
Retained earnings	870,859	814,050
Accumulated other comprehensive loss	(12,648)	(8,758)
Total shareholders' equity	951,850	891,652
Total liabilities and shareholders' equity	\$ 2,843,282	\$ 2,543,800

Meredith Corporation and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

Twelve months ended June 30,	2015	2014
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(In thousands)

Net cash provided by operating activities	\$ 192,347	\$ 178,090
Cash flows from investing activities		
Acquisitions of and investments in businesses	(257,030)	(417,461)
Additions to property, plant, and equipment	(33,245)	(24,822)
Proceeds from disposition of assets	83,434	—
Net cash used in investing activities	(206,841)	(442,283)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	470,000	666,000
Repayments of long-term debt	(390,000)	(301,000)
Dividends paid	(79,982)	(75,392)
Purchases of Company stock	(46,764)	(78,226)
Proceeds from common stock issued	41,251	58,885
Excess tax benefits from share-based payments	6,471	4,855
Other	(236)	(2,016)
Net cash provided by financing activities	740	273,106
Net increase (decrease) in cash and cash equivalents	(13,754)	8,913
Cash and cash equivalents at beginning of year	36,587	27,674
Cash and cash equivalents at end of year	\$ 22,833	\$ 36,587

Table 1

**Meredith Corporation and Subsidiaries
Supplemental Disclosures Regarding Non-GAAP Financial Measures**

Special Items - The following table shows results of operations excluding special items and as reported with the difference being the special items. Results of operations excluding special items are non-GAAP measures. Management's rationale for presenting non-GAAP measures is included in the text of this earnings release.

Twelve months ended June 30, 2015	National Media	Local Media	Unallocated Corporate	Total
<i>(In thousands except per share data)</i>				
Operating profit excluding special items (non-GAAP)	\$ 136,860	\$ 168,722	\$ (42,740)	\$ 262,842
Special items				
Severance and related benefits costs	(11,853)	(2,311)	(506)	(14,670)
Write-down of impaired assets	(1,692)	(1,259)	—	(2,951)
Acquisition and disposal transaction costs	(564)	(2,284)	—	(2,848)
Other	(70)	(191)	—	(261)
Total special items	(14,179)	(6,045)	(506)	(20,730)
Operating profit	\$ 122,681	\$ 162,677	\$ (43,246)	\$ 242,112
Earnings per share excluding special items (non-GAAP)				\$ 3.30
Per share impact of special items of \$20,730 (\$12,749 after tax)				(0.28)
Diluted earnings per share				\$ 3.02

Table 2

**Meredith Corporation and Subsidiaries
Supplemental Disclosures Regarding Non-GAAP Financial Measures**

Special Items - The following table shows results of operations excluding special items and as reported with the difference being the special items. Results of operations excluding special items are non-GAAP measures. Management's rationale for presenting non-GAAP measures is included in the text of this earnings release.

Three months ended June 30, 2014	National Media	Local Media	Unallocated Corporate	Total
<i>(In thousands except per share data)</i>				
Operating profit excluding special items (non-GAAP)	\$ 43,353	\$ 31,558	\$ (8,239)	\$ 66,672
Special items				
Severance costs	—	(3,366)	—	(3,366)
Acquisition transaction costs	—	(2,409)	—	(2,409)
Other	—	(320)	—	(320)
Total special items	—	(6,095)	—	(6,095)
Operating profit	\$ 43,353	\$ 25,463	\$ (8,239)	\$ 60,577
Earnings per share excluding special items (non-GAAP)				\$ 0.88
Per share impact of operating special items of \$6,095 (\$3,749 after tax)				(0.08)
Per share impact of tax benefit special item of \$4,291				0.09
Diluted earnings per share				\$ 0.89

Twelve months ended June 30, 2014	National Media	Local Media	Unallocated Corporate	Total
<i>(In thousands except per share data)</i>				
Operating profit excluding special items (non-GAAP)	\$ 132,880	\$ 122,230	\$ (39,964)	\$ 215,146
Special items				
Write-down of impaired intangible assets	(10,322)	—	—	(10,322)
Severance costs	(8,549)	(3,366)	—	(11,915)
Write-down of other impaired assets	(1,125)	—	—	(1,125)
Acquisition transaction costs	—	(5,484)	—	(5,484)
Other	229	(320)	306	215
Total non-GAAP adjustments	(19,767)	(9,170)	306	(28,631)
Operating profit	\$ 113,113	\$ 113,060	\$ (39,658)	\$ 186,515
Earnings per share excluding special items (non-GAAP)				\$ 2.80
Per share impact of operating special items of \$28,631 (\$17,608 after tax)				(0.38)
Per share impact of interest expense special item of \$636 (\$391 after tax)				(0.01)
Per share impact of tax benefit special item of \$4,291				0.09
Diluted earnings per share				\$ 2.50

Table 3

EBITDA

Consolidated EBITDA, which is reconciled to net earnings in the following tables, is defined as net earnings before interest, taxes, depreciation, and amortization.

Segment EBITDA is a measure of segment earnings before depreciation and amortization.

Segment EBITDA margin is defined as segment EBITDA divided by segment revenues.

Adjusted EBITDA

Consolidated adjusted EBITDA, which is reconciled to net earnings in the following tables, is defined as net earnings before interest, taxes, depreciation, amortization, and special items.

Segment adjusted EBITDA is a measure of segment earnings before depreciation, amortization, and special items.

Segment adjusted EBITDA margin is defined as segment adjusted EBITDA divided by segment revenues.

Three months ended June 30, 2015		National Media		Local Media		Unallocated Corporate		Total
<i>(In thousands)</i>								
Revenues	\$	295,847	\$	130,061	\$	—	\$	425,908
Operating profit	\$	44,219	\$	39,959	\$	(10,886)	\$	73,292
Depreciation and amortization		5,705		9,853		559		16,117
EBITDA	\$	49,924	\$	49,812	\$	(10,327)		89,409
Less								
Depreciation and amortization								(16,117)
Net interest expense								(5,146)
Income taxes								(25,567)
Net earnings							\$	42,579
Segment EBITDA margin		16.9 %		38.3 %				

Twelve months ended June 30, 2015		National Media		Local Media		Unallocated Corporate		Total
<i>(In thousands)</i>								
Revenues	\$	1,059,852	\$	534,324	\$	—	\$	1,594,176
Operating profit	\$	122,681	\$	162,677	\$	(43,246)	\$	242,112
Depreciation and amortization		17,186		38,779		1,839		57,804
EBITDA		139,867		201,456		(41,407)		299,916
Special items								
Severance costs		11,853		2,311		506		14,670
Write-down of impaired assets		1,692		—		—		1,692
Acquisition and disposal transaction costs		564		2,284		—		2,848
Other		70		191		—		261

Total special items	14,179	4,786	506	19,471
Adjusted EBITDA	\$ 154,046	\$ 206,242	\$ (40,901)	319,387
Less				
Depreciation and amortization				(57,804)
Total special items				(19,471)
Net interest expense				(19,352)
Income taxes				(85,969)
Net earnings			\$	136,791
Segment EBITDA margin	13.2 %	37.7 %		
Segment adjusted EBITDA margin	14.5 %	38.6 %		

Table 4

**Meredith Corporation and Subsidiaries
Supplemental Disclosures Regarding Non-GAAP Financial Measures**

EBITDA

Consolidated EBITDA, which is reconciled to net earnings in the following tables, is defined as net earnings before interest, taxes, depreciation, and amortization.

Segment EBITDA is a measure of segment earnings before depreciation and amortization.

Segment EBITDA margin is defined as segment EBITDA divided by segment revenues.

Adjusted EBITDA

Consolidated adjusted EBITDA, which is reconciled to net earnings in the following tables, is defined as net earnings before interest, taxes, depreciation, amortization, and special items.

Segment adjusted EBITDA is a measure of segment earnings before depreciation, amortization, and special items.

Segment adjusted EBITDA margin is defined as segment adjusted EBITDA divided by segment revenues.

Three months ended June 30, 2014	National Media	Local Media	Unallocated Corporate	Total
<i>(In thousands)</i>				
Revenues	\$ 279,625	\$ 111,169	\$ —	\$ 390,794
Operating profit	\$ 43,353	\$ 25,463	\$ (8,239)	\$ 60,577
Depreciation and amortization	4,100	8,974	436	13,510
EBITDA	47,453	34,437	(7,803)	74,087
Special items				
Severance costs	—	3,366	—	3,366
Acquisition transaction costs	—	2,409	—	2,409
Other	—	320	—	320
Total special items	—	6,095	—	6,095
Adjusted				

EBITDA	\$	47,453	\$	40,532	\$	(7,803)	80,182
Less							
Depreciation and amortization							(13,510)
Total special items							(6,095)
Net interest expense							(3,500)
Income taxes							(16,632)
Net earnings					\$		40,445

Segment EBITDA margin	17.0	%	31.0	%
Segment adjusted EBITDA margin	17.0	%	36.5	%

Twelve months ended June 30, 2014	National Media	Local Media	Unallocated Corporate	Total
<i>(In thousands)</i>				
Revenues	\$ 1,065,898	\$ 402,810	\$ —	\$ 1,468,708
Operating profit	\$ 113,113	\$ 113,060	\$ (39,658)	\$ 186,515
Depreciation and amortization	29,455	28,815	1,658	59,928
EBITDA	142,568	141,875	(38,000)	246,443
Special items				
Severance costs	8,549	3,366	—	11,915
Write-down of other impaired assets	245	—	—	245
Acquisition transaction costs	—	5,484	—	5,484
Other	(229)	320	(306)	(215)
Total special items	8,565	9,170	(306)	17,429
Adjusted EBITDA	\$ 151,133	\$ 151,045	\$ (38,306)	263,872
Less				
Depreciation and amortization				(59,928)
Total special items				(17,429)
Net interest expense				(12,176)
Income taxes				(60,798)
Net earnings				\$ 113,541
Segment EBITDA margin	13.4	%	35.2	%
Segment adjusted EBITDA margin	14.2	%	37.5	%

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SOURCE Meredith Corporation

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