

# MERIDIAN FUND, INC.

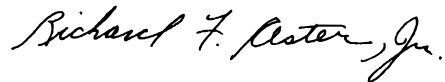
October 1, 2004

To Our Shareholders:

The September quarter was a difficult period for equities. There is concern that higher oil prices will lead to slower economic growth and reduced corporate profits in the periods ahead. The S&P 500 declined 2.3%, the NASDAQ 7.4% and the Russell 2000 3.1%. The best performing groups included mining, marine transportation and steel. Semiconductors, airlines and soft drinks represented the worst performing areas. Bonds performed well. The yield on the ten-year government bond declined to 4.1% from 4.6% on June 30, reflecting a modest slowdown in economic growth and reduced inflation concerns.

We believe that the rise in energy costs will slow economic growth somewhat, but not create a downturn. Energy is not as vital to the U.S. economy as in the past. In 1980, consumer spending on energy goods and services represented 9% of total spending. Today it has declined to 5%. Higher oil prices, sooner or later, will lead to increased supply, reduced consumption and lower prices. The price of oil, in our opinion, will be lower a year from now. Most indicators point to modest economic and profit growth for the balance of this year and well into 2005, and this represents our outlook as well. Inflation is not a problem and interest rates remain at attractive levels.

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 September 30, 2004 was \$34.05. This represents an increase of 3.1% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, August 1, 1984, were 1,355.6% and 14.2%, respectively. The Fund's assets at the close of the quarter were invested 5.3% in cash and cash equivalents and 94.7% in stocks. Total net assets were \$1,324,932,312 and there were 63,680 shareholders.

There is no change in our market outlook, research focus or method of operation. We are positive on equities and believe stock selection will be the primary determinant of performance, while a pickup in the economy and increased capital spending would certainly be welcome. Our

portfolio consists of approximately 50 positions, representing small and medium-sized companies that we believe are positioned to do well during the next several years.

Purchases during the quarter included Airgas, Inc., Allied Waste, Rollins, Inc. and Willis Group Holdings. We sold our shares of Dollar Tree Stores, Province Healthcare and Zebra.

We continue to hold our position in Herman Miller. The company is a leading, well established and innovative manufacturer and distributor of office furniture systems. Products are used also in industrial, educational and healthcare environments. Sales are made primarily to or through independent contract office furniture dealers. The office furniture market has been difficult during the past three years. Management has done a good job of controlling costs, gaining market share and maintaining profitability. Business is primarily tied to employment and is beginning to improve. We believe also that the replacement cycle for outdated furniture is greater than normal. Herman Miller's business should continue to improve during the next several years as employment and business spending pick up. The shares of this well managed company, in our opinion, are attractively valued based on potential earning power during the next few years.

#### **Meridian Value Fund®**

The Meridian Value Fund's net asset value per share at September 30, 2004 was \$38.93. This represents an increase of 2.9% for the calendar year to date. The Fund's total return and average compounded annual rate of return since June 30, 1995, were 463.5% and 17.9%, respectively. The comparable period returns for the S&P 500 with dividends were 138.0% and 9.8%, respectively. The Fund's assets at the close of the quarter were invested 5.7% in cash and cash equivalents and 94.3% in stocks. Total net assets were \$2,186,787,671 and there were 106,859 shareholders.

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. We believe that over the long term this strategy will continue to outperform. In our opinion the portfolio is well positioned, reasonably valued and diversified. Consumer products, industrial products and technology represent our largest areas of concentration and we continue to invest in companies of all market capitalizations.

New positions during the quarter include Christopher & Banks, Interpublic Group of Companies, Kraft Foods, La-Z-Boy, May Department Stores and Sensient Technologies. We sold our shares of Cadence Design Systems, Crane, Citizens Communications, Hyperion Solutions, Omnicare, Kononklijke Philips Electronics, Scholastic and Synopsys.

Eastman Kodak is the world-wide leader in traditional film and digital imaging products to consumers, the entertainment industry, professionals, healthcare providers and commercial businesses. Over the past five years, Kodak has experienced a significant decline in demand for its traditional film products, which accounted for more than 70% of sales, due to the rapid adoption

of digital photography. Kodak's sales stagnated and earnings fell from \$5.03 in 1999 to \$2.32 in 2003, with the stock declining from a high of \$50 to a low of \$20. Over the past year, Kodak has reorganized its businesses to capture a meaningful share of the fast growing digital imaging market, especially digital cameras, film developing kiosks, digital imaging printers and healthcare imaging, and implemented significant cost reductions in its traditional film segments. These actions have driven renewed earnings growth and we believe the shares are reasonably valued at 11 times the \$3 in earnings per share that Kodak management targets by 2006.

# Meridian Growth Fund Schedule of Investments

September 30, 2004 (Unaudited)

	Shares	Value**		Shares	Value**
COMMON STOCK - 94.7%			HEALTHCARE PRODUCTS - 2.8%		
APPAREL - 3.2%			Edwards Lifesciences Corp. ....	548,985	\$ 18,390,998
Fossil, Inc. ....	735,482	\$ 22,755,813	Steris Corp. ....	846,010	18,561,459
Polo Ralph Lauren Corp.*	553,925	20,146,252			36,952,457
		42,902,065	HEALTHCARE SERVICES - 9.7%		
BANKING/FINANCE - 3.8%			DaVita, Inc. ....	1,058,972	32,986,978
Silicon Valley Bancshares	842,800	31,326,876	Laboratory Corporation of America Holdings ...	750,200	32,798,744
UCBH Holdings, Inc.* ...	485,808	18,980,519	LifePoint Hospitals, Inc.	1,082,000	32,470,820
		50,307,395	Renal Care Group, Inc. ...	922,550	29,733,787
BROKERAGE & MONEY MANAGEMENT - 2.3%					127,990,329
T. Rowe Price Group, Inc.*	609,173	31,031,273	INDUSTRIAL PRODUCTS - 4.7%		
CELLULAR COMMUNICATIONS - 2.2%			Airgas, Inc. ....	153,925	3,704,975
American Tower Corp. Class A	1,898,900	29,148,115	Dionex Corp. ....	482,764	26,407,191
JAMDAT Mobile, Inc. ...	2,000	46,140	Tektronix, Inc.*	957,800	31,846,850
		29,194,255			61,959,016
CONSTRUCTION - 2.8%			INDUSTRIAL SERVICES - 8.0%		
Granite Construction, Inc.*	1,532,035	36,615,637	Allied Waste Industries, Inc. ....	1,451,125	12,842,456
CONSUMER DURABLES - 1.1%			EGL, Inc. ....	1,043,078	31,563,540
Matthews International Corp.*	418,700	14,185,556	Expeditors International of Washington, Inc.* ...	144,200	7,455,140
CONSUMER SERVICES - 4.6%			Republic Services, Inc.*	968,300	28,816,608
Regis Corp.*	687,900	27,667,338	United Rentals, Inc. ....	1,590,600	25,274,634
Rollins, Inc.*	519,125	12,609,546			105,952,378
Weight Watchers International, Inc. ....	536,510	20,827,318	INSURANCE - 4.3%		
		61,104,202	Mercury General Corp.*	601,500	31,813,335
EDUCATION - 1.9%			Willis Group Holdings Limited*	670,030	25,059,122
DeVry, Inc. ....	1,208,600	25,030,106			56,872,457
FURNITURE/FIXTURES - 2.1%			REAL ESTATE - 2.0%		
Herman Miller, Inc.*	1,149,585	28,337,270	Host Marriott Corp.*	1,900,150	26,659,105
			RESTAURANTS - 6.5%		
			Applebee's International, Inc.*	1,137,335	28,751,829
			CBRL Group, Inc.*	801,188	28,906,863
			Ruby Tuesday, Inc.*	1,040,000	28,984,800
					86,643,492

# Meridian Growth Fund Schedule of Investments (continued)

September 30, 2004 (Unaudited)

	Shares	Value**		Shares	Value**
COMMON STOCK (continued)			U.S. GOVERNMENT OBLIGATIONS - 2.2%		
RETAIL - 9.8%			U.S. Treasury Bill		
Claire's Stores, Inc.* . . . . .	1,205,600	\$ 30,188,224	@ 1.316% due		
Cost Plus, Inc. . . . .	848,624	30,024,317	11/04/04 (Face Value		
Ethan Allen Interiors,			\$9,000,000) . . . . .	9,000,000	\$ 8,987,900
Inc.* . . . . .	846,400	29,412,400	U.S Treasury Bill @		
Ross Stores, Inc.* . . . . .	1,101,300	25,814,472	1.617% due 12/09/04		
Tuesday Morning Corp.	479,992	14,841,353	(Face Value		
		<u>130,280,766</u>	\$10,000,000) . . . . .	10,000,000	9,968,850
TECHNOLOGY - 16.5%			U.S Treasury Bill		
Advent Software, Inc. . . . .	1,056,838	17,786,584	@ 1.726% due		
American Power			01/06/05 (Face Value		
Conversion Corp.* . . . . .	1,488,073	25,877,589	\$10,000,000) . . . . .	10,000,000	<u>9,953,090</u>
Autodesk, Inc.* . . . . .	586,832	28,537,640	TOTAL U.S. GOVERNMENT		
FileNET Corp. . . . .	718,800	12,550,248	OBLIGATIONS		
Getty Images, Inc. . . . .	440,000	24,332,000	(Identified cost \$28,912,040) . . . . .		<u>28,909,840</u>
KEMET Corp. . . . .	2,432,600	19,679,734	TOTAL INVESTMENTS - 96.9%		
Molex, Inc. Class A* . . . . .	1,108,375	29,161,346	(Identified cost \$1,122,842,441) . . . . .		1,283,831,365
Symbol Technologies,			CASH AND OTHER ASSETS LESS		
Inc.* . . . . .	2,263,600	28,611,904	LIABILITIES - 3.1% . . . . .		<u>41,100,947</u>
Synopsys, Inc. . . . .	162,100	2,566,043	NET ASSETS - 100% . . . . .		<u><u>\$1,324,932,312</u></u>
Vishay Intertechnology,					
Inc. . . . .	2,292,950	29,579,055			
TELECOMMUNICATIONS EQUIPMENT - 6.4%		<u>218,682,143</u>			
Andrew Corp. . . . .	2,470,625	30,240,450			
Plantronics, Inc.* . . . . .	735,900	31,820,316			
Tellabs, Inc. . . . .	2,411,410	22,160,858			
		<u>84,221,624</u>			
TOTAL COMMON STOCK - 94.7%					
(Identified cost \$1,093,930,401) . . . . .		<u>1,254,921,524</u>			

\* income producing

\*\* Investment Valuation: Marketable securities are valued at the closing price or last sales price on the principal exchange or market on which they are traded; or, if there were no sales that day, at the last reported bid price.

# Meridian Value Fund

## Schedule of Investments

September 30, 2004 (Unaudited)

	Shares	Value**		Shares	Value**
COMMON STOCK - 94.3%			CONSUMER SERVICES - 2.1%		
AEROSPACE/DEFENSE - 2.3%			ServiceMaster Co.* . . . . .	3,606,200	\$ 46,375,732
Empresa Brasileira de			ENERGY - 6.8%		
Aeronautica S.A. ADR* . . . . .	1,073,900	\$ 28,350,960	Arch Coal, Inc.* . . . . .	1,133,300	40,220,817
Northrop Grumman Corp.* . . . . .	420,800	22,441,264	El Paso Corp.* . . . . .	3,221,000	29,600,990
		50,792,224	National-Oilwell, Inc. . . . .	1,271,600	41,784,776
AGRICULTURE - 1.2%			Tidewater, Inc.* . . . . .	1,140,400	37,120,020
Agrium, Inc.* . . . . .	1,431,600	25,425,216			148,726,603
BANKING/FINANCE - 4.2%			FURNITURE & FIXTURES - 1.7%		
Annaly Mortgage			Furniture Brands		
Management, Inc.* . . . . .	1,321,700	22,640,721	International, Inc.* . . . . .	1,298,300	32,561,364
Greater Bay Bancorp.* . . . . .	772,385	22,206,069	LA-Z-Boy, Inc.* . . . . .	291,500	4,424,970
SunTrust Banks, Inc.* . . . . .	347,000	24,432,270			36,986,334
Washington Mutual, Inc.* . . . . .	551,500	21,552,620	HEALTHCARE PRODUCTS - 1.2%		
		90,831,680	Haemonetics Corp. . . . .	791,000	25,976,440
BASIC MATERIALS - 1.0%			HEALTHCARE SERVICES - 1.7%		
Newmont Mining Corp.* . . . . .	473,500	21,558,455	HCA, Inc.* . . . . .	988,000	37,692,200
CONSUMER PRODUCTS - 16.0%			PAREXEL International		
Activision, Inc. . . . .	2,615,561	36,277,831	Corp. . . . .	38,500	754,600
American Greetings Corp.					38,446,800
Class A* . . . . .	1,296,200	32,560,544	INDUSTRIAL PRODUCTS - 8.5%		
Avery Dennison Corp.* . . . . .	334,000	21,970,520	ArvinMeritor, Inc.* . . . . .	1,524,300	28,580,625
Del Monte Foods Co. . . . .	3,205,400	33,624,646	Cummins, Inc.* . . . . .	309,200	22,846,788
Eastman Kodak Co.* . . . . .	1,214,200	39,121,524	Eastman Chemical Co.* . . . . .	485,800	23,099,790
Fomento Economico			Manitowoc Co., Inc.* . . . . .	864,000	30,637,440
Mexicano S.A. de C.V.			Mettler-Toledo		
ADR* . . . . .	748,700	33,077,566	International, Inc. . . . .	694,000	32,770,680
Kimberly-Clark Corp.* . . . . .	485,100	31,332,609	Packaging Corp. of		
Kraft Foods, Inc.* . . . . .	662,500	21,014,500	America* . . . . .	894,700	21,893,309
Leggett & Platt, Inc.* . . . . .	1,479,700	41,579,570	Smurfit-Stone Container		
Newell Rubbermaid, Inc.* . . . . .	1,574,200	31,546,968	Corp. . . . .	1,306,300	25,303,031
Sensient Technologies					185,131,663
Corp.* . . . . .	279,300	6,044,052	INDUSTRIAL SERVICES - 3.3%		
Sony Corp. ADR* . . . . .	625,400	21,507,506	Allied Waste Industries,		
		349,657,836	Inc. . . . .	3,600,100	31,860,885
CONSUMER DURABLES - 1.7%			Waste Management, Inc.* . . . . .	1,451,600	39,686,744
General Motors Corp.* . . . . .	425,000	18,054,000			71,547,629
Whirlpool Corp.* . . . . .	325,000	19,529,250			
		37,583,250			

# Meridian Value Fund

## Schedule of Investments (continued)

September 30, 2004 (Unaudited)

	Shares	Value**		Shares	Value**
COMMON STOCK (continued)			RETAIL - 6.3%		
INFORMATION TECHNOLOGY SERVICES - 2.1%			American Eagle Outfitters, Inc.*		
Automatic Data Processing, Inc.*	536,600	\$ 22,172,312		573,850	\$ 21,146,373
BearingPoint, Inc.	2,560,300	22,889,082		927,200	25,349,648
		<u>45,061,394</u>			
INSURANCE - 3.7%			Christopher & Banks Corp.*		
Conseco, Inc.	2,191,600	38,703,656		616,200	9,865,362
MGIC Investment Corp.*	313,800	20,883,390		858,700	22,008,481
Nationwide Financial Services, Inc. Class A*	603,100	21,174,841		1,207,700	18,151,731
		<u>80,761,887</u>		1,377,300	24,887,811
LEISURE & AMUSEMENT - 2.9%				697,100	17,281,109
Boyd Gaming Corp.*	998,600	28,110,590			<u>138,690,515</u>
Royal Caribbean Cruises Ltd.*	807,000	35,185,200	TECHNOLOGY - 7.9%		
		<u>63,295,790</u>	AVX Corp.*		
MEDIA - 6.1%				763,600	9,048,660
ADVO, Inc.*	574,750	17,782,765		1,299,600	16,504,920
Hearst-Argyle Television, Inc.*	693,800	16,963,410		958,750	24,869,975
Interpublic Group of Companies, Inc.	2,257,100	23,902,689		2,121,764	15,276,701
Lamar Advertising Co. Class A	1,007,300	41,913,753		998,600	16,217,264
Time Warner, Inc.	2,018,000	32,570,520		1,708,800	34,346,880
		<u>133,133,137</u>		776,500	19,614,390
PAPER/FOREST PRODUCTS - 1.3%				1,707,000	21,576,480
Aracruz Celulose S.A. ADR*	890,800	29,503,296		715,236	14,218,892
PHARMACEUTICALS - 1.4%					<u>171,674,162</u>
AstraZeneca Plc ADR*	773,000	31,793,490	TELECOMMUNICATIONS EQUIPMENT - 1.9%		
REAL ESTATE - 3.1%				4,461,500	41,001,185
Healthcare Realty Trust, Inc.*	508,900	19,867,456	TELECOMMUNICATIONS SERVICES - 2.7%		
Host Marriott Corp.*	3,468,700	48,665,861	Comcast Corp. Special Class A		
		<u>68,533,317</u>		1,355,000	37,831,600
RESTAURANTS - 1.1%				1,636,100	21,645,603
McDonald's Corp.*	868,000	24,330,040			<u>59,477,203</u>
			TRANSPORTATION - 2.1%		
			Burlington Northern Santa Fe Corp.*		
				594,900	22,790,619
				1,524,079	22,937,389
					<u>45,728,008</u>
			TOTAL COMMON STOCK - 94.3%		
			(Identified cost \$1,880,216,301)		
					<u>2,062,023,285</u>

# Meridian Value Fund

## Schedule of Investments (continued)

September 30, 2004 (Unaudited)

	<u>Shares</u>	<u>Value**</u>
U.S. GOVERNMENT OBLIGATIONS - 2.7%		
U.S. Treasury Bill		
@ 1.568% due 10/28/04		
(Face Value		
\$20,000,000.00) . . . . .	20,000,000	\$ 19,976,825
U.S. Treasury Bill		
@ 1.570% due 11/26/04		
(Face Value		
\$20,000,000.00) . . . . .	20,000,000	19,951,937
U.S. Treasury Bill		
@ 1.685% due 12/23/04		
(Face Value		
\$20,000,000.00) . . . . .	20,000,000	<u>19,924,060</u>
TOTAL U.S. GOVERNMENT		
OBLIGATIONS		
(Identified cost \$59,852,449) . . . . .		<u>59,852,821</u>
TOTAL INVESTMENTS - 97.0%		
(Identified cost \$1,938,155,753) . . . . .	2,121,876,106	
CASH AND OTHER ASSETS LESS		
LIABILITIES - 3.0% . . . . .		<u>64,911,565</u>
NET ASSETS - 100% . . . . .		<u><u>\$2,186,787,671</u></u>

\* income producing

ADR - American Depository Receipt

\*\* Investment Valuation: Marketable securities are valued at the closing price or last sales price on the principal exchange or market on which they are traded; or, if there were no sales that day, at the last reported bid price.

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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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## *Officers and Directors*

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



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September 30, 2004