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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 **December 31, 2008** 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, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act. (Check one):

Large accelerated filer [X] Accelerated filer [_]

Non-accelerated filer [_] Smaller reporting company [_]

(Do not check if a smaller reporting company)

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 December 31, 2008	
Common shares	35,794,997
Class B shares	9,160,735
Total common and Class B shares	44,955,732

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Meredith Corporation and Subsidiaries

Condensed Consolidated Balance Sheets

Assets	(Unaudited) December 31, 2008	June 30, 2008
(In thousands)		
Current assets		
Cash and cash equivalents	$ 33,359	$ 37,644
Accounts receivable, net	217,091	230,978
Inventories	40,659	44,085
Current portion of subscription acquisition costs	60,988	59,939
Current portion of broadcast rights	17,391	10,779

Other current assets	20,500	19,665
Total current assets	389,988	403,090
Property, plant, and equipment	457,469	446,935
Less accumulated depreciation	(258,292)	(247,147)
Net property, plant, and equipment	199,177	199,788
Subscription acquisition costs	60,588	60,958
Broadcast rights	6,816	7,826
Other assets	73,653	74,472
Intangible assets, net	777,309	781,154
Goodwill	531,256	532,332
Total assets	$ 2,038,787	$ 2,059,620
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of long-term debt	$ 130,000	$ 75,000
Current portion of long-term broadcast rights payable	18,702	11,141
Accounts payable	67,174	79,028
Accrued expenses and other liabilities	101,589	102,707
Current portion of unearned subscription revenues	177,263	175,261
Total current liabilities	494,728	443,137
Long-term debt	325,000	410,000
Long-term broadcast rights payable	15,512	17,186
Unearned subscription revenues	160,124	157,872
Deferred income taxes	153,303	139,598
Other noncurrent liabilities	107,215	103,972
Total liabilities	1,255,882	1,271,765
Shareholders' equity		
Series preferred stock	-	-
Common stock	35,795	36,295
Class B stock	9,161	9,181
Additional paid-in capital	50,365	52,693
Retained earnings	699,948	701,205
Accumulated other comprehensive loss	(12,364)	(11,519)
Total shareholders' equity	782,905	787,855

Total liabilities and shareholders' equity	$ 2,038,787	$ 2,059,620

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	Three Months		Six Months	
Periods Ended December 31,	2008	2007	2008	2007
(In thousands except per share data)				
Revenues				
Advertising	$ 204,213	$ 239,256	$ 419,749	$ 493,591
Circulation	69,274	72,959	143,296	153,245
All other	92,753	84,030	173,633	153,482
Total revenues	366,240	396,245	736,678	800,318
Operating expenses				
Production, distribution, and editorial	165,744	166,122	338,956	341,830
Selling, general, and administrative	161,735	153,046	310,658	308,616
Depreciation and amortization	10,778	12,025	21,636	24,143
Total operating expenses	338,257	331,193	671,250	674,589
Income from operations	27,983	65,052	65,428	125,729
Interest income	107	296	227	648
Interest expense	(5,353)	(5,734)	(10,787)	(11,897)
Earnings from continuing operations before income taxes	22,737	59,614	54,868	114,480
Income taxes	10,194	24,401	23,688	45,799
Earnings from continuing operations	12,543	35,213	31,180	68,681
Income from discontinued operations, net of taxes	-	846	-	748
Net earnings	$ 12,543	$ 36,059	$ 31,180	$ 69,429

Basic earnings per share				
Earnings from continuing operations	$ 0.28	$ 0.74	$ 0.69	$ 1.44
Discontinued operations	-	0.02	-	0.02
Basic earnings per share				
	$ 0.28	$ 0.76	$ 0.69	$ 1.46
Basic average shares outstanding	44,951	47,287	45,096	47,541
Diluted earnings per share				
Earnings from continuing operations	$ 0.28	$ 0.73	$ 0.69	$ 1.41
Discontinued operations	-	0.02	-	0.02
Diluted earnings per share				
	$ 0.28	$ 0.75	$ 0.69	$ 1.43
Diluted average shares outstanding	45,072	48,325	45,219	48,576
Dividends paid per share	$ 0.215	$ 0.185	$ 0.430	$ 0.370

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(In thousands except per share data)	Common Stock - $1 par value	Class B Stock - $1 par value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at June 30, 2008						
						$ 36,295
						$ 9,181
						$ 52,693

$ 701,205

$ (11,519)

$ 787,855

Net earnings

-

-

-

31,180

-

31,180

Other comprehensive loss, net

-

-

-

-

(845)

(845)

Total comprehensive income

30,335

Share-based incentive plan transactions

345

-

2,112

-

-

2,457

Purchases of Company stock

(863)

(2)

(10,327)

(10,370)

-

(21,562)

Share-based compensation

-

-

6,079

-

-

6,079

Conversion of Class B to common stock

18

(18)

-

-

-

-

Dividends paid, 43 cents per share

Common stock

	-
	-
	-
	(15,489)
	-
	(15,489)
Class B stock	
	-
	-
	-
	(3,941)
	-
	(3,941)
Tax benefit from incentive plans	
	-
	-
	(192)
	-
	-
	(192)
Adoption of EITF 06-10, net of tax	
	-
	-
	-
	(2,637)

-

(2,637)

Balance at December 31, 2008

$ 35,795

$ 9,161

$ 50,365

$ 699,948

$ (12,364)

$ 782,905

See accompanying Notes to Condensed Consolidated Financial Statements.

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

Six Months Ended December 31,	2008	2007
(In thousands)		
Cash flows from operating activities		
Net earnings	$ 31,180	$ 69,429
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation	16,782	17,251
Amortization	4,854	7,159
Share-based compensation	6,079	6,404
Deferred income taxes	15,853	14,589
Amortization of broadcast rights	13,035	13,642

Payments for broadcast rights	(12,751)	(13,715)
Gain from dispositions of assets	(1,758)	-
Provision for write-down of impaired assets	5,602	-
Excess tax benefits from share-based payments	(966)	(360)
Changes in assets and liabilities	5,118	28,520
Net cash provided by operating activities	83,028	142,919
Cash flows from investing activities		
Acquisitions of businesses	(5,195)	(1,920)
Additions to property, plant, and equipment	(15,185)	(10,210)
Proceeds from dispositions of assets	636	-
Net cash used in investing activities	(19,744)	(12,130)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	120,000	90,000
Repayments of long-term debt	(150,000)	(145,000)
Purchases of Company stock	(21,562)	(77,482)
Dividends paid	(19,430)	(17,607)
Proceeds from common stock issued	2,457	9,442
Excess tax benefits from share-based payments	966	360
Net cash used in financing activities	(67,569)	(140,287)
Net decrease in cash and cash equivalents	(4,285)	(9,498)
Cash and cash equivalents at beginning of period	37,644	39,220
Cash and cash equivalents at end of period	$ 33,359	$ 29,722

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 December 31, 2008, and for the three and six months ended December 31, 2008 and 2007, 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, 2008, filed with the United States Securities and Exchange Commission.

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) 157, *Fair Value Measurements* (SFAS 157), which establishes a common definition for fair value in accordance with GAAP, and establishes a framework for measuring fair value and expands disclosure requirements about such fair value measurements. Specifically, SFAS 157 sets forth a definition of fair value, and establishes a hierarchy prioritizing the use of inputs in valuation techniques. SFAS 157 defines levels within the hierarchy as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;
Level 3	Assets or liabilities for which fair value is based on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

In February 2008, the FASB issued FASB Staff Position (FSP) SFAS 157-2, *Effective Date of FASB Statement No. 157* (FSP 157-2). FSP 157-2 delayed the effective date of SFAS 157 to fiscal years beginning after November 15, 2008, for nonfinancial assets and liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The partial delay is intended to provide all relevant parties additional time to consider the effect of various implementation issues that have arisen, or that may arise, from the application of SFAS 157.

The Company adopted the provisions of SFAS 157 for financial assets and liabilities as of July 1, 2008. The adoption of these provisions did not have any impact on the Company's condensed consolidated financial statements, because the Company's existing fair value measurements are consistent with the guidance of SFAS 157. We are currently evaluating the impact of the provisions of SFAS 157 that relate to our nonfinancial assets and liabilities, which are effective for the Company as of July 1, 2009.

As of December 31, 2008, Meredith had interest rate swap agreements that converted $100 million of its variable-rate debt to fixed-rate debt. These agreements are required to be measured at fair value on a recurring basis. The Company determined that these interest rate swap agreements are defined as Level 2 in the fair value hierarchy. As of December 31, 2008, the fair value of these interest rate swap agreements was a liability of $3.5 million based on significant other observable inputs (London Interbank Offered Rate (LIBOR)) within the fair value hierarchy. Fair value of the interest rate swaps is based on a discounted cash flow analysis, predicated on forward LIBOR prices, of the estimated amounts the Company would have paid to terminate the swaps.

In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities-Including an Amendment of FASB Statement No. 115* (SFAS 159). SFAS 159 was effective for the Company at the beginning of fiscal 2009. This statement permitted a choice to measure many financial instruments and certain other items at fair value. Upon the Company's adoption of SFAS 159 on July 1, 2008, we did not elect the fair value option for any financial instrument that was not already reported at fair value.

The Emerging Issues Task Force (EITF) reached consensus on 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 requires that a company recognize a liability for the postretirement benefits associated with collateral assignment split-dollar life insurance arrangements. The provisions of EITF 06-10 are applicable 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. We adopted EITF 06-10 on July 1, 2008, at which time we recorded a liability and a cumulative effect adjustment to the opening balance of retained earnings for $2.9 million ($2.6 million, net of tax). Future compensation charges and adjustments to the liability will be charged to earnings in the period incurred.

In April 2008, the FASB issued FSP No. 142-3, *Determination of the Useful Lives of Intangible Assets*, which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of an intangible asset. This interpretation is effective for financial statements issued for fiscal years beginning after December 15, 2008. The Company will adopt this interpretation as of the beginning of fiscal 2010 and is still evaluating the potential impact of adoption.

2. Restructuring and Discontinued Operations

Restructuring

In December 2008, in response to a weakening economy and a widespread advertising downturn, management committed to additional actions against our previously announced performance improvement plan that included a companywide workforce reduction, the closing of *Country Home* magazine, effective with the March 2009 issue, and relocating the creative functions of the ReadyMade brand and Parents.com to Des Moines, Iowa. In connection with this plan, the Company recorded a restructuring charge of $15.8 million, including severance costs of $10.0 million, the write-down of various assets of *Country Home* magazine of $5.6 million, and other accruals of $0.2 million. The majority of the asset write-down charge relates to the write-off of deferred subscription acquisition costs. Severance costs relate to the involuntary termination of employees. The plan affected approximately 275 employees. The majority of severance costs will be paid out over the next 12 months.

Details of changes in the Company's restructuring accrual since June 30, 2008, are as follows:

Six Months Ended December 31,		2008
(In thousands)		
Balance at June 30, 2008	$	1,877
Severance accrual		10,010
Other accrual		182
Cash payments		(800)
Balance at December 31, 2008	$	11,269

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Discontinued Operations

In April 2008, the Company completed the sale of WFLI, the CW affiliate serving the Chattanooga, Tennessee market. For fiscal 2008, the revenues and expenses, along with associated taxes, were removed from continuing operations and reclassified into a single line item on the Condensed Consolidated Statement of Earnings titled loss from discontinued operations, net of taxes. In addition, income from discontinued operations includes the effect of the reversal of a portion of the restructuring charge recorded in fiscal 2007 related to the discontinuation of the print operations of *Child* magazine. This reversal was a result of changes in the estimated net costs for vacated leased space and employee severance. It is reflected in the special items line in the following table.

Revenues and expenses related to discontinued operations were as follows:

Periods Ended December 31, 2007	Three Months	Six Months
(In thousands except per share data)		
Revenues	$ 443	$ 864
Costs and expenses	(645)	(1,227)
Special items	1,588	1,588
Income before income taxes	1,386	1,225
Income taxes	(540)	(477)
Income from discontinued operations	$ 846	$ 748