

# MERIDIAN FUND, INC.

April 1, 2004

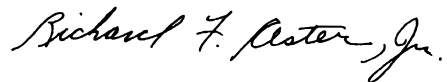
To Our Shareholders:

Equities experienced mixed results during the first quarter. Strong earnings reports were somewhat offset by continued international tension and lackluster job growth. The S&P 500 gained 1.29% while the NASDAQ lost 0.46% and the Dow Jones Industrials dropped 0.92%. Small cap stocks were the bright spot with the Russell 2000 gaining 6.00%. Mining, casinos and wireless communication represented the three strongest performing sectors. The worst performing groups included auto manufacturers, airlines and railroads. The yield on the ten-year government bond dropped from 4.25% to 3.85% during the quarter, reflecting a general decline in interest rates.

The economy continues to grow at a strong pace. GDP expanded at an annual rate of 4.1% during the fourth quarter of 2003. Housing starts, consumer spending and industrial production are all strong, while capital spending and employment are beginning to improve. Interest rates are low, inflation is in check and productivity continues to improve. Our outlook is for continued growth throughout 2004 and well into 2005. The concerns over job growth and the federal deficit, in our opinion, will lessen in time as the economy continues to expand. We don't expect oil prices to go beyond current levels. A major terrorist attack, of course, would be disruptive to the economy and can't be predicted.

Stocks have done well during the past year and valuations are not as attractive as they were a year or two ago. However, our outlook remains positive. Corporate earnings are growing, profit margins are expanding and, as mentioned above, interest rates are low and inflation is in check.

We welcome those new shareholders who joined the Meridian Funds during the quarter and appreciate the continued confidence of our existing shareholders.



Richard F. Aster, Jr.

## **Meridian Growth Fund®**

The Meridian Growth Fund's net asset value per share at March 31, 2004 was \$34.94. This represents an increase of 5.8% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, August 1, 1984, were 1,393.6% and 14.7%, respectively. The Fund's assets at the close of the quarter were invested 6.8% in cash and cash

equivalents and 93.2% in stocks. Total net assets were \$1,032,863,130 and there were 41,500 shareholders.

As we have mentioned in past reports, the fifteen percent capital gains tax rate is positive for our style of investing. More than ninety percent of our gains are long-term. This is a big advantage in a positive investment climate. We continue to research small and medium sized companies that we believe have better than average growth prospects. The Meridian Growth portfolio, in our opinion, is reasonably valued and balanced. The heaviest areas of concentration remain technology, retail and healthcare.

During the March quarter, we purchased shares in CBRL Group, Steris Corp, Tellabs and Tuesday Morning. We sold our position in Borders Group.

We recently purchased shares in Weight Watchers Intl., the leading provider of weight loss services, with operations in thirty countries. The Weight Watcher's program is based on weekly meetings and a healthy, flexible diet. Obesity, according to recent medical studies, is now our number one health risk, ahead of smoking. This is true for children as well as adults. Weight Watchers has an excellent track record, strong financial returns and an experienced management team. The shares haven't done well during the past year due to a modest slowdown in the company's important North American business, caused by the current obsession with "low carb" diets. This has created an opportunity, in our opinion. We believe the "low carb" trend has peaked and will lose momentum in the foreseeable future, at which time Weight Watchers should resume solid growth in North America.

#### **Meridian Value Fund®**

The Meridian Value Fund's net asset value per share at March 31, 2004 was \$39.96. This represents an increase of 5.6% for the calendar year to date. The Fund's total return and average compounded annual rate of return since June 30, 1995, were 478.4% and 22.2%, respectively. The comparable period returns for the S&P 500 with dividends were 138.5% and 10.4%, respectively. The Fund's assets at the close of the quarter were invested 5.5% in cash and cash equivalents and 94.5% in stocks. Total net assets were \$2,121,169,511 and there were 96,261 shareholders. Lipper recently rated the Meridian Value Fund as the third best performing stock fund for the ten-year period ending March 31, 2004, a significant achievement.

There have been no major changes in our portfolio or our strategy. We continue to seek out-of-favor companies that have defensible positions in their industries, strong or improving balance sheets, reasonable valuations and good prospects for earnings growth in a strengthening economy. We believe this strategy is well suited to the current environment for equities which is characterized by higher valuations compared to recent years offset by stronger earnings growth. Technology, consumer products and industrial products represent our largest areas of concentration and we continue to invest in companies of all market capitalizations.

New positions during the quarter include ArvinMeritor, Avery Dennison, AstraZeneca, Boyd Gaming, Celestica, Credence Systems, Del Monte Foods, Eastman Kodak, General Motors,

Manitowoc Company, Nationwide Financial Services, Newell Rubbermaid, SkyWest, Tellabs and The Talbots. We sold our shares in American Power Conversion, Burlington Resources, Boston Scientific, Campbell Soup, CenturyTel, Dial, Kroger, Mylan Laboratories, Newfield Exploration, Potash Corp. of Saskatchewan, Power Integrations, Sappi, SERENA Software, Thermo Electron, Valassis Communications and Yellow Roadway.

Del Monte is a leading producer of canned fruits and vegetables under well known brand names like Del Monte, S&W, Starkist, and Contadina, as well as private label products for large retailers like Walmart. In 2002 Del Monte purchased a number of neglected food brands from the Heinz Company that Heinz viewed as non-strategic. The combination of the two companies and the resulting costs associated with integrating operations and rehabilitating the Heinz brands caused Del Monte's earnings to decline from \$1.15 in 2002 to \$0.76 in 2003, with the stock declining from a high of \$12 to a low of \$7. Over the past year the integration has proceeded ahead of schedule resulting in increased cost savings, and many of the former Heinz brands appear poised for a rebound due to new product introductions and advertising support. In addition, management has committed to significant debt reduction, which will further reduce the financial risk to Del Monte shareholders. Earnings are expected to reach \$0.98 by April, 2005 and grow by 10%-15% annually for the next several years. Del Monte is attractively valued at 12x next twelve months earnings and less than 10x earnings potential.

# Meridian Growth Fund Schedule of Investments

March 31, 2004 (Unaudited)

	Shares	Value		Shares	Value
COMMON STOCK - 93.2%			Province Healthcare Co. . .	934,700	\$ 14,861,730
APPAREL - 2.9%			Renal Care Group, Inc. . . .	547,700	25,062,752
Fossil, Inc. . . . .	456,988	\$ 15,240,550			105,407,045
Polo Ralph Lauren Corp.*	432,925	14,840,669	INDUSTRIAL PRODUCTS - 3.5%		
		30,081,219	Dionex Corp. . . . .	277,630	14,658,864
BANKING & FINANCE - 3.9%			Tektronix, Inc.* . . . . .	663,800	21,712,898
Silicon Valley Bancshares . .	769,800	24,972,312			36,371,762
UCBH Holdings, Inc.* . . . .	376,808	15,087,392	INDUSTRIAL SERVICES - 6.3%		
		40,059,704	EGL, Inc. . . . .	705,278	12,666,793
BROKERAGE & MONEY MANAGEMENT - 3.2%			Expeditors International of		
Edwards (A.G.), Inc.* . . . .	276,800	10,828,416	Washington, Inc.* . . . . .	134,200	5,299,558
T. Rowe Price Group, Inc.*	410,573	22,101,145	Republic Services, Inc.* . . .	868,300	23,504,881
		32,929,561	United Rentals, Inc. . . . .	1,329,600	23,626,992
CELLULAR COMMUNICATIONS - 2.2%					65,098,224
American Tower Corp.			INSURANCE - 2.4%		
Class A . . . . .	1,948,900	22,120,015	Mercury General Corp.* . . .	495,800	24,755,294
CONSTRUCTION - 2.4%			RESTAURANTS - 4.8%		
Granite Construction, Inc.*	1,037,035	24,650,322	Applebee's International,		
CONSUMER SERVICES - 4.0%			Inc.* . . . . .	546,890	22,613,901
Regis Corp.* . . . . .	584,300	25,966,292	CBRL Group, Inc.* . . . . .	119,595	4,740,746
Weight Watchers			Ruby Tuesday, Inc.* . . . . .	702,300	22,578,945
International, Inc. . . . .	359,010	15,175,353			49,933,592
		41,141,645	RETAIL - 14.2%		
EDUCATION - 2.3%			Bed, Bath and Beyond, Inc.	118,400	4,944,384
DeVry, Inc. . . . .	773,600	23,324,040	Claire's Stores, Inc.* . . . . .	1,098,200	22,886,488
FURNITURE & FIXTURES - 2.2%			Cost Plus, Inc. . . . .	532,188	22,218,849
Herman Miller, Inc.* . . . . .	858,185	22,853,467	Dollar Tree Stores, Inc. . . .	737,600	22,784,464
HEALTHCARE PRODUCTS - 1.4%			Ethan Allen Interiors, Inc.*	546,200	22,536,212
STERIS Corp. . . . .	573,010	14,783,658	Men's Wearhouse, Inc. . . . .	646,200	17,169,534
HEALTHCARE SERVICES - 10.2%			Ross Stores, Inc.* . . . . .	738,300	22,599,363
DaVita, Inc. . . . .	528,315	25,227,041	Tuesday Morning Corp. . . .	343,892	11,850,518
Laboratory Corporation of					146,989,812
America Holdings . . . . .	636,300	24,974,775	TECHNOLOGY - 21.5%		
LifePoint Hospitals, Inc. . .	472,503	15,280,747	Advent Software, Inc. . . . .	1,026,838	19,201,871
			American Power		
			Conversion Corp.* . . . . .	1,042,273	23,982,702
			Autodesk, Inc.* . . . . .	707,200	22,361,664
			FileNET Corp. . . . .	576,300	15,358,395
			Getty Images, Inc. . . . .	345,000	18,623,100
			KEMET Corp. . . . .	1,600,100	22,945,434
			Molex, Inc. Class A* . . . . .	804,475	20,948,529
			Symbol Technologies, Inc.*	1,691,900	23,348,220
			Synopsys, Inc. . . . .	733,200	21,233,472

# Meridian Growth Fund

## Schedule of Investments (continued)

March 31, 2004 (Unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Value</u>
COMMON STOCK (continued)			U.S. GOVERNMENT OBLIGATIONS - 2.9%	
Vishay Intertechnology, Inc.	1,078,400	\$ 23,013,056	(Identified cost \$29,973,750)	
Zebra Technologies Corp.			U.S. Treasury Bill @ 0.917% due,	
Class A .....	163,650	<u>11,352,400</u>	05/06/04 (Face Value \$30,000,000) ..	<u>\$ 29,974,129</u>
		222,368,843		
TELECOMMUNICATIONS EQUIPMENT - 5.8%			TOTAL INVESTMENTS - 96.1%	
Andrew Corp. ....	1,510,125	26,427,187	(Identified cost \$790,419,589) .....	992,919,371
Plantronics, Inc. ....	599,400	21,944,034		
Tellabs, Inc. ....	1,356,410	<u>11,705,818</u>	CASH AND OTHER ASSETS LESS	
		60,077,039	LIABILITIES - 3.9% .....	<u>39,943,759</u>
TOTAL COMMON STOCK - 93.2%				
(Identified cost \$760,445,839) .....		<u>962,945,242</u>	NET ASSETS - 100% .....	<u><u>\$1,032,863,130</u></u>

\* income producing

# Meridian Value Fund Schedule of Investments

March 31, 2004 (Unaudited)

	Shares	Value		Shares	Value
COMMON STOCK - 94.5%			ENERGY - 4.6%		
AEROSPACE/DEFENSE - 3.7%			Arch Coal, Inc.* . . . . .	1,133,300	\$ 35,574,287
Empresa Brasileira de			National-Oilwell, Inc. . . . .	1,374,100	38,859,548
Aeronautica S.A. ADR* . . . . .	1,073,900	\$ 34,472,190	Valero Energy Corp.* . . . .	375,800	22,532,968
Raytheon Co.* . . . . .	832,400	26,087,416			96,966,803
Rockwell Collins, Inc.* . . . . .	598,600	18,921,746	FURNITURE & FIXTURES - 2.0%		
		79,481,352	Furniture Brands		
AGRICULTURE - 1.0%			International, Inc.* . . . .	1,298,300	41,805,260
Agrium, Inc.* . . . . .	1,436,600	21,118,020	HEALTHCARE PRODUCTS - 1.2%		
BANKING/FINANCE - 2.2%			Haemonetics Corp. . . . .	791,000	24,876,950
Annaly Mortgage			HEALTHCARE SERVICES - 6.1%		
Management, Inc.* . . . . .	1,321,700	25,839,235	DaVita, Inc. . . . .	967,500	46,198,125
SunTrust Banks, Inc.* . . . . .	304,500	21,226,695	HCA, Inc.* . . . . .	570,000	23,153,400
		47,065,930	Omnicare, Inc.* . . . . .	862,400	38,230,192
BASIC MATERIALS - 1.0%			PAREXEL International		
Newmont Mining Corp.* . . . . .	473,500	22,079,305	Corp. . . . .	1,250,200	22,341,074
CONSUMER PRODUCTS - 12.7%					129,922,791
Activision, Inc. . . . .	2,004,061	31,704,245	INDUSTRIAL PRODUCTS - 9.8%		
American Greetings Corp.			ArvinMeritor, Inc.* . . . . .	1,155,900	22,921,497
Class A . . . . .	1,378,900	31,397,553	Crane Co.* . . . . .	640,600	21,139,800
Avery Dennison Corp. . . . .	334,000	20,778,140	Cummins, Inc.* . . . . .	597,000	34,894,650
Del Monte Foods Co. . . . .	1,806,500	20,323,125	Eastman Chemical Co.* . . . .	485,800	20,733,944
Eastman Kodak Co.* . . . . .	801,000	20,962,170	Manitowoc Co., Inc.* . . . . .	536,000	15,854,880
Fomento Economico			Mettler-Toledo		
Mexicano S.A. de C.V.			International, Inc. . . . .	833,800	37,020,720
ADR* . . . . .	621,100	30,601,597	Millenium Chemicals, Inc.	757,900	11,323,026
Kimberly-Clark Corp.* . . . . .	680,100	42,914,310	Packaging Corp. of		
Leggett & Platt, Inc.* . . . . .	1,379,700	32,712,687	America* . . . . .	894,700	20,184,432
Newell Rubbermaid, Inc.* . . . . .	887,800	20,596,960	Waters Corp. . . . .	607,700	24,818,468
Scholastic Corp. . . . .	643,663	17,539,817			208,891,417
		269,530,604	INDUSTRIAL SERVICES - 2.9%		
CONSUMER DURABLES - 1.9%			ADVO, Inc.* . . . . .	620,850	20,003,787
General Motors Corp.* . . . . .	425,000	20,017,500	Lamar Advertising Co. . . . .	1,007,300	40,513,606
Whirlpool Corp.* . . . . .	290,000	19,972,300			60,517,393
		39,989,800	INFORMATION TECHNOLOGY SERVICES - 1.7%		
CONSUMER SERVICES - 5.6%			Automatic Data		
EchoStar Communications			Processing, Inc.* . . . . .	476,600	20,017,200
Corp. Class A . . . . .	921,000	30,162,750	BearingPoint, Inc. . . . .	1,418,400	15,205,248
ServiceMaster Co.* . . . . .	3,806,200	45,712,462			35,222,448
Waste Management, Inc.* . . . . .	1,451,600	43,809,288			
		119,684,500			

# Meridian Value Fund

## Schedule of Investments (continued)

March 31, 2004 (Unaudited)

	Shares	Value		Shares	Value
COMMON STOCK (continued)			Too, Inc. ....	1,246,000	\$ 26,103,700
INSURANCE - 3.3%			Zale Corp. ....	338,200	20,816,210
Nationwide Financial Services, Inc. Class A*	543,100	\$ 19,578,755			117,466,214
SAFECO Corp.* .....	1,168,300	50,435,511	TECHNOLOGY - 12.7%		
		70,014,266	AVX Corp.* .....	660,200	10,886,698
LEISURE & AMUSEMENT - 2.7%			Cadence Design System, Inc. ....	584,000	8,608,160
Boyd Gaming Corp.* ....	998,600	22,857,954	Celestica, Inc. ....	1,299,600	21,313,440
Royal Caribbean Cruises Ltd.* .....	762,000	33,604,200	Coherent, Inc. ....	958,750	25,205,538
		56,462,154	Credence Systems Corp. Electronics for Imaging, Inc. ....	1,937,564	23,018,260
MEDIA - 2.0%			Hyperion Solutions Corp. Koninklijke (Royal) Philips Electronics N.V. NY Shares* .....	998,600	24,535,602
Hearst-Argyle Television, Inc.* .....	548,800	14,757,232	Networks Associates, Inc. Storage Technology Corp. Symbol Technologies, Inc.* .....	736,700	30,536,215
Time Warner, Inc. ....	1,615,000	27,228,900	Synopsis, Inc. ....		
		41,986,132	VeriSign, Inc. ....	715,236	11,865,765
PAPER/FOREST PRODUCTS - 1.6%					268,503,792
Aracruz Celulose S.A. ADR* .....	890,800	34,073,100	TELECOMMUNICATIONS EQUIPMENT - 1.1%		
PHARMACEUTICALS - 2.3%			Tellabs, Inc. ....	2,643,300	22,811,679
AstraZeneca Plc ADR* ...	445,000	20,794,850	TELECOMMUNICATIONS SERVICES - 1.2%		
Bristol-Myers Squibb Co.*	670,000	16,234,100	Citizens Communications Co. ....	2,015,500	26,080,570
Serono S.A. ADR* .....	776,690	11,953,259	TRANSPORTATION - 1.8%		
		48,982,209	Burlington Northern Santa Fe Corp.* .....	894,900	28,189,350
REAL ESTATE - 2.7%			SkyWest, Inc.* .....	509,777	9,808,109
Healthcare Realty Trust, Inc.* .....	508,900	21,730,030			37,997,459
Host Marriott Corp. ....	2,821,000	36,052,380	TOTAL COMMON STOCK - 94.5%		
		57,782,410	(Identified cost \$1,633,562,797) .....		2,004,111,318
RESTAURANTS - 1.2%					
McDonald's Corp.* .....	868,000	24,798,760			
RETAIL - 5.5%					
American Eagle Outfitters, Inc. ....	967,000	26,070,320			
Office Depot, Inc. ....	1,257,700	23,669,914			
Talbots, Inc.* .....	581,500	20,806,070			

# Meridian Value Fund

## Schedule of Investments (continued)

March 31, 2004 (Unaudited)

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	<u>Value</u>
TOTAL INVESTMENTS - 94.50% (Identified cost \$1,633,562,797) . . . . .	\$2,004,111,318
CASH AND OTHER ASSETS LESS LIABILITIES - 5.5% . . . . .	<u>117,058,193</u>
NET ASSETS - 100% . . . . .	<u><u>\$2,121,169,511</u></u>

\* income producing  
ADR - American Depository Receipt

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# MERIDIAN FUND, INC.

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This report is submitted for the information of shareholders of Meridian Fund, Inc. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

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## MERIDIAN GROWTH FUND® MERIDIAN VALUE FUND® THIRD QUARTER REPORT



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