

MODEL N, INC.
Form SC 13G/A
February 13, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 2)*

MODEL N, INC.
(Name of Issuer)

Common Stock, \$0.00015 par value
(Title of Class of Securities)

607525102
(CUSIP Number)

December 31, 2017
(Date of Event which Requires Filing
of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Continued on following pages
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Exhibit Index: Page 9

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Pages

1. Names of Reporting Persons

SOROS FUND MANAGEMENT LLC

2. Check the Appropriate Box If a Member of a Group (See Instructions)

a.

b.

3. SEC Use Only

4. Citizenship or Place of Organization

DELAWARE

5. Sole Voting Power

Number of Shares 386,761

Beneficially Owned By Each Reporting Person 6. Shared Voting Power
0

7. Sole Dispositive Power
386,761

8. Shared Dispositive Power
0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

386,761

10. Check Box If the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11. Percent of Class Represented By Amount in Row (9)

1.31%

12. Type of Reporting Person (See Instructions)

OO

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Pages

1. Names of Reporting Persons

GEORGE SOROS

2. Check the Appropriate Box If a Member of a Group (See Instructions)

a.

b.

3. SEC Use Only

4. Citizenship or Place of Organization

UNITED STATES

5. Sole Voting Power

Number of
Shares 0

Beneficially
Owned By 6. Shared Voting Power
Each 386,761

Reporting
Person 7. Sole Dispositive Power
With 0

8. Shared Dispositive Power
386,761

9. Aggregate Amount Beneficially Owned by Each Reporting Person

386,761

10. Check Box If the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11. Percent of Class Represented By Amount in Row (9)

1.31%

12. Type of Reporting Person (See Instructions)

IN

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Pages

1. Names of Reporting Persons

ROBERT SOROS

2. Check the Appropriate Box If a Member of a Group (See Instructions)

a.

b.

3. SEC Use Only

4. Citizenship or Place of Organization

UNITED STATES

5. Sole Voting Power

Number of
Shares 0

Beneficially
Owned By 6. Shared Voting Power
Each 386,761

Reporting
Person 7. Sole Dispositive Power
With 0

8. Shared Dispositive Power
386,761

9. Aggregate Amount Beneficially Owned by Each Reporting Person

386,761

10. Check Box If the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11. Percent of Class Represented By Amount in Row (9)

1.31%

12. Type of Reporting Person (See Instructions)

IN

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Pages

Item 1(a). Name of Issuer:

Model N, Inc. (the "Issuer").

Item 1(b). Address of the Issuer's Principal Executive Offices:

777 Mariners Island Boulevard, Suite 300
San Mateo, California 94404

Item 2(a). Name of Person Filing

The Statement is filed on behalf of each of the following persons (collectively, the "Reporting Persons"):

- i) Soros Fund Management LLC ("SFM LLC");
- ii) George Soros; and
- iii) Robert Soros.

This statement relates to Shares (as defined herein) held for the account of Quantum Partners LP, a Cayman Islands exempted limited partnership ("Quantum Partners"). SFM LLC serves as principal investment manager to Quantum Partners. As such, SFM LLC has been granted investment discretion over portfolio investments, including the Shares, held for the account of Quantum Partners. George Soros serves as Chairman and Manager of SFM LLC and Robert Soros serves as Manager of SFM LLC.

Item 2(b). Address of Principal Business Office or, if None, Residence:

The address of the principal business office of each of the Reporting Persons is 250 West 55th Street, 38th Floor, New York, NY 10019.

Item 2(c). Citizenship:

- i) SFM LLC is a Delaware limited liability company;
- ii) George Soros is a United States citizen; and
- iii) Robert Soros is a United States citizen.

Item 2(d). Title of Class of Securities:

Common Stock, \$0.00015 par value (the "Shares").

Item 2(e). CUSIP Number:

607525102

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Item 3. If this statement is filed pursuant to Rule 13d-1(b), or 13d-2(b) or (c), check whether the person filing is a:

This Item 3 is not applicable.

Item 4. Ownership:

Item
 4(a). Amount Beneficially Owned:

As of December 31, 2017, each of the Reporting Persons may be deemed to be the beneficial owner of 386,761 Shares.

Item
 4(b). Percent of Class:

As of December 31, 2017, each of the Reporting Persons may be deemed to be the beneficial owner of approximately 1.31% of the total number of Shares outstanding.

Item
 4(c). Number of shares as to which such person has:

SFMLLC

(i) Sole power to vote or direct the vote	386,761
(ii) Shared power to vote or to direct the vote	0
(iii) Sole power to dispose or to direct the disposition of	386,761
(iv) Shared power to dispose or to direct the disposition of	0

George Soros

(i) Sole power to vote or direct the vote	0
(ii) Shared power to vote or to direct the vote	386,761
(iii) Sole power to dispose or to direct the disposition of	0
(iv) Shared power to dispose or to direct the disposition of	386,761

Robert Soros

(i) Sole power to vote or direct the vote	0
(ii) Shared power to vote or to direct the vote	386,761
(iii) Sole power to dispose or to direct the disposition of	0
(iv) Shared power to dispose or to direct the disposition of	386,761

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Item
5. Ownership of Five Percent or Less of a Class:

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class securities, check the following [X].

Item
6. Ownership of More than Five Percent on Behalf of Another Person:

The partners of Quantum Partners are entitled to receive, or have the power to direct, the receipt of dividends from or the proceeds of sales of the Shares held for the account of Quantum Partners, in accordance with their ownership interests in Quantum Partners.

Item
7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company:

This Item 7 is not applicable.

Item
8. Identification and Classification of Members of the Group:

This Item 8 is not applicable.

Item
9. Notice of Dissolution of Group:

This Item 9 is not applicable.

Item
10. Certification:

By signing below each of the Reporting Persons certifies that, to the best of such person's knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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Pages

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: February 13, 2018 SOROS FUND MANAGEMENT LLC

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Assistant General Counsel

Date: February 13, 2018 GEORGE SOROS

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Attorney-in-Fact

Date: February 13, 2018 ROBERT SOROS

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Attorney-in-Fact

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EXHIBIT INDEX

	<u>Page</u> <u>No.</u>
Joint Filing Agreement, dated as of February 13, 2018, by and among Soros Fund Management LLC, A. George Soros, and Robert Soros	10
Power of Attorney, dated as of November 24, 2015, granted by George Soros in favor of Maryann Canfield, B. Jodye Anzalotta, Jay Schoenfarber, Thomas O’Grady, Regan O’Neill and Robert Soros.	11
Power of Attorney, dated as of November 30, 2015, granted by Robert Soros in favor of Maryann Canfield, C. Jodye Anzalotta, Jay Schoenfarber, Thomas O’Grady and Regan O’Neill	12

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EXHIBIT A

JOINT FILING AGREEMENT

The undersigned hereby agree that the Schedule 13G with respect to the Common Stock, \$0.00015 par value, of Model N, Inc., dated as of February 13, 2018, is, and any amendments thereto (including amendments on Schedule 13D) signed by each of the undersigned shall be, filed on behalf of each of us pursuant to and in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934.

Date: February 13, 2018 SOROS FUND MANAGEMENT LLC

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Assistant General Counsel

Date: February 13, 2018 GEORGE SOROS

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Attorney-in-Fact

Date: February 13, 2018 ROBERT SOROS

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Attorney-in-Fact

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EXHIBIT B

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENT, that I, GEORGE SOROS, hereby make, constitute and appoint each of MARYANN CANFIELD, JODYE ANZALOTTA, JAY SCHOENFARBER THOMAS O'GRADY, REGAN O'NEILL and ROBERT SOROS, acting individually, as my agent and attorney-in-fact for the purpose of executing in my name, (a) in my personal capacity or (b) in my capacity as Chairman of, member of or in other capacities with Soros Fund Management LLC ("SFM LLC") and each of its affiliates or entities advised by me or SFM LLC, all documents, certificates, instruments, statements, filings and agreements ("documents") to be filed with or delivered to any foreign or domestic governmental or regulatory body or required or requested by any other person or entity pursuant to any legal or regulatory requirement relating to the acquisition, ownership, management or disposition of securities, futures contracts or other investments, and any other documents relating or ancillary thereto, including without limitation all documents relating to filings with the Commodities Futures Trading Commission and National Futures Association, the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934 (the "Act") and the rules and regulations promulgated thereunder, including all documents relating to the beneficial ownership of securities required to be filed with the SEC pursuant to Section 13(d) or Section 16(a) of the Act and any information statements on Form 13F required to be filed with the SEC pursuant to Section 13(f) of the Act.

All past acts of these attorneys-in-fact in furtherance of the foregoing are hereby ratified and confirmed.

Execution of this power of attorney revokes that certain Power of Attorney dated as of the 26th day of June, 2009 with respect to the same matters addressed above.

This power of attorney shall be valid from the date hereof until revoked by me.

IN WITNESS WHEREOF, I have executed this instrument as of the 24th day of November, 2015.

GEORGE SOROS

/s/ Daniel Eule

Daniel Eule

Attorney-in-Fact for George Soros

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EXHIBIT C

Stephen M. Lacy	233,400	313,333	3,112,685	1,002,975	John H. Griffin, Jr.	91,667	72,375	John
S. Zieser	107,500	132,000	1,545,013	425,670	Paul A. Karpowicz	40,000	57,600	

- (1) Calculated based on the difference between the exercise price and the fair market value on the date of exercise.
- (2) Calculated based on the fair market value of the Company's common stock on June 30, 2006 (\$49.00).

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LONG-TERM INCENTIVE PLANS AWARDS IN LAST FISCAL YEAR

Name	Number of Shares (#)	Performance Period	Estimated future payouts under non-stock price-based plans		
			Threshold (#)	Target (#)	Maximum (#)
William T. Kerr					
Stephen M. Lacy	8,889	3 years	4,445	8,889	10,222
John H. Griffin, Jr.	4,444	3 years	2,222	4,444	5,111
John S. Zieser	3,333	3 years	1,667	3,333	3,833
Paul A. Karpowicz					

The Compensation Committee of the Board of Directors initiated a program in fiscal 2006 involving the grant of performance-based restricted stock units to key executives. Upon completion of the three-year performance period (July 1, 2005 to June 30, 2008) the number of restricted stock units earned will be paid out in the form of common stock on a one-for-one basis. The payout will vary depending on the compounded annual growth rate of earnings per share (EPS) during the performance period with the maximum payout at 15% or greater EPS and minimum payout at 7%. If growth of EPS during the performance period is less than 7%, there will be no payout.

RETIREMENT PROGRAMS AND EMPLOYMENT AGREEMENTS

The Company maintains separate qualified defined benefit plans for its union and nonunion employees, as well as two nonqualified supplemental pension plans covering certain nonunion employees. Defined benefit plans and the supplemental pension plans are actuarial plans and the amount of the contribution with respect to a specific person cannot readily be separately calculated by the regular actuaries for the plans. The Company makes annual contributions to the qualified plans to the extent permitted by the funding rules of the Internal Revenue Service.

As of January 1, 2006, the latest date for which information is available, 343 employees participated in the bargaining unit defined benefit plan and 2,789 nonunion employees participated in the nonunion defined benefit plans. Assuming retirement at age 65, estimated annual retirement benefits under the nonunion qualified plan in effect for

the 2006 plan year would be as follows:

PENSION TABLE

Final Average Compensation	Years of Service		
	10	15	20
900,000	\$ 215,762	\$ 323,642	\$ 431,523
1,000,000	240,762	361,142	481,523
1,100,000	265,762	398,642	531,523
1,200,000	290,762	436,142	581,523
1,300,000	315,762	473,642	631,523
1,400,000	340,762	511,142	681,523
1,500,000	365,762	548,642	731,523
1,750,000	428,262	642,392	856,523
2,000,000	490,762	736,142	981,523
2,250,000	553,262	829,892	1,106,523
2,500,000	615,762	923,642	1,231,523
2,750,000	678,262	1,017,392	1,356,523
3,000,000	740,762	1,111,142	1,481,523
3,250,000	803,262	1,204,892	1,606,523
3,500,000	865,762	1,298,642	1,731,523
3,750,000	928,262	1,392,392	1,856,523
4,000,000	990,762	1,486,142	1,981,523
4,250,000	1,053,262	1,579,892	2,106,523
4,500,000	1,115,762	1,673,642	2,231,523
4,750,000	1,178,262	1,767,392	2,356,523

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As of January 1, 2006, the credited years of service for individuals listed in the compensation tables above are as follows: Mr. Kerr 13 years; Mr. Lacy 7 years; Mr. Griffin 7 years; Mr. Zieser 6 years; and Mr. Karpowicz 0 years. For calendar year 2005, covered compensation for purposes of the supplemental pension plans including bonuses was \$3,595,000 for Mr. Kerr; \$1,718,463 for Mr. Lacy; \$1,262,500 for Mr. Griffin; \$1,212,119 for Mr. Zieser; and \$0 for Mr. Karpowicz. The compensation includes deferrals under the Deferred Compensation Plan, which are included as compensation under the Replacement and Supplemental Plans.

The Company has entered into employment agreements with certain executive officers. Those agreements are summarized below.

The Company entered into an agreement with Mr. Lacy effective July 1, 2006, the date he became President and Chief Executive Officer of the Company, through June 30, 2009. The agreement provides that Mr. Lacy's minimum annual base salary beginning in fiscal 2007 will be \$810,000 with any increase in the base salary for subsequent years to be determined by the Compensation Committee. In addition, Mr. Lacy will be a participant in the Meredith Corporation 2004 Stock Incentive Plan (2004 Plan) (or successor thereto), the Meredith Employees Retirement

Income Plan, the Meredith Replacement Benefit Plan, and the Meredith Supplemental Benefit Plan. Mr. Lacy's target bonus under the 2004 Plan shall not be less than 100% of his base salary. The agreement also provides for payment to Mr. Lacy in the event his employment with the Company is terminated for various reasons. If his employment is terminated because of death, all of his restricted stock and stock options would immediately vest, his base salary would be paid for the lesser of one year or to the end of the initial term and any awards under the 2004 Plan would be prorated to the date of death. In the event of termination Without Cause or due to Failure to Re-elect as CEO or Director, Mr. Lacy would be entitled to receive his current base salary and the target bonus under the 2004 Plan through the end of the term of the agreement or 24 months, whichever is greater. In addition, all equity awards would vest and become exercisable under the terms of the award agreements. In the event of termination for Cause, Mr. Lacy would receive his base salary and 2004 Plan award prorated to the date of termination and all equity awards subject to restriction would be forfeited.

The Company entered into an agreement with Mr. Kerr effective February 1, 2001, that provided for his employment through June 30, 2006. Under that agreement Mr. Kerr received an annual base salary and an incentive bonus determined under the terms of the 2004 Plan. In addition to participating in the Meredith Employees' Retirement Income Plan, the Meredith Savings and Investment Plan, and the Company's supplemental retirement plans, the Company continued a Minimum Supplemental Retirement Benefit Program (MSRBP) for the benefit of Mr. Kerr (which was originally established in 1991), which provided for a minimum retirement benefit equal to the benefits Mr. Kerr would have received under the retirement plans of a previous employer offset by benefits accrued under the Company's pension plans and also provided for a death benefit related to the value of the accrued benefit under the MSRBP.

On May 11, 2004, the Company entered into a Consultancy Agreement and Amendment to Employment Agreement with Mr. Kerr that provides for Mr. Kerr's services as a consultant for a period of three years following his June 30, 2006, retirement at an annual rate of not less than \$300,000, plus the continuation of perquisites at the same levels he had while serving as the Chief Executive Officer, including health insurance coverage for himself and his spouse, same or equivalent club memberships reimbursement, company automobile in accordance with Company policy, office space and support services, use of the Company aircraft on Company and/or Meredith Board-related business, and tax and financial planning services. Such perquisites are not expected to exceed \$50,000 annually. The agreement also provides that Mr. Kerr will be nominated and, if elected, will serve as a director until the Annual Meeting of Shareholders in November 2009.

The Company entered into an employment agreement with Mr. Griffin effective June 30, 2003, which provides that Mr. Griffin's annual base salary and incentive bonus for subsequent years will be determined under applicable management performance programs administered by the Compensation Committee. In addition, Mr. Griffin is entitled to an annual payment of \$75,000 in connection with his continuing employment with the Company. The agreement also provides for certain payments in the event that Mr. Griffin's employment is terminated during the term of the agreement. In the event of termination without cause, Mr. Griffin would receive his base salary for a period of 12 months, which under certain conditions may be extended to 18 months, following such termination.

Effective February 14, 2005, the Company entered into an employment agreement with Mr. Karpowicz which provided that his minimum annual base salary through fiscal year 2006 would be \$550,000 unless the Compensation Committee of the Board of Directors decided to increase it at an earlier date. Mr. Karpowicz is eligible to participate in the 2004 Plan or any successor plan and shall have a target bonus of 60% of base salary with a guaranteed minimum bonus of \$250,000 for fiscal 2005 and 2006. In the event of termination due to death or disability,

Mr. Karpowicz or his estate will receive his base salary through the last day of the month in which such termination occurs plus a proportionate share of any 2004 Plan bonus for the year. In addition, all restricted stock and nonqualified stock options will vest immediately. In the event of termination for cause or voluntary termination, Mr. Karpowicz will receive his base salary through the date of termination. Vested stock options may be exercised under the terms of the award agreements within 30 days of such termination, and any unvested stock options and restricted stock will be forfeited. In the event of termination without cause, Mr. Karpowicz would be entitled to receive his base salary for a period of 12 months following the date of termination plus a proportionate share of any 2004 Plan award. In addition, all stock options and restricted stock would vest immediately.

Mr. Lacy and all the other executive officers of the Company have entered into severance agreements with the Company. These agreements provide for the payment to the executive of an amount equal to three times the average annual base salary and incentive compensation paid to the executive during the three fiscal years immediately prior to termination due to a change of control of the Company as defined in detail in the agreements. All agreements with the executive officers with respect to grants of nonqualified stock options under the 2004 Plan or predecessor plans provide for the vesting of options in the event of a change of control in accordance with the terms of the plans.

All of the foregoing agreements are included as exhibits to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2006.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

The Compensation Committee reviews and approves the compensation of the Company's officers. The committee administers various stock and other compensation-related plans provided for the benefit of the Company's officers, directors, and other key managers, with the purpose of encouraging the participants to achieve the Company's performance goals by aligning the interests of the participants with the interests of the Company's shareholders. There are no Compensation Committee interlocks and no member of management sits on the committee. The committee has provided the following report on executive compensation for inclusion in this Proxy Statement:

Compensation Philosophy

The Company's executive compensation philosophy has the following objectives:

- (1) To provide compensation opportunities competitive with those available at comparable firms in the specific industries in which the Company conducts its businesses and the national marketplace;
- (2) To provide the opportunity to earn beyond competitive levels if superior operating performance and shareholder returns are achieved;
- (3) To design incentives that balance the need to meet or exceed annual operating plans with the need for long-term business growth and to provide superior shareholder returns;
- (4) To provide clear, controllable, and measurable objectives for the executives to meet; and
- (5) To attract, retain, and motivate top caliber executives in each market segment in which the Company competes.

Pay for performance, which is directly linked to both short-term and long-term compensation, is the foundation of the compensation program for the Company's Chief Executive Officer and other executive officers.

Section 162(m) of the Internal Revenue Code limits the deductibility of certain items of compensation paid to the Chief Executive Officer and to each of the named executive officers to \$1,000,000 annually

(Covered Employees). The committee believes that it is in the best interests of the Company to receive maximum tax deductibility for compensation paid to the Chief Executive Officer and the other executive officers under Section 162(m). The committee has adopted or approved appropriate changes to the Company's long-term and short-term incentive programs to provide for the deductibility of compensation received under the plans, but reserves the right to provide for compensation to the Chief Executive Officer and other executive officers that may not be deductible, if determined to be in the best interests of the Company and its shareholders.

Chief Executive Officer and Executive Officer Compensation Program Elements

Periodic media and general industry competitive market reviews of executive compensation are conducted with the assistance of outside compensation consultants. The Company's compensation program strives to be competitive in relation to the market data available. The committee strives to establish Chief Executive Officer and other executive officer base salaries within the mid-range of the market survey data. Short-term and long-term incentive targets are set in the same manner. Compensation beyond the mid-range may be awarded from time to time based upon individual performance. For fiscal 2006, Mr. Kerr's compensation as determined by the Compensation Committee reflects the Company's strong financial performance in earnings and operating cash flow along with the successful integration of the Company's recent acquisition of *Parents*®, *Family Circle*®, *Fitness*®, *Child*®, and *Ser Padres*® franchises.

Base Salary. Salaries for the Chief Executive Officer and executive officer group are based on the marketplace value of each job and on individual contributions and performance. The performance of the Chief Executive Officer and each executive officer is reviewed annually by the committee. Salary increases are based primarily on the annual merit reviews. The rates of increase are tied to both individual performance and general executive compensation trends.

Mr. Kerr's annual base salary was \$1,000,000 for fiscal 2006. Mr. Kerr's salary is within the mid-range of salaries for comparable positions as reported in the market survey data.

Short-Term Incentive Program. The Company's 2004 Plan provides the Chief Executive Officer and other executive officers with an annual incentive to attain established financial and overall performance targets. For fiscal 2006, 100% of the incentive awards to the Chief Executive Officer and 85% of all other executive officers serving at the beginning of the fiscal year were based on specific financial targets relating to earnings and cash flow, with the balance relating to predetermined qualitative organizational objectives.

The goals for each participant are reviewed and revised annually in connection with the approval of the budget for the upcoming fiscal year. For fiscal 2006, the incentive payments for goal achievement for the Chief Executive Officer were set at 100% of base salary for achieving target and up to 250% of base salary for achieving performance above target. The incentive payments for the other executive officers ranged from 50 to 75% for achieving target and up to a range of 125 to 187.5% for achieving performance above target. The committee, at each of its quarterly meetings, reviewed the progress of the Chief Executive Officer and other executive officers toward meeting the quantitative goals established for the fiscal year.

For fiscal 2006, the Company exceeded the target financial performance goals established by the committee at the beginning of the year for Mr. Kerr to receive his incentive award. Mr. Kerr received an incentive award of \$2,500,000 based on the Company's strong performance in earnings and cash flow.

For fiscal 2006, the named executive officers received incentive awards in the amounts set forth in the Summary Compensation Table above. For such officers (other than operating group presidents), the awards were based on the Company surpassing financial targets for EPS and cash flow and in recognition of the achievement of other quantitative and qualitative goals. For the operating group presidents, the awards were based on the relevant groups achieving or surpassing their respective financial targets for earnings and cash flow, the Company surpassing financial targets for EPS, and in recognition of the achievement of qualitative goals.

Long-Term Incentive Program. In fiscal 2006, the committee utilized grants of nonqualified stock options, under the 2004 Plan, to the executive officers in the implementation of its long-term incentive program. The nonqualified stock options become exercisable on the third anniversary of the grant date and expire on the tenth anniversary of the date of grant. In the event of the grantee's termination of

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employment due to death, disability, retirement, or a change of control as defined in the 2004 Plan, all outstanding options shall become fully vested and exercisable according to the terms of the Plan and the Award Agreement until the date of expiration. If the grantee's employment with the Company is terminated for any reason other than those listed above, the grantee shall have the right to exercise any vested and exercisable options for a period of up to 30 days after the date of such termination, provided that, in no event shall this extension period continue beyond the expiration date of any option. In accordance with the 2004 Plan, all options granted during fiscal 2006 carry an exercise price at the fair market value on the date of grant.

Performance-Based Restricted Stock Units. In an effort to reduce the use of stock options and restricted stock, the committee has initiated a program involving the grant of performance-based restricted stock units. In fiscal 2006, the committee granted restricted stock units to key executives with performance goals based on the growth of the Company's EPS for the three-fiscal-year period beginning July 1, 2005, and ending June 30, 2008. Upon completion of the three-year performance period, the number of restricted stock units earned will be paid out in the form of common stock on a one-for-one basis. The payout on restricted stock units will vary depending on the compounded annual growth rate of EPS during the three-year period, with the maximum payout at 15% or greater EPS growth and the minimum payout at 7% (with no payout below 7%).

The Meredith Executive Stock Ownership Program. A stock ownership program has been designed by the committee utilizing the 2004 Plan. The purpose of the program is to encourage increased Company stock holdings by executives. Target levels of individual stock holdings are established for the participants in the program at one and one-half to two times each participant's base pay. Each participant receives an annual award of restricted stock equal to 20% of his or her personal acquisitions of Company stock since the last day of the prior year, up to his or her established target. The incremental stock holdings must be maintained for a specified period of time in order for the restrictions to lapse. The committee believes this program provides further incentives to the participants to focus on long-term Company performance and shareholder value. Because Messrs. Kerr and Zieser have met their respective targets for ownership, they did not receive any shares of restricted stock under this program during fiscal 2006. The other named executive officers received an aggregate total of 3,470 shares of restricted stock under this program during fiscal 2006.

Other Compensation

The Chief Executive Officer and other executive officers are eligible to participate in the Company benefit plans described elsewhere in this Proxy Statement under the terms of those plans and without consideration of achievement

of performance standards.

Peer Group Selection and Comparative Analysis

The Company does not believe that the published indices accurately reflect the mix of businesses in which the Company competes. Therefore, the Company has, in good faith, selected a Peer Group of ten media and television broadcast companies for the purpose of preparing the shareholder performance graph set forth under Comparison of Shareholder Return. Recognizing that there are no other companies that have the exact combination of businesses of the Company, the companies selected for the Peer Group have multimedia businesses primarily with publishing and/or television broadcasting in common with the Company.

Many of the companies selected for the Peer Group are larger and/or engaged in businesses other than the Company's core businesses. Consequently, for the purposes of compensation comparisons, the Company and the committee have chosen to use broader media and general industry survey information that includes information on members of the Peer Group. The committee has attempted to maintain the total compensation for the Chief Executive Officer and other executive officers at a level close to the mid-range of the surveyed groups.

Conclusion

The committee believes that the Company's executive compensation programs effectively tie executive pay to the performance of the Company and to shareholder value.

Herbert M. Baum, Chair
D. Mell Meredith Frazier

Frederick B. Henry
Robert E. Lee

Nicholas L. Reding

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AUDIT COMMITTEE REPORT

The responsibilities of the Audit Committee, which are set forth in the Audit Committee Charter adopted by the Board of Directors, include providing oversight of the Company's financial reporting process through periodic meetings with the Company's independent auditor (hereinafter, "registered public accounting firm"), internal auditors, and management to review accounting, auditing, internal controls, and financial reporting matters. The management of the Company is responsible for the preparation and integrity of the financial reporting information and related systems of internal controls. The Audit Committee, in carrying out its role, relies on the Company's senior management, including senior financial management, and its independent registered public accounting firm.

We have reviewed and discussed with senior management the Company's audited financial statements included in the 2006 Annual Report to Shareholders. Management has confirmed to us that such financial statements (i) have been prepared with integrity and objectivity and are the responsibility of management, and (ii) have been prepared in conformity with accounting principles generally accepted in the United States.

We have discussed with KPMG LLP ("KPMG"), our independent registered public accounting firm, the matters required to be discussed by SAS 61 (Communications with Audit Committee). SAS 61 requires our independent registered public accounting firm to provide us with additional information regarding the scope and results of its audit of the Company's financial statements, including with respect to (i) their responsibility under generally accepted auditing standards, (ii) significant accounting policies, (iii) management judgments and estimates, (iv) any significant audit adjustments, (v) any disagreements with management, and (vi) any difficulties encountered in performing the

audit.

We have received from KPMG a letter providing the disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) with respect to any relationships between KPMG and the Company that, in its professional judgment, may reasonably be thought to bear upon independence. KPMG has discussed its independence with us, and has confirmed in such letter that, in its professional judgment, it is independent of the Company within the meaning of the federal securities laws.

Based upon the review and discussions described above with respect to the Company's audited financial statements included in the Company's 2006 Annual Report to Shareholders, we have recommended to the Board of Directors that such financial statements be included in the Company's Annual Report on Form 10-K for filing with the SEC.

The Audit Committee also reviewed management's process designed to achieve compliance with Section 404 of the Sarbanes-Oxley Act of 2002. In addition, KPMG audited management's assessment of internal control over financial reporting and has issued a report thereon dated August 31, 2006. In that report, KPMG states that in its opinion, the Company maintained effective control over financial reporting as of June 30, 2006.

As specified in the Audit Committee Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with accounting principles generally accepted in the United States. That is the responsibility of management and the Company's independent registered public accounting firm. In giving our recommendation to the Board of Directors, we have relied on (i) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States, and (ii) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Philip A. Marineau, Chair
Mary Sue Coleman
Joel W. Johnson
David J. Londoner
Charles D. Peebler, Jr.

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The foregoing report of the Audit Committee does not constitute soliciting material and shall not be deemed incorporated by reference by any general statement incorporating by reference the proxy statement into any filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such acts.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has reappointed KPMG as the Company's independent registered public accounting firm to audit the financial statements of the Company for the fiscal year ending June 30, 2007. Selection of the independent auditor is made solely by the Audit Committee of the Board of Directors. The Company's independent registered public accounting firm for the fiscal year ended June 30, 2006, was KPMG.

Representatives of KPMG are expected to be present at the Annual Meeting, will be given the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

Independent Registered Public Accounting Firm's Fees

The following table sets forth information regarding fees for professional services rendered by KPMG with respect to fiscal 2006 and 2005.

	2006	2005
Audit Fees (1)	\$ 750,000	\$ 870,000
Audit-Related Fees (2)	23,657	106,423
Tax Fees (3)	18,246	75,868
All Other Fees (4)	2,400	1,500
Total Fees	\$ 794,303	\$ 1,053,791

- (1) Represents fees for the audit of the Company's annual financial statements for the fiscal years ended June 30, 2006, and June 30, 2005 (including an audit of the Company's internal controls over financial reporting for the year ended June 30, 2005), and the review of the Company's quarterly financial statements during such fiscal years.
- (2) Consists of the fees for audits of financial statements of certain employee benefit plans and assistance in the interpretation and implementation of accounting standards and regulations.
- (3) Consists of fees for tax services provided to the Company, including principally the review of tax returns and interpretive advice concerning tax laws, as well as tax services provided on behalf of officers. No tax services were provided to officers after June 30, 2005.
- (4) Consists of fees for access to KPMG's Internet Accounting Research web site in fiscal 2006 and 2005.

The Audit Committee has advised the Company that it has determined that the non-audit services rendered by KPMG during the Company's most recent fiscal year are compatible with maintaining the independence of such registered public accounting firm.

The Audit Committee has adopted policies and procedures for the approval and preapproval of the audit, audit-related, tax, and all other services performed by the independent registered public accounting firm in order to assure that the provision of such services does not impair the registered public accounting firm's independence. Unless a type of service to be provided by the independent registered public accounting firm has received general preapproval, it will require specific preapproval by the Audit Committee. Any proposed services exceeding preapproved cost levels will require specific preapproval by the Audit Committee. The Audit Committee will revise the list of general preapproved services from time to time, based upon subsequent determinations. The Audit Committee does not delegate its responsibilities to preapprove services performed by the independent registered public accounting firm to management. The Audit Committee preapproved all audit, audit-related, and permitted non-audit services by KPMG in fiscal 2006.

The following graph compares the performance of the Company's common stock during the period July 1, 2001, to June 30, 2006, with the S&P 500 Index and with a Peer Group of ten companies engaged in multimedia businesses primarily with publishing and/or television broadcasting in common with the Company.

The S&P 500 Index includes 500 U.S. companies in the industrial, transportation, utilities, and financial sectors and is weighted by market capitalization. The Peer Group selected by the Company for comparison, which is also weighted by market capitalization, is comprised of the following: Belo Corp.; Gannett Co., Inc.; Hearst-Argyle Television, Inc.; The McGraw-Hill Companies, Inc.; Media General, Inc.; The New York Times Company; The Reader's Digest Association, Inc.; The E. W. Scripps Company; Tribune Company; and The Washington Post Company.

The graph depicts the results for investing \$100 in the Company's common stock, the S&P 500 Index, and the Peer Group at closing prices on June 30, 2001. It assumes that dividends were reinvested.

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Meredith	\$ 100	108	125	158	142	145
S&P 500	\$ 100	82	82	98	104	113
Peer Group	\$ 100	109	118	133	124	117

SUBMITTING SHAREHOLDER PROPOSALS

Any shareholder wishing to include a proposal in the Company's Proxy Statement and form of proxy for the 2007 Annual Meeting of Shareholders must submit the proposal so that it is received by the Company no later than May 30, 2007. The proposal should be addressed to Secretary, Meredith Corporation, 1716 Locust Street, Des Moines, Iowa 50309-3023.

Pursuant to the Company's Bylaws, any shareholder wishing to bring a proposal before the 2007 Annual Meeting of Shareholders (but whose proposal will not be included in the Company's Proxy Statement) must deliver written notice of such proposal in accordance with the requirements of the Bylaws to the Secretary of the Company at the address specified above not earlier than the close of business on the 120th day, nor later than the close of business on the 90th day, prior to the first anniversary of the preceding year's Annual Meeting. For 2007, such proposal must be received not earlier than the close of business on July 11, 2007, and not later than the close of business on August 10, 2007, and otherwise comply with the requirements of the Bylaws. If the date of the 2007 Annual Meeting is advanced by more than 30 days or postponed by more than 60 days from the first anniversary of the 2006 Annual Meeting, different deadlines will apply.

Pursuant to the Company's Bylaws, any shareholder wishing to propose a nominee for the Board of Directors must deliver written notice of such proposed nominee to the Secretary of the Company at the

address specified above not earlier than the close of business on the 120th day, nor later than the close of business on the 90th day, prior to the first anniversary of the preceding year's Annual Meeting. For 2007, written notice of such proposed nominee must be received not earlier than the close of business on July 11, 2007, and not later than the close of business on August 10, 2007, and otherwise comply with the requirements of the Bylaws. If the date of the 2007

Annual Meeting is advanced by more than 30 days or postponed by more than 60 days from the first anniversary of the 2006 Annual Meeting, different deadlines will apply.

HOUSEHOLDING OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries, such as brokers, to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more shareholders sharing the same address by delivering a single proxy statement addressed to those shareholders. This process, which is commonly referred to as householding, potentially means extra convenience for shareholders and cost savings for companies.

This year, a number of brokers with account holders who are the Company's shareholders may be householding the Company's proxy materials. A single proxy statement may be delivered to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once a shareholder has received notice from a shareholder's broker that it will be householding communications to a shareholder's address, householding will continue until a shareholder is notified otherwise or until a shareholder revokes his or her consent. If, at any time, a shareholder no longer wishes to participate in householding and would prefer to receive a separate proxy statement and annual report, the shareholder should notify his or her broker directly or direct his or her written request to: Secretary, Meredith Corporation, 1716 Locust Street, Des Moines, Iowa 50309-3023. Shareholders who currently receive multiple copies of the proxy statement at their address and would like to request householding of their communications should contact their broker.

FURTHER BUSINESS

Except as described in this Proxy Statement, management knows of no other business intended to be presented at the meeting, but, if any other business properly comes before the meeting, the persons named in the enclosed form of proxy will vote all proxies in accordance with their best judgment, using the discretionary authority granted in the proxies.

JOHN S. ZIESER

*Vice President-Corporate Development,
General Counsel and Secretary*

Des Moines, Iowa
September 27, 2006

ANNUAL MEETING OF SHAREHOLDERS
Wednesday, November 8, 2006
10:00 A.M.
1716 Locust Street
Des Moines, Iowa 50309-3023

MEREDITH CORPORATION
1716 Locust Street
Des Moines, Iowa 50309-3023

Common Stock

proxy

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF MEREDITH CORPORATION

The undersigned hereby appoints WILLIAM T. KERR, STEPHEN M. LACY, and ROBERT E. LEE, or any of them, with full power of substitution to each, as attorneys and proxies to represent the undersigned at the Annual Meeting of Shareholders of Meredith Corporation to be held at 1716 Locust Street, Des Moines, IA 50309-3023 on Wednesday, November 8, 2006, at 10:00 A.M., local time, and any adjournment thereof, and to vote all shares of common stock that the undersigned may be entitled to vote at said meeting as directed with respect to the matters as set forth in the Proxy Statement. If any other business should properly come before the meeting and/or at any adjournment thereof, the shares represented by the proxies and voting instructions solicited thereby may be discretionarily voted on such business in accordance with the best judgment of the proxy holders.

The tabulator cannot vote your shares unless you vote in accordance with the instructions provided.

REQUEST FOR VOTING INSTRUCTIONS

**Meredith Corporation Employee Stock Purchase Plan of 2002 and
Meredith Savings and Investment Plan
Voting Instructions to Trustee of Meredith Corporation Employee Stock Purchase Plan of 2002
and to Trustee of Meredith Savings and Investment Plan**

As a participant in the Meredith Corporation Employee Stock Purchase Plan of 2002 and/or the Meredith Savings and Investment Plan, you have the right to give instructions to the Plan trustee(s) as to the voting of certain shares of Meredith Corporation common stock allocated to your account. The voting of those shares will occur at the Annual Meeting of Shareholders or at any adjournment or postponement thereof. In this regard, please indicate your voting choices on this card, sign and date it, and return this card promptly in the enclosed postage-paid envelope. If your instructions are not received at least five days prior to the Annual Meeting, or if you do not respond, shares held in your account for which a proxy is not received will be voted discretionarily by the trustee(s) and in accordance with the Employee Retirement Income Security Act of 1974 (ERISA).

See reverse for voting instructions

COMPANY #

There are three ways to vote your proxy.

Your telephone or Internet vote authorizes the Named Proxies to vote your shares in the same manner as if you marked, signed, and returned your proxy card.

VOTE BY PHONE TOLL FREE 1-800-560-1965 QUICK * EASY *** IMMEDIATE**

Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week, until 12:00 P.M. (CT) on November 7, 2006.

Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions provided.

VOTE BY INTERNET <http://www.eproxy.com/mdp/> QUICK * EASY *** IMMEDIATE**

Use the Internet to vote your proxy 24 hours a day, 7 days a week, until 12:00 P.M. (CT) on November 7, 2006.

Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions to obtain your records and create an electronic ballot.

VOTE BY MAIL

Mark, sign, and date your proxy card and return it in the postage-paid envelope we've provided or return it to **Meredith Corporation**, c/o Shareowner ServicesSM, P.O. Box 64873, St. Paul, MN 55164-0873.

If you vote by phone or Internet, please do not mail your proxy card.

∨ Please detach here ∨

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES

1. To elect four Class II directors for terms expiring in 2009, as provided in the Bylaws of the Company:

01 Herbert M. Baum 03 Frederick B. Henry
02 James R. Craigie 04 William T. Kerr

○ Vote FOR all ○ Vote
nominees WITHHELD
(except as from all

marked) nominees

(Instructions: To withhold authority to vote for any indicated nominee, write the number(s) of the nominee(s) in the box provided to the right.)

THIS PROXY/VOTING INSTRUCTION, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR ALL NOMINEES.

Address Change? Mark box Indicate change below: Date _____ 2006

Signature(s) in box
Please sign exactly as your name(s) appears on proxy. If held in joint tenancy, all persons must sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.

**ANNUAL MEETING OF SHAREHOLDERS
Wednesday, November 8, 2006
10:00 A.M.
1716 Locust Street
Des Moines, Iowa 50309-3023**

MEREDITH CORPORATION
1716 Locust Street
Des Moines, Iowa 50309-3023

Class B Common Stock

proxy

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF MEREDITH CORPORATION

The undersigned hereby appoints WILLIAM T. KERR, STEPHEN M. LACY, and ROBERT E. LEE, or any of them, with full power of substitution to each, as attorneys and proxies to represent the undersigned at the Annual Meeting of Shareholders of Meredith Corporation to be held at 1716 Locust Street, Des Moines, IA 50309-3023 on Wednesday, November 8, 2006, at 10:00 A.M., local time, and any adjournment thereof, and to vote all shares of class B common stock that the undersigned may be entitled to vote at said meeting as directed with respect to the matters as set forth in the Proxy Statement. If any other business should properly come before the meeting and/or at any adjournment thereof, the shares represented by the proxies and voting instructions solicited thereby may be discretionarily voted on such business in accordance with the best judgment of the proxy holders.

The tabulator cannot vote your shares unless you vote in accordance with the instructions provided.

REQUEST FOR VOTING INSTRUCTIONS

**Meredith Savings and Investment Plan
Voting Instructions to Trustee of Meredith Savings and Investment Plan**

As a participant in the Meredith Savings and Investment Plan, you have the right to give instructions to the Plan trustee(s) as to the voting of certain shares of Meredith Corporation class B common stock allocated to your account. The voting of those shares will occur at the Annual Meeting of Shareholders or at any adjournment or postponement thereof. In this regard, please indicate your voting choices on this card, sign and date it, and return this card promptly in the enclosed postage-paid envelope. If your instructions are not received at least five days prior to the Annual Meeting, or if you do not respond, shares held in your account for which a proxy is not received will be voted discretionarily by the trustee(s) and in accordance with the Employee Retirement Income Security Act of 1974 (ERISA).

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THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES

1. To elect four Class II directors for terms expiring in 2009, as provided in the Bylaws of the Company:

01 Herbert M. Baum 03 Frederick B. Henry
02 James R. Craigie 04 William T. Kerr

○ Vote FOR all nominees (except as marked) ○ Vote WITHHELD from all nominees

(Instructions: To withhold authority to vote for any indicated nominee, write the number(s) of the nominee(s) in the box provided to the right.)

THIS PROXY/VOTING INSTRUCTION, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR ALL NOMINEES.

Address Change? Mark box Indicate change below: Date _____ 2006

Signature(s) in box
Please sign exactly as your name(s) appears on proxy. If held in joint tenancy, all persons must sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.
