

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 17, 2005

SCHOLASTIC CORPORATION
(Registrant)

/s/ Mary A. Winston

Name: Mary A. Winston
Title: Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

Number Exhibit
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99.1 Press release of Scholastic Corporation, dated March 17, 2005.

Scholastic Announces Fiscal 2005 Third Quarter Results;
Improved Operating Profits, on Modest Revenue Growth and Higher Margins

NEW YORK--(BUSINESS WIRE)--March 17, 2005--Scholastic Corporation (NASDAQ:SCHL) today announced its fiscal 2005 third quarter results.

For the quarter ended February 28, 2005, Scholastic generated an operating profit of \$5.8 million, compared to a loss of \$2.3 million in the year-ago period. Revenues were \$480.8 million, up 2% from \$472.0 million a year ago. Net loss in the third quarter improved to \$0.7 million or \$0.02 per diluted share, compared to a net loss of \$6.0 million or \$0.15 per diluted share in the prior year period. The third quarter is typically Scholastic's second smallest revenue period.

"With continued focus on margins, we achieved higher profitability in all operating segments last quarter," commented Richard Robinson, Chairman, CEO and President of Scholastic. "Improved results in Trade drove growth in the Children's Book Publishing and Distribution segment, while profits also rose in International and in Educational Publishing."

Mr. Robinson added, "With Internet orders up nearly 20% this fiscal year and now representing more than 10% of Scholastic's revenues, I'm also very excited by the recent appointment of Seth Radwell as president of e-Scholastic. Seth's experience building new print and electronic businesses, most recently at Bookspan and Doubleday Interactive, will help us accelerate this momentum."

For fiscal 2005, the Company continues to expect earnings of between \$1.50 and \$1.70 per diluted share, excluding severance charges, on revenues of approximately \$2.1 billion, and is on plan to generate free cash flow of \$40 to \$50 million.

Third Quarter Results

Children's Book Publishing and Distribution. Operating profits in the segment rose 56% from the prior year period to \$16.5 million in the third quarter of fiscal 2005, driven by lower returns and higher gross sales in Trade Publishing. Segment revenues grew slightly to \$272.3 million, reflecting the improvement in Trade as well as in School Book Fairs, where better product availability and merchandising contributed to higher revenues per fair. This was partly offset by lower Continuity revenues, which declined as a result of the Company's strategy of focusing on more productive customers, and by a 1% decline in School Book Club revenues.

Educational Publishing. For the quarter, segment operating profits rose 25% to \$4.0 million and revenues increased 14% to \$79.3 million, relative to the prior year period. Higher revenues and profits reflected strong sales of educational technology, including Read 180(R), and higher circulation of classroom magazines.

International. Operating profits in the segment were \$3.4 million for the quarter, a \$2.6 million increase from the prior year period, primarily from improved results in the Company's Australian operations. Revenues rose \$4.4 million to \$92.0 million, of which \$3.8 million was due to foreign exchange benefits.

Media, Licensing and Advertising. Revenues in the segment were \$37.2 million, a \$6.3 million decline from the prior year, principally due to lower production revenues (and corresponding expenses) in Scholastic Entertainment, which a year ago released CLIFFORD'S REALLY BIG MOVIE(TM). Operating profits in the segment rose modestly to \$1.3 million, primarily from improved results in software sales. Building on its fall 2004 launch, the Company's new media property Maya & Miguel(TM) now ranks number one among new shows on the PBS KIDS GO! programming block and number two among all PBS programming for children ages six to 11.

Other Financial Results. Operating profits in the quarter improved to 1.2% of revenues versus an operating loss of 0.5% in the year ago period, and free cash flow in the quarter was \$37.3 million compared to \$19.9 million. Interest expense declined slightly to \$6.9 million, with net debt at the end of the quarter of \$488.2 million, or \$65.4 million lower than a year ago.

Results for Nine Months Ending February 28, 2005

Net income for the first nine months of fiscal 2005 was \$21.7 million, or \$0.54 per diluted share, compared to \$35.9 million, or \$0.90 per diluted share, in the prior year period. Revenues this fiscal year were \$1,487.8 million versus \$1,646.4 million a year ago. Free cash use in the period was \$4.8 million, compared to free cash flow of \$22.0 million in the prior year. These year-over-year differences primarily reflect revenue declines in Harry Potter and in Continuities, partially offset by growth in Educational Publishing and

Upcoming Conference Call

Scholastic will hold a conference call tomorrow (March 18, 2005) at 8:00 a.m. Eastern. To listen and/or ask questions, dial 888-338-6461 or 973-935-8510 (meeting leader is "Richard Robinson"). To view accompanying slides, go to the Investor Relations section of www.scholastic.com. Following the call, the slides will be available in the Investor Relations section of www.scholastic.com and an audio replay will be available at 877-519-4471 PIN number 5760041.

About Scholastic

Scholastic Corporation (NASDAQ:SCHL) is the world's largest publisher and distributor of children's books and a leader in educational technology. Scholastic creates quality educational and entertaining materials and products for use in school and at home, including children's books, magazines, technology-based products, teacher materials, television programming, film, videos and toys. The Company distributes its products and services through a variety of channels, including proprietary school-based book clubs, school-based book fairs, and school-based and direct-to-home continuity programs; retail stores, schools, libraries and television networks; and the Company's Internet site, www.scholastic.com.

Forward-Looking Statements

This news release contains certain forward-looking statements. Such forward-looking statements are subject to various risks and uncertainties, including the conditions of the children's book and educational materials markets and acceptance of the Company's products within those markets, and other risks and factors identified from time to time in the Company's filings with the Securities and Exchange Commission. Actual results could differ materially from those currently anticipated.

SCHOLASTIC CORPORATION
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (UNAUDITED)
 (Amounts in millions except per share data)

	THREE MONTHS ENDED			
	02/28/05	02/29/04	VARIANCE	
Revenues	\$480.8	\$472.0	\$8.8	2%
Operating costs and expenses:				
Cost of goods sold	233.9	229.7	(4.2)	-2%
Selling, general and administrative expenses	213.1	214.1	1.0	0%
Selling, general and administrative expenses - Continuity charges (1)	-	-	-	*
Bad debt expenses	14.9	17.0	2.1	12%
Depreciation and amortization	13.1	13.5	0.4	3%
Special severance charges (2)	-	-	-	*
Total operating costs and expenses	475.0	474.3	(0.7)	0%
Operating income/(loss)	5.8	(2.3)	8.1	*
Interest expense, net	6.9	7.1	0.2	3%
Earnings/(loss) before income taxes	(1.1)	(9.4)	8.3	88%
Tax provision/(benefit)	(0.4)	(3.4)	(3.0)	-88%
Net income/(loss)	(\$0.7)	(\$6.0)	\$5.3	88%

Weighted average shares outstanding:

Basic	40.0	39.4	0.60	2%
Diluted	41.1	40.4	0.70	2%
Net income/(loss) per share:				
Basic	(\$0.02)	(\$0.15)	\$0.13	87%
Diluted	(\$0.02)	(\$0.15)	\$0.13	87%

NINE MONTHS ENDED				
	02/28/05	02/29/04	VARIANCE	
Revenues	\$1,487.8	\$1,646.4	(\$158.6)	-10%
Operating costs and expenses:				
Cost of goods sold	711.4	816.6	105.2	13%
Selling, general and administrative expenses	627.8	639.4	11.6	2%*
Selling, general and administrative expenses - Continuity charges (1)	3.6	-	(3.6)	
Bad debt expenses	50.7	66.1	15.4	23%
Depreciation and amortization	39.1	39.8	0.7	2%
Special severance charges (2)	-	3.2	3.2	*
Total operating costs and expenses	1,432.6	1,565.1	132.5	8%
Operating income/(loss)	55.2	81.3	(26.1)	-32%
Interest expense, net	21.6	25.2	3.6	14%
Earnings/(loss) before income taxes	33.6	56.1	(22.5)	-40%
Tax provision/(benefit)	11.9	20.2	8.3	-41%
Net income/(loss)	\$21.7	\$35.9	(\$14.2)	-40%
Weighted average shares outstanding:				
Basic	39.8	39.4	0.40	1%
Diluted	40.5	40.1	0.40	1%
Net income/(loss) per share:				
Basic	\$0.55	\$0.91	(\$0.36)	-40%
Diluted	\$0.54	\$0.90	(\$0.36)	-40%

(1) Results for the nine months ended February 28, 2005 include a pre-tax charge of \$3.6, or \$0.06 per diluted share after-tax, for severance related to staff reductions implemented in the first quarter of fiscal 2005 related to the previously announced reorganization of the Continuity business.

(2) Results for the nine months ended February 29, 2004 include pre-tax charges of \$3.2, or \$0.05 per diluted share after-tax, for staff reductions in the first and second quarters related to a workforce reduction announced in May 2003.

* Percent change not meaningful.

FORWARD-LOOKING STATEMENTS

This news release contains certain forward-looking statements. Such forward-looking statements, which are subject to various risks and uncertainties including the conditions of the children's book and instructional materials markets and acceptance of the Company's products within those markets and other risks and factors identified from time to time in the Company's filings with the Securities and Exchange Commission. Actual results could differ materially from those currently anticipated.

SCHOLASTIC CORPORATION
RESULTS OF OPERATIONS - SEGMENTS
(UNAUDITED)
(Amounts in millions)

	THREE MONTHS ENDED				
	02/28/05	02/29/04	VARIANCE		
Children's Book Publishing & Distribution					
Revenue	\$272.3	\$271.5	\$0.8	0%	
Operating profit	16.5	10.6	5.9	56%	
Operating margin	6.1%	3.9%			
Educational Publishing					
Revenue	79.3	69.4	9.9	14%	
Operating profit	4.0	3.2	0.8	25%	
Operating margin	5.0%	4.6%			
International					
Revenue	92.0	87.6	4.4	5%	
Operating profit	3.4	0.8	2.6	*	
Operating margin	3.7%	0.9%			
Media, Licensing and Advertising					
Revenue	37.2	43.5	(6.3)	-14%	
Operating profit/(loss)	1.3	0.3	1.0	*	
Operating margin	3.5%	0.7%			
Overhead expense	19.4	17.2	(2.2)	-13%	
Operating income/(loss)	\$5.8	(\$2.3)	\$8.1	*	

	NINE MONTHS ENDED				
	2/28/2005 (1)	2/29/2004 (2)	VARIANCE		
Children's Book Publishing & Distribution					
Revenue	\$819.1	\$1,010.1	(\$191.0)	-19%	
Operating profit	47.2	87.7	(40.5)	-46%	
Operating margin	5.8%	8.7%			
Educational Publishing					
Revenue	292.0	262.5	29.5	11%	
Operating profit	46.8	32.0	14.8	46%	
Operating margin	16.0%	12.2%			
International					
Revenue	280.0	267.5	12.5	5%	
Operating profit	19.6	18.2	1.4	8%	
Operating margin	7.0%	6.8%			
Media, Licensing and Advertising					
Revenue	96.7	106.3	(9.6)	-9%	
Operating profit/(loss)	(2.2)	(1.6)	(0.6)	-38%	
Operating margin	-2.3%	-1.5%			
Overhead expense	56.2	55.0	(1.2)	-2%	
Operating income/(loss)	\$55.2	\$81.3	(\$26.1)	-32%	

(1) Results for the nine months ended February 28, 2005 include a

pre-tax charge of \$3.6, or \$0.06 per diluted share after-tax, in the Children's Book Publishing and Distribution segment for severance related to staff reductions implemented in the first quarter of fiscal 2005 related to the previously announced reorganization of the Continuity business.

- (2) Results for the nine months ended February 29, 2004 include pre-tax Special severance charges of \$3.2 for staff reductions implemented in the first and second quarters related to a workforce reduction announced in May 2003, but implemented in Fiscal 2004, allocated as follows: \$1.5 to Children's Book Publishing and Distribution, \$0.8 to Educational Publishing, \$0.1 to Media, Licensing and Advertising, \$0.3 to International and \$0.5 to Overhead Expense.

* Percent change not meaningful.

SCHOLASTIC CORPORATION
SUPPLEMENTAL INFORMATION
(UNAUDITED)
(Amounts in millions)

SELECTED BALANCE SHEET ITEMS

	02/28/05	02/29/04	CHANGE	
Cash and cash equivalents	\$22.1	\$20.9	\$1.2	6%
Accounts receivable, net	249.1	261.4	(12.3)	-5%
Inventories	468.0	484.0	(16.0)	-3%
Total debt (lines of credit, short-term debt and long-term debt)	510.3	574.5	64.2	11%
Total stockholders' equity	900.6	820.0	80.6	10%

SELECTED CASH FLOW ITEMS

	THREE MONTHS ENDED			
	02/28/05	02/29/04	CHANGE	
Net cash provided by operating activities	\$77.8	\$49.5	\$28.3	57%
Additions to property, plant and equipment	9.9	6.9	(3.0)	-43%
Pre-publication and production costs	19.9	15.7	(4.2)	-27%
Royalty advances	10.7	7.0	(3.7)	-53%
Free cash flow (cash use) (1)	\$37.3	\$19.9	\$17.4	87%

	NINE MONTHS ENDED			
	02/28/05	02/29/04	CHANGE	
Net cash provided by operating activities	\$105.0	\$118.4	(\$13.4)	-11%
Additions to property, plant and equipment	31.4	26.5	(4.9)	-18%
Pre-publication and production costs	53.7	51.5	(2.2)	-4%
Royalty advances	24.7	18.4	(6.3)	-34%
Free cash flow (cash use) (1)	(\$4.8)	\$22.0	(\$26.8)	*

- (1) Free cash flow is defined by the Company as net cash provided by operating activities, less spending on property, plant and equipment; pre-publication and production costs; and royalty advances. The Company believes this measure, which is a non-GAAP financial measure, is useful to investors as an indicator of cash

flow available for debt repayment and other investing activities, such as acquisitions. The Company utilizes free cash flow as a further indicator of operating performance and for planning investing activities.

* Percent change not meaningful.

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