

LIBERTY CORP  
Form 11-K  
June 27, 2003

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-5846

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

The Liberty Corporation Retirement and Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

THE LIBERTY CORPORATION

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(Exact name of Registrant as specified in its charter)

South Carolina  
(State or other jurisdiction of  
incorporation or organization)

57-0507055  
(I.R.S. Employer  
Identification No.)

Post Office Box 502, 135 South Main Street, Greenville, S. C. 29601

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(Address of principal executive offices) (Zip Code)  
Registrant's telephone number, including area code (864) 241-5400

REQUIRED INFORMATION

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|--|----|
| A. Financial Statements                                    |    |
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| Consent of Independent Auditors                            | 21 |

**SIGNATURES**

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

The Liberty Corporation Retirement and Savings Plan

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(Name of Plan)

The Liberty Corporation

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Date: June 27, 2003

(Registrant/Issuer)

/s/ Howard L. Schrott

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Howard L. Schrott  
Chief Financial Officer

/s/ Martha G. Williams

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Martha G. Williams  
Vice President, General Counsel and Secretary

**Item 1. Plan History**

**Plan Amended and Restated.**

Effective April 1, 1997, the net assets of The Liberty Corporation and Adopting Related Employers' 401(k) Thrift Plan merged with The Cosmos Broadcasting Corporation Profit Sharing Retirement Plan and Trust (for all applicable Cosmos Broadcasting Corporation participants). The merged plan was renamed The Cosmos Broadcasting Corporation Retirement and Savings Plan. The merged plan provides expanded investment selections and will retain the voluntary contribution, matching contribution, and profit sharing features for eligible Cosmos employees of the predecessor plan. During the Plan year 2000, for the period January 1, 2000 - October 31, 2000, the Plan covered only employees of Cosmos Broadcasting Corporation, Cablevantage, Inc., and SuperCoups USA, Inc. that had completed 1,000 hours of service in a calendar year or in the first 12 months of employment. Effective November 1, 2000, the Plan covers employees of The Liberty Corporation and Special Services Corporation that met the years of service requirement also. Effective on January 1, 2002, the Plan changed its name to The Liberty Corporation Retirement and Savings Plan, and the Plan sponsor was changed to The Liberty Corporation, the parent company of Cosmos Broadcasting Corporation.

**Item 2. Changes in Investment Policy**

None.

**Item 3. Contributions Under the Plan**

**Employer's Pretax Contributions**

Contributions under the Plan by The Liberty Corporation, Cosmos Broadcasting Corporation, Cablevantage, Inc., and Special Services Corporation (the Company) are measured by reference to the employees' contributions, which may be on a pre-tax or after-tax basis. Employer matching contributions are made only on pre-tax employee contributions in accordance with a formula set each year by the Company's Board of Directors. During 2002, the Company contributed an amount equal to 100% of a participant's pre-tax contribution, up to a maximum of 3% of the participant's compensation.

Employer pre-tax matching contributions totaling \$1,541,000 from January 1, 2002 to December 31, 2002 were credited to the accounts of participating employees of the Company.

**Employer's Discretionary Contributions**

In addition to making a matching pre-tax contribution, The Liberty Corporation may make a separate discretionary contribution at the discretion of the Company's Board of Directors. If the Company elects to make a discretionary profit sharing contribution, it will be allocated among all participants who (1) are employed by the Company (not including Cablevantage, Inc.) at the end of the applicable year and are credited with at least 1,000 hours of service for that year or (2) retire, die or become disabled during the applicable year. This allocation will be made after the end of the applicable year and will be based on each participant's compensation relative to the total compensation of all eligible participants (without regard to the participant's voluntary contributions).

Employer discretionary contributions totaling \$2,566,000 in 2002, were credited to the accounts of participating employees.

**Item 4. Participating Employees**

There were 1,536 enrolled participants in the Plan as of December 31, 2002.

**Item 5. Administration of the Plan**

- (a) Parties responsible for the administration of the Plan are: (1) the Employee Benefits Committee, (2) the Investment Committee, (3) the Trustee, (4) the Plan Administrator, (5) the Board, and (6) the Investment Managers.

**Item 5. Administration of the Plan** The Employee Benefits Committee is responsible for the administration and operation of the Plan, except as to responsibilities which have been specifically assigned to the Board, to the Trustee, to an Investment Manager, to the Investment Committee or to the Plan Administrator. Present members of the Employee Benefits Committee are employed by the Company and include the following:

Mary Anne Bunton, Chair  
Frank Carlisle  
Jonathan Norwood  
Melbourne Stebbins

The Trustee is responsible for the management, investment, and control of the assets of the Trust established by the Plan, and for the disbursements of benefits therefrom, except to the extent that the Trustee may be relieved of investment responsibility by the appointment of an Investment Manager or by direction of the Investment Committee. The present Trustee is Amvescap National Trust Company, 400 Colony Square, Suite 2200, 1201 Peachtree Street, N.E. Atlanta, Georgia 30361. Neuberger Berman, LLC is the Investment Manager of the Neuberger & Berman Common Stock Fund. Neuberger Berman, LLC's address is 605 Third Avenue, New York, New York 10158-3698. The Investment Committee chooses which funds are available as investment choices, establishes the funding policy for the Plan, monitors the Trustee's performance in light of that policy and may appoint Investment Managers to manage some or all of the Plan's assets. Present members of the Investment Committee include the following:

Howard Schrott, Chair  
Mary Anne Bunton  
Guy Hempel  
G. Neil Smith

The Plan Administrators are Mary Anne Bunton and Carol Plemmons who are currently responsible for the daily administration and operational functions of the Plan, including filing all reports with governmental agencies, providing Plan participants with information, preparing year end reports to participants, maintaining all required records, interpreting the provisions of the Plan and settling disputes over the rights of employees, participants and beneficiaries. Amvescap Retirement, Inc. assists the Plan Administrators with certain administrative services, including recordkeeping.

**Item 5. Administration of the Plan (continued)**

- (b) For the year ended December 31, 2002, expenses for administration of the Plan were approximately \$507,000, which included fees and expenses of the Trustee (Amvescap National Trust Company), one of the Investment Managers (Neuberger Berman, LLC), the plan consultant (Aon Investment Consulting), the recordkeeper (Amvescap Retirement, Inc.), and the external auditor (Ernst & Young LLP). These expenses were incurred and paid out of the assets of the Plan.

**Item 6. Custodian of Investments**

- (a) Amvescap Retirement, Inc., 1201 Peachtree Street, N.E., Atlanta, Georgia 30361.
- (b) The Trustee, Amvescap National Trust Company, and the recordkeeper, Amvescap Retirement, Inc. received \$201,000 in total during the year ended December 31, 2002.
- (c) No bond was furnished by Amvescap Retirement, Inc., the custodian of the Plan.

**Item 7. Reports to Participating Employees**

Each Plan participant receives a quarterly statement showing the balance in his Plan account (including a breakdown of the amounts invested in each investment fund offered), amounts contributed by him and by his Employer, dividends, interest and other gains credited to his account, any amounts forfeited or otherwise charged against his account, and additional shares purchased if the employee has elected to have some or all of his and his Employer's contributions invested in the Company's stock (these shares of stock are reported in units). These individualized reports, a copy of the proxy statement and a copy of the summary annual report are the reports that were distributed to Plan participants during the year ended December 31, 2002.

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### **Item 8. Investment of Funds**

For the period January 1, 2002 to December 31, 2002, employee contributions and matching Employer contributions could be invested in the following funds available for investment under the Plan:

| <b>Name of Fund</b>                           | <b>Description of Fund</b>   |
|---|--|
| The Liberty Corporation Stock Fund            | A fund which invests solely in Common Stock of The Liberty Corporation.  |
| Invesco Stable Value Trust Fund               | A fund which invests in money market instruments.  |
| Neuberger & Berman Common Stock Fund          | A fund which invests in common stocks of medium and large companies.   |
| Vanguard Total Bond Market Index Fund         | A fund which invests in bond-related securities.   |
| Loomis Sayles Bond Fund                       | A fund which invests in investment-grade debt securities, but may invest remaining balance in some securities rated BBB or lower.  |
| Putnam International Growth Fund              | A fund which invests at least 65% of assets in equity securities of companies located outside of the United States. This fund may invest in both developed and emerging markets.   |
| Invesco 500 Index Trust Fund                  | A fund which invests assets in companies comprising the Standard & Poor's 500 Index. This fund is seeking total return comparable to Standard and Poor's 500 Index.  |
| Invesco Structured Small Cap Value Trust Fund | A fund which invests in equity securities of smaller U.S. companies with market capitalizations between \$100 million and \$2 billion.   |
| Invesco Core Balanced Trust Fund              | A fund which invests in a mix of common stocks, bonds and cash which is influenced by economic and investment conditions.  |
| Invesco Small Company Growth Fund             | This fund invests at least 65% of assets in equities of companies with market capitalizations of less than \$1 billion. This fund may invest up to 25% of assets in foreign securities.  |
| Dodge & Cox Stock Fund                        | This fund invests in common stocks of companies with financial strength and sound economic background on a long-term basis.  |
| American Funds Growth Fund                    | This fund invests in common stocks and convertible securities in a wide range of companies. It also invests up to 15% in foreign securities and up to 10% in debt securities rated below investment grade.   |
| American Century Equity Income Advisor Fund   | This fund invests in equity securities of companies with a favorable dividend paying history. This fund looks for securities of companies that are undervalued and have the potential for an increase in price.  |
| One Group Mid Cap Growth Fund                 | This fund invests primarily in equity securities that have the potential to produce above-average earnings growth per share over a one-to-three period. Also, this fund looks for companies with a history of above-average growth and those expected to |



enter periods of above-average growth with market capitalizations of \$500 million to \$10 billion.

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For the two years ended December 31, 2002, there were brokerage commissions paid by the Plan out of the Neuberger & Berman Common Stock Fund.

- (b) No brokerage transactions effected for the Plan during the year ended December 31, 2002, were directed to brokers because of research services provided.

**Item 9. Financial Statements and Exhibits**

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| (a) Financial Statements                                   |                 |
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| (b) Exhibits   |                 |
| Consent of Independent Auditors                            | 21              |

Report of Independent Auditors

Administrative Committee of The Liberty  
Corporation Retirement and Savings Plan  
The Liberty Corporation

We have audited the accompanying statements of net assets available for benefits of The Liberty Corporation Retirement and Savings Plan (formerly The Cosmos Broadcasting Corporation Retirement and Savings Plan) as of December 31, 2002 and 2001, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2002 and 2001, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2002, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ ERNST & YOUNG LLP

June 4, 2003

The Liberty Corporation  
 Retirement and Savings Plan  
 (formerly The Cosmos Broadcasting Corporation  
 Retirement and Savings Plan)

Statements of Net Assets Available for Benefits

|                                   | December 31           |                 |
|-----------------------------------|-----------------------|-----------------|
|                                   | 2002                  | 2001            |
|                                   | <i>(In thousands)</i> |                 |
| <b>Assets</b>                     |                       |                 |
| Investments:                      |                       |                 |
| Mutual Funds                      | \$41,925              | \$49,201        |
| Collective Trust Funds            | 31,670                | 33,246          |
| Loan Fund                         | 1,041                 | 1,192           |
|                                   | <u>74,636</u>         | <u>83,639</u>   |
| Total investments                 | 74,636                | 83,639          |
| Employer contributions receivable | 2,566                 | 2,254           |
|                                   | <u>2,566</u>          | <u>2,254</u>    |
| Total assets                      | 77,202                | 85,893          |
| <b>Liabilities</b>                |                       |                 |
| Accrued expenses                  | 66                    | 5               |
|                                   | <u>66</u>             | <u>5</u>        |
| Total liabilities                 | 66                    | 5               |
| Net assets available for benefits | \$77,136              | \$85,888        |
|                                   | <u>\$77,136</u>       | <u>\$85,888</u> |

See accompanying notes.

The Liberty Corporation  
Retirement and Savings Plan  
(formerly The Cosmos Broadcasting Corporation  
Retirement and Savings Plan)

Statements of Changes in Net Assets Available for Benefits

|   | Year ended December 31 |          |
|---|------------------------|----------|
|   | 2002                   | 2001     |
|   | <i>(In thousands)</i>  |          |
| <b>Additions:</b>   |                        |          |
| Investment income:  |                        |          |
| Interest and dividends  | \$ 1,279               | \$ 1,262 |
|   | 1,279                  | 1,262    |
| Total investment income   | 1,279                  | 1,262    |
| Contributions:  |                        |          |
| Participants  | 2,920                  | 2,506    |
| Employer  | 4,107                  | 3,495    |
|   | 7,027                  | 6,001    |
| Total additions   | 8,306                  | 7,263    |
| <b>Deductions:</b>  |                        |          |
| Benefits paid directly to participants                                | 4,696                  | 6,188    |
| Administrative expenses   | 507                    | 390      |
| Net depreciation in fair market value of investments                  | 11,855                 | 6,589    |
|   | 17,058                 | 13,167   |
| Total deductions  | 17,058                 | 13,167   |
| Net (decrease) prior to transfers                                     | (8,752)                | (5,904)  |
| Transfer from the Liberty Insurance Group Retirement and Savings Plan |                        | 8,945    |
|   | (8,752)                | 3,041    |
| Net (decrease) increase   | (8,752)                | 3,041    |
| <b>Net assets available for benefits:</b>                             |                        |          |
| Beginning of year   | 85,888                 | 82,847   |
| End of year   | \$77,136               | \$85,888 |

See accompanying notes.

The Liberty Corporation  
Retirement and Savings Plan  
(formerly The Cosmos Broadcasting Corporation  
Retirement and Savings Plan)

Notes to Financial Statements

December 31, 2002

**1. Description of Plan**

On January 1, 2002, the Plan changed its name from *The Cosmos Broadcasting Corporation Retirement and Savings Plan* to *The Liberty Corporation Retirement and Savings Plan* (the Plan), and the Plan sponsor was changed to The Liberty Corporation, the parent company of Cosmos Broadcasting Corporation. The following description of The Liberty Corporation Retirement and Savings Plan 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 plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Effective November 1, 2000, the Plan covers all employees of The Liberty Corporation and subsidiaries who have completed 1,000 hours of service in a calendar year or in the first 12 months of employment. The Liberty Corporation and Cosmos Broadcasting Corporation are hereinafter referred to as the Company or Employer.

**Contributions**

Participation in the 401(k) portion of the Plan is voluntary. Each year participants may contribute up to 13% of their compensation on either a pre-tax or after-tax basis, or a combination of both, through payroll deductions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Company contributes as a match up to 3% of each participant's annual compensation. The annual matching percentage may be changed by resolution of the Board of Directors of the Company, effective at the beginning of any plan year (January 1). The Company may contribute discretionary contributions equal to amounts authorized by the Board of Directors to the profit-sharing portion of the Plan. For the 2002 Plan year, the Company made a discretionary contribution in cash of \$1,063,000 and 38,408 shares of common stock of The Liberty Corporation with a fair market value of \$1,503,000 (\$39.14 per share) on March 5, 2003. For the 2001 Plan year, the Company made a discretionary contribution in cash of \$1,029,000 and 29,995 shares of common stock of The Liberty Corporation with a fair market value of \$1,225,000 (\$40.84 per share) on April 1, 2002. The discretionary contributions were allocated to the accounts of participating employees.

Upon enrollment, a participant may direct employee and employer contributions to any of the Plan's fund options. Participants may change their investment options daily.

The Liberty Corporation  
 Retirement and Savings Plan  
 (formerly The Cosmos Broadcasting Corporation  
 Retirement and Savings Plan)

Notes to Financial Statements (continued)

**1. Description of Plan (continued)**

**Participant Accounts**

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) Plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant contributions or account balances, as defined. Forfeited balances of terminated participants' nonvested accounts are used to reduce future Company contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

**Vesting**

Participants are immediately vested in their contributions plus actual earnings thereon. Prior to January 1, 2002, amounts credited to a participant's employer matching and discretionary account vested based on the total number of years of service (as defined under the Plan) with the Company or its related employers as follows:

| Number of Years<br>of Service | Percentage<br>of Vesting |
|-------------------------------|--------------------------|
| Less than 3 years             |                          |
| 3 years                       | 25%                      |
| 4 years                       | 50%                      |
| 5 years                       | 75%                      |
| 6 years                       | 100%                     |

In addition, amounts credited to a participant's employer matching accounts and discretionary accounts are fully vested upon termination of employment due to a participant's death, total disability or retirement at his or her 65th birthday.

The Liberty Corporation  
 Retirement and Savings Plan  
 (formerly The Cosmos Broadcasting Corporation  
 Retirement and Savings Plan)

Notes to Financial Statements (continued)

**1. Description of Plan (continued)**

Effective January 1, 2002, the Company amended the vesting schedule under the Plan. The new schedule is as follows:

| Number of years<br>of Service | Percentage<br>of Vesting |
|-------------------------------|--------------------------|
| Less than 2 years             |                          |
| 2 years                       | 20%                      |
| 3 years                       | 40%                      |
| 4 years                       | 60%                      |
| 5 years                       | 80%                      |
| 6 years                       | 100%                     |

**Participant Loans**

Participants may borrow from their fund accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balances. Loan terms range from 1-5 years, unless the loan is used for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest are paid ratably through payroll deductions.

**Payment of Benefits**

All amounts credited to the participant's account (before tax or after tax) and all vested amounts credited to the employer's matching and discretionary accounts are distributable upon termination in the form of a lump sum or installment payments.

**Forfeited accounts**

Forfeitures of non-vested balances in employer accounts of approximately \$441,000 in 2002 and \$196,000 in 2001 were used to reduce employer contributions. There were no unallocated forfeitures at December 31, 2002 and 2001, respectively.



The Liberty Corporation  
Retirement and Savings Plan  
(formerly The Cosmos Broadcasting Corporation  
Retirement and Savings Plan)

Notes to Financial Statements (continued)

**1. Description of Plan (continued)**

**Reversion to Special Fund**

The Cosmos Broadcasting Corporation Pension Plan and Trust Agreement for Technicians was terminated during 1992. In 1993, twenty-five percent (25%) of the excess assets were reverted to a special fund within the Plan. The reversion is to be allocated to the accounts of those participants who were active participants in the pension plan upon its termination. An allocation of approximately \$5,000 and \$9,000 of the reversion was made during 2002 and 2001, respectively.

**Trust to Trust Transfer**

On November 1, 2000, The Liberty Corporation sold certain businesses to Royal Bank of Canada. In connection with this transaction, a separate Plan (the Liberty Insurance Group Retirement and Savings Plan) sponsored by The Liberty Corporation, was transferred to Royal Bank of Canada; however, certain employees involved in that Plan remained with The Liberty Corporation. These employees became eligible to participate in the Plan on November 1, 2000. The participant account balance of those employees was transferred to The Cosmos Broadcasting Corporation Retirement and Savings Plan during 2001.

**Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

The Liberty Corporation  
Retirement and Savings Plan  
(formerly The Cosmos Broadcasting Corporation  
Retirement and Savings Plan)

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Valuation of Investments**

The Plan's investments are held in The Liberty Corporation Retirement and Savings Plan and Trust (the Trust) (formerly The Cosmos Broadcasting Corporation Retirement and Savings Plan and Trust). The Plan's investments are stated at fair market value, which equals the quoted market price on the last business day of the plan year. The shares of registered investment companies and collective trust funds are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year-end. The participant loans are valued at their outstanding balances, which approximate fair market value.

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

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Reclassifications**

Certain amounts in the 2001 financial statements have been reclassified to conform to the 2002 presentation.

**3. Investments**

The Trust holds the investments of Plan participants employed by The Liberty Corporation, Cosmos Broadcasting Corporation, Cablevantage, Inc., Special Services Corporation, and SuperCoups USA, Inc.

The Liberty Corporation  
Retirement and Savings Plan  
(formerly The Cosmos Broadcasting Corporation  
Retirement and Savings Plan)

Notes to Financial Statements (continued)

**3. Investments (continued)**

During 2002, the Plan's investments (including investments purchased, and sold as well as held during the year) appreciated (depreciated) in fair market value as determined by quoted market prices as follows:

|   | Year ended December 31 |           |
|---|------------------------|-----------|
|   | 2002                   | 2001      |
|   | <i>(In thousands)</i>  |           |
| Net (depreciation) in fair market value of investments determined by quoted market price: |                        |           |
| Mutual funds  | \$ (8,382)             | \$(4,761) |
| Collective trust funds  | (3,473)                | (1,828)   |
|   | \$ (11,855)            | \$(6,589) |

Investments that represent 5% or more of fair market value of the Plan's net assets at December 31 are as follows:

|   | 2002                  | 2001      |
|---|-----------------------|-----------|
|   | <i>(In thousands)</i> |           |
| Invesco 500 Index Trust Fund 390,302 units and 448,611 units, respectively                | \$ 8,485              | \$ 12,521 |
| Invesco Structured Small Cap Value Trust Fund 85,595 units and 73,029 units, respectively | 4,765                 | 4,244     |
| Invesco Stable Value Trust Fund 15,310,369 units and 13,238,234 units, respectively       | 15,310                | 13,238    |
| Neuberger & Berman Common Stock Fund 2,097,500 units and 2,436,456 units, respectively    | 24,436                | 36,060    |
| The Liberty Corporation Stock Fund 443,055 units and 361,189 units, respectively          | 4,599                 | 3,890     |
| Vanguard Total Bond Market Index Fund 562,495 units and 399,618 units, respectively       | 5,839                 | 4,052     |

The Liberty Corporation  
Retirement and Savings Plan  
(formerly The Cosmos Broadcasting Corporation  
Retirement and Savings Plan)

Notes to Financial Statements (continued)

**4. Income Tax Status**

The Plan received a determination letter from the Internal Revenue Service dated October 20, 1998, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. The Plan has been amended since receiving the determination letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

**5. Transactions with Parties-In-Interest**

The Plan received dividends of approximately \$88,000 in 2002 and \$78,000 in 2001 from The Liberty Corporation. The Plan's investment in The Liberty Corporation's stock totals approximately \$4,599,000 and \$3,890,000 at December 31, 2002 and 2001, respectively.

**6. Subsequent event**

Effective January 1, 2003, the TV-3, Inc. Savings Plan was merged into The Liberty Corporation Retirement and Savings Plan and accordingly \$4,325,000 was transferred to the Plan.

The Liberty Corporation  
Retirement and Savings Plan  
(formerly The Cosmos Broadcasting Corporation  
Retirement and Savings Plan)

EIN: 57-0507055 Plan Number: 001

Schedule H, Line 4i -  
Schedule of Assets (Held at End of Year)  
December 31, 2002

| (a) | (b) Identity of Issue    | (c) Description of<br>Investment Including<br>Maturity Date, Rate of<br>Interest, Collateral,<br>Par or Maturity Value | (d) Cost      | (e) Current Value |
|-----|--------------------------|--|---------------|-------------------|
| *   | Amvescap Retirement Inc. | Invesco Stable Value Trust Fund<br>15,310,369 units  | \$ 15,310,369 | \$ 15,310,369     |
| *   | Amvescap Retirement Inc. | Vanguard Total Bond Market Index Fund<br>562,495 units   | 5,707,676     | 5,838,696         |
| *   | Amvescap Retirement Inc. | Loomis Sayles Bond Fund<br>211,139 units   | 2,457,675     | 2,320,413         |
| *   | Amvescap Retirement Inc. | Invesco Core Balanced Trust Fund<br>382,424 units  | 3,556,154     | 3,109,104         |
| *   | Amvescap Retirement Inc. | Invesco 500 Index Trust Fund<br>390,302 units  | 11,129,291    | 8,485,163         |
|     | Neuberger & Berman, LLC  | Neuberger & Berman Common Stock Fund<br>2,097,500 units  | 31,199,668    | 24,435,870        |
| *   | Amvescap Retirement Inc. | American Century Equity Income Advisor Fund<br>17,474 units  | 112,715       | 114,106           |
| *   | Amvescap Retirement Inc. | American Funds Growth Fund<br>43,493 units   | 782,003       | 803,307           |

The Liberty Corporation  
Retirement and Savings Plan  
EIN: 57-0507055 Plan Number: 001  
(formerly The Cosmos Broadcasting Corporation  
Retirement and Savings Plan)

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

| (a) | (b) Identity of Issue    | (c) Description of<br>Investment Including<br>Maturity Date, Rate of<br>Interest, Collateral,<br>Par or Maturity Value | (d) Cost     | (e) Current Value |
|-----|--------------------------|--|--------------|-------------------|
| *   | Amvescap Retirement Inc. | Dodge & Cox Common Stock Fund<br>11,595 units  | \$ 978,118   | \$ 1,020,953      |
| *   | Amvescap Retirement Inc. | One Group Mid Cap Growth-Class A Fund<br>31,873 units  | 507,926      | 521,440           |
| *   | Amvescap Retirement Inc. | Invesco Structured Small Cap Value Trust Fund<br>85,595 units  | 4,405,136    | 4,765,091         |
| *   | Amvescap Retirement Inc. | Invesco Small Company Growth Fund<br>85,585 units  | 866,830      | 712,924           |
| *   | Amvescap Retirement Inc. | Putnam International Growth Fund<br>94,979 units   | 2,105,428    | 1,558,605         |
| *   | The Liberty Corporation  | The Liberty Corporation Stock Fund<br>443,055 units  | 4,748,661    | 4,598,910         |
|     | Participants             | Loans<br>(Various interest rates 6.00% to 10.50%)  |              | 1,040,512         |
|     | Total                    |  | \$83,867,650 | \$74,635,463      |

\* Represents party-in-interest to the Plan