

Meredith To Acquire Popular Shape Brand From American Media

Merging Fitness Magazine into Shape to Create Leading Media Brand in Women's Active Lifestyle Category

NEW YORK and DES MOINES, Iowa, Jan. 28, 2015 /PRNewswire/ -- Meredith Corporation (NYSE:MDP, www.meredith.com), the leading media and marketing company serving more than 100 million unduplicated American women, announced today that it has reached an agreement to acquire *Shape* magazine and the digital assets of the *Shape*, *Natural Health*, and *Fit Pregnancy* brands from American Media (AMI).

Meredith will begin producing *Shape* magazine with the May 2015 issue, with current readers of *Shape* and Meredith's *Fitness* magazine receiving the new and enhanced *Shape* magazine. *Shape* will have a rate base of 2.5 million, an increase of 60 percent from its current level of 1.6 million. The *Shape* and *Fitness* websites sites will continue to operate as separate digital destinations, with a combined reach of almost 7 million unduplicated unique monthly visitors.

"The acquisition of *Shape* establishes Meredith as the leader in the women's active lifestyle media category," said National Media Group President Tom Harty. "It increases our reach among millennial women to over 23 million, creating an unmatched opportunity for advertisers to connect with this highly-valued audience across multiple media channels."

Shape magazine covers exercise, beauty, nutrition, health, fashion, wellness, and other lifestyle topics to help women lead a healthier, active lifestyle. It is the category leader and has a median household income of \$87,000 and median age of 39, the youngest in the category.

Tom Witschi, President of the Meredith Women's Lifestyle Group, will oversee the new brands. The digital brands and related assets will report to Jon Werther, President, Meredith Digital. In addition, Galvanized LLC will be working with Meredith on the newly combined *Shape* and *Fitness*.

"We're excited that David Zinczenko and his team from Galvanized will continue to oversee the editorial and brand vision for *Shape* to ensure stability and continued quality throughout the transition," Witschi said. "David has been the acting Editorial Director for *Shape* at AMI, and he and his team bring an unsurpassed expertise in the healthy, active lifestyle field, as demonstrated by their success in building *Men's Health*; the launch of *Women's Health*; and the recent award-winning re-launch of *Men's Fitness*."

"As *Shape* joins Meredith's Women's Lifestyle Group, it is poised to build upon its extraordinary position as the category leader in both ad pages and circulation to deepen connections with its audience, while reaching out to new ones," said David J. Pecker Chairman and CEO AMI. "We couldn't be more proud of the work of the editors and publishers who have helped build *Shape* into the industry-leader it is today, and I look forward to seeing it continue its remarkable success at Meredith in the years ahead."

Financial terms were not disclosed. The transaction will be accretive to Meredith's fiscal 2015 financial performance. Meredith will provide more detail when it reports its fiscal 2015 second quarter results on January 28, 2015.

The acquisition of *Shape* is the latest in a series of acquisitions, launches and alliances for Meredith's National Media Group including:

- A 10-year licensing agreement with Martha Stewart Living Omnimedia to acquire the rights to *Martha Stewart Living*, *Martha Stewart Weddings* and www.marthastewart.com media properties.

- The launch of the award-winning *Allrecipes* magazine, which followed the acquisition of Allrecipes.com. Last week Meredith raised the rate base of *Allrecipes* to 1.1 million.
- The acquisition of leading digital destinations, including the growing website www.mywedding.com and native and engagement-based digital advertising leaders Selectable Media.

Additionally, over the last three years, Meredith has acquired the *Eating Well*, *Family Fun*, *Every Day with Rachael Ray*, *Parenting* and *Baby Talk* brands. In spring of 2015, Meredith plans to launch *Parents Latina*, an English-language magazine with a ratebase of 700,000 targeting millennial Hispanic moms.

"We continue to strengthen our focus on the important areas of home, family, food and health," said Meredith Chairman and CEO Steve Lacy. "This acquisition strengthens our portfolio in both the print and digital space, and is consistent with our Total Shareholder Return strategy to pursue investments that scale our business and increase shareholder value."

Meredith has also been executing a strategy to expand its broadcast television footprint. In the last year, Meredith's Local Media Group has completed or announced the acquisition of television stations in Phoenix, St. Louis, Mobile-Pensacola and Springfield (Mass.).

"We continue to look for strategic acquisitions, partnerships and investment opportunities like these to expand our reach and create additional shareholder value," said Meredith Chief Development Officer John Zieser.

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 and video – to provide consumers with content they desire and to deliver the messages of its advertising and marketing partners.

Meredith's National Media Group reaches an audience of over 230 million monthly, including 100 million unduplicated women and 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 and Allrecipes. The National Media Group features robust brand licensing activities, including over 3,000 SKUs of branded products at 4,000 Walmart stores across the U.S. 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.

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, with seven stations in the nation's Top 25 – including Atlanta, Phoenix, St. Louis and Portland – and 13 in Top 50 markets.

Meredith's balanced portfolio consistently generates substantial free cash flow, and Meredith is committed to growing Total Shareholder Return through dividend payments, share repurchases and strategic business investments. Meredith's current annualized dividend of \$1.73 per share yields approximately 3.5 percent. Meredith has paid a dividend for 67 straight years and increased it for 21 consecutive years.

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