

MERIDIAN FUND, INC.

January 2, 2004

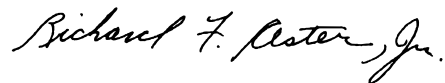
To Our Shareholders:

Stocks posted strong gains across the board during 2003, after three difficult years. An improved economy and a better outlook for profits were the primary catalysts. The S&P 500 advanced 26.38%, the NASDAQ 50.01% and the Russell 2000 45.37%. Technology, wireless and related stocks represented the best performing sectors. Energy and health care services lagged the overall market. The yield on the thirty-year government bond increased from 4.99% to 5.16% during 2003, reflecting better business conditions.

The economy improved throughout 2003, gaining real momentum during the second half of the year. GDP grew at a robust 8.2% during the third quarter and is expected to post strong growth for the final quarter as well. Housing starts remain strong, auto sales are holding up, productivity is increasing, industrial production is improving and employment is starting to pick up. Interest rates and inflation remain in check. We expect solid GDP growth throughout 2004 accompanied by strong growth in corporate profits. Interest rates and the rate of inflation will increase modestly, in our opinion. Areas of concern include the weak dollar, the federal budget deficit and possible trade restrictions. Hopefully, there will be no major international problems.

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

We wish you a happy, healthy and prosperous New Year.



Richard F. Aster, Jr.

Meridian Growth Fund®

The Meridian Growth Fund's net asset value per share at December 31, 2003 was \$33.03. This represents an increase of 47.9% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, August 1, 1984, were 1,311.9% and 14.6%, respectively. On December 23, 2003, the Fund made a long-term capital gain distribution of \$0.69 per share. The Fund's assets at the close of the quarter were invested 6.6% in cash and cash equivalents and 93.4% in stocks. Total net assets were \$747,368,649 and there were 30,291 shareholders.

Valuations are not as attractive as they were at the beginning of 2003, but the investment picture remains positive for equities. Profit growth is strong and inflation and interest rates are at attractive levels. We remain constructive toward the stock market, and especially toward small and medium-sized growth stocks. It is important to remember that long-term investors now pay a fifteen percent capital gains tax, the lowest rate in recent memory. Fortunately, over ninety percent of our gains are long-term. Our portfolio is reasonably valued, balanced and, in our opinion, will continue to perform relatively well. Technology, retail and health care continue to represent our heaviest areas of concentration as we enter the New Year.

During the December quarter, we purchased shares in Fossil, LifePoint Hospitals and Weight Watchers International. We sold our positions in Health Management Associates, Lincare Holdings, Paychex and Tiffany.

We recently purchased shares in Advent Software, the leading provider of software to the investment management industry. We believe this is a large, growing and not heavily penetrated market, although somewhat cyclical. Products include portfolio accounting, client relationship, partnership accounting and performance and analytic reporting. We have used the product for years. The company's business suffered during the past two years due to the decline in the equity markets and management's reluctance to cut costs, which has now been rectified. Stephanie Demarco, Advent's founder and long-time chairman, recently returned to the company as CEO, a positive development. The company has a strong balance sheet and sells at a reasonable valuation. Growth should now resume as the financial markets recover, and the company adds new customers and sells additional products to existing customers.

Meridian Value Fund®

The Meridian Value Fund's net asset value per share at December 31, 2003 was \$37.84. This represents an increase of 34.7% for the calendar year to date. The Fund's total return and average compounded annual rate of return since June 30, 1995, were 447.8% and 22.1%, respectively. The comparable period returns for the S&P 500 with dividends were 134.0% and 10.5%, respectively. The Fund's assets at the close of the quarter were invested 8.7% in cash and cash equivalents and 91.3% in stocks. Total net assets were \$1,918,087,579 and there were 89,901 shareholders.

We believe the outlook for equities remains solid. Higher valuations in the stock market, we believe, are supported by improved profit growth. There have been no major changes in our strategy and we continue to seek out-of-favor companies of all market capitalizations that have defensible positions in their industries, strong or improving balance sheets and good prospects for earnings growth in a strengthening economy. We believe our portfolio remains well positioned, reasonably valued and diversified. Technology, consumer products and industrial products represent our heaviest areas of concentration.

New positions during the quarter include Automatic Data Processing, Activision, Eastman Chemical, Furniture Brands International, Fomenta Economico Mexicano SA de CV, Hearst-

Argyle Television, Kroger, Leggett & Platt, Millennium Chemicals, Network Associates, Royal Caribbean Cruises, SunTrust Banks, TOO, Time Warner and Whirlpool. We sold our shares in Adtran, Aetna, AMVESCAP, AT&T Wireless Services, Engelhard, FMC Technologies, J. B. Hunt Transport Services, Kerr-McGee, Lincare Holdings, Men's Wearhouse, Inco and Pall Corp.

Furniture Brands, a recent purchase, is a leading furniture designer, manufacturer, distributor and retailer of residential furniture. Furniture industry sales were soft over most of the past year due to tough economic conditions and consumer preference for alternate high ticket items such as housing and automobiles. These conditions caused Furniture Brands earnings to decline from \$2.11 in 2002 to \$1.83 for 2003, with the stock declining from a high of \$42 to a low of \$17. Conditions in the furniture industry are now improving with higher demand driven by stronger economic conditions and a pent up need for furniture stemming from the strong housing market. In addition, the company restructured its operations during the downturn and is now poised for a strong profit recovery. Earnings are expected to reach \$2.21 in 2004 and grow at 10%-15% annually for the next several years. Furniture Brands is attractively valued at the current stock price of \$30, trading at 13.6x this year's earnings estimates and less than 11x earnings potential.

Meridian Growth Fund

Schedule of Investments

December 31, 2003 (Unaudited)

	Shares	Value		Shares	Value
COMMON STOCK - 93.4%			Province Healthcare Co. . . .	794,700	\$ 12,715,200
APPAREL - 1.9%			Renal Care Group, Inc.	444,600	18,317,520
Fossil, Inc.	256,688	\$ 7,189,831			73,125,156
Polo Ralph Lauren Corp.*	251,425	7,241,040	INDUSTRIAL PRODUCTS - 4.4%		
		14,430,871	Dionex Corp.	250,130	11,510,983
BANKING & FINANCE - 4.0%			Tektronix, Inc.*	663,800	20,976,080
Silicon Valley Bancshares . .	522,600	18,850,182			32,487,063
UCBH Holdings, Inc.*	280,300	10,923,291	INDUSTRIAL SERVICES - 6.5%		
		29,773,473	EGL, Inc.	413,725	7,265,011
BROKERAGE & MONEY MANAGEMENT - 3.1%			Expeditors International of		
Edwards (A.G.), Inc.*	221,800	8,035,814	Washington, Inc.*	134,200	5,053,972
T. Rowe Price Group, Inc.*	319,673	15,155,697	Republic Services, Inc.* . . .	696,300	17,846,169
		23,191,511	United Rentals, Inc.	953,000	18,354,780
CELLULAR COMMUNICATIONS - 2.0%					48,519,932
American Tower Corp.			INSURANCE - 2.5%		
Class A	1,391,900	15,060,358	Mercury General Corp.* . . .	398,800	18,564,140
CONSTRUCTION - 2.5%			RESTAURANTS - 4.5%		
Granite Construction, Inc.*	791,925	18,602,318	Applebee's International,		
CONSUMER SERVICES - 3.5%			Inc.*	430,350	16,899,845
Regis Corp.*	466,300	18,428,176	Ruby Tuesday, Inc.*	596,800	17,002,832
Weight Watchers					33,902,677
International, Inc.	202,310	7,762,635	RETAIL - 15.4%		
		26,190,811	Bed, Bath and Beyond, Inc.	118,400	5,132,640
EDUCATION - 2.5%			Borders Group, Inc.*	727,600	15,948,992
DeVry, Inc.	755,600	18,988,228	Claire's Stores, Inc.*	835,800	15,746,472
FURNITURE & FIXTURES - 2.0%			Cost Plus, Inc.	367,900	15,083,900
Herman Miller, Inc.*	615,650	14,941,825	Dollar Tree Stores, Inc.	529,800	15,925,788
HEALTHCARE SERVICES - 9.8%			Ethan Allen Interiors, Inc.*	399,200	16,718,496
DaVita, Inc.	482,000	18,798,000	Men's Wearhouse, Inc.	619,200	15,486,192
Laboratory Corporation of			Ross Stores, Inc.*	579,200	15,308,256
America Holdings	507,300	18,744,735			115,350,736
LifePoint Hospitals, Inc. . . .	154,489	4,549,701	TECHNOLOGY - 23.9%		
			Advent Software, Inc.	610,465	10,640,405
			American Power Conversion		
			Corp.*	681,700	16,667,565
			Autodesk, Inc.*	707,200	17,382,976
			FileNET Corp.	529,200	14,330,736
			Getty Images, Inc.	345,000	17,294,850
			KEMET Corp.	1,300,100	17,798,369
			Molex, Inc. Class A*	568,600	16,694,096

The accompanying notes are an integral part of the financial statements

Meridian Growth Fund

Schedule of Investments (continued)

December 31, 2003 (Unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Value</u>
COMMON STOCK (continued)				
Symbol Technologies, Inc.*	1,136,900	\$ 19,202,241	U.S. GOVERNMENT OBLIGATIONS - 2.3%	
Synopsys, Inc.	537,200	18,135,872	(Identified cost \$16,984,794)	
Vishay Intertechnology, Inc.	848,400	19,428,360	U.S. Treasury Bill @ 0.937% due	
Zebra Technologies Corp.			02/05/04 (Face Value \$17,000,000.00)	\$ 16,985,837
Class A	163,650	<u>10,861,450</u>		
		178,436,920	TOTAL INVESTMENTS - 95.7%	
			(Identified cost \$555,623,677)	715,510,790
TELECOMMUNICATIONS EQUIPMENT - 4.9%				
Andrew Corp.	1,703,625	19,608,724	CASH AND OTHER ASSETS LESS	
Plantronics, Inc.	531,400	<u>17,350,210</u>	LIABILITIES - 4.3%	<u>31,857,859</u>
		36,958,934		
TOTAL COMMON STOCK - 93.4%				
(Identified cost \$538,638,883)		<u>698,524,953</u>	NET ASSETS - 100%	<u>\$747,368,649</u>

* income producing

The accompanying notes are an integral part of the financial statements

Meridian Value Fund

Schedule of Investments

December 31, 2003 (Unaudited)

	Shares	Value		Shares	Value
COMMON STOCK - 91.3%			CONSUMER SERVICES - 4.8%		
AEROSPACE/DEFENSE - 3.3%			EchoStar Communications		
Empresa Brasileira de			Corp. Class A	626,000	\$ 21,284,000
Aeronautica S.A. ADR*	841,600	\$ 29,481,248	ServiceMaster Co.*	2,880,700	33,560,155
Raytheon Co.*	832,400	25,005,296	Waste Management, Inc.*	1,261,600	37,343,360
Rockwell Collins, Inc.* . .	296,600	8,906,898			<u>92,187,515</u>
		<u>63,393,442</u>	ENERGY - 8.3%		
AGRICULTURE - 1.7%			Arch Coal, Inc.*	1,211,900	37,774,923
Agrium, Inc.*	1,361,600	22,411,936	Burlington Resources,		
Potash Corp. of			Inc.*	720,300	39,890,214
Saskatchewan, Inc.*	108,800	9,409,024	National-Oilwell, Inc. . . .	1,374,100	30,724,876
		<u>31,820,960</u>	Newfield Exploration Co.	452,700	20,163,258
BANKING/FINANCE - 2.2%			Valero Energy Corp.*	645,800	29,926,372
Annaly Mortgage					<u>158,479,643</u>
Management, Inc.*	1,321,700	24,319,280	FURNITURE & FIXTURES - 1.5%		
SunTrust Banks, Inc.*	260,500	18,625,750	Furniture Brands		
		<u>42,945,030</u>	International, Inc.*	983,300	28,840,189
BASIC MATERIALS - 2.0%			HEALTHCARE PRODUCTS - 2.4%		
Newmont Mining Corp.*	790,200	38,411,622	Boston Scientific Corp. . . .	735,800	27,048,008
CONSUMER PRODUCTS - 9.1%			Haemonetics Corp.	791,000	18,896,990
Activision, Inc.	1,236,041	22,495,946			<u>45,944,998</u>
American Greetings Corp.			HEALTHCARE SERVICES - 5.4%		
Class A	1,238,900	27,094,743	DaVita, Inc.	967,500	37,732,500
Campbell Soup Co.*	690,300	18,500,040	Omnicare, Inc.*	1,141,800	46,117,302
Dial Corp.*	658,600	18,750,342	PAREXEL International		
Fomento Economico			Corp.	1,250,200	20,328,252
Mexicano S.A. de C.V.					<u>104,178,054</u>
ADR*	591,100	21,799,768	INDUSTRIAL PRODUCTS - 7.0%		
Kimberly-Clark Corp.* . . .	654,700	38,686,223	Crane Co.*	640,600	19,692,044
Leggett & Platt, Inc.*	746,700	16,151,121	Cummins, Inc.*	254,000	12,430,760
Scholastic Corp.	298,377	10,156,753	Eastman Chemical Co.* . .	485,800	19,203,674
		<u>173,634,936</u>	Mettler-Toledo		
CONSUMER DURABLES - 1.0%			International, Inc.	465,800	19,661,418
Whirlpool Corp.*	265,000	19,252,250	Millenium Chemicals, Inc.	418,800	5,310,384
			Packaging Corp. of		
			America*	894,700	19,558,142
			Thermo Electron Corp. . .	773,800	19,499,760
			Waters Corp.	582,700	19,322,332
					<u>134,678,514</u>

The accompanying notes are an integral part of the financial statements

Meridian Value Fund

Schedule of Investments (continued)

December 31, 2003 (Unaudited)

	Shares	Value		Shares	Value
COMMON STOCK (continued)			RESTAURANTS - 1.1%		
INDUSTRIAL SERVICES - 4.1%			McDonald's Corp.*	868,000	\$ 21,552,440
ADVO, Inc.*	557,350	\$ 17,701,436			
Lamar Advertising Co.	927,300	34,606,836	RETAIL - 5.7%		
Valassis Communications, Inc.	864,900	25,384,815	American Eagle Outfitters, Inc.	1,082,000	17,744,800
		77,693,087	CVS Corp.*	255,200	9,217,824
INFORMATION TECHNOLOGY SERVICES - 0.9%			Kroger Co.	1,025,000	18,972,750
Automatic Data Processing, Inc.*	87,600	3,469,836	Office Depot, Inc.	1,382,700	23,104,917
BearingPoint, Inc.	1,418,400	14,311,656	Too, Inc.	828,700	13,988,456
		17,781,492	Zale Corp.	488,200	25,972,240
INSURANCE - 2.5%					109,000,987
SAFECO Corp.*	1,234,700	48,066,871	TECHNOLOGY - 13.3%		
LEISURE & AMUSEMENT - 1.1%			AVX Corp.*	353,100	5,868,522
Royal Caribbean Cruises Ltd.*	582,000	20,247,780	American Power Conversion Corp.*	1,423,031	34,793,108
MEDIA - 1.3%			Cadence Design System, Inc.	584,000	10,500,320
Hearst-Argyle Television, Inc.*	182,800	5,037,968	Coherent, Inc.	822,967	19,586,615
Time Warner, Inc.	1,100,000	19,789,000	Electronics for Imaging, Inc.	998,600	25,983,572
		24,826,968	Hyperion Solutions Corp. Koninklijke (Royal) Philips Electronics N.V. NY Shares*	578,000	17,420,920
PAPER/FOREST PRODUCTS - 1.6%			Networks Associates, Inc.	1,205,000	18,123,200
Aracruz Celulose S.A. ADR*	695,900	24,384,336	Power Integrations, Inc.	507,680	16,986,973
Sappi Ltd ADR*	524,000	7,163,080	SERENA Software, Inc.	861,000	15,799,350
		31,547,416	Storage Technology Corp. Symbol Technologies, Inc.*	1,524,900	39,266,175
PHARMACEUTICALS - 3.8%			Synopsys, Inc.	660,200	11,150,778
Bristol-Myers Squibb Co.*	670,000	19,162,000	VeriSign, Inc.	231,800	7,825,568
Mylan Laboratories, Inc.*	1,085,250	27,413,415		715,236	11,658,347
Serono S.A. ADR*	1,501,490	26,351,149			254,802,828
		72,926,564	TELECOMMUNICATIONS SERVICES - 1.8%		
REAL ESTATE - 2.0%			CenturyTel, Inc.*	296,700	9,678,354
Healthcare Realty Trust, Inc.*	508,900	18,193,175	Citizens Communications Co.	2,015,500	25,032,510
Host Marriott Corp.	1,671,000	20,586,720			34,710,864
		38,779,895			

The accompanying notes are an integral part of the financial statements

Meridian Value Fund

Schedule of Investments (continued)

December 31, 2003 (Unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Value</u>
COMMON STOCK (continued)			TOTAL U.S. GOVERNMENT OBLIGATIONS	
TRANSPORTATION - 3.4%			(Identified cost \$91,916,486)	<u>\$ 91,924,554</u>
Burlington Northern Santa Fe Corp.*	894,900	\$ 28,950,015		
Yellow Roadway Corp. . .	989,084	<u>35,775,168</u>	TOTAL INVESTMENTS - 96.1%	
		64,725,183	(Identified cost \$1,456,926,691)	1,842,354,082
TOTAL COMMON STOCK - 91.3%			CASH AND OTHER ASSETS LESS	
(Identified cost \$1,365,010,205)		<u>1,750,429,528</u>	LIABILITIES - 3.9%	<u>75,733,497</u>
U.S. GOVERNMENT OBLIGATIONS - 4.8%			NET ASSETS - 100%	<u>\$1,918,087,579</u>
U.S. Treasury Bill @ 0.897% due 01/08/04 (Face Value \$20,000,000)		19,996,649		
U.S. Treasury Bill @ 0.937% due 01/22/04 (Face Value \$12,000,000)		11,994,105		
U.S. Treasury Bill @ 0.948% due 01/29/04 (Face Value \$15,000,000)		14,990,285		
U.S. Treasury Bill @ 0.937% due 02/12/04 (Face Value \$14,000,000)		13,986,601		
U.S. Treasury Bill @ 0.917% due 02/26/04 (Face Value \$16,000,000)		15,980,494		
U.S. Treasury Bill @ 0.886% due 03/11/04 (Face Value \$15,000,000)		<u>14,976,420</u>		

* income producing
ADR - American Depositary Receipt

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Statements of Assets and Liabilities

December 31, 2003 (Unaudited)

	<u>Growth Fund</u>	<u>Value Fund</u>
ASSETS		
Investments (Cost \$555,623,677 and \$1,456,926,691)	\$715,510,790	\$1,842,354,082
Cash and cash equivalents	36,126,102	76,633,795
Receivable for:		
Capital shares	2,331,162	2,847,265
Dividends	334,922	2,141,767
Interest	12,422	28,083
Securities sold	—	8,939,625
Prepaid expenses	6,106	12,645
TOTAL ASSETS	<u>754,321,504</u>	<u>1,932,957,262</u>
LIABILITIES		
Payable for:		
Capital shares	738,117	1,103,634
Securities purchased	5,631,829	11,937,581
Accrued expenses:		
Investment advisory fees	496,382	1,666,676
Other payables and accrued expenses	86,527	161,792
TOTAL LIABILITIES	<u>6,952,855</u>	<u>14,869,683</u>
NET ASSETS	<u>\$747,368,649</u>	<u>\$1,918,087,579</u>
Capital shares issued and outstanding, par value \$0.01 (500,000,000 and 500,000,000 shares authorized)	<u>22,623,650</u>	<u>50,686,855</u>
Net asset value per share (offering and redemption price)	<u>\$33.03</u>	<u>\$37.84</u>
Net Assets consist of:		
Paid in capital	\$578,256,755	\$1,516,405,557
Accumulated net realized gain	10,512,187	16,568,834
Net unrealized appreciation on investments and foreign currency translations	159,887,113	385,427,391
Accumulated undistributed net investment loss	(1,287,406)	(314,203)
	<u>\$747,368,649</u>	<u>\$1,918,087,579</u>

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Statements of Operations

For the Six Months Ended December 31, 2003 (Unaudited)

	<u>Growth Fund</u>	<u>Value Fund</u>
INVESTMENT INCOME		
Dividends (net of foreign taxes withheld of \$0 and \$57,106, respectively)	\$ 1,190,303	\$ 8,171,243
Interest	136,533	514,932
Other income	<u>6,993</u>	<u>—</u>
Total Investment Income	<u>1,333,829</u>	<u>8,686,175</u>
EXPENSES		
Investment advisory fees	2,280,748	8,304,890
Transfer agent fees	127,417	272,520
Reports to shareholders	55,121	135,666
Pricing fees	45,932	107,242
Custodian fees	43,367	106,580
Registration and filing fees	39,010	40,671
Professional fees	26,719	21,719
Miscellaneous expenses	2,679	8,540
Directors' fees and expenses	<u>242</u>	<u>2,550</u>
Total expenses	<u>2,621,235</u>	<u>9,000,378</u>
Net investment loss	<u>(1,287,406)</u>	<u>(314,203)</u>
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS		
Net realized gain on investments	25,667,697	129,850,887
Net change in unrealized appreciation on investments and foreign currency translations	<u>103,008,732</u>	<u>170,781,896</u>
Net gain on investments	<u>128,676,429</u>	<u>300,632,783</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$127,389,023</u>	<u>\$300,318,580</u>

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Statements of Changes in Net Assets

	Growth Fund		Value Fund	
	Six Months Ended December 31, 2003	Year Ended June 30, 2003	Six Months Ended December 31, 2003	Year Ended June 30, 2003
OPERATIONS				
Net investment loss	\$ (1,287,406)	\$ (1,536,056)	\$ (314,203)	\$ (1,457,716)
Net realized gain (loss) on investments	25,667,697	4,243,657	129,850,887	(74,623,894)
Net increase in unrealized appreciation of investments . . .	<u>103,008,732</u>	<u>10,490,266</u>	<u>170,781,896</u>	<u>138,434,441</u>
Net increase in net assets from operations	<u>127,389,023</u>	<u>13,197,867</u>	<u>300,318,580</u>	<u>62,352,831</u>
DISTRIBUTIONS TO SHAREHOLDERS				
Distributions from ordinary income	—	(699,754)	—	—
Distributions from net realized capital gain	<u>(19,394,588)</u>	<u>(7,469,451)</u>	<u>—</u>	<u>—</u>
Net distributions	<u>(19,394,588)</u>	<u>(8,169,205)</u>	<u>—</u>	<u>—</u>
CAPITAL SHARE TRANSACTIONS				
Proceeds from sales of shares . . .	221,744,641	209,292,815	321,815,695	511,600,637
Reinvestment of distribution	17,050,392	7,510,696	—	—
Less: redemptions	<u>(47,813,878)</u>	<u>(84,098,027)</u>	<u>(160,598,928)</u>	<u>(414,608,084)</u>
Increase resulting from capital share transactions	<u>190,981,155</u>	<u>132,705,484</u>	<u>161,216,767</u>	<u>96,992,553</u>
Total increase in net assets	298,975,590	137,734,146	461,535,347	159,345,384
NET ASSETS				
Beginning of period	<u>448,393,059</u>	<u>310,658,913</u>	<u>1,456,552,232</u>	<u>1,297,206,848</u>
End of period	<u>\$747,368,649</u>	<u>\$448,393,059</u>	<u>\$1,918,087,579</u>	<u>\$1,456,552,232</u>

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Meridian Growth Fund

Financial Highlights

Selected data for each share of capital stock outstanding throughout each period

	For the six months ended December 31, 2003	For the fiscal year ended June 30,									
		2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Net Asset Value - Beginning of period	\$27.24	\$28.10	\$31.30	\$29.45	\$26.28	\$33.26	\$33.20	\$32.21	\$27.29	\$24.27	\$23.87
Income from Investment Operations											
Net Investment Income (Loss)*	(0.06)	(0.08)	(0.12)	2.26	0.11	0.16	0.27	0.40	0.30	0.27	0.09
Net Gains (Losses) on Securities (both realized and unrealized)	6.77	(0.11)	(0.24)	3.89	4.99	(0.50)	4.92	3.71	5.47	3.63	0.76
Total From Investment Operations	6.71	(0.19)	(0.36)	6.15	5.10	(0.34)	5.19	4.11	5.77	3.90	0.85
Less Distributions											
Distributions from Net Investment Income	0.00	(0.06)	0.00	(2.44)	(0.15)	(0.14)	(0.32)	(0.36)	(0.31)	(0.18)	(0.02)
Distribution from Net Realized Capital Gains	(0.92)	(0.61)	(2.84)	(1.86)	(1.78)	(6.50)	(4.81)	(2.76)	(0.54)	(0.70)	(0.43)
Total Distributions	(0.92)	(0.67)	(2.84)	(4.30)	(1.93)	(6.64)	(5.13)	(3.12)	(0.85)	(0.88)	(0.45)
Net Asset Value - End of Period	\$33.03	\$27.24	\$28.10	\$31.30	\$29.45	\$26.28	\$33.26	\$33.20	\$32.21	\$27.29	\$24.27
Total Return	24.77%	(0.20%)	0.42%	23.34%	21.45%	3.05%	16.92%	13.92%	21.40%	16.44%	3.48%
Ratios/Supplemental Data											
Net Assets, End of Period (000's)	\$747,369	\$448,393	\$310,659	\$182,117	\$140,990	\$185,683	\$296,803	\$353,029	\$384,087	\$328,153	\$199,191
Ratio of Expenses to Average Net Assets	0.88%**	0.95%	1.02%	1.04%	1.09%	1.01%	0.95%	0.96%	0.96%	1.06%	1.22%
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.43%)**	(0.47%)	(0.62%)	(0.26%)	0.31%	0.49%	0.76%	1.23%	0.99%	1.18%	0.38%
Portfolio Turnover Rate	28%**	27%	26%	43%	28%	51%	38%	37%	34%	29%	43%

* Net Investment Income (Loss) per share has been computed before adjustments for book/tax differences.

** Annualized

The accompanying notes are an integral part of the financial statements

Meridian Value Fund

Financial Highlights

Selected data for each share of capital stock outstanding throughout each period

	For the six months ended December 31, 2003	For the fiscal year ended June 30,								
		2003	2002	2001	2000	1999	1998	1997	1996	1995 ⁽¹⁾
Net Asset Value - Beginning of Period.....	\$31.65	\$30.34	\$30.98	\$25.88	\$22.29	\$19.30	\$17.40	\$15.32	\$10.27	\$9.87
Income from Investment Operations										
Net Investment Income (Loss)**.....	(0.01)	(0.03)	(0.05)	1.12	0.05	(0.10)	(0.19)	(0.26)	(0.10)	(0.04)
Net Gains (Losses) on Securities (both realized and unrealized)	6.20	1.34	(0.51)	5.75	5.91	3.56	4.32	3.20	5.15	0.44
Total From Investment Operations	6.19	1.31	(0.56)	6.87	5.96	3.46	4.13	2.94	5.05	0.40
Less Distributions										
Distribution from Net Investment Income	0.00	0.00	(0.04)	(1.09)	0.00	0.00	0.00	0.00	0.00	0.00
Distribution from Net Realized Capital Gains	0.00	0.00	(0.04)	(0.68)	(2.37)	(0.47)	(2.23)	(0.86)	0.00	0.00
Total Distributions	0.00	0.00	(0.08)	(1.77)	(2.37)	(0.47)	(2.23)	(0.86)	0.00	0.00
Net Asset Value - End of Period	\$37.84	\$31.65	\$30.34	\$30.98	\$25.88	\$22.29	\$19.30	\$17.40	\$15.32	\$10.27
Total Return	19.56%	4.32%	(1.78%)	27.95%	29.63%	18.92%	26.05%	20.55%+	49.17%+	4.05%+
Ratios/Supplemental Data										
Net Assets, End of Period (000's)	\$1,918,088	\$1,456,552	\$1,297,207	\$768,559	\$87,930	\$24,912	\$12,196	\$7,340	\$3,472	\$715
Ratio of Expenses to Average Net Assets	1.08%***	1.11%	1.12%	1.10%	1.41%	1.63%	2.16%	2.51%*	2.55%*	2.78%*
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.04%)*	(0.12%)	(0.22%)	0.60%	0.39%	(0.65%)	(1.35%)	(1.96%)*	(1.36%)*	(0.58%)*
Portfolio Turnover Rate	71%***	60%	54%	76%	86%	124%	133%	144%	125%	77%

(1) Commenced operations on Feb. 10, 1994

+ The total returns would have been lower had certain expenses not been reduced during the periods shown.

* Not representative of expenses incurred by the Fund as the Adviser waived its fee and/or paid certain expenses of the Fund. As indicated in Note 2, the Investment Manager may reduce a portion of its fee and absorb certain expenses of the Fund. Had these fees and expenses not been reduced and absorbed, the ratio of expenses to average net assets would have been 2.80%, 6.47% and 14.64%, and the ratio of net investment income to average net assets would have been a loss of 2.25%, 5.28% and 12.44%, for the periods ended June 30, 1997 through June 30, 1995, respectively.

** Net Investment Income (Loss) per share has been computed before adjustments for book/tax differences.

*** Annualized

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Notes to Financial Statements

For the Six Months Ended December 31, 2003

1. **Organization and Significant Accounting Policies:** Meridian Fund, Inc., (the “Company”), is comprised of the Meridian Growth Fund (the “Growth Fund”) and the Meridian Value Fund (the “Value Fund”). The Growth Fund and the Value Fund (each a “Fund” and collectively, the “Funds”) are registered under the Investment Company Act of 1940 as no-load, diversified, open-end management investment companies. The Growth Fund began operations and was registered on August 1, 1984. The Value Fund began operations on February 10, 1994 and was registered on February 7, 1994.

The primary investment objective of the Growth Fund is to seek long-term growth of capital. Originally named Meridian Fund, the name was changed effective April 20, 2001 to Meridian Growth Fund, to more closely reflect its investment style. There was no change in how the Fund is managed.

The primary investment objective of the Value Fund is to seek long-term growth of capital.

The following is a summary of significant accounting policies for both Funds:

- a. **Investment Valuations:** 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
- b. **Federal Income Taxes:** It is the Funds’ policy to comply with the requirements of the Internal Revenue Code of 1986 (the “Code”) applicable to regulated investment companies and to distribute all of its taxable income to its shareholders; therefore, no federal income tax provision is required. The aggregate cost of investments for federal income tax purposes is as follows:

	<u>Aggregate Cost</u>	<u>Aggregate Gross Unrealized Appreciation</u>	<u>Aggregate Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Growth Fund	\$ 555,748,000	\$164,274,887	\$(4,512,097)	\$159,762,790
Value Fund	1,461,419,072	383,627,088	(2,692,078)	380,935,010

- c. **Security Transactions:** Security transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses on security transactions are determined on the basis of specific identification for both financial statement and federal income tax purposes. Dividend income is recorded on the ex-dividend date. Interest income is accrued daily.
- d. **Cash and Cash Equivalents:** All highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. Available funds are automatically swept into a Cash Reserve account, which preserves capital with a consistently competitive rate of return. Interest accrues daily and is credited by the third business day of the following month.
- e. **Expenses:** Expenses arising in connection with a Fund are charged directly to the Fund. Expenses common to the Funds are allocated to each Fund in proportion to their relative net assets.
- f. **Use of Estimates:** The preparation of financial statements in accordance with accounting principals generally accepted in the United States of America requires management to make estimates and

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Six Months Ended December 31, 2003

assumptions that affect the reported amount of assets and liabilities at the date of the financial statements. Actual amounts could differ from those estimates.

- g. **Distributions to Shareholders:** The Funds record distributions to their shareholders on the ex-date. The amount of distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification.

Distributions which exceed net investment income and net realized capital gains are reported as distributions in excess of net investment income or distributions in excess of net realized capital gains for financial reporting purposes but not for tax purposes. To the extent they exceed net investment income and net realized capital gains for tax purposes, they are reported as distributions of paid-in-capital.

Permanent book-tax differences, if any, are not included in ending undistributed net investment income (loss) for the purposes of calculating net investment income (loss) per share in the Financial Highlights

- h. **Guarantees and Indemnification:** Under the Funds’ organizational documents, its officers and directors are indemnified against certain liability arising out of the performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds’ maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.
2. **Related Parties:** The Funds have entered into a management agreement with Aster Investment Management Company, Inc. (the “Investment Adviser”). Certain Officers and/or Directors of the Funds are also Officers and/or Directors of the Investment Adviser. Beneficial ownership in the Funds by Richard F. Aster, Jr., President, as of December 31, 2003 was as follows:

Growth Fund.....	2.1%
Value Fund	0.6%

The Investment Adviser receives from the Growth Fund as compensation for its services an annual fee of 1% of the first \$50,000,000 of the Growth Fund’s net assets and 0.75% of the Growth Fund’s net assets in excess of \$50,000,000. The fee is paid monthly and calculated based on that month’s daily average net assets.

The Investment Adviser receives from the Value Fund as compensation for its services an annual fee of 1% of the Value Fund’s net assets. The fee is paid monthly and calculated based on that month’s daily average net assets. The investment adviser has agreed to voluntarily limit the expenses of the Value Fund to 2.50%.

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Six Months Ended December 31, 2003

With respect to this voluntary limit, the Investment Adviser did not reimburse the Value Fund during 2003.

3. **Capital Shares Transactions:** The Growth Fund and Value Fund have authorized 500,000,000 and 500,000,000 common shares at a par value of \$.01 per share, respectively. Transactions in capital shares for the six months ended December 31, 2003 and the year ended June 30, 2003 were as follows:

	Growth Fund		Value Fund	
	December 31, 2003	June 30, 2003	December 31, 2003	June 30, 2003
Shares sold	7,198,858	8,611,562	9,364,245	18,083,824
Shares issued on reinvestment of distributions	<u>533,725</u>	<u>333,958</u>	<u>—</u>	<u>—</u>
	7,732,583	8,945,520	9,364,245	18,083,824
Shares redeemed	<u>(1,568,022)</u>	<u>(3,541,670)</u>	<u>(4,691,326)</u>	<u>(14,832,550)</u>
Net increase	<u>6,164,561</u>	<u>5,403,850</u>	<u>4,672,919</u>	<u>3,251,274</u>

4. **Compensation of Directors and Officers:** Directors and Officers of the Funds who are Directors and/or Officers of the Investment Adviser receive no compensation from the Funds. Directors of the Funds who are not interested persons as defined in the Investment Company Act of 1940 receive compensation in the amount of \$3,000 per annum and a \$2,000 purchase of Meridian Growth Fund or Meridian Value Fund shares, plus expenses and a \$1000 purchase in one of the funds for each additional Board of Directors meeting attended other than the annual meeting.
5. **Cost of Investments:** The cost of investments purchased and the proceeds from sales of investments, excluding short-term obligations, for the six months ended December 31, 2003, were as follows:

	Purchases	Proceeds from Sales
Growth Fund	\$243,057,035	\$ 83,476,456
Value Fund	699,231,757	574,425,721

The cost of purchases and redemptions at maturity of U.S. Government securities were as follows:

	Purchases	Redeemed at Maturity
Growth Fund	\$ 40,909,423	\$ 43,000,000
Value Fund	172,222,155	153,600,000

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Six Months Ended December 31, 2003

6. **Distribution Information:** Income and long-term capital gains distributions are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles accepted in the United States. The tax character of distributions paid during the fiscal year ended June 30, 2002 and June 30, 2003 were as follows:

2002 Taxable Distributions

<u>Fund</u>	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Total Distributions</u>
Growth Fund.....	\$ 517,816	\$16,709,844	\$17,227,660
Value Fund	1,007,532	1,201,570	2,209,102

2003 Taxable Distributions

<u>Fund</u>	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Total Distributions</u>
Growth Fund.....	\$ 699,328	\$ 7,469,877	\$ 8,169,205
Value Fund	—	—	—

7. **Federal Income Taxes:** As of June 30, 2003, the Funds had available for federal tax purposes unused capital loss carryforwards as follows:

	<u>Expiring in 2010</u>	<u>Expiring in 2011</u>
Value Fund	\$13,013,923	\$91,589,259

8. **Proxy Voting Policies and Procedures:** The Funds' Proxy Policy and Procedures are available in the Statement of Additional Information ("SAI"). The SAI is available without charge, upon request, by calling (800) 446-6662 or visit the Securities and Exchange Commission ("SEC") website at www.sec.gov.

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MERIDIAN FUND, INC.

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® SEMI-ANNUAL REPORT



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December 31, 2003