Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2007** Commission file number 1-5128

MEREDITH CORPORATION
(Exact name of registrant as specified in its charter)

Iowa	42-0410230
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1716 Locust Street, Des Moines, Iowa	50309-3023
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:

(515) 284-3000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Securities Exchange Act. (Check one):

Large accelerated filer [X] Accelerated filer [_] Non-accelerated filer [_]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [_] No [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Shares of stock outstanding at September 30, 2007	
Common shares	38,190,572
Class B shares	9,254,937
Total common and Class B shares	47,445,509

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Meredith Corporation and Subsidiaries
Condensed Consolidated Balance Sheets

Assets	(Unaudited) September 30, 2007	June 30, 2007
(In thousands)		
Current assets		
Cash and cash equivalents	$ 25,483	$ 39,220
Accounts receivable, net	273,117	267,419
Inventories	54,981	48,836
Current portion of subscription acquisition costs	64,882	70,553
Current portion of broadcast rights	23,324	11,307
Other current assets	25,082	15,305
Total current assets	466,869	452,640
Property, plant, and equipment	442,741	445,846
Less accumulated depreciation	(242,489)	(239,820)
Net property, plant, and equipment	200,252	206,026
Subscription acquisition costs	61,210	66,309
Broadcast rights	9,044	9,309
Other assets	96,794	101,178
Intangible assets, net	791,413	794,996
Goodwill	460,547	459,493
Total assets	$ 2,086,129	$ 2,089,951

Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of long-term debt	$ 135,000	$ 100,000
Current portion of long-term broadcast rights payable	23,872	12,069
Accounts payable	81,551	78,156
Accrued expenses and other liabilities	107,174	105,359
Current portion of unearned subscription revenues	182,160	191,445
Total current liabilities	529,757	487,029
Long-term debt	325,000	375,000
Long-term broadcast rights payable	18,889	18,584
Unearned subscription revenues	163,298	167,873
Deferred income taxes	136,923	166,597
Other noncurrent liabilities	99,761	41,667
Total liabilities	1,273,628	1,256,750
Shareholders' equity		
Series preferred stock	-	-
Common stock	38,191	38,970
Class B stock	9,255	9,262
Additional paid-in capital	64,106	58,945
Retained earnings	709,492	727,628
Accumulated other comprehensive income	1,493	2,499
Unearned compensation	(10,036)	(4,103)
Total shareholders' equity	812,501	833,201
Total liabilities and shareholders' equity	$ 2,086,129	$ 2,089,951

See accompanying Notes to Condensed Consolidated Financial Statements.

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

Three Months Ended September 30,	2007	2006

(In thousands except per share data)		
Revenues		
Advertising	$ 254,756	$ 238,569
Circulation	80,286	83,761
All other	69,452	64,021
Total revenues	404,494	386,351
Operating expenses		
Production, distribution, and editorial	175,898	167,565
Selling, general, and administrative	155,819	150,940
Depreciation and amortization	12,261	11,030
Total operating expenses	343,978	329,535
Income from operations	60,516	56,816
Interest income	352	233
Interest expense	(6,163)	(7,320)
Earnings from continuing operations before income taxes	54,705	49,729
Income taxes	21,335	19,543
Earnings from continuing operations	33,370	30,186
Income from discontinued operations, net of taxes	-	310
Net earnings	$ 33,370	$ 30,496
Basic earnings per share		
Earnings from continuing operations	$ 0.70	$ 0.63
Discontinued operations	-	0.01
Basic earnings per share	$ 0.70	$ 0.64
Basic average shares outstanding	47,795	47,996
Diluted earnings per share		
Earnings from continuing operations	$ 0.68	$ 0.62
Discontinued operations	-	-
Diluted earnings per share	$ 0.68	$ 0.62
Diluted average shares outstanding	48,828	48,854

Dividends paid per share	$ 0.185	$ 0.160

See accompanying Notes to Condensed Consolidated Financial Statements.

Meredith Corporation and Subsidiaries
Condensed Consolidated Statement of Shareholders' Equity (Unaudited)

(In thousands except per share data)	Common Stock	Class B Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Unearned Compensa-tion	Total
Balance at June 30, 2007							
							$ 38,970
							$ 9,262
							$ 58,945
							$ 727,628
							$ 2,499
							$ (4,103)
							$ 833,201
Net earnings Net earnings							
							-
							-
							-
							33,370
							-
							-
							33,370
Other comprehensive loss, net							
							-
							-

-

-

(1,006)

-

(1,006)

Total comprehensive income

32,364

Stock issued under various incentive

plans, net of forfeitures

117

-

5,679

-

-

(3,503)

2,293

Issuance of common stock equivalents

-

-

3,680

-

-

(3,680)

	-
Purchases of Company stock	
	(903)
	-
	(6,193)
	(42,676)
	-
	-
	(49,772)
Share-based compensation	
	-
	-
	1,956
	-
	-
	1,250
	3,206
Conversion of Class B to common stock	
	7
	(7)
	-
	-
	-
	-
	-

Dividends paid, 18.5 cents per share	
Common stock	-
	-
	-
	(7,117)
	-
	-
	(7,117)
Class B stock	-
	-
	-
	(1,713)
	-
	-
	(1,713)
Tax benefit from incentive plans	-
	-
	39
	-
	-

-

39

Balance at September 30, 2007

$ 38,191

$ 9,255

$ 64,106

$ 709,492

$ 1,493

$ (10,036)

$ 812,501

See accompanying Notes to Condensed Consolidated Financial Statements.

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

Three Months Ended September 30,		2007		2006
(In thousands)				
Cash flows from operating activities				
Net earnings	$	33,370	$	30,496
Adjustments to reconcile net earnings to net cash provided by operating activities				
Depreciation		8,678		7,820
Amortization		3,583		3,407
Share-based compensation		3,206		3,021
Deferred income taxes		6,522		6,693
Amortization of broadcast rights		7,107		7,368
Payments for broadcast rights		(6,751)		(7,025)
Excess tax benefits from share-based payments		(39)		(463)
Changes in assets and liabilities		6,130		(19,980)
Net cash provided by operating activities		61,806		31,337

Cash flows from investing activities		
Acquisitions of businesses	-	(15)
Additions to property, plant, and equipment	(4,273)	(5,670)
Net cash used in investing activities	(4,273)	(5,685)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	75,000	10,000
Repayments of long-term debt	(90,000)	(15,000)
Purchases of Company stock	(49,772)	(27,489)
Proceeds from common stock issued	2,293	5,818
Dividends paid	(8,830)	(7,686)
Excess tax benefits from share-based payments	39	463
Net cash used in financing activities	(71,270)	(33,894)
Net decrease in cash and cash equivalents	(13,737)	(8,242)
Cash and cash equivalents at beginning of period	39,220	30,713
Cash and cash equivalents at end of period	$ 25,483	$ 22,471

See accompanying Notes to Condensed Consolidated Financial Statements.

Meredith Corporation and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation

The condensed consolidated financial statements include the accounts of Meredith Corporation and its wholly owned subsidiaries (Meredith or the Company), after eliminating all significant intercompany balances and transactions. Meredith does not have any off-balance sheet arrangements. The Company's use of special-purpose entities is limited to Meredith Funding Corporation, whose activities are fully consolidated in Meredith's condensed consolidated financial statements.

The condensed consolidated financial statements as of September 30, 2007, and for the three months ended September 30, 2007 and 2006, are unaudited but, in management's opinion, include all normal, recurring adjustments necessary for a fair presentation of the results of interim periods. The results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year.

These consolidated financial statements, including the related notes, are condensed and presented in accordance with accounting principles generally accepted in the United States of America (GAAP). These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements, which are included in Meredith's Annual Report on Form 10-K for the year ended June 30, 2007, filed with the United States Securities and Exchange Commission (SEC).

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109* (FIN 48). FIN 48 prescribes a comprehensive model of how a company should recognize, measure, present, and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. The Company adopted FIN 48 on July 1, 2007. As a result, the Company was required to make certain reclassifications in its consolidated balance sheet as of July 1, 2007. In the aggregate, these reclassifications increased the Company's liability for unrecognized tax benefits by $36.0 million and decreased its net deferred tax liabilities by $36.0 million. The adoption of FIN 48 had no impact on the Company's consolidated retained earnings as of July 1, 2007, or on its consolidated results of operations or cash flows for the three months ended September 30, 2007.

The amount of unrecognized tax benefits totaled $47.9 million at July 1, 2007. In addition, in accordance with the Company's policy to record interest and penalties related to unrecognized tax benefits in the provision for income taxes, at July 1, 2007, the Company had accrued $6.3 million for such items. Recognition of all unrecognized tax benefits at July 1, 2007, would reduce income tax expense by $11.9 million and result in a corresponding reduction in our effective tax rate. The Company does not, however, expect significant changes in the amount of unrecognized tax benefits during the next twelve months. The tax years that remain subject to examination by United States (U.S.) federal and state jurisdictions as of July 1, 2007, are fiscal year 2004 through the current fiscal year.

The Emerging Issues Task Force (EITF) reached consensuses on EITF Issue No. 06-04, *Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements* (EITF 06-04) and EITF Issue No. 06-10, *Accounting for Deferred Compensation and Postretirement Benefit Aspects of Collateral Assignment Split-Dollar Life Insurance Arrangements* (EITF 06-10), which require that a company recognize a liability for the postretirement benefits associated with endorsement and collateral assignment split-dollar life insurance arrangements. The provisions of EITF 06-04 and EITF 06-10 will be effective for Meredith as of July 1, 2008, and will impact the Company in instances where the Company has contractually agreed to maintain a life insurance policy (i.e., the Company pays the premiums) for an employee in periods in which the employee is no longer providing services. Meredith is currently evaluating the impact, if any, that the provisions of EITF 06-04 and EITF 06-10 will have on its consolidated financial statements.

---

2. Discontinued Operations

In fiscal 2007, Meredith discontinued the print operations of *Child* magazine. In May 2007, Meredith sold KFXO, the low-power FOX affiliate serving the Bend, Oregon market. In fiscal 2007, the Company announced its intent to sell WFLI, the CW affiliate serving the Chattanooga, Tennessee market. Income from discontinued operations represents the combined operating results, net of taxes, of *Child* magazine and the two television stations, KFXO and WFLI. For fiscal 2007, the revenues and expenses for each of these properties, along with associated taxes, were removed from continuing operations and reclassified into a single line item on the Condensed Consolidated Statement of Earnings titled income from discontinued operations, net of taxes.

Management currently expects the sale of WFLI to close in late calendar 2007 or early calendar 2008. Operations of WFLI have not been classified as discontinued operations in fiscal 2008 as the results of operations are not material to the fiscal 2008 Condensed Consolidated Statement of Earnings.

The carrying amounts of the station's assets and liabilities are not material at September 30, 2007, and thus have not been classified as held for sale in the Condensed Consolidated Balance Sheet as of September 30, 2007.

Revenues and expenses related to discontinued operations were as follows:

Three Months Ended September 30,	2006
(In thousands except per share data)	
Revenues	$ 9,391
Costs and expenses	(8,880)
Earnings before income taxes	511
Income taxes	(201)
Income from discontinued operations	$ 310
Income from discontinued operations per share:	
Basic	$ 0.01
Diluted	-

3. Inventories

Major components of inventories are summarized below. Of total net inventory values shown, approximately 33 percent are under the last-in first-out (LIFO) method at September 30, 2007, and 37 percent at June 30, 2007.

(In thousands)	September 30, 2007	June 30, 2007
Raw materials	$ 22,652	$ 20,441
Work in process	25,330	21,977
Finished goods	13,354	12,773
	61,336	55,191
Reserve for LIFO cost valuation	(6,355)	(6,355)
Inventories	$ 54,981	$ 48,836

---

4. Intangible Assets and Goodwill

Intangible assets consist of the following:

	September 30, 2007			June 30, 2007		
(In thousands)	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Intangible assets subject to amortization						
Publishing segment						
Noncompete agreements	$ 2,724	$ (2,516)	$ 208	$ 2,724	$ (2,427)	$ 297
	18,400	(5,914)	12,486	18,400	(5,257)	13,143

Advertiser relationships						
Customer lists	20,100	(12,344)	7,756	20,100	(10,869)	9,231
Other	2,673	(1,129)	1,544	2,673	(992)	1,681
Broadcasting segment						
Network affiliation agreements	218,559	(89,408)	129,151	218,559	(88,185)	130,374
Customer lists	91	(91)	-	91	(89)	2
Total	$ 262,547	$ (111,402)	151,145			