

MEREDITH CORP
Form 11-K
June 28, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2006

Commission file number 1-5128

Meredith Savings and Investment Plan

(Full title of the plan and the address of the plan, if different from that of the issuer named below)

Meredith Corporation
1716 Locust Street
Des Moines, Iowa 50309-3023

(Name of issuer of the securities held pursuant to the plan and the address of its principal executive office)

REQUIRED INFORMATION

4. Financial Statements and Supplemental Schedule for the Plan

The Meredith Savings and Investment Plan (the Plan) is subject to the Employee Retirement Income Security Act of 1974 (ERISA). In lieu of the requirements of Items 1 - 3 of this Form, the Plan is filing financial statements and supplemental schedule prepared in accordance with the financial reporting requirements of ERISA. The Plan financial statements as of December 31, 2006 and 2005, and for the year ended December 31, 2006, and supplemental schedule as of December 31, 2006, have been examined by KPMG LLP, Independent Registered Public Accounting Firm, and

their report is included herein.

EXHIBITS

23. Consent of an Independent Registered Public Accounting Firm, KPMG LLP

MEREDITH SAVINGS AND INVESTMENT PLAN

Financial Statements as of December 31, 2006 and 2005,
and for the Year Ended December 31, 2006,
Supplemental Schedule as of December 31, 2006,
and Report of Independent Registered Public Accounting Firm

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| Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2006 | 9 |

Note:

All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

Meredith Savings and Investment Plan Committee:

We have audited the accompanying statements of net assets available for benefits of the Meredith Savings and Investment Plan (the Plan) as of December 31, 2006 and 2005, and the related statement of changes in net assets available for benefits for the year ended December 31, 2006. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2006 and 2005, and the changes in net assets available for benefits for the year ended December 31, 2006 in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of the Plan taken as a whole. The supplemental information included in the schedule is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/KPMG LLP

Des Moines, Iowa
June 27, 2007

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Meredith Savings and Investment Plan
Statements of Net Assets Available for Benefits

| Assets | December 31, | 2006 | 2005 |
|--|--------------|----------------|----------------|
| Investments, at fair value | | \$ 238,717,935 | \$ 210,432,347 |
| Employee contribution receivable | | 16 | - |
| Employer contribution receivable | | - | 25 |
| Net assets available for benefits at fair value | | 238,717,951 | 210,432,372 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | | 460,693 | 451,128 |
| Net assets available for benefits | | \$ 239,178,644 | \$ 210,883,500 |

See accompanying Notes to Financial Statements

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Meredith Savings and Investment Plan
Statement of Changes in Net Assets Available for Benefits

| Year Ended December 31, | 2006 |
|--|----------------|
| Additions to net assets attributed to | |
| Contributions | |
| Participant | \$ 15,374,613 |
| Employer | 6,641,628 |
| Rollovers | 2,145,836 |
| Total contributions | 24,162,077 |
| Dividend income | 1,244,182 |
| Net appreciation in fair value of investments | 24,655,357 |
| Total additions | 50,061,616 |
| Deductions from net assets attributed to | |
| Benefits paid to participants | 21,766,472 |
| Increase in net assets available for benefits | 28,295,144 |
| Net assets available for benefits at beginning of year | 210,883,500 |
| Net assets available for benefits at end of year | \$ 239,178,644 |

See accompanying Notes to Financial Statements

Meredith Savings and Investment Plan
Notes to Financial Statements

1. Description of Plan

The following description of the Meredith Savings and Investment Plan (the Plan) provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

- The Plan is a defined contribution plan covering substantially all employees of Meredith Corporation (Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

- Full and part-time employees are eligible to begin contributions to the Plan at any time. Temporary and on-call employees must work 1,000 hours and complete a year of service to be eligible to make Plan contributions. On a pretax basis, employees may contribute a maximum of 50 percent of their compensation to the Plan, subject to certain limitations. To be eligible to receive Company matching contributions all employees must complete a year of service in which they work at least 1,000 hours. The Company matches 100 percent of the first 3 percent of a participant's eligible compensation contributed to the Plan and 50 percent of the next 2 percent of a participant's eligible compensation contributed to the Plan. Additional amounts may be contributed at the discretion of the Company. No such additional discretionary contributions were made during the year ended December 31, 2006. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Individuals age 50 or older (and those who will turn 50 by the end of the calendar year) have the opportunity to make additional pretax contributions to the Plan if their contributions are otherwise limited by the tax laws or the Plan limit. Additional contributions cannot exceed the maximum amount allowed under the federal tax laws for that calendar year. The Company does not match additional contributions.

Participant Accounts

- Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the Company's matching contribution, and Plan earnings.

Investments

- Participants direct the investment of their contributions into various investment options offered by the Plan. Company matching contributions are invested in the same investment options as the participant's contributions.

Vesting

- Participants are immediately vested in their contributions, the Company's matching contributions, and investment earnings.

Payment of Benefits

- On termination of service, a participant may receive a lump-sum amount equal to the vested value of his or her account. Upon death or retirement a participant may elect to receive quarterly, semi-annual or annual installments, not to exceed 15 years.

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2. Summary of Significant Accounting Policies

Basis of Accounting

- The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

- The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Investment Valuation and Income Recognition

- The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices which represent the net asset values of shares held by the Plan at year-end. The fully benefit-responsive investment contract is stated at fair value and then adjusted to contract value. Fair value of the contract is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations.

The Meredith Corporation Stock Fund (the Fund) is a fund that pools contributions among participants to buy common stock of Meredith Corporation and a certain amount of short-term investments. Common stock of the Company is purchased at the daily closing price as reported in the New York Stock Exchange (NYSE) composite. Ownership is measured in units of the Fund instead of shares of stock.

No Class B stock of the Company is publicly traded or available for sale. All Class B shares, however, are convertible to shares of the Company's common stock on a one-to-one basis.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Adoption of New Accounting Guidance

- The financial statements reflect the retroactive adoption of Financial Accounting Standards Board Staff Position AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP). As required by the FSP, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As required by the FSP, the Statements of Net Assets Available for Benefits presents the fair value of the Wells Fargo Stable Return Fund investment contract, as well as the adjustment of the fully benefit-responsive investment contract from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

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Administrative Expenses

- Administrative expenses of the Plan are paid by the Company.

Payment of Benefits

- Benefit payments to participants are recorded upon distribution. As of December 31, 2006, there were no amounts allocated to accounts of participants who had elected to withdraw from the Plan but had not yet been paid.

3. Investments

The fair value of the Plan's investments that represent 5 percent or more of the Plan's net assets as of December 31, 2006 and 2005, are as follows:

| | 2006 | 2005 |
|--|---------------|---------------|
| Meredith Corporation Stock Fund | \$ 36,328,625 | \$ 36,840,321 |
| Principal Large Cap Stock Index Separate Account | 40,360,316 | 35,530,157 |

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| | | |
|---|------------|------------|
| Wells Fargo Stable Return Fund | 32,445,965 | 31,772,293 |
| Principal Partners Large Cap Blend Separate Account | 28,290,481 | 23,817,946 |
| T. Rowe Price Small-Cap Stock Fund | 23,355,050 | 20,424,083 |
| American Funds EuroPacific Growth Fund | 21,547,503 | 15,702,097 |
| Principal Medium Company Blend Separate Account | 15,046,771 | 12,501,219 |
| Principal LifeTime 2030 Separate Account | 12,617,203 | 10,589,393 |

During the year ended December 31, 2006, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

| | 2006 |
|--|---------------|
| Meredith Corporation Stock Fund and Class B shares | \$ 2,741,231 |
| Stable fund | 1,418,077 |
| Bond funds | 65,558 |
| Balanced funds | 448,431 |
| Moderate funds | 2,871,475 |
| Domestic stock funds | 13,770,899 |
| International stock fund | 3,339,686 |
| Net appreciation in fair value of investments | \$ 24,655,357 |

4. Investment Contract

In 2006 and 2005, the Plan maintained a fully benefit-responsive investment contract with Wells Fargo Bank, N.A. (Wells Fargo). Contributions are maintained in a pooled account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses charged by Wells Fargo. As described in Note 2, because the investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contract. Contract value, as reported by Wells Fargo, represents contributions made under the contract plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value; however, the investment contract is subject to certain restrictions which may impact the Plan's ability to fully realize the investment contract's value under certain conditions. The average yield and crediting interest rates on the contract were 5.24 percent and 4.96 percent, respectively, for the year ended December 31, 2006. The basis and frequency of determining the crediting interest rate is done on a quarterly basis. There were no guarantees or limitations on the contract at December 31, 2006 and 2005.

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5. Exempt Party-In-Interest Transactions

Certain Plan investments are shares in pooled separate accounts managed by the Principal Life Insurance Company (Principal). Principal is the Plan Administrator and, therefore, these transactions qualify as exempt party-in-interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each investment.

At December 31, 2006 and 2005, the Meredith Common Stock Fund held 648,889 and 708,824 shares, respectively, of the common stock of Meredith Corporation, the sponsoring employer, with a cost basis of \$18,444,597 and \$18,528,793 respectively. In addition, at December 31, 2006 and 2005, the Plan held 18,153 and 22,758 shares, respectively, of the Company's Class B stock, with a cost basis of \$80,787 and \$87,200, respectively. During the year ended December 31, 2006, the Plan recorded dividend income from Company common stock of \$436,443.

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

7. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated January 17, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

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8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2006 and 2005.

| | 2006 | 2005 |
|--|----------------|----------------|
| Net assets available for benefits per the financial statements | \$ 239,178,644 | \$ 210,883,500 |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts | (460,693) | (451,128) |
| Amount allocated to withdrawing participants | - | (287,200) |
| Net assets available for benefits (current value column) per Form 5500 | \$ 238,717,951 | \$ 210,145,172 |

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For the year ended December 31, 2006, the following is a reconciliation of net appreciation in fair value of investments per the financial statements to the Form 5500:

| | |
|--|---------------|
| Year Ended December 31, | 2006 |
| Total net appreciation in fair value of investments per the financial statements | \$ 24,655,357 |
| Adjustment from contract value to fair value for fully benefit responsive-investment contracts | (9,565) |
| Net appreciation in fair value of investments per the Form 5500 | \$ 24,645,792 |

The following is a reconciliation of benefits paid to participants as reflected in the financial statements to the Form 5500:

| | |
|---|---------------|
| Year Ended December 31, | 2006 |
| Benefits paid to participants per the financial statements | \$ 21,766,472 |
| Amounts allocated to withdrawing participants as of December 31, 2005 | (287,200) |
| Benefits paid to participants per the Form 5500 | \$ 21,479,272 |

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, 2005, but not yet paid as of that date. There were no such amounts as of December 31, 2006.

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MEREDITH SAVINGS AND INVESTMENT PLAN
 EIN: 42 0410230 PLAN NUMBER 004
 FORM 5500, SCHEDULE H, PART IV, LINE 4i
 SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 AS OF DECEMBER 31, 2006

| (a) | (b) | (c) | (d) | (e) |
|---|--|------|---------------|-----|
| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or | Cost | Current Value | |

Maturity Value

| | | | | |
|---------------------------------|----------------------------------|--|----|--------------|
| Pooled Separate Accounts | | | | |
| * | Principal Life Insurance Company | Principal Bond and Mortgage Separate Account | ** | \$ 2,842,538 |
| * | Principal Life Insurance Company | Principal LifeTime Strategic Income Separate Account | ** | 1,020,753 |
| * | Principal Life Insurance Company | Principal LifeTime 2010 Separate Account | ** | 3,519,043 |
| * | Principal Life Insurance Company | Principal LifeTime 2020 Separate Account | ** | 4,857,073 |
| * | Principal Life Insurance Company | Principal LifeTime 2030 Separate Account | ** | 12,617,203 |
| * | Principal Life Insurance Company | Principal LifeTime 2040 Separate Account | ** | 3,082,773 |
| * | Principal Life Insurance Company | Principal LifeTime 2050 Separate Account | ** | 2,339,777 |
| * | Principal Life Insurance Company | Principal Large Cap Stock Index Separate Account | ** | 40,360,316 |
| * | Principal Life Insurance Company | Principal Partners Large Cap Blend Separate Account | ** | 28,290,481 |
| * | Principal Life Insurance Company | Principal Medium Company Blend Separate Account | ** | 15,046,771 |
| | | | | 113,976,728 |
| Common Trust Fund | | | | |
| | Wells Fargo Bank, N.A. | Wells Fargo Stable Return Fund | ** | 32,445,965 |
| Registered Investment Companies | | | | |
| | T. Rowe Price Funds | T. Rowe Price Small-Cap Stock Fund | ** | 23,355,050 |
| | The American Funds | American Funds EuroPacific Growth Fund | ** | 21,547,503 |
| | Vanguard Group | Vanguard Total Bond Market Index Fund | ** | 10,041,147 |
| | | | | 54,943,700 |
| Employer Securities | | | | |
| * | Meredith Corporation | 648,889 shares of common stock | ** | 36,328,625 |
| * | Meredith Corporation | 18,153 shares of Class B stock | ** | 1,022,917 |

37,351,542

\$ 238,717,935

* Party-in-interest

** Cost information is not required for participant directed investments and therefore is not included

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

MEREDITH SAVINGS AND INVESTMENT PLAN
(Name of Plan)

Dated: June 27, 2007

By /s/ Suku V. Radia

Suku V. Radia

Member of the Savings and Investment Plan Committee and
Vice-President-Chief Financial Officer of Meredith Corporation
(Principal Accounting and Financial Officer
of Meredith Corporation)

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Index to Exhibits

Exhibit
Number

Item

23

Consent of Independent Registered Public Accounting
Firm

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