

Meredith's Fiscal 2007 Net Earnings Per Share Rise 16 Percent

Fourth Quarter Earnings Per Share Increase to \$1.05

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DES MOINES, Iowa
(NYSE:MDP)

DES MOINES, Iowa, July 25 /PRNewswire-FirstCall/ -- Meredith Corporation (NYSE: MDP) today reported fiscal 2007 net earnings per share of \$3.31, a 16 percent increase over the prior year. Total revenues increased 3 percent to \$1.6 billion, including 6 percent growth in advertising revenues. For the fourth quarter, net earnings per share increased 8 percent to \$1.05 and total revenues grew 2 percent to \$428 million.

"In fiscal 2007, we delivered another year of solid performance and strong returns to Meredith shareholders," said Stephen M. Lacy, Meredith's President and Chief Executive Officer. "Our Publishing Group posted strong advertising growth in the second half of the fiscal year, led by key brands such as Better Homes and Gardens, Family Circle and More. Our Broadcasting Group produced record political advertising and grew non-political revenues as well. Online revenues and audience metrics grew at a rapid rate across all lines of business. And we positioned ourselves for future growth through key strategic investments, particularly in the online and broadband areas."

Highlights during Fiscal 2007:

- Meredith Publishing Group advertising revenues increased 6 percent in the second half of fiscal 2007 over the prior year period, a trend that is continuing into fiscal 2008. Titles such as More and Family Circle, along with Meredith's Special Interest Publications, had a very strong year. Advertising revenues at Better Homes and Gardens surged more than 10 percent in the second half of fiscal 2007, buoyed by a magazine redesign and new creative and sales leadership.
- Meredith Broadcasting Group delivered a record \$33 million in net political advertising revenues. Also, local non-political advertising revenues increased 4 percent. Meredith Video Solutions launched the Company's first broadband video network, and increased production of broadcast-quality video for use by Meredith's television stations and Web sites, as well as custom video for clients.
- Internet page views climbed nearly 15 percent, driving revenue growth of approximately 50 percent. Meredith relaunched its flagship Web site -- <http://www.bhg.com/> -- and introduced a parenting superportal -- <http://www.parents.com/>. Additionally, the Company redesigned all television station Web sites.
- Meredith strengthened its consumer and custom marketing interactive capabilities through the acquisition of three online businesses: Genex, an interactive marketing services firm that specializes in online customer relationship marketing; New Media Strategies, an interactive word-of-mouth marketing company; and Healia, a consumer health search engine specializing in finding high quality and personalized health information online.
- Meredith generated approximately \$170 million of earnings from continuing operations and nearly \$175 million in free cash flow, increased its dividend rate by 16 percent, repurchased more than 1 million shares of its common stock and reduced debt by \$90 million in fiscal 2007.

OPERATING HIGHLIGHTS

Publishing

For fiscal 2007, Publishing operating profit grew to \$220 million from \$213 million in the prior year. Total Publishing revenues rose to \$1.3 billion and advertising revenues increased to \$639 million, up from \$1.2 billion and \$619 million, respectively.

In the fourth quarter, Publishing operating profit grew 9 percent to \$73 million. Revenues rose to \$345 million, including a 5 percent growth in advertising revenues.

During the quarter, Publishing benefited from operating profit growth at its magazine and integrated marketing businesses, partially offset by continued weakness at Meredith Books. As part of a comprehensive performance improvement initiative, Meredith Books is refocusing on its content areas of strength such as cooking, gardening, remodeling and decorating on behalf of its own and clients' brands. Less emphasis will be placed on children's books and non-core authored titles.

"We are very encouraged by advertising revenue growth to date in calendar 2007, with Better Homes and Gardens, More and Family Circle magazines leading the way," said Lacy. "Meanwhile, we continue to increase audience metrics and advertising revenues at our Web properties. This further demonstrates our ability to deliver content and advertising messages across multiple media platforms."

Publishing Web sites had strong traffic and revenue growth for the fiscal year, driving an operating profit increase of over 50 percent. In April, Meredith launched a new version of its flagship Better Homes and Gardens Web site (BHG.com). The site, which attracts approximately 5 million unique visitors monthly, features a host of new, highly interactive experiences including the media company's first ever broadband network -- Better.tv.

Broadcasting

For fiscal 2007, Broadcasting operating profit grew 20 percent to \$107 million on an 11 percent increase in revenues. Earnings from continuing operations before interest, taxes, depreciation and amortization (EBITDA) increased 16 percent to \$131 million and EBITDA margin grew to 37.7 percent from 35.8 percent.

In the fourth quarter, Broadcasting operating profit was \$28 million, revenues \$84 million, EBITDA \$34 million and EBITDA margin 40.5 percent. All represented modest declines from the prior year quarter due primarily to nearly \$3 million less in political advertising revenues.

In the May 2007 rating book, Broadcasting continued to strengthen its news position with the key adults ages 25-54 demographic. In particular, ratings and share at Meredith's stations grew significantly for the morning newscasts, a segment that is experiencing greater growth in viewers and advertising revenues. Seven stations -- Atlanta, Phoenix, Portland, Hartford, Greenville, Las Vegas and Nashville -- posted gains for morning newscasts, with Las Vegas up nearly 70 percent in the morning.

"Our strategy of increasing local news hours in our markets continues to pay dividends," Lacy said. "This strong news presence was instrumental to our achieving record political advertising in fiscal 2007 and a 4 percent increase in local non-political revenues. Meredith Broadcasting has now outpaced the industry average for advertising revenue growth for six consecutive years."

In addition, Broadcasting Web revenues more than doubled in fiscal 2007. Average monthly page views and unique visitors grew approximately 60 percent and 40 percent, respectively.

OTHER FINANCIAL INFORMATION

Total debt on June 30, 2007, was \$475 million, and the weighted average interest rate was 5 percent. Capital expenditures were \$43 million in fiscal 2007, including \$20 million to build a new broadcasting facility in Hartford.

During the quarter, Meredith recorded a restructuring charge of \$0.04 per share, attributable to refocusing its Book operations, as described earlier. The Company also recorded a net benefit of \$0.04 per share, related to discontinued operations, including the gain on the sale of Meredith's television station in Bend, OR, partially offset by a charge related to vacating certain leased space previously occupied by Child magazine. The operations of Child and the stations in Bend and Chattanooga, TN, have been reclassified as "discontinued." Meredith is in the process of selling the Chattanooga station.

See Table 1 for core earnings results, which exclude discontinued operations, a one-time tax benefit and Book restructuring charges described above.

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 consolidated statements of earnings.

OUTLOOK

As stated previously, Meredith expects fiscal 2008 earnings per share to range from \$3.50 to \$3.55.

In fiscal 2008, Meredith will be cycling against \$33 million of net political advertising revenues recorded in fiscal 2007, and absorbing an annualized postal rate increase of more than \$13 million. As a result, fiscal 2008 earnings growth is expected to occur primarily in the back half of the year.

Publishing advertising revenues for the fiscal first quarter are currently up in the mid-to-high single-digits, led by strong performance at our parenthood and women's service field titles. Broadcast pacings, which are a snapshot in time and change frequently, are currently down in the low to mid single-digits, due primarily to the absence of nearly \$9 million in net political advertising revenues recorded in the first quarter of fiscal 2007.

As a result, Meredith expects fiscal first quarter earnings per share to approximate \$0.66 compared to the \$0.62 earned in the year-ago quarter.

A number of uncertainties remain that may affect our outlook as stated in this press release for results in the first quarter and full fiscal year. These include overall advertising volatility, the performance of the Company's retail businesses, paper prices and postal rates. These and other uncertainties are referenced below under "Safe Harbor" and in certain of the Company's SEC filings.

CONFERENCE CALL WEBCAST

Meredith will host a conference call on July 25, 2007, at 11 a.m. EDT (10 a.m. CDT) to discuss fiscal fourth quarter and 2007 results. A live Webcast will be accessible to the public on the Company's Web site, <http://www.meredith.com/>, and a replay will be available for one week after the call. A transcript of the conference call will be available within 48 hours following the conference call on <http://www.meredith.com/>, and for at least 12 months thereafter.

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 and free cash flow are common supplemental measures of performance used by investors and financial analysts. Management believes that EBITDA and free cash flow provide additional analytical tools to clarify the Company's results from core operations and delineate underlying trends. Meredith does not use EBITDA or free cash flow as a measure of liquidity or funds available for management's discretionary use because they include certain contractual and non-discretionary expenditures.

Core earnings and core earnings per share are supplemental non-GAAP financial measures that exclude certain one-time items that are not expected to recur and are not reflective of the Company's core business activities. While core earnings and core earnings per share are not a substitute for reported earnings results under GAAP, Management believes this information is useful as an aid in better understanding the Company'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 on the Company's Web site, <http://www.meredith.com/investors/index.html>. Please click on "Non-GAAP/GAAP Reconciliation" in the navigation bar on the left side of the page.

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's 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 first quarter and all of fiscal 2008.

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 (<http://www.meredith.com/>) is one of the nation's leading media and marketing companies with businesses centering on magazine and book publishing, television broadcasting, integrated marketing and interactive media. The Meredith Publishing Group features 25 subscription magazines -- including Better Homes and Gardens, Ladies' Home Journal, Family Circle, Parents, American Baby, Fitness and More -- and publishes approximately 180 special interest publications under approximately 80 titles. Meredith has more than 400 books in print. Meredith owns 13 television stations, including properties in top-25 markets Atlanta, Phoenix and Portland, OR. Additionally, Meredith has an extensive online presence that includes more than 30 Web sites and two broadband channels -- Better.tv and Parents.tv.

Meredith Integrated Marketing has established marketing relationships with some of America's leading companies. Meredith's consumer database, which contains approximately 85 million names, is one of the largest domestic databases among media companies and enables magazine and television advertisers to conduct precise targeted-marketing campaigns. Meredith publishes five Spanish-language titles, making Meredith the leading publisher serving Hispanic women in the United States.

Meredith Corporation and Subsidiaries Consolidated Statements of Earnings (Unaudited)

| Period Ended June 30, | Three Months | | Change |
|--|--------------|-----------|---------|
| (In thousands except per share data) | 2007 | 2006 | |
| Revenues | | | |
| Advertising | \$259,260 | \$253,905 | 2.1 % |
| Circulation | 81,707 | 89,518 | (8.7)% |
| All other | 87,503 | 76,065 | 15.0 % |
| Total revenues | 428,470 | 419,488 | 2.1 % |
| Operating expenses | | | |
| Production, distribution, and editorial | 169,407 | 168,581 | 0.5 % |
| Selling, general, and administrative | 156,734 | 152,574 | 2.7 % |
| Depreciation and amortization | 11,681 | 11,293 | 3.4 % |
| Restructuring charges, Book Group | 3,415 | - | - |
| Total operating expenses | 341,237 | 332,448 | 2.6 % |
| Income from operations | 87,233 | 87,040 | 0.2 % |
| Interest income | 414 | 208 | 99.0 % |
| Interest expense | (5,849) | (6,853) | (14.7)% |
| Earnings from continuing operations before income taxes | 81,798 | 80,395 | 1.7 % |
| Income taxes | 32,148 | 31,354 | 2.5 % |
| Earnings from continuing operations | 49,650 | 49,041 | 1.2 % |
| Income (loss) from discontinued operations, net of taxes | 1,864 | (480) | NM |
| Net earnings | \$51,514 | \$48,561 | 6.1 % |
| Basic earnings per share | | | |
| Earnings from continuing operations | \$1.03 | \$1.00 | 3.0 % |
| Discontinued operations | 0.04 | (0.01) | NM |
| Basic earnings per share | \$1.07 | \$0.99 | 8.1 % |
| Basic average shares outstanding | 48,120 | 49,146 | (2.1)% |
| Diluted earnings per share | | | |
| Earnings from continuing operations | \$1.01 | \$0.98 | 3.1 % |
| Discontinued operations | 0.04 | (0.01) | NM |
| Diluted earnings per share | \$1.05 | \$0.97 | 8.2 % |
| Diluted average shares outstanding | 49,259 | 50,202 | (1.9)% |

| | | | |
|--------------------------|---------|---------|--------|
| Dividends paid per share | \$0.185 | \$0.160 | 15.6 % |
|--------------------------|---------|---------|--------|

| | Twelve Months | | |
|--|---------------|-----------|---------|
| Period Ended June 30, | 2007 | 2006 | Change |
| (In thousands except per share data) | | | |
| Revenues | | | |
| Advertising | \$981,953 | \$925,936 | 6.0 % |
| Circulation | 335,706 | 360,121 | (6.8)% |
| All other | 298,326 | 275,408 | 8.3 % |
| Total revenues | 1,615,985 | 1,561,465 | 3.5 % |
| Operating expenses | | | |
| Production, distribution, and editorial | 662,197 | 656,142 | 0.9 % |
| Selling, general, and administrative | 617,094 | 593,015 | 4.1 % |
| Depreciation and amortization | 45,030 | 45,127 | (0.2)% |
| Restructuring charges, Book Group | 3,415 | - | - |
| Total operating expenses | 1,327,736 | 1,294,284 | 2.6 % |
| Income from operations | 288,249 | 267,181 | 7.9 % |
| Interest income | 1,586 | 987 | 60.7 % |
| Interest expense | (27,182) | (30,214) | (10.0)% |
| Earnings from continuing operations | | | |
| before income taxes | 262,653 | 237,954 | 10.4 % |
| Income taxes | 93,823 | 92,802 | 1.1 % |
| Earnings from continuing operations | 168,830 | 145,152 | 16.3 % |
| Income (loss) from discontinued operations, net of taxes | | | |
| | (6,484) | (360) | NM |
| Net earnings | \$162,346 | \$144,792 | 12.1 % |

| | | | |
|-------------------------------------|--------|--------|--------|
| Basic earnings per share | | | |
| Earnings from continuing operations | \$3.51 | \$2.95 | 19.0 % |
| Discontinued operations | (0.13) | (0.01) | NM |
| Basic earnings per share | \$3.38 | \$2.94 | 15.0 % |
| Basic average shares outstanding | 48,048 | 49,307 | (2.6)% |

| | | | |
|-------------------------------------|--------|--------|--------|
| Diluted earnings per share | | | |
| Earnings from continuing operations | \$3.44 | \$2.87 | 19.8 % |
| Discontinued operations | (0.13) | (0.01) | NM |
| Diluted earnings per share | \$3.31 | \$2.86 | 15.6 % |
| Diluted average shares outstanding | 49,108 | 50,610 | (3.0)% |

| | | | |
|--------------------------|---------|---------|--------|
| Dividends paid per share | \$0.690 | \$0.600 | 15.0 % |
|--------------------------|---------|---------|--------|

NM - Not meaningful

Meredith Corporation and Subsidiaries
Segment Information (Unaudited)

| | Three Months | | |
|-------------------------------------|--------------|-----------|---------|
| Period Ended June 30, | 2007 | 2006 | Change |
| (In thousands) | | | |
| Revenues | | | |
| Publishing | \$344,718 | \$334,093 | 3.2 % |
| Broadcasting | | | |
| Non-political advertising | 81,230 | 80,840 | 0.5 % |
| Political advertising | 292 | 3,029 | NM |
| Other revenues | 2,230 | 1,526 | 46.1 % |
| Total broadcasting | 83,752 | 85,395 | (1.9)% |
| Total revenues | \$428,470 | \$419,488 | 2.1 % |
| Operating profits | | | |
| Publishing | \$73,139 | \$67,250 | 8.8 % |
| Broadcasting | 27,762 | 29,258 | (5.1)% |
| Unallocated corporate | (10,253) | (9,468) | (8.3)% |
| Restructuring charges, Book Group | (3,415) | - | - |
| Income from operations | \$87,233 | \$87,040 | 0.2 % |
| Depreciation and amortization | | | |
| Publishing | \$4,845 | \$5,114 | (5.3)% |
| Broadcasting | 6,153 | 5,868 | 4.9 % |
| Unallocated corporate | 683 | 311 | 119.6 % |
| Total depreciation and amortization | \$11,681 | \$11,293 | 3.4 % |

EBITDA(1)

| | | | |
|-----------------------|-----------|----------|--------|
| Publishing | \$77,984 | \$72,364 | 7.8 % |
| Broadcasting | 33,915 | 35,126 | (3.4)% |
| Unallocated corporate | (9,570) | (9,157) | 4.5 % |
| Total EBITDA(1) | \$102,329 | \$98,333 | 4.1 % |

| Period Ended June 30, (In thousands) | Twelve Months | | |
|---|---------------|-------------|---------|
| | 2007 | 2006 | Change |
| Revenues | | | |
| Publishing | \$1,268,153 | \$1,246,774 | 1.7 % |
| Broadcasting | | | |
| Non-political advertising | 309,350 | 303,547 | 1.9 % |
| Political advertising | 33,216 | 3,856 | NM |
| Other revenues | 5,266 | 7,288 | (27.7)% |
| Total broadcasting | 347,832 | 314,691 | 10.5 % |
| Total revenues | \$1,615,985 | \$1,561,465 | 3.5 % |

| | | | |
|-----------------------------------|-----------|-----------|--------|
| Operating profits | | | |
| Publishing | \$219,771 | \$212,897 | 3.2 % |
| Broadcasting | 106,804 | 88,845 | 20.2 % |
| Unallocated corporate | (34,911) | (34,561) | (1.0)% |
| Restructuring charges, Book Group | (3,415) | - | - |
| Income from operations | \$288,249 | \$267,181 | 7.9 % |

| | | | |
|-------------------------------------|----------|----------|--------|
| Depreciation and amortization | | | |
| Publishing | \$18,714 | \$19,234 | (2.7)% |
| Broadcasting | 24,171 | 23,697 | 2.0 % |
| Unallocated corporate | 2,145 | 2,196 | (2.3)% |
| Total depreciation and amortization | \$45,030 | \$45,127 | (0.2)% |

| | | | |
|-----------------------|-----------|-----------|--------|
| EBITDA(1) | | | |
| Publishing | \$238,485 | \$232,131 | 2.7 % |
| Broadcasting | 130,975 | 112,542 | 16.4 % |
| Unallocated corporate | (32,766) | (32,365) | 1.2 % |
| Total EBITDA(1) | \$336,694 | \$312,308 | 7.8 % |

NM - Not meaningful

(1) EBITDA is earnings from continuing operations before interest, taxes, depreciation, and amortization and excludes Book Group restructuring charges.

Meredith Corporation and Subsidiaries
Condensed Consolidated Balance Sheets

| (In thousands) | (Unaudited) | |
|---|------------------|------------------|
| | June 30, 2007 | June 30, 2006 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$39,220 | \$30,713 |
| Accounts receivable, net | 267,419 | 239,368 |
| Inventories | 48,836 | 52,032 |
| Current portion of subscription acquisition costs | 70,553 | 79,565 |
| Current portion of broadcast rights | 11,307 | 12,498 |
| Other current assets | 15,305 | 17,344 |
| Total current assets | 452,640 | 431,520 |
| Property, plant, and equipment | 445,846 | 417,831 |
| Less accumulated depreciation | (239,820) | (223,033) |
| Net property, plant, and equipment | 206,026 | 194,798 |
| Subscription acquisition costs | 66,309 | 74,538 |
| Broadcast rights | 9,309 | 13,412 |
| Other assets | 101,178 | 81,218 |
| Intangibles assets, net | 794,996 | 806,264 |
| Goodwill | 459,493 | 438,925 |
| Total assets | \$2,089,951 | \$2,040,675 |

Liabilities and Shareholders' Equity

| | | |
|---|-----------|----------|
| Current liabilities | | |
| Current portion of long-term debt | \$100,000 | \$50,000 |
| Current portion of long-term broadcast rights payable | 12,069 | 14,744 |

| | | |
|---|-------------|-------------|
| Accounts payable | 78,156 | 79,892 |
| Accrued expenses and other liabilities | 105,359 | 118,972 |
| Current portion of unearned subscription revenues | 191,445 | 200,338 |
| Total current liabilities | 487,029 | 463,946 |
| Long-term debt | 375,000 | 515,000 |
| Long-term broadcast rights payable | 18,584 | 21,755 |
| Unearned subscription revenues | 167,873 | 169,494 |
| Deferred income taxes | 166,597 | 125,049 |
| Other noncurrent liabilities | 41,667 | 47,327 |
| Total liabilities | 1,256,750 | 1,342,571 |
| Shareholders' equity | | |
| Common stock | 38,970 | 38,774 |
| Class B stock | 9,262 | 9,417 |
| Additional paid-in capital | 58,945 | 56,012 |
| Retained earnings | 727,628 | 599,413 |
| Accumulated other comprehensive income (loss) | 2,499 | (2,077) |
| Unearned compensation | (4,103) | (3,435) |
| Total shareholders' equity | 833,201 | 698,104 |
| Total liabilities and shareholders' equity | \$2,089,951 | \$2,040,675 |

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

| Twelve Months Ended June 30, | 2007 | 2006 |
|---|-----------|-----------|
| (In thousands) | | |
| Net cash provided by operating activities | \$210,522 | \$193,989 |
| Cash flows from investing activities | | |
| Acquisitions of businesses | (30,303) | (367,854) |
| Additions to property, plant, and equipment | (42,599) | (29,236) |
| Proceeds from disposition of assets | 7,658 | 2,500 |
| Net cash used in investing activities | (65,244) | (394,590) |
| Cash flows from financing activities | | |
| Proceeds from issuance of long-term debt | 190,000 | 590,000 |
| Repayments of long-term debt | (280,000) | (275,000) |
| Purchases of Company stock | (58,710) | (145,235) |
| Proceeds from common stock issued | 41,673 | 52,106 |
| Dividends paid | (33,248) | (29,578) |
| Excess tax benefits from share-based payments | 3,514 | 9,937 |
| Other | - | (704) |
| Net cash provided by (used in) financing activities | (136,771) | 201,526 |
| Net increase in cash and cash equivalents | 8,507 | 925 |
| Cash and cash equivalents at beginning of period | 30,713 | 29,788 |
| Cash and cash equivalents at end of period | \$39,220 | \$30,713 |

Meredith Corporation and Subsidiaries Table 1
Supplemental Disclosures Regarding Non-GAAP Financial Measures

CORE EARNINGS

Core earnings, which is reconciled to net earnings in the following tables, is defined as net earnings adjusted for certain one time items.

| Period Ended June 30, | Three Months | | Twelve Months | |
|---|--------------|----------|---------------|-----------|
| (In thousands) | 2007 | 2006 | 2007 | 2006 |
| Core earnings | \$51,723 | \$49,041 | \$161,502 | \$145,152 |
| Discontinued operations, net of tax | 1,864 | (480) | (6,484) | (360) |
| Restructuring charges, Book Group, net of tax (1) | (2,073) | - | (2,073) | - |

| | | | | |
|--------------------|----------|----------|-----------|-----------|
| Tax settlement (2) | - | - | 9,401 | - |
| Net earnings | \$51,514 | \$48,561 | \$162,346 | \$144,792 |

CORE EARNINGS PER SHARE

Core earnings per share, which is reconciled to diluted earnings per share in the following tables, is defined as diluted earnings per share adjusted for certain one time items.

| Period Ended June 30, | Three Months | | Twelve Months | |
|---|--------------|--------|---------------|--------|
| | 2007 | 2006 | 2007 | 2006 |
| Core earnings per share | \$1.05 | \$0.98 | \$3.29 | \$2.87 |
| Discontinued operations, net of tax | 0.04 | (0.01) | (0.13) | (0.01) |
| Restructuring charges, Book Group, net of tax (1) | (0.04) | - | (0.04) | - |
| Tax settlement (2) | - | - | 0.19 | - |
| Diluted earnings per share | \$1.05 | \$0.97 | \$3.31 | \$2.86 |

(1) The Book Group restructuring charges total \$3.4 million (\$2.1 million after tax). The restructuring charges include the write-down of various assets of \$2.7 million and severance and benefit costs of \$0.7 million.

(2) An income tax benefit of \$9.4 million was recognized in the third quarter of fiscal 2007 for the reversal of previously recorded taxes. This resulted from the resolution of a tax contingency related to a loss on the sale of stock in Craftways, a business sold in fiscal 2003. Recognition of the benefit was deferred until tax-related contingencies were resolved.

Meredith Corporation and Subsidiaries Table 2 Supplemental Disclosures Regarding Non-GAAP Financial Measures

EBITDA

Consolidated EBITDA, which is reconciled to earnings from continuing operations in the following tables, is defined as earnings from continuing operations before interest, taxes, depreciation, and amortization and does not include the Book Group restructuring charges.

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

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

| (In thousands) | Three Months Ended June 30, 2007 | | | |
|----------------|----------------------------------|--------------|-----------|-----------|
| | Unallocated | | | Total |
| | Publishing | Broadcasting | Corporate | |
| Revenues | \$344,718 | \$83,752 | \$- | \$428,470 |

| | | | | |
|--|----------|----------|------------|----------|
| Operating profit excluding restructuring charges, Book Group | \$73,139 | \$27,762 | \$(10,253) | \$90,648 |
| Depreciation and amortization | 4,845 | 6,153 | 683 | 11,681 |
| EBITDA | \$77,984 | \$33,915 | \$(9,570) | 102,329 |
| Less: | | | | |
| Depreciation and amortization | | | (11,681) | |
| Restructuring charges, Book Group | | | (3,415) | |
| Net interest expense | | | (5,435) | |
| Income taxes | | | (32,148) | |
| Earnings from continuing operations | | | | \$49,650 |

Segment EBITDA margin 22.6% 40.5%

| (In thousands) | Three Months Ended June 30, 2006 | | | |
|-------------------------------|----------------------------------|--------------|-----------|-----------|
| | Unallocated | | | Total |
| | Publishing | Broadcasting | Corporate | |
| Revenues | \$334,093 | \$85,395 | \$- | \$419,488 |
| Operating profit | \$67,250 | \$29,258 | \$(9,468) | \$87,040 |
| Depreciation and amortization | 5,114 | 5,868 | 311 | 11,293 |
| EBITDA | \$72,364 | \$35,126 | \$(9,157) | 98,333 |
| Less: | | | | |

| | |
|-------------------------------------|----------|
| Depreciation and amortization | (11,293) |
| Net interest expense | (6,645) |
| Income taxes | (31,354) |
| Earnings from continuing operations | \$49,041 |

Segment EBITDA margin 21.7% 41.1%

| (In thousands) | Year Ended June 30, 2007 | | | |
|--|--------------------------|--------------|------------|-------------|
| | Unallocated | | | Total |
| | Publishing | Broadcasting | Corporate | |
| Revenues | \$1,268,153 | \$347,832 | \$- | \$1,615,985 |
| Operating profit excluding restructuring charges, Book Group | \$219,771 | \$106,804 | \$(34,911) | \$291,664 |
| Depreciation and amortization | 18,714 | 24,171 | 2,145 | 45,030 |
| EBITDA | \$238,485 | \$130,975 | \$(32,766) | 336,694 |
| Less: | | | | |
| Depreciation and amortization | | | (45,030) | |
| Restructuring charges, Book Group | | | (3,415) | |
| Net interest expense | | | (25,596) | |
| Income taxes | | | (93,823) | |
| Earnings from continuing operations | | | \$168,830 | |
| Segment EBITDA margin | 18.8% | 37.7% | | |

| (In thousands) | Year Ended June 30, 2006 | | | |
|-------------------------------------|--------------------------|--------------|------------|-------------|
| | Unallocated | | | Total |
| | Publishing | Broadcasting | Corporate | |
| Revenues | \$1,246,774 | \$314,691 | \$- | \$1,561,465 |
| Operating profit | \$212,897 | \$88,845 | \$(34,561) | \$267,181 |
| Depreciation and amortization | 19,234 | 23,697 | 2,196 | 45,127 |
| EBITDA | \$232,131 | \$112,542 | \$(32,365) | 312,308 |
| Less: | | | | |
| Depreciation and amortization | | | (45,127) | |
| Net interest expense | | | (29,227) | |
| Income taxes | | | (92,802) | |
| Earnings from continuing operations | | | \$145,152 | |
| Segment EBITDA margin | 18.6% | 35.8% | | |

FREE CASH FLOW

Free cash flow, which is reconciled to earnings from continuing operations in the following tables, is defined as earnings from continuing operations, plus depreciation, amortization, and non-cash Book Group restructuring charges less capital expenditures.

| Period Ended June 30, | Three Months | | Twelve Months | |
|--|--------------|----------|---------------|-----------|
| | 2007 | 2006 | 2007 | 2006 |
| (In thousands) | | | | |
| Free cash flow | \$50,431 | \$51,927 | \$173,946 | \$161,043 |
| Depreciation and amortization | (11,681) | (11,293) | (45,030) | (45,127) |
| Non-cash restructuring charges, Book Group | (2,685) | - | (2,685) | - |
| Capital expenditures | 13,585 | 8,407 | 42,599 | 29,236 |
| Earnings from continuing operations | \$49,650 | \$49,041 | \$168,830 | \$145,152 |

SOURCE: Meredith Corporation

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