

Meredith Reports Fiscal 2010 Second Quarter Results

DES MOINES, IA (January 21, 2010) — Meredith Corporation (NYSE: MDP), the leading media and marketing company serving American women, today reported fiscal 2010 second quarter earnings per share of \$0.42, including a previously announced special charge of \$0.07 per share related to the repositioning of its Special Interest Media business. Excluding the special charge, earnings per share were \$0.49 – slightly ahead of expectations.

In comparison, fiscal 2009 second quarter earnings per share were \$0.28, including a special charge of \$0.21. Excluding the special charge, fiscal 2009 second quarter earnings per share were \$0.49.

Fiscal 2010 second quarter revenues were \$337 million, compared to \$361 million in fiscal 2009. Meredith recorded \$14 million less (\$0.19 per share) in net political advertising revenues during the second quarter of fiscal 2010 (a non-political year) compared to fiscal 2009.

Additional information on the special charges can be found in Tables 1-4 and in Meredith's press releases dated January 14, 2010, and January 8, 2009.

"In the second quarter of fiscal 2010, we delivered higher operating profit in our National Media business; increased non-political advertising revenues 4 percent in our Local Media business; and continued to reduce total company expenses," said Meredith President and Chief Executive Officer Stephen M. Lacy. "These achievements speak to the strength of our brands on both the national and local levels, as well as our efficiency initiatives."

During the second quarter of fiscal 2010, Meredith delivered:

- Sequential quarterly improvement in advertising performance in the National and Local media groups. Both groups outperformed their respective industries and gained advertising market share.
- Growth in its connection to the consumer, as measured by magazine readership, television viewership and online traffic.
- Double-digit growth in new revenue streams including brand licensing, retransmission fees and video content creation.
- A reduction of 8 percent in total company operating expenses.

For the first six months of fiscal 2010, earnings per share were \$0.82, compared to \$0.69 in the prior year period. Revenues were \$669 million, compared to \$725 million in the prior year. Excluding special items in both periods (see Tables 1-4), earnings per share were \$0.83 for the first six months of fiscal 2010, compared to \$0.90 in the prior year. Meredith recorded \$19 million less (\$0.26 per share) in net political advertising in the first half of fiscal 2010 (a non-political year) compared to the prior year.

OPERATING DETAIL

National Media Group

Fiscal 2010 second quarter National Media Group operating profit was \$32 million, compared to \$23 million in the prior year. Excluding special charges in both periods, fiscal 2010 second quarter operating profit was \$37 million, a 27 percent increase over the \$29 million in the prior year.

Revenues were \$261 million in the second quarter of fiscal 2010, compared to \$277 million in the prior year. Advertising revenues were \$117 million – a decline of 2 percent compared to the prior year – but the fourth consecutive quarter of advertising

performance improvement. Better Homes and Gardens grew advertising revenues 7 percent in the second quarter of fiscal 2010. More and Fitness also grew advertising revenues.

National Media Group operating expenses declined 10 percent in the second quarter of fiscal 2010 compared to the prior year, including a 15 percent decrease in paper prices.

Meredith's share of overall magazine industry advertising revenues increased to 11.7 percent during the second quarter of fiscal 2010 from 9.4 percent in the prior year, according to the latest data from the Publishers Information Bureau. Additionally, Meredith's market share grew to 37.2 percent from 34.9 percent as measured against its 28-title competitive set.

Looking at several key measurements of the National Media Group's strong connection to consumers:

- Readership for Meredith's major subscription magazines increased in the fall of 2009 compared to the spring of 2009, according to Mediemark Research and Intelligence.
- Revenues, profit and related margin in Meredith's circulation activities increased in the second quarter of fiscal 2010 compared to the prior year, driven in part by efficiencies in subscription operations.
- Monthly average unique visitors across Meredith's National Media Group Web sites rose more than 35 percent to more than 20 million in the second quarter of fiscal 2010 compared to the prior year, and monthly page views averaged more than 260 million. The total number of videos viewed per month quadrupled to more than 6 million.

National Media Group "Other Revenues" declined in the second quarter of fiscal 2010 compared to the prior year. Reductions in revenues at Meredith Books – expected due to the implementation of the previously announced licensing agreement with John Wiley and Sons Inc. – and at Meredith Integrated Marketing – due to cutbacks in existing programs primarily in the automotive and retail sectors – were partially offset by higher Brand Licensing revenues.

Meredith Integrated Marketing won a major new assignment to develop and manage Chrysler Group's customer relationship management initiatives in the United States and Canada. Additionally, Meredith Integrated Marketing saw a marked increase in the pipeline of new business activity during the quarter.

Brand Licensing revenues increased due primarily to an expansion of Meredith's relationship with Walmart. The number of Better Homes and Gardens-branded SKUs nearly tripled to 1,500 compared to the prior year.

"Our National Media Group continued to gain share, execute multi-platform sales programs and develop its non-advertising based businesses," Lacy said. "Additionally, I am particularly pleased with the strong consumer connection metrics we continue to deliver, be it magazine readership, online traffic or the performance of our branded products for sale at retail."

For the first six months of fiscal 2010, operating profit was \$70 million, compared to \$57 million in the prior year. Excluding special charges in both periods operating profit was \$76 million, compared to \$63 million in the prior year. Advertising revenues were \$255 million, compared to \$264 million in the prior year.

Local Media Group

Fiscal 2010 second quarter Local Media Group operating profit was \$17 million, compared to \$22 million in the prior year, primarily due to \$14 million less in net political advertising revenues. Total revenues were \$76 million, compared to \$84 million in the prior year. Non-political advertising revenues grew 4 percent, led by improved performance in professional services and retail-related advertising.

The Local Media Group outperformed the industry as a whole by approximately 3 percentage points in non-political advertising revenues during the quarter, according to the most recently available data from the Television Bureau of Advertising. Meredith stations in nine of its 10 television markets posted growth in non-political advertising revenues.

Local Media Group operating expenses declined 6 percent in the second quarter of fiscal

2010, compared to the prior year. Operating expenses were down 2 percent excluding the prior-year special charge. Meredith is centralizing certain functions across its television stations – including master control, traffic and research – to improve efficiency and lower costs.

Looking at several key measurements of the Local Media Group's connection to consumers:

- Many Meredith stations increased viewership in key day parts during the November sweeps, particularly in Atlanta where morning ratings more than doubled and late news ratings grew nearly 30 percent. Las Vegas grew ratings in both the morning and evening news, and Hartford maintained its No. 1 position in all newscasts.

- The daily Better television show, produced by Meredith Video Studios, is now carried in more than 55 markets reaching more than 45 percent of U.S. households, including half of the nation's top 10.

Revenues from retransmission fees nearly doubled in the second quarter of fiscal 2010 from the prior-year period, reflecting Meredith's successful renegotiation of retransmission agreements with the cable and satellite operators in its markets. Revenues also grew at Meredith Video Studios, Meredith's in-house video production group, driven primarily by growth in custom video projects for corporate clients.

"We're encouraged by the strength of our connection with viewers, which has helped us grow non-political advertising revenues," Lacy said. "We're working to build upon this foundation and continuing to develop other sources of revenue, including retransmission fees and our video production activities."

For the first six months of fiscal 2010, operating profit was \$19 million, compared to \$33 million in the prior year period, primarily due to \$19 million less in net political advertising revenues. Revenues were \$136 million, compared to \$155 million.

OTHER FINANCIAL INFORMATION

Meredith generated more than \$76 million in cash flow from operations during the first six months of fiscal 2010. Meredith's total debt was \$350 million at Dec. 31, 2009, \$30 million less than at the prior fiscal year end. Meredith's debt-to-EBITDA ratio was well under existing debt covenants at 1.7 to 1.

Unallocated corporate expenses rose approximately \$2 million in the second quarter of fiscal 2010 compared to the prior year due primarily to third party consulting fees and higher retirement plan costs.

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.

OUTLOOK

Looking at the third quarter of fiscal 2010, with two of three magazine issues closed in the National Media Group, advertising revenues are currently flat to up slightly. Local Media Group non-political advertising pacsings, which are a snapshot in time and change frequently, are currently up in the mid teens.

Meredith currently expects fiscal 2010 third quarter earnings per share to range from \$0.55 to \$0.60.

Looking to the remainder of the fiscal year, with limited visibility into customers' 2010 advertising and marketing budgets, Meredith currently expects full year earnings per share to range from \$1.90 to \$2.05, excluding the special items reported in the first half of fiscal 2010.

A number of uncertainties remain that may affect Meredith's outlook as stated in this press release for the second fiscal quarter and full year of 2010. These uncertainties are referenced below under "Safe Harbor" and in certain SEC filings.

CONFERENCE CALL WEBCAST

Meredith will host a conference call on January 21, 2010, at 11:00 a.m. EST to discuss fiscal 2010 second quarter results. A live webcast will be accessible to the public on the company's Web site, www.meredith.com, and a replay will be available for one week. A

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

RATIONALE FOR USE AND ACCESS TO NON-GAAP MEASURES

Management uses and presents GAAP and non-GAAP results to evaluate and communicate the performance of the company. Non-GAAP measures should not be construed as alternatives to GAAP measures. EBITDA is a common supplemental measure 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. Meredith 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.

Results excluding the special charges recorded in the second quarter of fiscal 2010 and 2009, and the adjustment to deferred income tax liabilities recorded in the first quarter of fiscal 2010, are also supplemental non-GAAP financial measures. Management believes these items are not reflective of Meredith's ongoing business activities. While results excluding the special charge and tax adjustment are not a substitute for reported earnings 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 included in the attached tables. The attached consolidated financial statements and reconciliation tables will be made 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 announcement that are forward-looking include, but are not limited to, the statements regarding broadcasting pacings and publishing advertising revenues, along with the company's earnings per share outlook for the third fiscal quarter and rest of fiscal 2010.

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; the integration of acquired businesses; changes in consumer reading, purchasing and/or television viewing patterns; 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 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) is the leading media and marketing company serving American women. Meredith combines well-known national brands – including Better Homes and Gardens, Parents, Ladies' Home Journal, Family Circle, American Baby, Fitness and More – with local television brands in fast-growing markets. Meredith is the industry leader in creating content in key consumer interest areas such as home, family, health and wellness and self-development. Meredith uses multiple distribution platforms – including print, television, online, mobile and video – to give consumers content they desire and to deliver the messages of its marketing partners. Additionally, Meredith uses its many assets to create powerful custom marketing solutions for many of the nation's top brands and companies. Meredith has significantly added to its capabilities in this area through the acquisition of cutting-edge companies in areas such as online, word-of-mouth and database marketing.

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