NVR INC
Form 11-K
June 27, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

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

For the fiscal year ended December 31, 2013

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number 1-12378

Profit Sharing Plan of NVR, Inc. and Affiliated Companies

(Full name of the Plan)

NVR, Inc.

11700 Plaza America Drive, Suite 500

Reston, Virginia 20190

(703) 956-4000

(Name of issuer of securities held pursuant to the Plan and the address and phone number of its principal executive offices)

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Report of Independent Registered Public Accounting Firm

Profit Sharing Committee

NVR, Inc and Affiliated Companies:

We have audited the accompanying statements of net assets available for plan benefits of the Profit Sharing Plan of NVR, Inc. and Affiliated Companies (the Plan) as of December 31, 2013 and 2012, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2013. These financial statements are the responsibility of the Plan s Administrator. 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 the Plan s Administrator, 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 plan benefits of the Profit Sharing Plan of NVR, Inc. and Affiliated Companies as of December 31, 2013 and 2012, and the changes in net assets available for plan benefits for the year ended December 31, 2013 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 taken as a whole. The supplemental schedule, Schedule H, line 4(i) schedule of assets (held at end of year) as of December 31, 2013, 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 Administrator. This 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
McLean, Virginia

June 27, 2014

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PROFIT SHARING PLAN OF NVR, INC.

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Statements of Net Assets Available for Plan Benefits

(in thousands)

	December 31, 2013	December 31, 2012
Assets		
Investments:		
Plan interest in master trust, at fair value	$ 281,460	$ 237,742
Receivables:		
Loans to participants	5,974	4,959
Employee contributions		6
Employer contributions		1
Interest, dividends and other	75	2
Total receivables	6,049	4,968
Total assets	287,509	242,710
Liabilities		
Due to participants	1	114
Total liabilities	1	114
Net assets reflecting all investments at fair value	287,508	242,596
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	(258)	(589)
Net assets available for plan benefits	$ 287,250	$ 242,007

See accompanying notes to financial statements.

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Statement of Changes in Net Assets Available for Plan Benefits

For the Year Ended December 31, 2013

(in thousands)

Additions to net assets attributable to:	
Participation in investment income of master trust:	
Net appreciation in fair value of investments	$ 40,572
Interest and dividends	8,060
	48,632
Contributions:	
Employee	16,021
Employer	2,614
Rollovers	1,787
	20,422
Total additions	69,054
Deductions from net assets attributable to:	
Benefits paid to participants	(23,788)
Administrative expenses	(23)
Total deductions	(23,811)
Net increase in assets available for plan benefits	45,243
Net assets available for plan benefits at beginning of year	242,007
Net assets available for plan benefits at end of year	$ 287,250

See accompanying notes to financial statements.

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PROFIT SHARING PLAN OF NVR, INC.

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Notes to Financial Statements

December 31, 2013 and 2012

(dollars in thousands)

1. Description of Plan and Benefits

The following description of the Profit Sharing Plan of NVR, Inc. and Affiliated Companies (the Plan or PSP) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan s provisions.

General

The Plan is a defined contribution, profit-sharing retirement plan, and covers substantially all employees of NVR, Inc. and its affiliated companies (NVR or the Company). The Plan is administered by a Profit Sharing Committee (the Plan Administrator), which is designated by the Board of Directors of NVR, Inc. (the Board). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The Plan Year begins each January 1st and ends each December 31st.

Employee Eligibility

All full-time and part-time employees are eligible to participate in the Plan immediately upon employment. The Plan excludes any employee covered by a collective bargaining agreement negotiated in good faith with the Company and leased employees.

Contributions

The Plan provides for eligible Plan participants to make voluntary salary deferral contributions (VSDC) from 1% to 50% of their current salary on a combined pre-tax and post-tax basis into the Plan for investment. All investment funds provided in the Plan are available for employee VSDC. A participant s pre-tax deferral was limited to a maximum contribution of $17.5 and $17.0 during 2013 and 2012, respectively. Participants who reached age 50 or older before the close of the calendar year and have deferred the maximum amount allowed under the Plan, have the option to make additional pre-tax salary deferrals. The maximum catch-up contribution for both 2013 and 2012 was $5.5. Participants may change their salary deferral percentages periodically, but participants generally cannot withdraw fund balances before termination, retirement, death or total permanent disability unless certain hardship conditions exist.

In accordance with the Plan, the Company may declare a program of matching contributions. In 2013, the Company matched up to the first one thousand dollars of individual participants VSDC. In 2012, the Company matched up to the first five hundred dollars of individual participants VSDC. NVR contributed $2,605 and $1,084 in matching contributions during 2013 and 2012, respectively. Matching contributions are invested in participant s accounts in the

Plan as directed by participants.

Vesting and Forfeitures

Employees vest in Company matching contributions at the rate of 20% per year beginning with the completion of the second year of service. Full vesting is also attained upon an employee s termination on account of death or total disability, or upon reaching normal retirement age. Participants are fully vested at all times in their VSDC account balances. Forfeitures of unvested amounts relating to

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(dollars in thousands)

terminated employees are allocated annually to all eligible active participants in the Plan as of December 31, based upon the proportion that the participant s compensation for that Plan Year bears to the total compensation received for such year by all participants sharing in the allocation, subject to the annual addition limitation and nondiscrimination requirement imposed under the Internal Revenue Code. Forfeitures of $168 and $101 in 2013 and 2012, respectively, were allocated to participant accounts in 2014 and 2013, respectively.

Investment Options

The Company selects the number and type of investment options available. The Plan s recordkeeper (Recordkeeper) is responsible for maintaining an account balance for each participant. Each participant instructs the Recordkeeper how to allocate their account balances. The Recordkeeper values account balances daily. Each investment fund s income and expenses are allocated to participant accounts daily in relation to their respective account balances. Each account balance is based on the value of the underlying investments in each account. Generally, participants may elect to change how future contributions are allocated or may transfer current account balances among investment options.

Payments of Benefits

Depending on various provisions and restrictions of the Plan, the method of benefit payment can be in the form of a lump-sum distribution or based on a deferred payment schedule. Amounts remaining in the Plan as a result of deferred payments are subject to daily fluctuations in value based on the underlying investments in each account.

Participant Loans

Loans are made available to all participants on a nondiscriminatory basis in accordance with the specific provisions set forth in the Plan. The amount of a loan generally cannot exceed the lesser of $50 or one-half of a participant s total vested account balance as of the loan origination date. Generally, a loan bears interest at a fixed rate which is determined by the Profit Sharing Trust Committee. Such rate was prime plus 1% set at the date of loan origination for Plan Years 2013 and 2012. All loans are subject to specific repayment terms and are secured by the participant s nonforfeitable interest in his/her account equivalent to the principal amount of the loan. Participants must pay any outstanding loans in full upon termination of service with the Company. Loans not repaid within the timeframe specified by the Plan subsequent to termination are considered to be in default and treated as a distribution to the terminated participant. Participant loans are recorded at unpaid principal plus accrued interest.

Administrative Expenses

Loan origination fees and trustee fees are paid by the Plan. All other administrative expenses are paid directly by the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

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December 31, 2013 and 2012

(dollars in thousands)

Investment Income

Interest income from investments is recorded on the accrual basis of accounting. Dividend income is recorded on the ex-dividend date. Investment transactions are accounted for on a trade-date basis. Realized gains and losses on sales of investments are based on the change in market values from the investment transactions acquisition dates.

Investment Valuation and Transactions

All investments are carried at fair value except for fully benefit-responsive investment contracts. Under accounting standards generally accepted in the United States of America (GAAP), 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 plan 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. The Statement of Net Assets Available for Plan Benefits adjusts the value of the investment contract from fair value to contract value.

Net unrealized appreciation and depreciation is measured and recognized in the Statement of Changes in Net Assets Available for Plan Benefits as the difference between the fair value of investments remeasured at the financial statement date and the fair value at the beginning of the Plan Year or the original measurement at the investment purchase date if purchased during the Plan Year. Purchase and sale transactions are recorded on a trade-date basis.

Fair Value Measurements

Accounting Standard Codification (ASC) Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. ASC Topic 820 establishes a fair value hierarchy for those instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Plan s assumptions (unobservable inputs). The hierarchy consists of three levels:

Level 1 Quoted market prices in active markets for identical assets or liabilities.

Investments in registered investment companies, shares of the Company s common stock, other common and preferred stock and cash are valued using quoted prices in active markets.

Level 2 Inputs other than Level 1 inputs that are either directly or indirectly observable.

Investments in a common collective trust (the Fidelity Managed Income Portfolio or the Fund) are valued using the net asset value (NAV) provided by the trustee. The NAV is quoted in a private market, and is based on the fair value of the underlying assets owned by the Fund, which are predominantly traded in an active market. These investments are redeemable with the Fund at contract value under the Fund s terms of operations. It is possible that these redemption rights may be restricted by the Fund in the future in accordance with the terms. Due to the nature of the investments held by the Fund, changes in market conditions and the economic environment may significantly impact the net asset value of the Fund, and the Plan s interest in the Fund.

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(dollars in thousands)

The Plan also holds other assets and liabilities not measured at fair value, but for which fair value is required to be disclosed, including loans to participants and amounts due to participants. The fair value of these assets and liabilities approximates the carrying amounts in the accompanying financial statements due to either the short-term maturity of the instruments or because stated interest rates approximate market rates for instruments with similar terms and characteristics. Under the fair value hierarchy, these financial instruments are valued primarily using Level 2 inputs.

Level 3 Unobservable inputs developed using estimates and assumptions developed by the Plan, which reflect those a market participant would use.

The Plan has no investments valued using Level 3 inputs.

The following table presents the financial instruments the Plan measured at fair value on a recurring basis, based on the fair value hierarchy as of December 31, 2013:

	Basis of Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Fair Value Measurements:				
Investments in Registered Investment Companies:				
Domestic Equities - Small Cap	$ 12,666	$	$	$ 12,666
Domestic Equities - Mid Cap	23,618			23,618
Domestic Equities - Large Cap	87,424			87,424
International Equities	16,562			16,562
Life Cycle/Target Date Funds	46,784			46,784
Bond Funds	6,928			6,928
Subtotal	193,982			193,982
NVR, Inc. Common Stock	67,276			67,276
Investments in Common Collective Trusts		17,084		17,084
Other Common Stock	1,734			1,734
Cash	1,384			1,384
Total	$ 264,376	$ 17,084	$	$ 281,460

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(dollars in thousands)

The following table presents the financial instruments the Plan measures at fair value on a recurring basis, based on the fair value hierarchy as of December 31, 2012:

	Basis of Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Fair Value Measurements:				
Investments in Registered Investment Companies:				
Domestic Equities - Small Cap	$ 8,433	$	$	$ 8,433
Domestic Equities - Mid Cap	16,160			16,160
Domestic Equities - Large Cap	68,833			68,833
International Equities	13,480			13,480
Life Cycle/Target Date Funds	32,683			32,683
Bond Funds	8,158			8,158
Subtotal	147,747			147,747
NVR, Inc. Common Stock	64,458			64,458
Investments in Common Collective Trusts		20,578		20,578
Other Common and Preferred Stock	3,197			3,197
Cash	1,762			1,762
Total	$ 217,164	$ 20,578	$	$ 237,742

Payments of Benefits

Benefits are recorded as deductions when paid. At December 31, 2013 and 2012, refunds of $1 and $114, respectively, were due to participants for excess contributions made during the Plan Year and are reflected as a reduction of employee contributions in the Statement of Changes in Net Assets Available for Plan Benefits and in the Due to participants line item on the Statement of Net Assets Available for Plan Benefits.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of Plan activity during the reporting period.

Accordingly, actual results may differ from those estimates.

3. Investments

The investments of the Plan are maintained in a master trust with the investments of the NVR, Inc. Employee Stock Ownership Plan (ESOP). The Plan s share of changes in the master trust and the value of the master trust have been reported to the Plan by the trustee as having been determined through the use of fair values for all investments, except for fully benefit-responsive investment contracts which are adjusted from fair value to contract value. See footnote 2 for further discussion of fully benefit-responsive investment contracts. The undivided interest of each Plan in the master trust is increased or

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PROFIT SHARING PLAN OF NVR, INC.

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Notes to Financial Statements

December 31, 2013 and 2012

(dollars in thousands)

decreased (as the case may be) (i) for the entire amount of every contribution received on behalf of the Plan, every benefit payment, or other expense attributable solely to such Plan, and every other transaction relating only to such Plan; and (ii) for accrued income, gain or loss, and administrative expense attributable solely to such Plan. The Plan s interest in the master trust was approximately 44% and 41% as of December 31, 2013 and 2012, respectively.

The following table presents the investments in the master trust at fair value for all investments, except for fully benefit-responsive investment contracts which are presented at contract value:

	December 31,	
	2013	**2012**
NVR, Inc. Common Stock	$ 359,347	$ 353,713
Investments in Registered Investment Companies	235,949	182,413
Investments in Common Collective Trusts	32,582	37,912
Other Common and Preferred Stock	2,182	3,533
Cash	1,979	2,170
Total	$ 632,039	$ 579,741

The interests of each of the PSP and ESOP participating in the master trust investments at December 31, 2013 and 2012 were as follows:

	2013	**2012**
NVR, Inc. Employee Stock Ownership Plan	$ 350,837	$ 342,588
Profit Sharing Plan of NVR, Inc. and Affiliated Companies	281,202	237,153
Net investment assets in master trust	$ 632,039	$ 579,741

Net investment income for the master trust for the year ended December 31, 2013 was as follows:

Net investment income due to appreciation of common and preferred stock	$ 38,842
Net investment income due to appreciation in investments in registered investment companies	39,442
Interest	233
Dividends	9,751
Net investment income in master trust	$ 88,268

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AND AFFILIATED COMPANIES

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December 31, 2013 and 2012

(dollars in thousands)

The interest of each of the PSP and ESOP participating in the net investment income in the master trust for the year ended December 31, 2013, was as follows:

NVR, Inc. Employee Stock Ownership Plan	$ 39,636
Profit Sharing Plan of NVR, Inc. and Affiliated Companies	48,632
Net investment income in master trust	$ 88,268

The income allocation variance between the PSP and ESOP is driven primarily by the investment mix within the respective plans. The ESOP requires holdings to be predominately invested in NVR, Inc. common stock; whereas the PSP has no similar requirements and thus holdings within the PSP are diversified among multiple investments.

The fair value of the investments of the master trust attributable to the Plan which represent 5 percent or more of the Plan s net assets at the end of each year, were as follows:

	December 31,	
	2013	**2012**
Registered Investment Companies:		
Fidelity Growth Company Fund	$ 32,960	$ 26,381
Fidelity Balanced Fund	21,189	16,918
Fidelity Equity Dividend Inc. Fund	17,521	14,737
Fidelity Diversified International Fund	16,293	13,165
Spartan 500 Institutional Index Fund (1)	14,749	
Common Collective Trust:		
Fidelity Managed Income Portfolio Fund (2)	$ 16,826	$ 19,989
Employer securities:		
NVR, Inc. Common Stock	$ 67,276	$ 64,458

(1) Investment amount did not exceed 5 percent of the Plan s net assets at December 31, 2012.

(2) Investment amounts at contract value. The fair value of the investment was $17,084 and $20,578 at December 31, 2013 and 2012, respectively.

4. Tax Status

The Plan received its latest determination letter on May 17, 2012 which stated that the Plan is qualified under section 401(a) of the Internal Revenue Code (the Code) and its related Trust is exempt from tax under section 501(a) of the Code. The Plan has been amended since receiving the determination letter; however, in the opinion of the Plan Administrator, the Plan and its underlying trust have operated within the terms of the Plan and remain qualified under the applicable provisions of the Code.

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December 31, 2013 and 2012

(dollars in thousands)

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

5. The Stable Value Fund

The Plan invests in fully benefit-responsive synthetic guaranteed investment contracts (GICs) as part of offering the Fidelity Managed Income Portfolio Fund (the Fund). Contributions to the Fund are invested in a portfolio of high quality short- and intermediate-term U.S. bonds, including U.S. government treasuries, corporate debt securities, and other high-credit quality asset-backed securities.

Participant accounts in the Fund are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The GIC issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

As discussed in footnote 2, because the GICs are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the GICs. The average yield of the Fund based on actual earnings was 1.54% and 1.70% at December 31, 2013 and 2012, respectively. The average yield of the Fund based on interest rates credited to participants was 0.89% and 1.05% at December 31, 2013 and 2012, respectively.

6. Plan Termination

Although it has not expressed any intent to do so, the Plan Administrator has the right under the Plan to discontinue contributions at any time and terminate the Plan subject to the provisions of ERISA. In the event of a Plan termination, partial Plan termination or if the Sponsor suspends contributions indefinitely, affected participants will become fully vested in their accounts.

7. Parties-In-Interest

At December 31, 2013 and 2012, Plan investments of $181,562 and $147,238, respectively, are with parties-in-interest as they are investment funds of the trustee and recordkeeper, Fidelity Management Trust Company and Fidelity Investments Institutional Operations Company, Inc.

At December 31, 2013 and 2012, investments held by the Plan included 65,570 shares and 70,062 shares of NVR, Inc. common stock, with a fair value of approximately $67,276 and $64,458, respectively. These qualify as exempt parties-in-interest transactions.

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value 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 statement of net assets available for benefits.

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PROFIT SHARING PLAN OF NVR, INC.

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Notes to Financial Statements

December 31, 2013 and 2012

(dollars in thousands)

9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation from the financial statements to the Form 5500 of net assets available for plan benefits:

	December 31, 2013	December 31, 2012
Net assets available for plan benefits as reported in the financial statements	$ 287,250	$ 242,007
Fully benefit responsive investment contracts (a)	258	589
Deemed distributions (b)	(206)	(125)
Net assets available for plan benefits as reported in the Form 5500	$ 287,302	$ 242,471

The following is a reconciliation from the financial statements to the Form 5500 of total additions/income:

	Year ended December 31, 2013
Total additions to plan assets as reported in the financial statements	$ 69,054
Fully benefit responsive investment contracts, prior year adjustment (a)	(589)
Fully benefit responsive investment contracts, current year adjustment (a)	258
Interest accrued on deemed distributions (b)	(19)
Corrective distributions (c)	1
Total additions to plan assets as reported in the Form 5500	$ 68,705

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PROFIT SHARING PLAN OF NVR, INC.

AND AFFILIATED COMPANIES

Notes to Financial Statements

December 31, 2013 and 2012

(dollars in thousands)

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

		Year ended December 31, 2013
Benefit payments to participants as reported in the financial statements	$	23,788
Disbursements related to deemed distributions (b)		63
Corrective distributions (c)		1
Benefit payments to participants as reported in the Form 5500	$	23,852

(a) Fully benefit-responsive investment contracts are included in the financial statements at contract value as opposed to at fair value in the Form 5500. See footnote 2 for additional discussion of fully benefit-responsive investment contracts.

(b) Deemed distributions represent defaulted loan balances for which there were no post-default payment activity. These distributions are not included in the loan balance, and in turn, are not included in the net assets available for plan benefits, for reporting purposes in the Form 5500 but are reflected in the total loan balance for financial statement reporting purposes.

(c) Corrective distributions relate to amounts due to participants for current plan year excess contributions and are reported as a reduction to employee contributions in the financial statements and as distributions in the Form 5500.

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PROFIT SHARING PLAN OF NVR, INC.

AND AFFILIATED COMPANIES

EIN: 54-1394360

Plan Number: 333

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

December 31, 2013

(Dollars in thousands)

Column A	Column B Identity of issue, borrower, lessor, or similar party	Column C Description of investment		Column D Current Value
	Registered Investment Companies			
*	Fidelity Growth Company K	Registered investment company shares	275,366	$ 32,960
*	Fidelity Balanced K	Registered investment company shares	931,793	21,189
*	Fidelity Equity Dividend Inc. K	Registered investment company shares	711,648	17,521
*	Fidelity Diversified Int 1 K	Registered investment company shares	442,265	16,293
*	Fidelity Mid-Cap Stock K	Registered investment company shares	319,534	12,622
*	Fidelity Freedom K Income	Registered investment company shares	99,343	1,188
*	Fidelity Freedom K 2000	Registered investment company shares	24,748	302
*	Fidelity Freedom K 2005	Registered investment company shares	3,694	50
*	Fidelity Freedom K 2010	Registered investment company shares	112,683	1,581
*	Fidelity Freedom K 2015	Registered investment company shares	175,326	2,497
*	Fidelity Freedom K 2020	Registered investment company shares	400,399	5,958
*	Fidelity Freedom K 2025	Registered investment company shares	306,888	4,760
*	Fidelity Freedom K 2030	Registered investment company shares	393,038	6,234
*	Fidelity Freedom K 2035			4,087

		Registered investment company shares	249,533	
*	Fidelity Freedom K 2040	Registered investment company shares	651,596	10,732
*	Fidelity Freedom K 2045	Registered investment company shares	300,809	5,054
*	Fidelity Freedom K 2050	Registered investment company shares	223,302	3,767
*	Fidelity Freedom K 2055	Registered investment company shares	47,629	575
*	Fidelity Total Bond	Registered investment company shares	622,760	6,502
*	Fidelity Low Priced Stock K	Registered investment company shares	216,830	10,716
*	Fidelity Retirement Money Market	Registered investment company shares	4,669	5
	Spartan US Equity Index Fund	Registered investment company shares	225,207	14,749
	RS Sm Cap Growth A	Registered investment company shares	98,780	6,289
	ABF Sm Cap Val Inv	Registered investment company shares	234,959	6,215
	ABN Amro River Road Dynamic Equity CL N	Registered investment company shares	3,000	41
	Alger Small Capital CL C	Registered investment company shares	825	6
	Amana Mutual Fund Trust Growth	Registered investment company shares	8,432	270
	Ave Maria Rising Dividend Fund	Registered investment company shares	613	11
	Baron Real Estate Fund Retail	Registered investment company shares	321	7
	Blackrock Bal. Cap. Fund CL A	Registered investment company shares	407	10
	Blackrock Health Sciences Port CL C	Registered investment company shares	2,536	96
	Brookfield Property Partners LP	Registered investment company shares	28	1
	Buffalo Micro Cap. Fund	Registered investment company shares	188	4
	Dodge & Cox Income	Registered investment company shares	698	9
	Dreyfus Select Small Cap Growth	Registered investment company shares	387	10
	Driehaus Emerging Markets	Registered investment company shares	950	31
	Eaton Vance Floating Rate Adv. CL A	Registered investment company shares	1,952	22

See accompanying report of independent registered public accounting firm.

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PROFIT SHARING PLAN OF NVR, INC.

AND AFFILIATED COMPANIES

EIN: 54-1394360

Plan Number: 333

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

December 31, 2013

(Dollars in thousands)

Column A	Column B Identity of issue, borrower, lessor, or similar party	Column C Description of investment		Column D Current Value
	Registered Investment Companies			
	Federated Inst High Yield Bond Fund	Registered investment company shares	2,979	30
	Federated Kaufman Large Cap Fund CL A	Registered investment company shares	1,569	26
	First Eagle Sogen Global CL A	Registered investment company shares	150	8
	Firsthand E-Commerce	Registered investment company shares	8,969	70
	Franklin Age High Income CL A	Registered investment company shares	3,719	8
	Hennessy Focus Investor CL	Registered investment company shares	411	27
	Huber capital Equity Inc. Fund Inv. CL	Registered investment company shares	2,178	30
	Ivy Asset Strategy CL A	Registered investment company shares	369	12
	Janus Balanced	Registered investment company shares	228	7
	Matthews Pacific Tiger Fund	Registered investment company shares	3,016	75
	Metropolian West High Yield Bond CL M	Registered investment company shares	4,410	45
	Metropolian West Total Return Bond	Registered investment company shares	3,989	42
	Needham Aggressive Growth CL A	Registered investment company shares	10	
	Needham Small Cap Growth			

	Registered investment company shares	18	
Oakmark Fund	Registered investment company shares	454	29
Oakmark International	Registered investment company shares	5,650	149
Oppenheimer Developing Markets CL A	Registered investment company shares	205	8
Permanent Portfolio Fund Inc	Registered investment company shares	119	5
Pimco Income Fund CL D	Registered investment company shares	7,413	91
Pimco Short Term CL D	Registered investment company shares	2,231	22
Pimco Total Return CL D	Registered investment company shares	9,458	101
Royce Value Fund	Registered investment company shares	6,743	91
Sextant International Fund	Registered investment company shares	11	
Skyline Special Equities	Registered investment company shares	1,215	48
TCW Galileo Income & Growth CL N	Registered investment company shares	1,691	27
Templeton Global Bond CL A	Registered investment company shares	745	10
Tip Turner Micro Cap Growth Inst.	Registered investment company shares	1,481	87
Touchstone Sands Cap Sel Growth CL Z	Registered investment company shares	249	4
Van Eck Global Leaders CL A	Registered investment company shares	501	7
Vanguard Energy	Registered investment company shares	135	9
Vanguard Specialized Gold & Prec Metals	Registered investment company shares	540	6
Vulcan Value Partners Small Cap	Registered investment company shares	313	6
Wasatch 1st Source Long/Short Fund	Registered investment company shares	353	6
Wells Fargo Discovery Fund Inv. CL	Registered investment company shares	1,851	62
Wells Fargo Growth Fund Inv. CL	Registered investment company shares	452	23
Yacktman Focused Fund	Registered investment company 12,057 shares		303

See accompanying report of independent registered public accounting firm.

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PROFIT SHARING PLAN OF NVR, INC.

AND AFFILIATED COMPANIES

EIN: 54-1394360

Plan Number: 333

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

December 31, 2013

(Dollars in thousands)

Column A	Column B Identity of issue, borrower, lessor, or similar party	Column C Description of investment		Column D Current Value
	Registered Investment Companies			
*	Fidelity Low Priced Stock	Registered investment company	1,890 shares	93
*	Fidelity New Markets Income	Registered investment company	2,610 shares	41
*	Fidelity Strategic Dividend & Income	Registered investment company	451 shares	6
*	Fidelity Select Retailing	Registered investment company	49 shares	4
				193,982
	Common Collective Trusts			
*	Fidelity Managed Income Portfolio	Common collective trust	16,826,148 shares	17,084
	Employer Securities			
*	NVR, Inc.	NVR, Inc. common stock	65,570 shares	67,276
	Common Stocks			
	3M Company	Shares of stock	300 shares	42
	Amazon	Shares of stock - 1 share		
	American Express Co.	Shares of stock	177 shares	16
	Annaly Mortgage Management Inc.	Shares of stock	1,000 shares	10
	Antares Pharma	Shares of stock	2,637 shares	12
	Apple Computer Inc.	Shares of stock	327 shares	184
	Arcelormittal SA	Shares of stock - 500 shares		9
	AT&T Inc.	Shares of stock - 1,704 shares		60
	Baidu, Inc.	Shares of stock - 50 shares		9
	Baxter Intl. Inc.	Shares of stock	500 shares	35
	Boeing Co.	Shares of stock	117 shares	16

BP PLC	Shares of stock	1,013 shares	49
Brookfield Asset Management Inc.	Shares of stock	500 shares	19
Brookfield Property Partners LP	Shares of stock	28 shares	1
Cannabis Science Inc.	Shares of stock	10,000 shares	1
Caterpillar Inc.	Shares of stock	232 shares	21
Coca Cola Co.	Shares of stock	445 shares	19
Conforce Int l Inc.	Shares of stock	30,000 shares	
ConocoPhillips	Shares of stock	201 shares	14
Continental Res. Inc.	Shares of stock	45 shares	5
Creative Edge Nutrition, Inc.	Shares of stock	5,998 shares	
Crocs Inc.	Shares of stock	657 shares	10
Diageo Plc.	Shares of stock	163 shares	22
Walt Disney Co.	Shares of stock	400 shares	31
Document Security Systems, Inc.	Shares of stock	10,000 shares	21

See accompanying report of independent registered public accounting firm.

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Plan Number: 333

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

December 31, 2013

(Dollars in thousands)

Column A	Column B Identity of issue, borrower, lessor, or similar party	Column C Description of investment		Column D Current Value
	Common Stocks			
	Dow Chemical Co.	Shares of stock	225 shares	10
	Du Pont De Nemours and Co.	Shares of stock	201 shares	13
	EOG Resources, Inc.	Shares of stock	27 shares	5
	ETFs Gold Trust	Shares of stock	45 shares	5
	Facebook Inc.	Shares of stock	100 shares	5
	Finjan Holdings, Inc.	Shares of stock	3 shares	
	Ford Motor Co.	Shares of stock	85 shares	1
	Fortescue Metal Grp. Ltd.	Shares of stock	112 shares	1
	Galloway Energy Co.	Shares of stock	7 shares	
	General Electric Co.	Shares of stock	1,113 shares	31
	Genoil Inc.	Shares of stock	20,000 shares	
	Google Inc.	Shares of stock	2 shares	2
	Groupon, Inc.	Shares of stock	200 shares	2
	Growlife, Inc.	Shares of stock	16,000 shares	2
	Hormel George A & Co.	Shares of stock	220 shares	10
	Illinois Tool Works	Shares of stock	221 shares	19
	Intel Corp	Shares of stock	57 shares	1
	iShares Inc MSCI Switzerland Index	Shares of stock	327 shares	11
	iShares Trust Goldman Sachs Corp BD Fund	Shares of stock	7 shares	1
	iShares Inc Silver Trust	Shares of stock	230 shares	4
	JCPenney, Inc.	Shares of stock	9 shares	
	Kinder Morgan Inc.	Shares of stock	325 shares	12
	McCormick & Co. Inc.	Shares of stock	212 shares	15
	McDonalds Corp	Shares of stock	703 shares	68
	Medical Marijuana Inc.	Shares of stock	8,999 shares	1
	Merck & Co.	Shares of stock	38 shares	2

Mosaic Co.	Shares of stock	300 shares	15
Plum Creek Timber Co., Inc	Shares of stock	262 shares	12
Proctor & Gamble	Shares of stock	484 shares	39
Royal Dutch Shell, PLC	Shares of stock	350 shares	26
Royal Dutch Shell, PLC ADR	Shares of stock	8 shares	1
Sandridge Permian Trust Co.	Shares of stock	500 shares	6
Sirius XM Radio Inc.	Shares of stock	1,017 shares	4
SPDR Gold TR Gold Shares	Shares of stock	450 shares	87

See accompanying report of independent registered public accounting firm.

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PROFIT SHARING PLAN OF NVR, INC.

AND AFFILIATED COMPANIES

EIN: 54-1394360

Plan Number: 333

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

December 31, 2013

(Dollars in thousands)

Column A	Column B Identity of issue, borrower, lessor, or similar party	Column C Description of investment		Column D Current Value
	Common Stocks			
	Sprint Corp.	Shares of stock	167 shares	2
	Sprott Physical Gold Trust	Shares of stock	700 shares	7
	Sprott Physical Silver Trust	Shares of stock	800 shares	6
	Starbucks Corp.	Shares of stock	211 shares	17
	Sysco Corp.	Shares of stock	119 shares	4
	Unilever PLC	Shares of stock	377 shares	16
	United Technologies Corp.	Shares of stock	631 shares	72
	Vanguard International Equity Index FTSE	Shares of stock	6 shares	
	Vanguard International Equity Index Fund	Shares of stock	509 shares	21
	Vanguard Sector Index Funds	Shares of stock	1,328 shares	146
	Vanguard Sector Index Funds	Shares of stock	1,010 shares	90
	Vanguard Sepcialized Portfolios Div.	Shares of stock	2,120 shares	160
	Verizon Communications	Shares of stock	187 shares	9
	Visa Inc.	Shares of stock	30 shares	67
	Vodafone Group PLC	Shares of stock	655 shares	26
	Waste Management Inc.	Shares of stock	55 shares	2
	Wellpoint Inc.	Shares of stock	66 shares	6
	Whiting Pete Corp.	Shares of stock	80 shares	5
	Call (AAPL) Apple Inc.	Shares of stock	4 shares	37
	Call (AAPL) Apple Inc.	Shares of stock	4 shares	19
	Call (SLV) iShares Silver Tr	Shares of stock	93 shares	
	Call (SLV) iShares Silver Tr	Shares of stock	60 shares	
	Put (ALL) Allstate Corp.	Shares of stock	50 shares	
	Put (MSFT) Microsoft	Shares of stock	100 shares	5
				1,734
	Interest-bearing cash			1,384

	Cash held for pending investments and participant distributions in interest-bearing call accounts	
Participant loans - other	Participant loans with various rates of interest from 4.25% to 9.50% and maturity dates through November 2028	5,768
		$ 287,228

* Party in interest.

See accompanying report of independent registered public accounting firm.

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on behalf of the Plan by the undersigned thereunto duly authorized.

June 27, 2014

NVR, Inc.

By: /s/ Kevin N. Reichard
Kevin N. Reichard
Plan Administrator

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EXHIBIT INDEX

Exhibit Number	Description
23.1	Consent of Independent Registered Public Accounting Firm

20

align="left">%

5.70

%

5.80

%

6.25

%

5.80

%

5.90

%

Expected return on plan assets

8.25

%

8.25

%

8.00

%

NA

NA

NA

Rate of compensation increase

4.50

%

4.50

%

4.50

%

4.50

%

4.50

%

4.50
%
Rate of increase in health care cost levels

Initial level
NA

NA

NA

8.00
%
8.00
%
9.00
%
Ultimate level
NA

NA

NA

5.00
%
5.00
%
5.00
%
Years to ultimate level
NA

NA

NA

6 yrs

3 yrs

4 yrs

NA–Not applicable

The expected return on plan assets assumption was determined, with the assistance of the Company's investment consultants, based on a variety of factors. These factors include but are not limited to the plans' asset allocations, review of historical capital market performance, historical plan performance, current market factors such as inflation and interest rates, and a forecast of expected future asset returns. The Company reviews this long-term assumption on a periodic basis.

Assumed rates of increase in healthcare cost have a significant effect on the amounts reported for the healthcare plans. A change of one percentage point in the assumed healthcare cost trend rates would have the following effects:

(In thousands)	One Percentage Point Increase	One Percentage Point Decrease
Effect on service and interest cost components for fiscal 2009	$ 51	$ (43)
Effect on postretirement benefit obligation as of June 30, 2009	467	(401)

Plan Assets
The targeted and weighted average asset allocations by asset category for investments held by the Company's pension plans are as follows:

June 30,	2009 Allocation Target	Actual	2008 Allocation Target	Actual
Domestic equity securities	45 %	45 %	45 %	46 %
Fixed income investments	30 %	31 %	30 %	28 %
International equity securities	15 %	14 %	15 %	16 %
Global equity securities	10 %	10 %	10 %	10 %
Fair value of plan assets	100 %	100 %	100 %	100 %

The primary objective of the Company's pension plans is to provide eligible employees with scheduled pension benefits by using a prudent investment approach. The Company employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return on plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across domestic and international stocks and between growth and value stocks and small and large capitalizations. Investment risk is measured and monitored on an ongoing basis through quarterly investment portfolio reviews, annual liability measurements, and periodic asset-liability studies. The target asset allocations represent a long-term perspective. A 6 to 10 percent range is used for individual asset classes. The overall asset mix is reviewed on a quarterly basis, and plan assets are rebalanced back to target allocations as needed.

Equity securities did not include any Meredith Corporation common or Class B stock at June 30, 2009 or 2008.

Cash Flows
Although we do not have a minimum funding requirement for the pension plans in fiscal 2010, the Company is currently determining what voluntary pension plan contributions, if any, will be made in fiscal 2010. Actual contributions will be dependent upon investment returns, changes in pension obligations, and other economic and regulatory factors. Meredith expects to contribute $1.3 million to its postretirement plan in fiscal 2010.

The following benefit payments, which reflect expected future service as appropriate, are expected to be paid:

Years ending June 30, (In thousands)	Pension Benefits	Postretirement Benefits
2010	$ 18,871	$ 1,255
2011	12,244	1,329
2012	13,006	1,316
2013	12,160	1,287
2014	12,781	1,260
2015-2019	64,749	6,630

Other
On July 1, 2008, the Company adopted the provisions of 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 were applied as a change in accounting principle through a cumulative-effect adjustment to retained earnings. The adoption of EITF 06-10 resulted in a $2.9 million ($2.6 million, net of tax) reduction to the opening balance of retained earnings. The net periodic pension cost for fiscal 2009 was $177,000 and the accrued liability at June 30, 2009, was $2.8 million.

8. Earnings (Loss) Per Share

The calculation of basic earnings (loss) per share for each period is based on the weighted average number of common and Class B shares outstanding during the period. The calculation of diluted earnings (loss) per share for each period is based on the weighted average number of common and Class B shares outstanding during the period plus the effect, if any, of dilutive common stock equivalent shares. The following table presents the calculations of earnings (loss) per share:

Years ended June 30, (In thousands except per share data)	2009	2008	2007
Earnings (loss) from continuing operations	$ (102,507)	$ 132,974	$ 166,010
Basic average shares outstanding	45,042	46,928	48,048
Dilutive effect of stock options and equivalents	–	657	1,060
Diluted average shares outstanding	45,042	47,585	49,108
Earnings (loss) per share from continuing operations			
Basic	$ (2.28)	$ 2.83	$ 3.46
Diluted	(2.28)	2.79	3.38

For the year ended June 30, 2009, approximately 128,000 outstanding common stock equivalent shares were not included in the computation of dilutive loss per share because of the antidilutive effect on the loss per share calculation (the diluted loss per share becoming less negative than the basic loss per share). Therefore, these common stock equivalent shares are not taken into account in determining the weighted average number of shares for the calculation of diluted loss per share for fiscal 2009.

In addition, antidilutive options excluded from the above calculations totaled 5,055,600 options for the year ended June 30, 2009 ($41.87 weighted average exercise price), 2,033,500 options for the year ended June 30, 2008 ($50.43 weighted average exercise price), and 411,000 options for the year ended June 30, 2007 ($47.18 weighted average exercise price).

9. Capital Stock

The Company has two classes of common stock outstanding: common and Class B. Holders of both classes of stock receive equal dividends per share. Class B stock, which has 10 votes per share, is not transferable as Class B stock except to family members of the holder or certain other related entities. At any time, Class B stock is convertible, share for share, into common stock with one vote per share. Class B stock transferred to persons or entities not entitled to receive it as Class B stock will automatically be converted and issued as common stock to the transferee. The principal market for trading the Company's common stock is the New York Stock Exchange (trading symbol MDP). No separate public trading market exists for the Company's Class B stock.

From time to time, the Company's Board of Directors has authorized the repurchase of shares of the Company's common stock on the open market. In May 2008, the Board approved the repurchase of 2.0 million shares.

Repurchases under these authorizations were as follows:

Years ended June 30, (In thousands)	2009	2008	2007
Number of shares	882	3,225	1,116

Cost at market value	$21,801	$150,377	$58,710

As of June 30, 2009, authorization to repurchase approximately 1.5 million shares remained.

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10. Common Stock and Share-based Compensation Plans

As of June 30, 2009, Meredith had an employee stock purchase plan and a stock incentive plan, both of which were shareholder-approved. A more detailed description of these plans follows. Compensation expense recognized for these plans was $10.2 million in fiscal 2009, $7.9 million in fiscal 2008, and $11.1 million in fiscal 2007. The total income tax benefit recognized in earnings was $3.8 million in fiscal 2009, $2.9 million in fiscal 2008, and $4.3 million in fiscal 2007.

Employee Stock Purchase Plan

Meredith has an employee stock purchase plan (ESPP) available to substantially all employees. The ESPP allows employees to purchase shares of Meredith common stock through payroll deductions at the lesser of 85 percent of the fair market value of the stock on either the first or last trading day of an offering period. The ESPP has quarterly offering periods. One million common shares are authorized for issuance under the ESPP. Compensation cost for the ESPP is based on the present value of the cash discount and the fair value of the call option component as of the grant date using the Black-Scholes option-pricing model. The term of the option is three months, the term of the offering period. The expected stock price volatility was approximately 17 percent in fiscal 2009 and fiscal 2008, and 14 percent in fiscal 2007. Information about the shares issued under this plan is as follows:

Years ended June 30,	2009	2008	2007
Shares issued (in thousands)	174	108	72
Average fair value	$ 3.23	$ 6.80	$ 7.99
Average purchase price	16.33	34.50	45.14
Average market price	21.64	40.59	56.20

Stock Incentive Plan

Meredith has a stock incentive plan that permit the Company to issue up to 3.8 million shares in the form of stock options, restricted stock, stock equivalent units, restricted stock units, performance shares, and performance cash awards to key employees and directors of the Company. Approximately 2.1 million shares are available for future awards under the plan as of June 30, 2009. The plan is designed to provide an incentive to contribute to the achievement of long-range corporate goals; provide flexibility in motivating, attracting, and retaining employees; and to align more closely the interests of employees with those of shareholders.

The Company has awarded restricted shares of common stock to eligible key employees and to non-employee directors under the plan. In addition, certain awards are granted based on specified levels of Company stock ownership. All awards have restriction periods tied primarily to employment and/or service. The awards generally vest over three or five years. The awards are recorded at the market value of traded shares on the date of the grant as unearned compensation. The initial values of the grants net of estimated forfeitures are amortized over the vesting periods. The Company's restricted stock activity during the year ended June 30, 2009, was as follows:

Restricted Stock	Shares	Weighted Average	Aggregate Intrinsic

(Shares and Aggregate Intrinsic Value in thousands)		Grant Date Fair Value	Value
Nonvested at June 30, 2008	124	$ 52.15	
Granted	37	21.74	
Vested	(23)	50.30	
Nonvested at June 30, 2009	138	44.34	$ 3,545

As of June 30, 2009, there was $2.7 million of unearned compensation cost related to restricted stock granted under the plan. That cost is expected to be recognized over a weighted average period of 2.2 years. The weighted average grant date fair value of restricted stock granted during the years ended June 30, 2009, 2008, and 2007 was $21.74, $53.44, and $53.07, respectively. The total fair value of shares vested during the years ended June 30, 2009, 2008, and 2007, was $0.5 million, $0.6 million, and $1.6 million, respectively.

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Meredith also has outstanding stock equivalent units resulting from the deferral of compensation of employees and directors under various deferred compensation plans. The period of deferral is specified when the deferral election is made. These stock equivalent units are issued at the market price of the underlying stock on the date of deferral. In addition, shares of restricted stock may be converted to stock equivalent units upon vesting.

The following table summarizes the activity for stock equivalent units during the year ended June 30, 2009:

Stock Equivalent Units	Units	Weighted Average Issue Date Fair Value
(Units in thousands)		
Balance at June 30, 2008	87	$ 39.60
Additions	49	31.94
Converted to common stock	(4)	42.61
Balance at June 30, 2009	132	36.67

The stock equivalent units outstanding at June 30, 2009, had no aggregate intrinsic value. The total intrinsic value of stock equivalent units converted to common stock was zero for the year ended June 30, 2009, compared to $0.4 million for 2008 and $1.6 million for 2007.

Starting in fiscal 2009, the Company awarded performance-based restricted shares of common stock to eligible key employees under the plan. These performance-based restricted shares will vest only if the Company attains a specified return on equity goal for the subsequent three-year period. The awards were recorded at the market value of traded shares on the date of the grant as unearned compensation. The initial value of the grant net of estimated forfeitures is being amortized over the vesting period, as vesting is currently considered probable. If in the future the stated target is no longer probable of being met, any recognized compensation would be reversed. The Company's performance-based restricted stock activity during the year ended June 30, 2009, was as follows:

Performance-based Restricted Stock	Shares	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
(Shares and Aggregate Intrinsic Value in thousands)			
Nonvested at June 30, 2008	–	$ –	
Granted	179	28.60	
Vested	–	–	
Forfeited	(2)	29.23	
Nonvested at June 30, 2009	177	28.60	$ 4,524

As of June 30, 2009, there was $2.6 million of unearned compensation cost related to performance-based restricted stock granted under the plan. That cost is expected to be recognized over a weighted average period of 2.1 years. The weighted average grant date fair value of performance-based restricted stock granted during the year ended June 30, 2009, was $28.60. No performance-based restricted stock vested during the year ended June 30, 2009.

In fiscal 2008 and fiscal 2007, the Company awarded performance-based restricted stock units to eligible key employees under the plan. These restricted stock units will vest only if the Company attains specified earnings per share goals for the subsequent three-year period. The awards were recorded at the market value of traded shares on the date of the grant as unearned compensation. The initial values of the grants net of estimated forfeitures are being amortized over a three-year vesting period.

The Company's restricted stock unit activity during the year ended June 30, 2009, was as follows:

Restricted Stock Units (Units and Aggregate Intrinsic Value in thousands)	Units	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Nonvested at July 1, 2008	133	$ 50.29	
Forfeited	(72)	47.42	
Nonvested at June 30, 2009	61	53.65	$ 1,569
Nonvested units expected to vest	2	47.14	51

As of June 30, 2009, there was $0.1 million of unearned compensation cost related to restricted stock units granted in January 2008 under the plan. That cost is expected to be recognized over a weighted average period of 1.6 years. The restricted stock units granted in August 2007 are not expected to vest and thus there is no unearned compensation currently recorded related to this grant. The weighted average grant date fair value of restricted stock units granted during the years ended June 30, 2008 and 2007, was $53.69 and $47.02, respectively. During the year ended June 30, 2008, 30,924 restricted stock units vested. No restricted stock units vested during the years ended June 30, 2009 and 2007.

Meredith has granted nonqualified stock options to certain employees and directors under the plan. The grant date of options issued is the date the Compensation Committee of the Board of Directors approves the granting of the options. The exercise price of options granted is set at the fair value of the Company's common stock on the grant date. All options granted under the plan expire at the end of 10 years. Most of the options granted vest three years from the date of grant.

Meredith also occasionally has granted options tied to attaining specified earnings per share and/or return on equity goals for the subsequent three-year period. Attaining these goals results in the acceleration of vesting for all, or a portion of, the options to three years from the date of grant. Options not subject to accelerated vesting vest eight years from the date of grant subject to certain tenure qualifications.

A summary of stock option activity and weighted average exercise prices follows:

Stock Options (Options and Aggregate Intrinsic Value in thousands)	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding July 1, 2008	4,420	$ 44.48		
Granted	1,049	27.84		
Exercised	–	–		
Forfeited	(303)	42.48		
Outstanding June 30, 2009	5,166	41.19	5.48 years	$ 941
Exercisable June 30, 2009	3,355	43.02	3.84 years	4

The fair value of each option is estimated as of the date of grant using the Black-Scholes option-pricing model. Expected volatility is based on historical volatility of the Company's common stock and other factors. The expected life of options granted incorporates historical employee exercise and termination behavior. Different expected lives are used for separate groups of employees who have similar historical exercise patterns. The risk-free rate for periods that coincide with the expected life of the options is based on the U.S. Treasury yield curve in effect at the time of grant.

The following summarizes the assumptions used in determining the fair value of options granted:

Years ended June 30,	2009	2008	2007
Risk-free interest rate	2.2-3.5 %	4.0-4.7 %	4.6-4.9 %
Expected dividend yield	2.39 %	1.24 %	1.18 %
Expected option life	6-8 yrs	6-8 yrs	4-7 yrs
Expected stock price volatility	17-18 %	17-19 %	19-21 %
Weighted average stock price volatility	17.06 %	17.24 %	19.28 %

The weighted average grant date fair value of options granted during the years ended June 30, 2009, 2008, and 2007, was $4.90, $14.18, and $13.40, respectively. There were no options exercised in 2009. The total intrinsic value of options exercised during the years ended June 30, 2008 and 2007, was $3.6 million and $20.4 million, respectively. As of June 30, 2009, there was $3.8 million in unrecognized compensation cost for stock options granted under the plan. This cost is expected to be recognized over a weighted average period of 1.7 years.

Cash received from option exercises under all share-based payment plans for the years ended June 30, 2008 and 2007, was $10.4 million and $36.3 million, respectively. The actual tax benefit realized for the tax deductions from option exercises totaled $1.4 million and $8.1 million, respectively, for the years ended June 30, 2008 and 2007.

11. Commitments and Contingent Liabilities

The Company occupies certain facilities and sales offices and uses certain equipment under lease agreements. Rental expense for such leases was $17.1 million in fiscal 2009, $17.6 million in fiscal 2008, and $17.7 million in fiscal 2007.

Below are the minimum rental commitments at June 30, 2009, under all noncancelable operating leases due in succeeding fiscal years:

Years ending June 30, (In thousands)	
2010	$20,358
2011	18,782
2012	9,153
2013	3,800
2014	2,202
Later years	18,914
Total minimum rentals	$73,209

Most of the future lease payments relate to the lease of office facilities in New York City through December 31, 2011. In the normal course of business, leases that expire are generally renewed or replaced by leases on similar property.

The Company has recorded commitments for broadcast rights payable in future fiscal years. The Company also is obligated to make payments under contracts for broadcast rights not currently available for use and therefore not included in the consolidated financial statements. Such unavailable contracts amounted to $24.5 million at June 30, 2009. The fair value of these commitments for unavailable broadcast rights, determined by the present value of future cash flows discounted at the Company's current borrowing rate, was $22.3 million at June 30, 2009.

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The table shows broadcast rights payments due in succeeding fiscal years:

Years ending June 30, (In thousands)	Recorded Commitments	Unavailable Rights
2010	$ 10,560	$ 8,876
2011	4,846	10,058
2012	3,776	4,505
2013	2,583	941
2014	646	140
Later years	–	13
Total amounts payable	$ 22,411	$ 24,533

For certain acquisitions consummated by the Company during the last three fiscal years, the sellers are entitled to contingent payments should the acquired operations achieve certain financial targets agreed to in the respective acquisition agreements. See Note 2 for further details on contingent payments.

The Company is involved in certain litigation and claims arising in the normal course of business. In the opinion of management, liabilities, if any, arising from existing litigation and claims will not have a material effect on the Company's earnings, financial position, or liquidity.

12. Other Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity during a period from transactions and other events and circumstances from nonowner sources. Comprehensive income (loss) includes net earnings as well as items of other comprehensive income (loss). Beginning in the Company's 2008 fiscal year, and as a result of the Company's adoption of SFAS 158 as of June 30, 2007, other comprehensive income (loss) no longer includes the change in minimum pension liabilities, but includes changes in unrecognized net actuarial losses and prior service costs.

The following table summarizes the items of other comprehensive income (loss) and the accumulated other comprehensive income (loss) balances:

(In thousands)	Minimum Pension/Post Retirement Liability Adjustments	Interest Rate Swaps	Accumulated Other Comprehensive Income (Loss)
Balance at June 30, 2006	$ (2,077)	$ –	$ (2,077)
Current-year adjustments, pretax	3,199	1,358	4,557
Tax expense	(1,248)	(529)	(1,777)
Other comprehensive income	1,951	829	2,780
Adoption of SFAS 158	2,944	–	2,944
Tax expense	(1,148)	–	(1,148)
Adoption of SFAS 158, net of taxes	1,796	–	1,796
Balance at June 30, 2007	1,670	829	2,499
Current-year adjustments, pretax	(19,545)	(3,467)	(23,012)
Tax expense	7,643	1,351	8,994
Other comprehensive loss	(11,902)	(2,116)	(14,018)
Balance at June 30, 2008	(10,232)	(1,287)	(11,519)
Current-year adjustments, pretax	(33,020)	54	(32,966)
Tax expense	12,878	(21)	12,857
Other comprehensive income (loss)	(20,142)	33	(20,109)
Balance at June 30, 2009	$(30,374)	$ (1,254)	$(31,628)

13. Fair Value Measurement

The Company adopted SFAS 157 as of July 1, 2008, with the exception of the application of the standard to non-recurring, non-financial assets and liabilities. The adoption of SFAS 157 did not have a material impact on our fair value measurements because the Company's existing fair value measurements are consistent with the guidance of SFAS 157. SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Specifically, SFAS 157 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.

As of June 30, 2009, 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 June 30, 2009, the fair value of these interest rate swap agreements was a liability of $2.1 million based on significant other observable inputs (London Interbank Offered Rate (LIBOR)) within the fair value hierarchy. Fair value of 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.

The carrying amount and estimated fair value of broadcast rights payable were $22.4 million and $20.3 million, respectively, as of June 30, 2009, and $28.3 million and $26.0 million, respectively, as of June 30, 2008. The fair value of broadcast rights payable was determined using the present value of future cash flows discounted at the Company's current borrowing rate.

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The carrying amount and estimated fair value of long-term debt were $380.0 million and $376.7 million, respectively, as of June 30, 2009, and $485.0 million and $483.4 million, respectively, as of June 30, 2008. The fair value of long-term debt was determined using the present value of future cash flows using borrowing rates currently available for debt with similar terms and maturities.

14. Financial Information about Industry Segments

Meredith is a diversified media company focused primarily on the home and family marketplace. On the basis of products and services, the Company has established two reportable segments: publishing and broadcasting. The publishing segment includes magazine and book publishing, integrated marketing, interactive media, brand licensing, database-related activities, and other related operations. The broadcasting segment consists primarily of the operations of network-affiliated television stations. Virtually all of the Company's revenues are generated in the U.S. and all of the assets reside within the U.S. There are no material intersegment transactions.

There are two principal financial measures reported to the chief executive officer (the chief operating decision maker) for use in assessing segment performance and allocating resources. Those measures are operating profit and earnings from continuing operations before interest, taxes, depreciation, and amortization (EBITDA). Operating profit for segment reporting, disclosed below, is revenues less operating costs and unallocated corporate expenses. Segment operating expenses include allocations of certain centrally incurred costs such as employee benefits, occupancy, information systems, accounting services, internal legal staff, and human resources administration. These costs are allocated based on actual usage or other appropriate methods, primarily number of employees. Unallocated corporate expenses are corporate overhead expenses not attributable to the operating groups. Nonoperating income (expense) and interest income and expense are not allocated to the segments. In accordance with SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information, EBITDA is not presented below.

Significant non-cash items included in segment operating expenses other than depreciation and amortization of fixed and intangible assets is the broadcasting impairment charge taken in fiscal 2009 of $294.5 million and the amortization of broadcast rights in the broadcasting segment. Broadcast rights amortization totaled $25.1 million in fiscal 2009, $26.8 million in fiscal 2008, and $28.0 million in fiscal 2007.

Segment assets include intangible, fixed, and all other non-cash assets identified with each segment. Jointly used assets such as office buildings and information technology equipment are allocated to the segments by appropriate methods, primarily number of employees. Unallocated corporate assets consist primarily of cash and cash items, assets allocated to or identified with corporate staff departments, and other miscellaneous assets not assigned to one of the segments.

The following table presents financial information by segment:

Years ended June 30, (In thousands)	2009	2008	2007
Revenues			
Publishing	$1,134,261	$1,233,838	$1,231,891
Broadcasting	274,536	318,605	347,832
Total revenues	$1,408,797	$1,552,443	$1,579,723
Operating profit			
Publishing	$ 151,017	$ 188,341	$ 211,733
Broadcasting	(257,774)	77,860	106,804
Unallocated corporate	(28,371)	(26,549)	(34,911)
Income (loss) from operations	$ (135,128)	$ 239,652	$ 283,626
Depreciation and amortization			
Publishing	$ 15,433	$ 20,373	$ 18,699
Broadcasting	25,180	26,655	24,171
Unallocated corporate	1,969	2,125	2,145
Total depreciation and amortization	$ 42,582	$ 49,153	$ 45,015
Assets			
Publishing	$ 964,615	$ 988,370	$ 981,781
Broadcasting	603,659	926,785	953,437
Unallocated corporate	101,029	144,465	154,733
Total assets	$1,669,303	$2,059,620	$2,089,951
Capital expenditures			
Publishing	$ 3,860	$ 8,260	$ 5,610
Broadcasting	14,731	16,605	34,018
Unallocated corporate	4,884	4,755	2,971
Total capital expenditures	$ 23,475	$ 29,620	$ 42,599

15. Selected Quarterly Financial Data (unaudited)

Year ended June 30, 2009 (In thousands except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenues					
Publishing	$293,667	$276,908	$280,320	$ 283,366	$ 1,134,261
Broadcasting	70,403	84,376	57,274	62,483	274,536
Total revenues	$364,070	$361,284	$337,594	$ 345,849	$ 1,408,797
Operating profit (loss)					
Publishing	$ 33,890	$ 23,208	$ 47,971	$ 45,948	$ 151,017
Broadcasting	10,696	22,329	1,348	(292,147)	(257,774)
Unallocated corporate	(6,435)	(9,587)	(5,959)	(6,390)	(28,371)
Income (loss) from operations	$ 38,151	$ 35,950	$ 43,360	$(252,589)	$ (135,128)
Earnings (loss) from continuing operations	$ 19,068	$ 17,403	$ 24,874	$(163,852)	$ (102,507)
Discontinued operations	(431)	(4,860)	554	160	(4,577)
Net earnings (loss)	$ 18,637	$ 12,543	$ 25,428	$(163,692)	$ (107,084)
Basic earnings (loss) per share					
Earnings (loss) from continuing operations	$ 0.42	$ 0.39	$ 0.55	$ (3.64)	$ (2.28)
Net earnings (loss)	0.41	0.28	0.56	(3.64)	(2.38)
Diluted earnings (loss) per share					
Earnings (loss) from continuing operations	0.42	0.39	0.55	(3.64)	(2.28)
Net earnings (loss)	0.41	0.28	0.56	(3.64)	(2.38)
Dividends per share	0.215	0.215	0.225	0.225	0.880

First and second quarter amounts differ from amounts previously reported in the Forms 10-Q for the quarters ended September 30, 2008 and December 31, 2008, respectively, due to the reclassification of amounts related to discontinued operations.

As a result of changes in shares outstanding during the year, the sum of the four quarters' earnings (loss) per share may not necessarily equal the loss per share for the year.

Year ended June 30, 2008 (In thousands except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenues					
Publishing	$320,721	$300,986	$314,732	$297,399	$ 1,233,838
Broadcasting	74,551	87,637	77,546	78,871	318,605
Total revenues	$395,272	$388,623	$392,278	$376,270	$ 1,552,443
Operating profit					
Publishing	$ 54,946	$ 44,258	$ 64,309	$ 24,828	$ 188,341
Broadcasting	13,577	27,564	18,689	18,030	77,860
Unallocated corporate	(8,333)	(7,024)	(5,032)	(6,160)	(26,549)
Income from operations	$ 60,190	$ 64,798	$ 77,966	$ 36,698	$ 239,652
Earnings from continuing operations	$ 33,171	$ 35,058	$ 46,182	$ 18,563	$ 132,974
Discontinued operations	199	1,001	(98)	596	1,698
Net earnings	$ 33,370	$ 36,059	$ 46,084	$ 19,159	$ 134,672
Basic earnings per share					
Earnings from continuing operations	$ 0.70	$ 0.74	$ 0.99	$ 0.41	$ 2.83
Net earnings	0.70	0.76	0.99	0.42	2.87
Diluted earnings per share					
Earnings from continuing operations	0.68	0.73	0.97	0.40	2.79
Net earnings	0.68	0.75	0.97	0.41	2.83
Dividends per share	0.185	0.185	0.215	0.215	0.800

Amounts differ from amounts previously reported in the Form 10-K for the year ended June 30, 2008, due to the reclassification of amounts to discontinued operations.

As a result of changes in shares outstanding during the year, the sum of the four quarters' earnings per share may not necessarily equal the earnings per share for the year.

Meredith Corporation and Subsidiaries
ELEVEN-YEAR FINANCIAL HISTORY WITH SELECTED FINANCIAL DATA

Years ended June 30, (In thousands except per share data)	2009	2008	2007	2006	2005	2004
Results of operations						
Revenues	$1,408,797	$1,552,443	$1,579,723	$1,521,201	$1,177,346	$1,120,298
Costs and expenses	1,206,814	1,263,638	1,251,082	1,215,211	921,894	900,988
Depreciation and amortization	42,582	49,153	45,015	45,124	34,976	35,223
Nonrecurring items	294,529	–	–	–	–	–
Income (loss) from operations	(135,128)	239,652	283,626	260,866	220,476	184,087
Net interest expense	(20,121)	(21,300)	(25,596)	(29,227)	(19,002)	(22,501)
Nonoperating income (expense)	–	–	–	–	–	–
Income taxes	(52,742)	(85,378)	(92,020)	(90,339)	(77,948)	(62,509)
Earnings (loss) from continuing operations	(102,507)	132,974	166,010	141,300	123,526	99,077
Discontinued operations	(4,577)	1,698	(3,664)	3,492	4,623	4,882
Cumulative effect of change in accounting principle	–	–	–	–	893	–
Net earnings (loss)	$ (107,084)	$ 134,672	$ 162,346	$ 144,792	$ 129,042	$ 103,959
Basic per share information						
Earnings (loss) from continuing operations	$ (2.28)	$ 2.83	$ 3.46	$ 2.87	$ 2.48	$ 1.97
Discontinued operations	(0.10)	0.04	(0.08)	0.07	0.09	0.10
Cumulative effect of change in accounting principle	–	–	–	–	0.02	–
Net earnings (loss)	$ (2.38)	$ 2.87	$ 3.38	$ 2.94	$ 2.59	$ 2.07
Diluted per share information						
Earnings (loss) from continuing operations	$ (2.28)	$ 2.79	$ 3.38	$ 2.79	$ 2.41	$ 1.91
Discontinued operations	(0.10)	0.04	(0.07)	0.07	0.09	0.09
Cumulative effect of change in accounting principle	–	–	–	–	0.02	–
Net earnings (loss)	$ (2.38)	$ 2.83	$ 3.31	$ 2.86	$ 2.52	$ 2.00
Average diluted shares outstanding	45,042	47,585	49,108	50,610	51,220	51,926
Other per share information						
Dividends	$ 0.88	$ 0.80	$ 0.69	$ 0.60	$ 0.52	$ 0.43
Stock price–high	31.31	62.50	63.41	56.83	55.51	55.94
Stock price–low	10.60	28.01	45.04	46.50	44.51	43.65
Financial position at June 30,						
Current assets	$ 340,140	$ 403,090	$ 452,640	$ 431,520	$ 304,495	$ 314,014
Working capital	(9,076)	(40,047)	(34,389)	(32,426)	(134,585)	(56,736)
Total assets	1,669,303	2,059,620	2,089,951	2,040,675	1,491,308	1,465,927
Long-term obligations (including current portion)	402,411	513,327	505,653	601,499	285,884	332,953
Shareholders' equity	609,383	787,855	833,201	698,104	651,827	609,971
	3,276	3,572	3,166	3,161	2,706	2,696

Number of employees at June 30,												
Comparable basis reporting1												
Earnings (loss) from continuing operations	$	(102,507)	$	132,974	$	166,010	$	141,300	$	123,526	$	99,077
Adjustment for SFAS 142 add back amortization, net of taxes		–		–		–		–		–		–
Adjusted earnings (loss) from continuing operations	$	(102,507)	$	132,974	$	166,010	$	141,300	$	123,526	$	99,077
Adjusted earnings (loss) from continuing operations												
Per basic share	$	(2.28)	$	2.83	$	3.46	$	2.87	$	2.48	$	1.97
Per diluted share		(2.28)		2.79		3.38		2.79		2.41		1.91

1. Meredith adopted SFAS 142, Goodwill and Other Intangible Assets, effective July 1, 2002. Comparable basis reporting assumes the provisions of SFAS 142 eliminating the amortization of goodwill and certain intangible assets were effective in all periods.

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Meredith Corporation and Subsidiaries
ELEVEN-YEAR FINANCIAL HISTORY WITH SELECTED FINANCIAL DATA (continued)

Years ended June 30, (In thousands except per share data)	2003	2002	2001	2000	1999
Results of operations					
Revenues	$1,038,478	$ 951,639	$1,005,346	$1,050,212	$ 993,249
Costs and expenses	849,564	797,771	820,914	833,935	795,416
Depreciation and amortization	36,312	53,620	51,546	52,329	44,072
Nonrecurring items	–	–	25,308	23,096	–
Income from operations	152,602	100,248	107,578	140,852	153,761
Net interest income expense	(27,209)	(32,589)	(31,901)	(33,751)	(21,287)
Nonoperating income (expense)	(1,551)	63,812	21,477	–	2,375
Income taxes	(47,898)	(50,854)	(37,524)	(48,462)	(55,584)
Earnings from continuing operations	75,944	80,617	59,630	58,639	79,265
Discontinued operations	5,714	5,070	6,701	7,172	5,427
Cumulative effect of change in accounting principle	(85,749)	–	–	–	–
Net earnings (loss)	$ (4,091)	$ 85,687	$ 66,331	$ 65,811	$ 84,692
Basic per share information					
Earnings from continuing operations	$ 1.53	$ 1.63	$ 1.19	$ 1.14	$ 1.52
Discontinued operations	0.11	0.10	0.14	0.14	0.10
Cumulative effect of change in accounting principle	(1.72)	–	–	–	–
Net earnings (loss)	$ (0.08)	$ 1.73	$ 1.33	$ 1.28	$ 1.62
Diluted per share information					
Earnings from continuing operations	$ 1.48	$ 1.57	$ 1.16	$ 1.11	$ 1.48
Discontinued operations	0.11	0.10	0.13	0.14	0.10
Cumulative effect of change in accounting principle	(1.67)	–	–	–	–
Net earnings (loss)	$ (0.08)	$ 1.67	$ 1.29	$ 1.25	$ 1.58
Average diluted shares outstanding	51,276	51,230	51,354	52,774	53,761
Other per share information					
Dividends	$ 0.37	$ 0.35	$ 0.33	$ 0.31	$ 0.29
Stock price–high	47.75	45.00	38.97	42.00	48.50
Stock price–low	33.42	26.50	26.75	22.37	26.69
Financial position at June 30,					
Current assets	$ 268,429	$ 272,211	$ 291,082	$ 288,799	$ 256,175
Working capital	(28,682)	(35,195)	(80,324)	(69,902)	(87,940)
Total assets	1,431,824	1,460,264	1,437,747	1,439,773	1,423,396
Long-term obligations (including current portion)	419,574	429,331	505,758	541,146	564,573
Shareholders' equity	517,763	525,489	462,582	391,965	368,934
	2,633	2,569	2,616	2,703	2,642

Number of employees at June 30,										
Comparable basis reporting1										
Earnings from continuing operations	$	75,944	$	80,617	$	59,630	$	58,639	$	79,265
Adjustment for SFAS 142 add back amortization, net of taxes		–		11,998		12,106		12,103		9,592
Adjusted earnings from continuing operations	$	75,944	$	92,615	$	71,736	$	70,742	$	88,857
Adjusted earnings from continuing operations										
Per basic share	$	1.53	$	1.87	$	1.44	$	1.38	$	1.70
Per diluted share		1.48		1.81		1.40		1.34		1.65

1. Meredith adopted SFAS 142, Goodwill and Other Intangible Assets, effective July 1, 2002. Comparable basis reporting assumes the provisions of SFAS 142 eliminating the amortization of goodwill and certain intangible assets were effective in all periods.

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NOTES TO ELEVEN–YEAR FINANCIAL HISTORY WITH SELECTED FINANCIAL DATA

General

Prior years are reclassified to conform to the current-year presentation.

Significant acquisitions occurred in July 2005 with the purchase of the G+J Consumer Titles; in December 2002 with the acquisition of the American Baby Group; in June 2002 with the exchange of WOFL and WOGX for KPTV; and in March 1999 with the acquisition of WGCL.

Long-term obligations include broadcast rights payable and Company debt associated with continuing operations.

Shareholders' equity includes temporary equity where applicable.

Earnings from continuing operations

Fiscal 2009 nonrecurring expense represented an impairment charge related to broadcasting FCC licenses and goodwill.
Fiscal 2003 nonoperating expense primarily represented a loss on the sale of a subsidiary.
Fiscal 2002 nonoperating income primarily represented a gain from the disposition of the Orlando and Ocala television stations.
Fiscal 2001 nonrecurring items primarily represented charges for employment reduction programs and Internet investment write-offs. Nonoperating income represented a gain from the disposition of Golf for Women magazine.
Fiscal 2000 nonrecurring items represented charges for asset write-downs, contractual obligations, and personnel costs associated with the decision to exit certain publishing operations and other restructuring activities.
Fiscal 1999 nonoperating income represented a gain from the sale of the real estate operations.

Discontinued operations

Fiscal 2009 included the operations of and related shut-down charges of Country Home magazine.
Fiscal 2008 included the operations of Country Home magazine; the operations of and after-tax loss from the disposition of WFLI, which was sold in fiscal 2008; and the reversal of a portion of the prior year shut-down charges of Child magazine.
Fiscal 2007 included the operations of Country Home magazine; the results of the discontinued operations and related shut-down charges of Child magazine; the operations of and after-tax gain from the disposition of KFXO, which was sold in fiscal 2007; and the operations, including an impairment charge, of WFLI, which is held for sale at June 30, 2007.
Fiscal 2006 included the results of the discontinued operations of Country Home magazine, Child magazine, KFXO, and WFLI.
Fiscal 2005 included the results of the discontinued operations of Country Home magazine, KFXO, and WFLI. The operations of KFXO for fiscal years prior to fiscal 2005 were not shown as discontinued operations due to immateriality.
Fiscal 1999 to fiscal 2004 included the results of the discontinued operations of Country Home magazine.

Changes in accounting principles

Fiscal 2005 reflected the adoption of SFAS 123R, Share-based Payment.
Fiscal 2003 reflected the adoption of SFAS 142, Goodwill and Other Intangible Assets.

Meredith Corporation and Subsidiaries
SCHEDULE II–VALUATION AND QUALIFYING ACCOUNTS

Reserves Deducted from Receivables in the Consolidated Financial Statements: (In thousands)	Balance at beginning of period	Additions: Charged to costs and expenses	Additions: Charged to other accounts	Deductions	Balance at end of period
Fiscal year ended June 30, 2009					
Reserve for doubtful accounts	$11,109	$ 3,319	$ –	$ (3,429)	$ 10,999
Reserve for returns	12,835	12,495	–	(22,519)	2,811
Total	$23,944	$15,814	$ –	$ (25,948)	$ 13,810
Fiscal year ended June 30, 2008					
Reserve for doubtful accounts	$10,248	$ 6,530	$ –	$ (5,669)	$ 11,109
Reserve for returns	10,754	34,123	–	(32,042)	12,835
Total	$21,002	$40,653	$ –	$ (37,711)	$ 23,944
Fiscal year ended June 30, 2007					
Reserve for doubtful accounts	$ 7,699	$ 4,957	$ –	$ (2,408)	$ 10,248
Reserve for returns	12,115	23,798	–	(25,159)	10,754
Total	$19,814	$28,755	$ –	$ (27,567)	$ 21,002

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Meredith conducted an evaluation under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 as amended (the Exchange Act)) as of June 30, 2009. On the basis of this evaluation, Meredith's Chief Executive Officer and Chief Financial Officer have concluded the Company's disclosure controls and procedures are effective in ensuring that information required to be disclosed in the reports that Meredith files or submits under the Exchange Act are (i) recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to Meredith's management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended. Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of the design and operation of internal control over financial reporting based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). On the basis of that evaluation, management concluded that internal control over financial reporting was effective as of June 30, 2009.

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KPMG LLP, an independent registered public accounting firm, has issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report appears on page 44.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2009, that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

ITEM 9A(T). CONTROLS AND PROCEDURES

Not applicable.

ITEM 9B. OTHER INFORMATION

On July 13, 2009, the Company issued $75 million in fixed-rate unsecured senior notes to a leading insurance company. The senior notes mature as follows: $50 million on July 13, 2013, and $25 million on July 13, 2014, and bear interest at rates of 6.70 percent and 7.19 percent, respectively. The proceeds were used to pay down the asset-backed commercial paper facility resulting in no net incremental debt.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The information required by this Item is set forth in Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on November 4, 2009, under the captions "Election of Directors," "Corporate Governance," "Meetings and Committees of the Board" and "Section 16(a) Beneficial Ownership Reporting Compliance," and in Part I of this Form 10-K beginning on page 10 under the caption "Executive Officers of the Company" and is incorporated herein by reference.

The Company has adopted a Code of Business Conduct and Ethics and a Code of Ethics for CEO and Senior Financial Officers. These codes are applicable to the Chief Executive Officer, Chief Financial Officer, Controller, and any persons performing similar functions. The Company's Code of Business Conduct and Ethics and the Company's Code of Ethics for CEO and Senior Financial Officers are available free of charge on the Company's corporate website at Meredith.com. Copies of the codes are also available free of charge upon written request to the Secretary of the Company. The Company will post any amendments to the Code of Business Conduct and Ethics or the Code of Ethics for CEO and Senior Financial Officers, as well as any waivers that are required to be disclosed by the rules of either the U.S. Securities and Exchange Commission or the New York Stock Exchange on the Company's corporate website.

There have been no material changes to the procedures by which shareholders of the Company may recommend nominees to the Company's Board of Directors.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is set forth in Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on November 4, 2009, under the captions "Compensation Discussion and Analysis," "Compensation Committee Report," "Summary Compensation Table," "Director Compensation," and "Compensation Committee Interlocks and Insider Participation" and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Certain information required by this Item is set forth in Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on November 4, 2009, under the captions "Security Ownership of Certain Beneficial Owners and Management" and is incorporated herein by reference.

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The following table sets forth information with respect to the Company's common stock that may be issued under all equity compensation plans of the Company in existence as of June 30, 2009. All of the equity compensation plans for which information is included in the following table have been approved by shareholders.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights	(b) Weighted average exercise price of outstanding options, warrants, and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	5,360,476	$41.23	2,599,041
Equity compensation plans not approved by shareholders	None	NA	None
Total	5,360,476	$41.23	2,599,041

NA - Not applicable

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item is set forth in Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on November 4, 2009, under the captions "Related Person Transaction Policy and Procedures" and "Corporate Governance - Director Independence" and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is set forth in Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on November 4, 2009, under the caption "Audit Committee Disclosure" and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following consolidated financial statements listed under (a) 1. and the financial statement schedule listed under (a) 2. of the Company and its subsidiaries are filed as part of this report as set forth in the Index on page 43 (Item 8).

(a) Financial Statements, Financial Statement Schedule, and Exhibits

1. Financial Statements

   Report of Independent Registered Public Accounting Firm
   Consolidated Balance Sheets as of June 30, 2009 and 2008
   Consolidated Statements of Earnings (Loss) for the Years Ended June 30, 2009, 2008, and 2007
   Consolidated Statements of Shareholders' Equity for the Years Ended June 30, 2009, 2008, and 2007
   Consolidated Statements of Cash Flows for the Years Ended June 30, 2009, 2008, and 2007
   Notes to Consolidated Financial Statements
   Eleven-Year Financial History with Selected Financial Data

2. Financial Statement Schedule for the years ended June 30, 2009, 2008, and 2007

   Schedule II–Valuation and Qualifying Accounts

   All other Schedules have been omitted because the items required by such schedules are not present in the consolidated financial statements, are covered in the consolidated financial statements or notes thereto, or are not significant in amount.

3. Exhibits

   Certain of the exhibits to this Form 10-K are incorporated herein by reference, as specified: (See Index to Attached Exhibits on page E-1 of this Form 10-K.)

3.1	The Company's Restated Articles of Incorporation, as amended, are incorporated herein by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended December 31, 2003.
3.2	The Restated Bylaws, as amended, are incorporated herein by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2004.

4.1	Credit Agreement dated as of April 5, 2002, among Meredith Corporation and a group of banks including amendment dated May 7, 2004, is incorporated herein by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2004. Second amendment to the aforementioned agreement is incorporated herein by reference to Exhibit 4 to the Company's Quarterly Report on Form 10-Q for the period ended December 31, 2004. Third amendment to the aforementioned agreement is incorporated herein by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2005.

4.2 Note Purchase Agreement dated as of July 1, 2005, among Meredith Corporation, as issuer and seller, and named purchasers is incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed July 7, 2005.

4.3 Note Purchase Agreement dated as of July 13, 2009, among Meredith Corporation, as issuer and seller, and named purchasers.

4.4 Note Purchase Agreement dated as of June 16, 2008, among Meredith Corporation, as issuer and seller, and named purchasers.

4.5 Amendment No. 1 dated as of July 13, 2009, to Note Purchase Agreement dated as of June 16, 2008.

10.1 Indemnification Agreement in the form entered into between the Company and its officers and directors is incorporated herein by reference to Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the period ending December 31, 1988.*

10.2 Meredith Corporation Deferred Compensation Plan, dated as of November 8, 1993, is incorporated herein by reference to Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the period ending December 31, 1993.*

10.3 Meredith Corporation Management Incentive Plan is incorporated herein by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1999.*

10.4 Meredith Corporation Stock Plan for Non-Employee Directors is incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended December 31, 2002.*

10.5 Amended and Restated Replacement Benefit Plan effective January 1, 2001, is incorporated herein by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2003.*

10.6 Amended and Restated Supplemental Benefit Plan effective January 1, 2001, is incorporated herein by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2003.*

10.7 Form of Nonqualified Stock Option Award Agreement between Meredith Corporation and the named employee for the 2004 Stock Incentive Plan is incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended December 31, 2004.*

10.8 Form of Restricted Stock Unit Award Agreement between Meredith Corporation and the named employee for the 2004 Stock Incentive Plan is incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed August 8, 2005.*

10.9 Meredith Corporation 2004 Stock Incentive Plan is incorporated herein by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2008.*

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10.10 Form of Restricted Stock Award Agreement between Meredith Corporation and the named employee for the 2004 Stock Incentive Plan is incorporated herein by reference to Exhibit 10.15 to the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2008.*

10.11 Form of Restricted Stock Award Agreement (performance based) between Meredith Corporation and the named employee for the 2004 Stock Incentive Plan is incorporated herein by reference to the Company's Current Report on Form 8-K filed August 18, 2008.*

10.12 Consultancy Agreement dated May 11, 2004, between Meredith Corporation and William T. Kerr is incorporated herein by reference to Exhibit 10.1 to the Company’s Form 10-Q for the period ended March 31, 2004. First amendment to the aforementioned agreement is incorporated herein by reference to Exhibit 10 to the Company's Current Report on Form 8-K filed September 5, 2008.*

10.13 Amended and Restated Severance Agreement in the form entered into between the Company and its executive officers is incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended December 31, 2008.

10.14 Letter employment agreement dated February 14, 2005, between Meredith Corporation and Paul A. Karpowicz is incorporated by reference to Exhibit 99.1 to the Company’s Current Report on Form 8-K filed February 10, 2005. First amendment to the aforementioned agreement is incorporated herein by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the period ended December 31, 2008.*

10.15 Employment Agreement dated January 20, 2006, and re-executed August 24, 2009, between Meredith Corporation and Stephen M. Lacy.*

10.16 Employment Agreement dated March 9, 2008, and re-executed August 24, 2009, between Meredith Corporation and John H. (Jack) Griffin, Jr.*

10.17 Employment Agreement dated August 14, 2008, and re-executed August 24, 2009, between Meredith Corporation and John S. Zieser.*

10.18 Letter employment agreement dated September 26, 2008, between Meredith Corporation and Joseph H. Ceryanec is incorporated herein by reference to the Company's Current Report on Form 8-K filed October 1, 2008. First amendment to the aforementioned agreement is incorporated herein by reference to Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the period ended December 31, 2008.*

10.19 Receivables Sale Agreement dated as of April 9, 2002 among Meredith Corporation, as Sole Initial Originator and Meredith Funding Corporation (a wholly-owned subsidiary of Meredith Corporation), as buyer is incorporated herein by reference to the Company’s Quarterly Report on Form 10-Q for the period ended March 31, 2002. Receivables Purchase Agreement dated as of

April 9, 2002 among Meredith Funding Corporation, as Seller, Meredith Corporation, as Servicer, Falcon Asset Securitization Corporation, The Financial Institutions from time to time party hereto and Bank One, NA (Main Office Chicago), as Agent, is incorporated herein by reference to the Company’s Quarterly Report on Form 10-Q for the period ended March 31, 2002. Eighth amendment to the aforementioned agreements is incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2009. Ninth amendment to the aforementioned agreements is incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2009.

21	Subsidiaries of the Registrant
23	Consent of Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

The Company agrees to furnish to the Commission, upon request, a copy of each agreement with respect to long-term debt of the Company for which the amount authorized thereunder does not exceed 10 percent of the total assets of the Company on a consolidated basis.

* Management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MEREDITH CORPORATION

By /s/ John S. Zieser
John S. Zieser, Chief Development Officer/General Counsel and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Joseph H. Ceryanec Joseph H. Ceryanec, Vice President - Chief Financial Officer (Principal Financial and Accounting Officer)	/s/ Stephen M. Lacy Stephen M. Lacy, President and Chief Executive Officer and Director (Principal Executive Officer)
/s/ William T. Kerr William T. Kerr, Chairman of the Board and Director	/s/ Herbert M. Baum Herbert M. Baum, Director
/s/ Mary Sue Coleman Mary Sue Coleman, Director	/s/ James R. Craigie James R. Craigie, Director
/s/ Alfred H. Drewes Alfred H. Drewes, Director	/s/ D. Mell Meredith Frazier D. Mell Meredith Frazier, Director
/s/ Frederick B. Henry Frederick B. Henry, Director	/s/ Joel W. Johnson Joel W. Johnson, Director

/s/ David J. Londoner	/s/ Philip A. Marineau
David J. Londoner, Director	Philip A. Marineau, Director

/s/ Elizabeth E. Tallett
Elizabeth E. Tallett, Director

Each of the above signatures is affixed as of August 24, 2009.

INDEX TO ATTACHED EXHIBITS

Exhibit Number	Item
4.3	Note Purchase Agreement dated as of July 13, 2009, among Meredith Corporation, as issuer and seller, and named purchasers.
4.4	Note Purchase Agreement dated as of June 16, 2008, among Meredith Corporation, as issuer and seller, and named purchasers.
4.5	Amendment No. 1 dated as of July 13, 2009, to Note Purchase Agreement dated as of June 16, 2008.
10.15	Employment Agreement dated January 20, 2006, and re-executed August 24, 2009, between Meredith Corporation and Stephen M. Lacy.*
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31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Management contract or compensatory plan or arrangement