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

FORM 10-Q

Quarterly Report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended November 30, 2013	Commission File No. 000-19860

SCHOLASTIC CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**13-3385513** (IRS Employer Identification No.)
557 Broadway, New York, New York (Address of principal executive offices)	**10012** (Zip Code)

Registrant's telephone number, including area code (212) 343-6100

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes S No £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes S No £

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer S Accelerated filer £ Non-accelerated filer £ Smaller reporting company £

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes £ No S

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Title of each class	Number of shares outstanding as of November 29, 2013
Common Stock, $.01 par value	30,152,753
Class A Stock, $.01 par value	1,656,200

SCHOLASTIC CORPORATION

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED November 30, 2013
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

SCHOLASTIC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED
(Dollar amounts in millions, except per share data)

	Three months ended November 30,		Six months ended November 30,	
	2013	**2012**	**2013**	**2012**
Revenues	**$ 623.2**	**$ 613.5**	**$ 899.5**	**$ 906.9**
Operating costs and expenses:				
Cost of goods sold (exclusive of depreciation and amortization)	264.8	262.0	402.7	412.8
Selling, general and administrative expenses (exclusive of depreciation and amortization)	234.4	232.8	402.8	406.3
Depreciation and amortization	15.9	16.7	31.8	32.8
Asset impairments	13.4	-	13.4	-
Total operating costs and expenses	528.5	511.5	850.7	851.9
Operating income (loss)	**94.7**	**102.0**	**48.8**	**55.0**
Interest expense, net	(2.1)	(3.7)	(4.0)	(7.4)
Earnings (loss) from continuing operations before income taxes	**92.6**	**98.3**	**44.8**	**47.6**
Provision (benefit) for income taxes	34.3	35.7	16.6	16.7
Earnings (loss) from continuing operations	**58.3**	**62.6**	**28.2**	**30.9**
Earnings (loss) from discontinued operations, net of tax	**0.0**	**(0.8)**	**0.2**	**(1.2)**
Net income (loss)	**$ 58.3**	**$ 61.8**	**$ 28.4**	**$ 29.7**
Basic and diluted earnings (loss) per Share of Class A and Common Stock				
Basic:				
Earnings (loss) from continuing operations	$ 1.82	$ 1.95	$ 0.88	$ 0.97
Earnings (loss) from discontinued operations, net of tax	$ 0.00	$ (0.02)	$ 0.01	$ (0.04)
Net income (loss)	$ 1.82	$ 1.93	$ 0.89	$ 0.93
Diluted:				
Earnings (loss) from continuing operations	$ 1.80	$ 1.91	$ 0.87	$ 0.95
Earnings (loss) from discontinued operations, net of tax	$ 0.00	$ (0.02)	$ 0.01	$ (0.04)
Net income (loss)	$ 1.80	$ 1.89	$ 0.88	$ 0.91
Dividends declared per class A and common share	$ 0.150	$ 0.125	$ 0.275	$ 0.250

See accompanying notes

SCHOLASTIC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) - UNAUDITED
(Dollar amounts in millions)

	Three months ended November 30,		Six months ended November 30,	
	2013	**2012**	**2013**	**2012**
Net income (loss)	$ 58.3	$ 61.8	$ 28.4	$ 29.7
Other comprehensive income (loss), net:				
Foreign currency translation adjustments	3.0	2.5	(2.6)	7.6
Pension and post-retirement adjustments:				
Amortization of prior service cost (credit)	(0.0)	(0.1)	(0.1)	(0.2)
Amortization of unrecognized gain (loss) included in net periodic cost	0.5	1.4	1.4	2.6
Total other comprehensive income (loss)	$ 3.5	$ 3.8	$ (1.3)	$ 10.0
Comprehensive income (loss)	$ 61.8	$ 65.6	$ 27.1	$ 39.7

See accompanying notes

SCHOLASTIC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS - UNAUDITED
(Dollar amounts in millions, except per share data)

	November 30, 2013		May 31, 2013		November 30, 2012	
ASSETS						
Current Assets:						
Cash and cash equivalents	$	117.2	$	87.4	$	257.3
Accounts receivable, net		286.4		214.9		272.9
Inventories, net		342.3		278.1		356.4
Deferred income taxes		79.2		79.2		71.5
Prepaid expenses and other current assets		50.6		61.2		50.6
Current assets of discontinued operations		0.4		0.4		8.3
Total current assets		**876.1**		**721.2**		**1,017.0**
Property, plant and equipment, net		294.2		311.6		326.0
Prepublication costs		148.4		147.3		133.8
Royalty advances, net		40.0		37.0		37.6
Production costs		4.0		1.7		2.1
Goodwill		144.5		157.9		157.8
Other intangibles		13.4		14.6		15.6
Noncurrent deferred income taxes		14.7		14.9		42.6
Other assets and deferred charges		44.6		34.8		36.5
Total assets	**$**	**1,579.9**	**$**	**1,441.0**	**$**	**1,769.0**
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities:						
Lines of credit, short-term debt and current portion of long-term debt	$	9.6	$	2.0	$	0.7
Capital lease obligations		0.0		0.2		0.7
Accounts payable		196.0		156.2		208.1
Accrued royalties		41.8		34.4		52.7
Deferred revenue		111.6		48.1		105.2
Other accrued expenses		184.0		179.5		195.1
Current liabilities of discontinued operations		1.2		1.3		2.0
Total current liabilities		**544.2**		**421.7**		**564.5**
Noncurrent Liabilities:						
Long-term debt		-		-		152.9
Capital lease obligations		58.0		57.5		56.9
Other noncurrent liabilities		94.3		97.4		118.0
Total noncurrent liabilities		**152.3**		**154.9**		**327.8**
Commitments and Contingencies		-		-		-
Stockholders' Equity:						
Preferred Stock, $1.00 par value		-		-		-
Class A Stock, $.01 par value		0.0		0.0		0.0
Common Stock, $.01 par value		0.4		0.4		0.4
Additional paid-in capital		581.6		582.9		585.8
Accumulated other comprehensive income (loss)		(66.7)		(65.4)		(64.2)
Retained earnings		758.9		738.9		745.5
Treasury stock at cost		(390.8)		(392.4)		(390.8)
Total stockholders' equity		883.4		864.4		876.7
Total liabilities and stockholders' equity	**$**	**1,579.9**	**$**	**1,441.0**	**$**	**1,769.0**

See accompanying notes

SCHOLASTIC CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS – UNAUDITED
(Dollar amounts in millions)

	Six months ended	
	November 30, 2013	**November 30, 2012**
Cash flows - operating activities:		
Net income (loss)	$ 28.4	$ 29.7
Earnings (loss) from discontinued operations, net of tax	0.2	(1.2)
Earnings (loss) from continuing operations	28.2	30.9
Adjustments to reconcile earnings from continuing operations to net cash provided by (used in) operating activities of continuing operations:		
Provision for losses on accounts receivable	3.9	4.5
Provision for losses on inventory	10.1	11.3
Provision for losses on royalty advances	2.0	2.6
Amortization of prepublication and production costs	27.9	23.8
Depreciation and amortization	32.6	33.8
Asset impairments	13.4	-
Stock-based compensation	6.7	4.2
Non cash net (gain) loss on equity investments	(1.8)	(1.5)
Changes in assets and liabilities:		
Accounts receivable	(77.1)	41.8
Inventories	(76.2)	(68.0)
Other current assets	13.0	(1.3)
Deferred promotion costs	(2.5)	(2.4)
Royalty advances	(4.8)	(5.1)
Accounts payable	40.1	86.0
Other accrued expenses	2.1	(39.4)
Accrued royalties	7.4	(40.9)
Deferred revenue	63.6	57.8
Pension and post-retirement liability	(6.6)	(8.2)
Other noncurrent liability	(2.1)	(2.6)
Other, net	1.5	0.7
Total adjustments	53.2	97.1
Net cash provided by (used in) operating activities of continuing operations	81.4	128.0
Net cash provided by (used in) operating activities of discontinued operations	0.1	(0.6)
Net cash provided by (used in) operating activities	81.5	127.4
Cash flows - investing activities:		
Prepublication and production expenditures	(31.8)	(32.6)
Additions to property, plant and equipment	(14.1)	(29.2)
Acquisition related payments	(1.0)	(0.1)
Proceeds from the sale of asset	1.3	-
Net cash provided by (used in) investing activities of continuing operations	(45.6)	(61.9)
Net cash used in investing activities of discontinued operations	-	(1.2)
Net cash provided by (used in) investing activities	(45.6)	(63.1)

See accompanying notes

SCHOLASTIC CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS – UNAUDITED
(Dollar amounts in millions)

	Six months ended	
	November 30, 2013	**November 30, 2012**
Cash flows - financing activities:		
Borrowings under credit agreement and revolving loan	50.0	-
Repayment of credit agreement and revolving loan	(50.0)	-
Borrowings under lines of credit	133.0	18.8
Repayment of lines of credit	(125.5)	(24.4)
Repayment of capital lease obligations	(0.2)	(0.5)
Reacquisition of common stock	(6.2)	(0.1)
Proceeds pursuant to stock-based compensation plans	1.4	11.3
Payment of dividends	(8.2)	(7.9)
Other	0.1	(0.6)
Net cash provided by (used in) financing activities of continuing operations	(5.6)	(3.4)
Effect of exchange rate changes on cash and cash equivalents	(0.5)	1.5
Net increase (decrease) in cash and cash equivalents	29.8	62.4
Cash and cash equivalents at beginning of period	87.4	194.9
Cash and cash equivalents at end of period	**$ 117.2**	**$ 257.3**

See accompanying notes

1. Basis of Presentation

Principles of consolidation

The accompanying condensed consolidated financial statements include the accounts of Scholastic Corporation (the “Corporation”) and all wholly-owned and majority-owned subsidiaries (collectively, “Scholastic” or the “Company”). Intercompany transactions are eliminated in consolidation. These financial statements have not been audited but reflect those adjustments consisting of normal recurring items that management considers necessary for a fair presentation of financial position, results of operations, comprehensive income (loss) and cash flows. These financial statements should be read in conjunction with the consolidated financial statements and related notes in the Annual Report on Form 10-K for the fiscal year ended May 31, 2013 (the “Annual Report”).

The Company’s fiscal year is not a calendar year. Accordingly, references in this document to fiscal 2013 relate to the twelve-month period ended May 31, 2013.

Reclassifications

Certain reclassifications have been made to conform to the current year presentation.

Discontinued Operations

The Company closed several operations during fiscal 2012 and fiscal 2013. All of these businesses are classified as discontinued operations in the Company’s financial statements. See Note 2, “Discontinued Operations,” for additional information.

Seasonality

The Company’s *Children’s Book Publishing and Distribution* school-based book fair and book club channels and most of its magazines operate on a school-year basis; therefore, the Company’s business is highly seasonal. As a result, the Company’s revenues in the first and third quarters of the fiscal year generally are lower than its revenues in the other two fiscal quarters. Typically these school-based channel revenues are greatest in the second and fourth quarters of the fiscal year, while revenues from the sale of instructional materials and educational technology products and services are highest in the first and fourth quarters. The Company generally experiences a loss from operations in the first and third quarters of each fiscal year.

Use of estimates

The Company’s condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and with the instructions to Form 10-Q and Regulation S-X. The preparation of these financial statements involves the use of estimates and assumptions by management, which affects the amounts reported in the condensed consolidated financial statements and accompanying notes. The Company bases its estimates on historical experience, current business factors, and various other assumptions believed to be reasonable under the circumstances, all of which are necessary in order to form a basis for determining the carrying values of assets and liabilities. Actual results may differ from those estimates and assumptions. On an on-going basis, the Company evaluates the adequacy of its reserves and the estimates used in calculations, including, but not limited to:

- Accounts receivable, returns and allowances
- Pension and other post-retirement obligations
- Uncertain tax positions
- Inventory reserves
- Gross profits for book fair operations during interim periods
- Sales taxes
- Royalty advance reserves
- Customer reward programs
- Impairment testing for goodwill, intangibles and other long-lived assets

Restricted Cash

The condensed consolidated balance sheets include restricted cash of $1.1, $1.0 and $1.8 at November 30, 2013, May 31, 2013 and November 30, 2012, respectively, which is reported in "Other current assets."

New Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board (the "FASB") issued an update to the authoritative guidance related to the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists to address diversity in practice in the presentation of unrecognized tax benefits.

An unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as follows:
to the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date. No new disclosures are required as a result of this update. The amendments in this update are effective prospectively for reporting periods beginning after December 15, 2013 for all unrecognized tax benefits that exist at the effective date. This new guidance is not yet effective for the fiscal period covered by this quarterly report. The Company is evaluating the impact that this update will have on its consolidated financial position, results of operations and cash flows.

2. Discontinued Operations

The Company continuously evaluates its portfolio of businesses for both impairment and economic viability. The Company monitors the expected cash proceeds to be realized from the disposition of discontinued operations' assets, and adjusts asset values accordingly.

The following table summarizes the operating results of the discontinued operations for the periods indicated:

	Three months ended November 30, 2013	Three months ended November 30, 2012	Six months ended November 30, 2013	Six months ended November 30, 2012
Revenues	$ 0.1	$ 2.7	$ 0.1	$ 2.9
Earnings (loss) before income taxes	0.0	(1.3)	0.3	(1.9)
Income tax benefit (provision)	(0.0)	0.5	(0.1)	0.7
Earnings (loss) from discontinued operations, net of tax	**$ 0.0**	**$ (0.8)**	**$ 0.2**	**$ (1.2)**

The following table sets forth the assets and liabilities of the discontinued operations included in the condensed consolidated balance sheets of the Company as of the dates indicated:

	November 30, 2013	May 31, 2013	November 30, 2012
Accounts receivable, net	$ 0.0	$ 0.0	$ 0.0
Other assets	0.4	0.4	8.3
Current assets of discontinued operations	**$ 0.4**	**$ 0.4**	**$ 8.3**
Accrued expenses and other current liabilities	1.2	1.3	2.0
Current liabilities of discontinued operations	**$ 1.2**	**$ 1.3**	**$ 2.0**

3. Segment Information

The Company categorizes its businesses into five reportable segments: *Children's Book Publishing and Distribution; Educational Technology and Services; Classroom and Supplemental Materials Publishing; Media, Licensing and Advertising;* and *International*. This classification reflects the nature of products and services consistent with the method by which the Company's chief operating decision-maker assesses operating performance and allocates resources.

- *Children's Book Publishing and Distribution* operates as an integrated business which includes the publication and distribution of children's books, media and interactive products in the United States through its book clubs and book fairs in its school channels and through the trade channel. This segment is comprised of three operating segments.

- *Educational Technology and Services* includes the production and distribution to schools of curriculum-based learning technology and materials for grades pre-kindergarten to 12 in the United States, together with related implementation and assessment services and school consulting services. This segment is comprised of one operating segment.

- *Classroom and Supplemental Materials Publishing* includes the publication and distribution to schools and libraries of children's books, classroom magazines, supplemental classroom materials and print and on-line reference and non-fiction products for grades pre-kindergarten to 12 in the United States. This segment is comprised of two operating segments.

- *Media, Licensing and Advertising* includes the production and/or distribution of digital media, consumer promotions and merchandising and advertising revenue, including sponsorship programs. This segment is comprised of two operating segments.

- *International* includes the publication and distribution of products and services outside the United States by the Company's international operations, and its export and foreign rights businesses. This segment is comprised of three operating segments.

	Children's Book Publishing and Distribution[1]	Educational Technology and Services[1]	Classroom and Supplemental Materials Publishing[1]	Media, Licensing and Advertising[1]	Overhead[1] [2]	Total Domestic	International[1]	Total
Three months ended November 30, 2013								
Revenues	$ 352.1	$ 60.9	$ 59.1	$ 15.5	$ -	$ 487.6	$ 135.6	$ 623.2
Bad debt expense	1.0	0.0	0.6	0.1	-	1.7	0.8	2.5
Depreciation and amortization[3]	3.7	0.2	0.3	0.0	10.5	14.7	1.2	15.9
Amortization[4]	4.1	7.4	2.2	0.5	-	14.2	0.4	14.6
Asset impairments [5]	13.4	-	-	-	-	13.4	-	13.4
Segment operating income (loss)	68.9	6.9	10.7	(0.4)	(13.6)	72.5	22.2	94.7
Expenditures for long-lived assets including royalty advances	10.5	7.3	2.6	2.5	2.8	25.7	2.7	28.4
Three months ended November 30, 2012								
Revenues	$ 347.4	$ 52.2	$ 53.2	$ 17.0	$ -	$ 469.8	$ 143.7	$ 613.5
Bad debt expense	1.8	(0.2)	1.4	-	-	3.0	1.0	4.0
Depreciation and amortization[3]	4.3	0.3	0.3	0.1	10.4	15.4	1.3	16.7
Amortization[4]	3.8	5.2	1.9	0.8	-	11.7	0.3	12.0
Segment operating income (loss)	69.4	5.3	7.4	2.0	(6.8)	77.3	24.7	102.0
Expenditures for long-lived assets including royalty advances	12.1	9.2	2.4	0.8	10.8	35.3	2.7	38.0

	Children's Book Publishing and Distribution[1]	Educational Technology and Services[1]	Classroom and Supplemental Materials Publishing[1]	Media, Licensing and Advertising[1]	Overhead[1] [2]	Total Domestic	International[1]	Total
Six months ended November 30, 2013								
Revenues	$ 406.7	$ 155.7	$ 96.9	$ 25.9	$ -	$ 685.2	$ 214.3	$ 899.5
Bad debt expense	1.4	0.4	0.6	0.1	-	2.5	1.4	3.9
Depreciation and amortization[3]	7.7	0.5	0.6	0.1	20.5	29.4	2.4	31.8
Amortization[4]	8.1	13.4	4.5	1.0	-	27.0	0.9	27.9
Asset impairments [5]	13.4	-	-	-	-	13.4	-	13.4
Segment operating income (loss)	7.4	43.1	9.1	(2.3)	(30.0)	27.3	21.5	48.8
Segment assets at 11/30/13	489.6	180.3	152.8	27.1	456.4	1,306.2	273.3	1,579.5
Goodwill at 11/30/13	40.9	22.7	65.4	5.4	-	134.4	10.1	144.5
Expenditures for long-lived assets including royalty advances	21.9	15.8	4.6	3.6	8.0	53.9	5.2	59.1
Long-lived assets at 11/30/13	149.6	118.2	90.3	14.1	228.7	600.9	67.3	668.2
Six months ended November 30, 2012								
Revenues	$ 418.3	$ 132.2	$ 91.1	$ 31.4	$ -	$ 673.0	$ 233.9	$ 906.9
Bad debt expense	1.6	0.1	1.2	-	-	2.9	1.6	4.5
Depreciation and amortization[3]	8.1	0.6	0.7	0.2	20.7	30.3	2.5	32.8
Amortization[4]	7.3	10.7	3.6	1.3	-	22.9	0.9	23.8
Segment operating income (loss)	14.5	30.1	4.8	2.2	(24.1)	27.5	27.5	55.0
Segment assets at 11/30/12	565.3	170.9	170.2	31.0	513.0	1,450.4	310.3	1,760.7
Goodwill at 11/30/12	54.3	22.7	65.4	5.4	-	147.8	10.0	157.8
Expenditures for long-lived assets including royalty advances	27.2	17.4	4.2	1.9	18.3	69.0	5.1	74.1
Long-lived assets at 11/30/12	171.4	106.9	90.0	12.0	244.3	624.6	71.2	695.8

(1) *As discussed under "Discontinued Operations" in Note 1, "Basis of Presentation," the Company closed several operations during fiscal 2012 and fiscal 2013. All of these businesses are classified as discontinued operations in the Company's financial statements and, as such, are not reflected in this table.*

(2) *Overhead includes all domestic corporate amounts not allocated to segments, including expenses and costs related to the management of corporate assets. Unallocated assets are principally comprised of deferred income taxes and property, plant and equipment related to the Company's headquarters in the metropolitan New York area, its fulfillment and distribution facilities located in Missouri and its facility located in Connecticut. Overhead also includes amounts previously allocated to the Children's Book Publishing and Distribution segment for the computer club business that was discontinued in the fourth quarter of fiscal 2013.*

(3) *Includes depreciation of property, plant and equipment and amortization of intangible assets.*

(4) *Includes amortization of prepublication and production costs.*

(5) *Includes an impairment of goodwill (See Note 7, "Goodwill and Other Intangibles").*

4. Debt

The following table summarizes debt as of the dates indicated:

	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
	November 30, 2013		May 31, 2013		November 30, 2012	
Unsecured lines of credit (weighted average interest rates of 5.1%, 9.0% and 4.7%, respectively)	$ 9.6	$ 9.6	$ 2.0	$ 2.0	$ 0.7	$ 0.7
5% Notes due 2013, net of discount	-	-	-	-	152.9	155.1
Total debt	**$ 9.6**	**$ 9.6**	**$ 2.0**	**$ 2.0**	**$ 153.6**	**$ 155.8**
Less lines of credit, short-term debt and current portion of long-term debt	(9.6)	(9.6)	(2.0)	(2.0)	(0.7)	(0.7)
Total long-term debt	**$ -**	**$ -**	**$ -**	**$ -**	**$ 152.9**	**$ 155.1**

The carrying value of the Company's short-term debt approximates its fair value.

The following table sets forth the maturities of the Company's debt obligations as of November 30, 2013, for the twelve-month period ending November 30,

2014	$ 9.6
2015	-
Total debt	**$ 9.6**

Loan Agreement

Scholastic Corporation and Scholastic Inc. (each, a "Borrower" and together, the "Borrowers") are parties to a $425.0 credit facility with certain banks (as amended, the "Loan Agreement"), which allows the Company to borrow, repay or prepay and reborrow at any time prior to the December 5, 2017 maturity date. Under the Loan Agreement, interest on amounts borrowed thereunder is due and payable in arrears on the last day of the interest period (defined as the period commencing on the date of the advance and ending on the last day of the period selected by the Borrower at the time each advance is made). The interest pricing under the Loan Agreement is dependent upon the Borrower's election of a rate that is either:

- A Base Rate equal to the higher of (i) the prime rate, (ii) the prevailing Federal Funds rate plus 0.500% or (iii) the Eurodollar Rate for a one month interest period plus 1% plus, in each case, an applicable spread ranging from 0.18% to 0.60%, as determined by the Company's prevailing consolidated debt to total capital ratio.

- or -

- A Eurodollar Rate equal to the London interbank offered rate (LIBOR) plus an applicable spread ranging from 1.18% to 1.60%, as determined by the Company's prevailing consolidated debt to total capital ratio.

As of November 30, 2013, the indicated spread on Base Rate Advances was 0.18% and the indicated spread on Eurodollar Rate Advances was 1.18%, both based on the Company's prevailing consolidated debt to total capital ratio. The Loan Agreement also provides for the payment of a facility fee ranging from 0.20% to 0.40% per annum based upon the Company's prevailing consolidated debt to total capital ratio. At November 30, 2013, the facility fee rate was 0.20%.

There were no outstanding borrowings under the Loan Agreement as of November 30, 2013.

The Company had open standby letters of credit totaling $6.6, including $1.4 under the Loan Agreement, as of November 30, 2013. The Loan Agreement contains certain covenants, including interest coverage and leverage ratio tests and certain limitations on the amount of dividends and other distributions, and at November 30, 2013, the Company was in compliance with these covenants.

Lines of Credit

As of November 30, 2013, the Company's domestic credit lines available under unsecured money market bid rate credit lines totaled $19.8. There were no outstanding borrowings under these credit lines at November 30, 2013, May 31, 2013 and November 30, 2012. All loans made under these credit lines are at the sole discretion of the lender and at an interest rate and term agreed to at the time each loan is made, but not to exceed 365 days. These credit lines may be renewed, if requested by the Company, at the option of the lender.

As of November 30, 2013, the Company had various local currency credit lines, with maximum available borrowings in amounts equivalent to $39.3, underwritten by banks primarily in the United States, Canada and the United Kingdom. These credit lines are typically available for overdraft borrowings or loans up to 364 days and may be renewed, if requested by the Company, at the sole option of the lender. Outstanding borrowings under these lines of credit totaled $9.6, $2.0 and $0.7 at November 30, 2013, May 31, 2013 and November 30, 2012, respectively.

5. Commitments and Contingencies

Various claims and lawsuits arising in the normal course of business are pending against the Company. The Company accrues a liability for such matters when it is probable that a liability has occurred and the amount of such liability can be reasonably estimated. When only a range can be estimated, the most probable amount in the range is accrued unless no amount within the range is a better estimate than any other amount, in which case the minimum amount in the range is accrued. Legal costs associated with litigation loss contingencies are expensed in the period in which they are incurred. The Company does not expect, in the case of those various claims and lawsuits arising in the normal course of business where a loss is considered probable or reasonably possible, that the reasonably possible losses from such claims and lawsuits (either individually or in the aggregate) would have a material adverse effect on the Company's consolidated financial position or results of operations.

Grolier Limited is an indirect subsidiary of Scholastic Corporation, located in the United Kingdom, which ceased operations in fiscal 2008 and the operations of which are included in discontinued operations. The Company is currently in the process of settling a Grolier Limited pension plan in effect at the time it ceased operations and is evaluating the potential pension liabilities under the plan relating to the status of the plan as a defined contribution or a defined benefit plan in the context of the conversion of the plan from a defined benefit to a defined contribution plan in 1986. Based on the information currently available to it, the Company does not expect to incur any additional material liability in resolving this issue and settling the plan.

6. Earnings (Loss) Per Share

The following table summarizes the reconciliation of the numerators and denominators for the basic and diluted earnings (loss) per share computation for the three and six-month periods ended November 30, 2013 and 2012, respectively:

	Three months ended November 30,				Six months ended November 30,			
	2013		2012		2013		2012	
Earnings (loss) from continuing operations attributable to Class A and Common Shares	**$**	**58.2**	**$**	**62.4**	**$**	**28.1**	**$**	**30.8**
Earnings (loss) from discontinued operations attributable to Class A and Common Shares, net of tax		0.0		(0.8)		0.2		(1.2)
Net income (loss) attributable to Class A and Common Shares	$	58.2	$	61.6	$	28.3	$	29.6
Weighted average Shares of Class A Stock and Common Stock outstanding for basic earnings (loss) per share (in millions)		31.9		31.9		31.8		31.7
Dilutive effect of Class A Stock and Common Stock potentially issuable pursuant to stock-based compensation plans (in millions)		0.4		0.8		0.6		0.7
Adjusted weighted average Shares of Class A Stock and Common Stock outstanding for diluted earnings (loss) per share (in millions)		32.3		32.7		32.4		32.4
Earnings (loss) per share of Class A Stock and Common Stock:								
Basic earnings (loss) per share:								
Earnings (loss) from continuing operations	**$**	**1.82**	**$**	**1.95**	**$**	**0.88**	**$**	**0.97**
Earnings (loss) from discontinued operations, net of tax	**$**	**0.00**	**$**	**(0.02)**	**$**	**0.01**	**$**	**(0.04)**
Net income (loss)	**$**	**1.82**	**$**	**1.93**	**$**	**0.89**	**$**	**0.93**
Diluted earnings (loss) per share:								
Earnings (loss) from continuing operations	**$**	**1.80**	**$**	**1.91**	**$**	**0.87**	**$**	**0.95**
Earnings (loss) from discontinued operations, net of tax	**$**	**0.00**	**$**	**(0.02)**	**$**	**0.01**	**$**	**(0.04)**
Net income (loss)	**$**	**1.80**	**$**	**1.89**	**$**	**0.88**	**$**	**0.91**

Earnings from continuing operations exclude earnings of $0.1 and $0.1 for the three and six months ended November 30, 2013, respectively, and $0.2 and $0.1 for the three and six months ended November 30, 2012, respectively, for earnings attributable to participating Restricted Stock Units (“RSUs”).

The following table sets forth Options outstanding pursuant to stock-based compensation plans as of the dates indicated:

	November 30, 2013	November 30, 2012
Options outstanding pursuant to stock-based compensation plans (in millions)	4.7	4.3

In a period in which the Company reports a discontinued operation, Earnings (loss) from continuing operations is used as the "control number" in determining whether potentially dilutive common shares are dilutive or anti-dilutive. Potentially dilutive shares outstanding pursuant to compensation plans that were not included in the diluted earnings per share calculation because they were anti-dilutive were 1.3 million as of November 30, 2013.

A portion of the Company's RSUs which are granted to employees participate in earnings through cumulative non-forfeitable dividends payable to the employees upon vesting of the RSUs. Accordingly, the Company measures earnings per share based upon the lower of the Two-class method or the Treasury Stock method. Since, under the Two-class method, losses are not allocated to the participating securities, in periods of loss the Two-class method is not applicable.

As of November 30, 2013, $13.4 remains available for future purchases of common shares under the current repurchase authorization of the Board of Directors. See Note 12, "Treasury Stock," for a more complete description of the Company's share buy-back program.

7. Goodwill and Other Intangibles

The Company assesses goodwill and other intangible assets with indefinite lives annually or more frequently if impairment indicators are such that the goodwill is more likely than not impaired. The Company continues to monitor impairment indicators in light of reduced earnings, changes in market conditions, near and long-term demand for the Company's products and other relevant factors.

In the current quarter, the Company recognized an impairment of $13.4 of goodwill associated with the book clubs reporting unit in the *Children's Book Publishing and Distribution* segment. In the second quarter of fiscal year 2014, expected revenues for the reporting unit declined, resulting in an impairment indicator. Revenues in the first fiscal quarter are not significiant for this reporting unit as schools are not in session. As of November 30, 2013, the fair value of the reporting unit was approximately $13.0 less than the carrying value of $66.9. The Company used forecasted cash flows, which were adjusted from those used in the latest annual valuation to reflect the revised outlook for the reporting unit, and to a lesser extent, observable revenue multiples for comparable companies, in determining its fair value. Management revised its outlook for the reporting unit as revenues did not meet expectations during the period, and future revenue expectations were revised consistent with the current period decline. A discount rate of 15.5% and a perpetual growth rate of 3.0% were employed for the discounted cash flow analysis and multiples of 0.4 times historical revenues were employed for market comparisons. The reporting unit is dependent upon internally developed intangible assets including trade names and customer lists which have no carrying value, but have substantial fair value. Upon finalization of step two of the goodwill impairment process, inclusion of these intangible assets is expected to render 100% of the goodwill impaired.

The following table summarizes the activity in Goodwill for the periods indicated:

	Six months ended November 30, 2013		Twelve months ended May 31, 2013		Six months ended November 30, 2012	
Gross beginning balance	$	178.7	$	178.5	$	178.5
Accumulated impairment		(20.8)		(20.8)		(20.8)
Beginning balance	$	157.9	$	157.7	$	157.7
Impairment charge		(13.4)		-		-
Foreign currency translation		0.0		0.0		0.1
Other		-		0.2		-
Gross ending balance	$	178.7	$	178.7	$	178.6
Accumulated impairment		(34.2)		(20.8)		(20.8)
Ending balance	**$**	**144.5**	**$**	**157.9**	**$**	**157.8**

The following table summarizes the activity in Total other intangibles for the periods indicated:

	Six months ended November 30, 2013		Twelve months ended May 31, 2013		Six months ended November 30, 2012	
Beginning balance - customer lists	$	3.4	$	4.3	$	4.3
Additions		-		0.1		0.1
Amortization expense		(0.5)		(1.0)		(0.5)
Foreign currency translation		0.0		0.0		0.0
Customer lists, net of accumulated amortization of $2.7, $2.3 and $1.8, respectively	$	2.9	$	3.4	$	3.9
Beginning balance - other intangibles	$	9.2	$	10.4	$	10.4
Additions		-		0.2		-
Amortization expense		(0.7)		(1.5)		(0.8)
Foreign currency translation		0.0		-		-
Other		-		0.1		0.1
Other intangibles, net of accumulated amortization of $12.7, $12.0 and $11.3, respectively	$	8.5	$	9.2	$	9.7
Total other intangibles subject to amortization	**$**	**11.4**	**$**	**12.6**	**$**	**13.6**
Trademarks and other	$	2.0	$	2.0	$	2.0
Total other intangibles not subject to amortization	**$**	**2.0**	**$**	**2.0**	**$**	**2.0**
Total other intangibles	**$**	**13.4**	**$**	**14.6**	**$**	**15.6**

Amortization expense for Total other intangibles was $1.2 and $1.3 for the six months ended November 30, 2013 and 2012, respectively. Intangible assets with definite lives consist principally of customer lists, covenants not to compete and trademark rights. Intangible assets with definite lives are amortized over their estimated useful lives. The weighted-average remaining useful lives of all amortizable intangible assets is 7 years.

8. Investments

Included in "Other assets and deferred charges" on the Company's condensed consolidated balance sheets were investments of $23.7, $19.6 and $22.9 at November 30, 2013, May 31, 2013 and November 30, 2012, respectively.

In the first quarter of fiscal 2014, the Company acquired a 20% interest in a software development business for $1.0 in cash, which is accounted for using the equity method of accounting. The Company owns a 15% non-controlling interest in a book distribution business located in the UK, which is accounted for as a cost-basis investment. The Company's 26.2% non-controlling interest in a children's book publishing business located in the UK is accounted for using the equity method of accounting. Income from equity investments totaled $1.8 and $1.5 for the six months ended November 30, 2013 and 2012, respectively. The prior fiscal year results include a $1.3 settlement received in the prior fiscal period in respect of a former equity-method investment for product delivered to the investee in prior years.

The following table summarizes the Company's investments as of the dates indicated:

	November 30, 2013		May 31, 2013		November 30, 2012	
Cost method investments:						
UK - based	$	4.8	$	5.0	$	5.6
Total cost method investments	$	4.8	$	5.0	$	5.6
Equity method investments:						
UK - based	$	17.9	$	14.6	$	17.3
Other		1.0		-		-
Total equity method investments	$	18.9	$	14.6	$	17.3
Total	**$**	**23.7**	**$**	**19.6**	**$**	**22.9**

9. Employee Benefit Plans

The following table sets forth components of the net periodic benefit costs for the periods indicated under the Company's cash balance retirement plan for its United States employees meeting certain eligibility requirements (the "U.S. Pension Plan") and the defined benefit pension plan of Scholastic Ltd., an indirect subsidiary of Scholastic Corporation located in the United Kingdom (the "UK Pension Plan" and, together with the U.S. Pension Plan, the "Pension Plans"). Also included are the post-retirement benefits, consisting of certain healthcare and life insurance benefits provided by the Company to its eligible retired United States-based employees (the "Post-Retirement Benefits"). The Pension Plans and Post-Retirement Benefits include participants associated with both continuing operations and discontinued operations.

	Pension Plans Three months ended November 30,		Post-Retirement Benefits Three months ended November 30,	
	2013	2012	2013	2012
Components of net periodic benefit (credit) cost:				
Service cost	$ -	$ -	$ 0.0	$ 0.0
Interest cost	1.8	1.7	0.3	0.4
Expected return on assets	(3.2)	(2.6)	-	-
Net amortization of prior service credit	-	-	(0.0)	(0.1)
Amortization of loss	0.5	0.5	0.6	0.9
Net periodic benefit (credit) cost	**$ (0.9)**	**$ (0.4)**	**$ 0.9**	**$ 1.2**

	Pension Plans Six months ended November 30,		Post-Retirement Benefits Six months ended November 30,	
	2013	2012	2013	2012
Components of net periodic benefit (credit) cost:				
Service cost	$ -	$ -	$ 0.0	$ 0.0
Interest cost	3.6	3.5	0.7	0.8
Expected return on assets	(6.3)	(5.3)	-	-
Net amortization of prior service credit	-	-	(0.1)	(0.2)
Amortization of (gain) loss	0.9	1.1	1.2	1.9
Net periodic benefit (credit) cost	**$ (1.8)**	**$ (0.7)**	**$ 1.8**	**$ 2.5**

The Company's funding practice with respect to the Pension Plans is to contribute on an annual basis at least the minimum amounts required by applicable laws. For the six months ended November 30, 2013, the Company contributed $3.3 to the U.S. Pension Plan and $0.6 to the UK Pension Plan.

The Company expects, based on actuarial calculations, to contribute cash of approximately $7.5 to the Pension Plans for the fiscal year ending May 31, 2014.

10. Stock-Based Compensation

The following table summarizes stock-based compensation expense included in Selling, general and administrative expenses for the periods indicated:

	Three months ended November 30,		Six months ended November 30,	
	2013	2012	2013	2012
Stock option expense	$ 4.4	$ 0.6	$ 4.6	$ 1.6
Restricted stock unit expense	1.2	0.8	1.9	1.8
Management stock purchase plan	0.0	0.6	0.1	0.6
Employee stock purchase plan	0.0	0.1	0.1	0.2
Total stock-based compensation expense	**$ 5.6**	**$ 2.1**	**$ 6.7**	**$ 4.2**

During each of the six month periods ended November 30, 2013 and 2012, shares of Common Stock issued by the Corporation pursuant to its stock-based compensation plans were not material.

11. Accrued Severance

The table below provides information regarding Accrued severance, which is included in "Other accrued expenses" in the Company's condensed consolidated balance sheets.

	Six months ended November 30, 2013	Twelve months ended May 31, 2013	Six months ended November 30, 2012
Beginning balance	$ 3.3	$ 2.7	$ 2.7
Accruals	7.8	13.4	2.1
Payments	(6.1)	(12.8)	(2.9)
Ending balance	**$ 5.0**	**$ 3.3**	**$ 1.9**

The Company has continued to implement cost savings initiatives, resulting in severance expense related to these initiatives of $7.5 during the six-month period ended November 30, 2013. Severance expenses are reported in "Selling, general and administrative expenses."

12. Treasury Stock

The Board of Directors has authorized the Company to repurchase Common Stock, from time to time as conditions allow, on the open market or through negotiated private transactions. The table below represents the remaining Board authorization:

Board Authorization	**Amount**
September 2010	$ 44.0
Less repurchases made under this authorization	(30.6)
Remaining Board authorization at November 30, 2013	$ 13.4

The Company's repurchase program may be suspended at any time without prior notice. There were $5.6 and $6.2 repurchases of Common Stock made during the three and six month periods ended November 30, 2013, respectively.

13. Fair Value Measurements

The Company determines the appropriate level in the fair value hierarchy for each fair value measurement of assets and liabilities carried at fair value on a recurring basis in the Company's financial statements. The fair value hierarchy prioritizes the inputs, which refer to assumptions that market participants would use in pricing an asset or liability, based upon the highest and best use, into three levels as follows:

- **Level 1** Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- **Level 2** Observable inputs other than unadjusted quoted prices in active markets for identical assets or liabilities such as

    - Quoted prices for similar assets or liabilities in active markets
    - Quoted prices for identical or similar assets or liabilities in inactive markets
    - Inputs other than quoted prices that are observable for the asset or liability
    - Inputs that are derived principally from or corroborated by observable market data by correlation or other means

- **Level 3** Unobservable inputs in which there is little or no market data available, which are significant to the fair value measurement and require the Company to develop its own assumptions.

The Company's financial assets and liabilities measured at fair value consisted of cash and cash equivalents, debt and foreign currency forward contracts. Cash and cash equivalents are comprised of bank deposits and short-term investments, such as money market funds, the fair value of which is based on quoted market prices, a Level 1 fair value measure. The Company employs Level 2 fair value measurements for the disclosure of the fair value of its 5% Notes and its various lines of credit. See Note 4, "Debt," for a more complete description of fair value measurements employed. The fair values of foreign currency forward contracts, used by the Company to manage the impact of foreign exchange rate changes to the financial statements, are based on quotations from financial institutions, a Level 2 fair value measure. See Note 15, "Derivatives and Hedging," for a more complete description of fair value measurements employed.

Non-financial assets and liabilities for which the Company employs fair value measures on a non-recurring basis include:

- Long-lived assets
- Investments
- Assets acquired in a business combination
- Goodwill and indefinite-lived intangible assets
- Long-lived assets held for sale

Level 2 and Level 3 inputs are employed by the Company in the fair value measurement of these assets and liabilities.
See Note 7, "Goodwill and Other Intangibles," for a more complete description of the fair value measurements employed.

14. Income Taxes and Other Taxes

Income Taxes

In calculating the provision for income taxes on an interim basis, the Company uses an estimate of the annual effective tax rate based upon the facts and circumstances known and applies that rate to its year-to-date earnings or losses. The Company's effective tax rate is based on expected income and statutory tax rates and takes into consideration permanent differences between financial statement and tax return income applicable to the Company in the various jurisdictions in which the Company operates. The effect of discrete items, such as changes in estimates, changes in enacted tax laws or rates or tax status, and unusual or infrequently occurring events, is recognized in the interim period in which the discrete item occurs. The accounting estimates used to compute the provision for income taxes may change as new events occur, additional information is obtained or as the result of new judicial interpretations or regulatory or tax law changes.

The Company's annual effective tax rate for the fiscal year ending May 31, 2014 is currently expected to be approximately 40%.

The Company, including its domestic subsidiaries, files a consolidated U.S. income tax return, and also files tax returns in various states and other local jurisdictions. Also, certain subsidiaries of the Company file income tax returns in foreign jurisdictions. The Company is routinely audited by various tax authorities. The Company is currently under audit by the Internal Revenue Service for fiscal years ended May 31, 2007, 2008 and 2009. The Company is currently under audit by New York State for fiscal years ended May 31, 2009, 2010 and 2011 and by New York City for fiscal years ended May 31, 2008, 2009 and 2010. If any of these tax examinations are concluded within the next twelve months, the Company will make any necessary adjustments to its unrecognized tax benefits.

Non-income Taxes

The Company is subject to tax examinations for sales-based taxes. A number of these examinations are ongoing and, in certain cases, have resulted in assessments from taxing authorities. Where a sales tax liability with respect to a particular jurisdiction is probable and can be reliably estimated, the Company has made accruals for these matters which are reflected in the Company's condensed consolidated financial statements.

15. Derivatives and Hedging

The Company enters into foreign currency derivative contracts to economically hedge the exposure to foreign currency fluctuations associated with the forecasted purchase of inventory and the foreign exchange risk associated with certain receivables denominated in foreign currencies. These derivative contracts are economic hedges and are not designated as cash flow hedges. The Company marks-to-market these instruments and records the changes in the fair value of these items in current earnings, and it recognizes the unrealized gain or loss in other current assets or liabilities. Unrealized gains of $0.1 were recognized at November 30, 2013 and November 30, 2012, respectively.

16. Other Accrued Expenses

Other accrued expenses consist of the following as of the dates indicated:

	November 30, 2013	May 31, 2013	November 30, 2012
Accrued payroll, payroll taxes and benefits	$ 44.8	$ 45.8	$ 45.7
Accrued bonus and commissions	21.4	22.0	16.5
Accrued other taxes	28.4	29.3	36.6
Accrued advertising and promotions	39.6	38.2	41.1
Accrued income taxes	11.4	5.5	11.3
Accrued insurance	7.8	8.7	8.7
Other accrued expenses	30.6	30.0	35.2
Total accrued expenses	**$ 184.0**	**$ 179.5**	**$ 195.1**

17. Subsequent Events

On December 13, 2013, the Company delivered an acceptance of offer ("Acceptance Letter") to purchase its headquarters space (both land and building) at 555 Broadway, New York, NY (the "Property") from its landlord, ISE 555 Broadway, LLC (the "Landlord").

Under the terms of the Amended and Restated Lease effective as of August 1, 1999 between the Landlord and the Company (the "Lease"), the Landlord was obligated to offer to sell the Property to the Company prior to marketing the Property for sale to a third party. Pursuant to Section 2.03 of the Lease, the Landlord made the required written offer pursuant to a notice dated October 16, 2013 ("Landlord's Offer Notice").

Under the terms of the Lease and the Landlord's Offer Notice, by accepting the Landlord's offer the Company is obligated to purchase the Property for $255 in cash with no financing contingency, pursuant to a definitive contract of sale which must be executed within thirty (30) days of the receipt of the Company's Acceptance Letter and which must be consistent with contracts for the sale of like property in the Borough of Manhattan. The Company will be required to deposit into escrow, with the Landlord's counsel, $50 upon execution of the definitive contract of sale as required by the Landlord's Offer Notice. The transaction is to be completed by February 3, 2014, subject to the right of the Company to demand one thirty (30) day extension upon the payment of an additional $5 into the escrow. The Company will use existing cash and availability under the Loan Agreement to finance this purchase.

On December 18, 2013, the Company announced that the Board of Directors declared a cash dividend of $0.15 per Class A and Common share in respect of the third quarter of fiscal 2014. The dividend is payable on March 17, 2014 to stockholders of record on January 31, 2014.

Overview and Outlook

Revenue in the quarter ended November 30, 2013 was $623.2 million, compared to $613.5 million in the quarter ended November 30, 2012. The Company reported second quarter earnings per diluted share from continuing operations of $1.80, versus $1.91 in the prior year period. Results for the second quarter of the current fiscal year include a goodwill impairment charge of $13.4 million related to legacy acquisitions made in the *Children's Book Publishing and Distribution* segment over 10 years ago and $5.5 million of one-time expenses related to cost reduction and restructuring programs.

Second quarter results were largely driven by profit improvement in children's books; continued robust performance of the Company's new educational technology programs, which were successfully launched over the summer; favorable results in classroom book collections and guided reading initiatives; and growing circulation of the Company's classroom magazines. These results were partially offset by the performance of the *International* segment, where the impact of double-digit revenue growth in Asia was more than offset by fluctuations in foreign currency exchange rates.

The Company continues to be a critical source of books to support children's independent reading in school and at home. In the trade channel, *The Hunger Games: Catching Fire* film release in November 2013 sparked sales of The Hunger Games trilogy books and ebooks following its release, and the new multi-platform series, SPIRIT ANIMALS™, did well in the second quarter, as did franchise titles such as Harry Potter. Collaborative marketing efforts in the children's book clubs and fairs channels are providing books to parents and children in a more streamlined, profitable manner.

During the second quarter, strong demand for the Company's new educational programs and classroom book collections, magazines and other materials, combining both print and digital, drove revenue and operating income growth in the *Educational Technology and Services* and *Classroom and Supplemental Materials Publishing* segments. The Company also combined the operations of these two segments during the quarter, which enhances the Company's ability to support schools and districts with total solutions as new technologies and new standards are being implemented. As a result, the new combined sales force is able to offer a significantly expanded suite of programs and services in support of the Company's partnerships with schools in helping to raise reading and math achievement to enable children to reach the new Common Core standards.

For fiscal 2014, the Company continues to anticipate total revenues of approximately $1.8 billion and earnings per diluted share from continuing operations in the range of $1.40 to $1.80, before the impact of one-time items associated with cost reduction programs, or non-cash, non-operating items.

Results of Operations – Consolidated

Revenues for the quarter ended November 30, 2013 increased by $9.7 million to $623.2 million, compared to $613.5 million in the prior fiscal year quarter. The improvement was driven by continued strong results from new educational technology programs of $5.1 million, continued demand for the Company's digital and customized print institutional packages contributing $3.6 million, higher book fair revenues of $6.1 million, and increased sales of Hunger Games trilogy titles of $3.4 million. Partially offsetting these improvements were lower *International* segment revenues resulting from the adverse impact of foreign exchange of $7.5 million and the absence of low margin software sales in Australia of $3.0 million in the current fiscal year quarter and lower book clubs revenues of $2.7 million.

Revenues for the six month period ended November 30, 2013 decreased by $7.4 million to $899.5 million, compared to $906.9 million in the prior fiscal year period. The reduction was driven by lower revenues from the Hunger Games trilogy of $23.0 million across the *Children's Book Publishing and Distribution* segment, the *International* segment and the *Media, Licensing and Advertising* segment. Lower *International* segment revenues also resulted from the adverse impact of foreign exchange of $11.9 million in the six month period ended November 30, 2013 and the absence of low margin software sales totaling $6.0 million. Partially offsetting these declines were strong results from new product offerings in the Company's *Educational Technology and Services* segment. *MATH 180™,* iRead™ and *Common Core Code X™,* all of which are new product offerings successfully launched for the current school year, resulted in increased revenues of $20.2 million. *Classroom and Supplemental Materials Publishing* segment revenues were also higher by $5.8 million and the *Children's Book Publishing and Distribution* segment includes increased Book Fairs revenue of $6.3 million.

Cost of goods sold as a percentage of revenue for the quarter ended November 30, 2013 were flat at approximately 43%, compared to the prior fiscal year quarter. Cost of goods sold as a percentage of revenue for the six months ended November 30, 2013 decreased to 44.8%, compared to 45.5% in the prior fiscal year period. For the six month period ended November 30, 2013, 17.3% of the Company's revenues were from the *Educational Technology and Services* segment, compared to 14.6% in the prior fiscal year period. The *Educational Technology and Services* segment experiences significantly higher gross margins than the *Children's Book Publishing and Distribution* and the *International* segments. This shift in the composition of revenues resulted in the overall improved gross margins.

Components of Cost of goods sold (exclusive of depreciation and amortization) for the three and six months ended November 30, 2013 and 2012 are as follows:

	Three months ended November 30,				Six months ended November 30,			
	2013		2012		2013		2012	
	$	% of Revenue	$	% of Revenue	$	% of Revenue	$	% of Revenue
Product, service and production costs	$ 151.8	24.4%	$ 153.5	25.0%	$ 218.3	24.3%	$ 226.0	24.9%
Royalty costs	27.9	4.5%	28.1	4.6%	45.3	5.0%	51.3	5.7%
Prepublication and production amortization	14.9	2.4%	12.2	2.0%	28.0	3.1%	23.9	2.6%
Postage, freight, shipping, fulfillment and other	70.2	11.3%	68.2	11.1%	111.1	12.4%	111.6	12.3%
Total	$ 264.8	42.5%	$ 262.0	42.7%	$ 402.7	44.8%	$ 412.8	45.5%

Selling, general and administrative expenses (exclusive of depreciation and amortization) in the quarter ended November 30, 2013 increased by $1.6 million to $234.4 million, compared to $232.8 million in the prior fiscal year quarter. The Company recognized $5.5 million of severance costs related to cost saving initiatives implemented in the fiscal quarter ended November 30, 2013. The Company experienced lower salaries and benefits of $2.2 million compared to the prior fiscal year quarter as a result of prior cost savings initiatives.

Selling, general and administrative expenses (exclusive of depreciation and amortization) in the six month period ended November 30, 2013 decreased by $3.5 million to $402.8 million, compared to $406.3 million in the prior fiscal year period. The Company experienced lower salaries and benefits of $5.6 million compared to the prior fiscal period as a result of prior cost savings initiatives. The Company recognized $7.5 million of severance costs related to cost saving initiatives implemented in the six month period ended November 30, 2013.

In the fiscal quarter ended November 30, 2013, the Company recognized a $13.4 million impairment of goodwill attributable to legacy acquisitions in the *Children’s Book Publishing and Distribution* segment.

For the quarter ended November 30, 2013, net interest expense decreased to $2.1 million, compared to $3.7 million in the prior fiscal year quarter. For the six months ended November 30, 2013, net interest expense decreased to $4.0 million, compared to $7.4 million in the prior fiscal year period. Both periodic reductions reflect the April 2013 repayment of the Company’s 5% Notes.

The Company’s effective tax rate for the current fiscal quarter was 37.0%, compared to 36.3% in the prior fiscal year quarter. The Company’s effective tax rate for the six month period ended November 30, 2013 was 37.1%, compared to 35.1% in the prior fiscal year period. The Company expects an effective tax rate of approximately 40% for fiscal 2014.

Earnings from discontinued operations, net of tax, for the quarter ended November 30, 2013 was less than $0.1 million, compared to a loss of $0.8 million in the prior fiscal year quarter. Earnings from discontinued operations, net of tax, for the six months ended November 30, 2013 was $0.2 million, compared to a loss of $1.2 million in the prior fiscal year period. The Company did not discontinue any operations in the current fiscal year.

Results of Continuing Operations

Children’s Book Publishing and Distribution

	Three months ended November 30,				**Six months ended November 30,**			
($ amounts in millions)	**2013**	**2012**	**$ change**	**% change**	**2013**	**2012**	**$ change**	**% change**
Revenues	$ 352.1	$ 347.4	$ 4.7	1.4%	$ 406.7	$ 418.3	$ (11.6)	-2.8%
Cost of goods sold (exclusive of depreciation and amortization)	132.8	132.0	0.8	0.6%	169.4	173.9	(4.5)	-2.6%
Other operating expenses *	133.3	141.7	(8.4)	-5.9%	208.8	221.8	(13.0)	-5.9%
Depreciation and amortization	3.7	4.3	(0.6)	-14.0%	7.7	8.1	(0.4)	-4.9%
Asset impairments	13.4	–	13.4	n/a	13.4	–	13.4	n/a
Operating income (loss)	$ 68.9	$ 69.4	$ (0.5)		$ 7.4	$ 14.5	$ (7.1)	
Operating margin	**19.6%**	**20.0%**			**1.8%**	**3.5%**		

* Other operating expenses include selling, general and administrative expenses and bad debt expenses where applicable.

Revenues for the quarter ended November 30, 2013 increased by $4.7 million to $352.1 million, compared to $347.4 million in the prior fiscal year quarter. The Company’s book fair revenues increased $6.1 million due to higher revenue per fair. The Company continues to direct greater book fair resources and support to schools that generate higher book fair revenues. As a result of this focus, revenue per fair has increased 5.8% in the current quarter compared to the prior fiscal year quarter, more than offsetting a 4.4% decline in the number of fairs in the same period. Revenues in the trade channel increased $1.3 million driven by demand for Hunger Games trilogy titles associated with the release of *The Hunger Games: Catching Fire* movie in November 2013. The Company recently agreed to an internet distribution agreement for Apple’s iBooks platform. Book clubs revenues declined $2.7 million compared to the prior fiscal quarter due to lower revenue per sponsor.

For the six months ended November 30, 2013, segment revenues decreased $11.6 million to $406.7 million, compared to $418.3 million in the prior fiscal year period. Lower revenues in the Company’s trade channel reflected decreased sales of the Hunger Games trilogy of $12.6 million compared to the prior fiscal period, as Hunger Game revenues were lower than the prior fiscal period in the first quarter. The decrease in Hunger Games revenues includes $13.0 million of high margin digital products. Trade revenues from other titles increased modestly in the six month period due to demand for Harry Potter titles and front list titles such as *Star Wars: Jedi*

Academy by Jeffrey Brown, *Spirit Animals #1: Wild Born* by Brandon Mull, Tui Sutherland's *Wings of Fire #4: The Dark Secret* and *The Raven Cycle #2: The Dream Thieves* by Maggie Stiefvater. These improvements in the trade channel were offset by slightly lower backlist sales compared to the prior fiscal year period. Book fairs and book clubs revenues for the six months were consistent with the quarterly results, since revenues from fairs and clubs are not significant in the first quarter of the fiscal year, as schools are not in session.

Cost of goods sold remained consistent with prior fiscal year periods. Cost of goods sold for the quarter ended November 30, 2013 was $132.8 million, or 38% of revenues, compared to $132.0 million, or 38% of revenues, in the prior fiscal year quarter. Cost of goods sold for the six months ended November 30, 2013 was $169.4 million, or 42% of revenues, compared to $173.9 million, or 42% of revenues, in the prior fiscal period.

Other operating expenses declined to $133.3 million for the quarter ended November 30, 2013, compared to $141.7 million in the prior fiscal year quarter, due to $5.4 million of lower promotional expenses, as the segment provided fewer print promotional materials to book club sponsors. Other operating expenses declined to $208.8 million for the six months ended November 30, 2013 compared to $221.8 million for the prior fiscal year period. Promotional spending for the six month period declined $6.4 million and the segment realized lower employee and information technology costs as a result of prior and current year cost savings initiatives.

In the current fiscal year quarter, $13.4 million of goodwill attributable to legacy acquisitions in the *Children's Book Publishing and Distribution* segment was determined to be impaired.

Segment operating income for the quarter ended November 30, 2013 decreased by $0.5 million to $68.9 million, which includes the $13.4 million goodwill impairment, compared to $69.4 million in the prior fiscal year quarter. Higher revenues in book fairs and trade channels combined with a focus on cost savings in the book clubs channel resulted in operating income improvements from all of the segment's channels. Segment operating income for the six months ended November 30, 2013 was $7.4 million, which includes the $13.4 million goodwill impairment, compared to $14.5 million in the prior fiscal year period. The focus on cost savings in the current period was more than enough to offset the prior fiscal period success of the Hunger Games trilogy.

Educational Technology and Services

	Three months ended November 30,				Six months ended November 30,			
($ amounts in millions)	**2013**	**2012**	**$ change**	**% change**	**2013**	**2012**	**$ change**	**% change**
Revenues	$ 60.9	$ 52.2	$ 8.7	16.7%	$ 155.7	$ 132.2	$ 23.5	17.8%
Cost of goods sold (exclusive of depreciation and amortization)	24.7	21.1	3.6	17.1%	52.8	46.8	6.0	12.8%
Other operating expenses *	29.1	25.5	3.6	14.1%	59.3	54.7	4.6	8.4%
Depreciation and amortization	0.2	0.3	(0.1)	-33.3%	0.5	0.6	(0.1)	-16.7%
Operating income (loss)	$ 6.9	$ 5.3	$ 1.6		$ 43.1	$ 30.1	$ 13.0	
Operating margin	**11.3%**	**10.2%**			**27.7%**	**22.8%**		

* Other operating expenses include selling, general and administrative expenses, bad debt expenses and asset impairments where applicable.

Revenues for the quarter ended November 30, 2013 increased by $8.7 million to $60.9 million, compared to $52.2 million in the prior fiscal year quarter. The increase was driven by strong customer demand for newly launched products such *as MATH 180™,* iRead™ and *Common Core Code X™*. Collectively these new products accounted for $5.1 million of increased revenues in the fiscal quarter ended November 30, 2013. Revenues from the Company's curriculum technology reading platforms increased $3.1 million, as increased revenues from sales of *System 44® Next Generation* were partially offset by revenue declines for Read 180®. The success of *System 44® Next Generation*, which was released late in fiscal 2013, continues the Company's leading position as a provider of interventive reading technology solutions. Revenues from other products and services increased modestly in the fiscal quarter ended November 30, 2013. Revenues for this segment are traditionally lower in the second fiscal quarter than they are in the first fiscal quarter.

Revenues for the six months ended November 30, 2013 increased by $23.5 million to $155.7 million, compared to $132.2 million in the prior fiscal year period. The newly launched products mentioned above accounted for $20.2 million of the increased revenues. Revenues from the Company's curriculum technology reading platforms increased $5.0 million for the six months ended November 30, 2013, as increased revenues from sales of *System 44® Next Generation* were partially offset by revenue declines for Read 180®.

Cost of goods sold increased to $24.7 million, or 41% of revenues, in the quarter ended November 30, 2013, compared to $21.1 million, or 40% of revenues, in the prior fiscal quarter. Higher amortization of prepublication costs for newly launched products offset lower variable per unit costs of goods sold in the quarter ended November 30, 2013. Cost of goods sold increased to $52.8 million, or 34% of revenues, for the six months ended November 30, 2013, compared to $46.8 million, or 35% of revenues, in the prior fiscal period.

Other operating expenses for the quarter ended November 30, 2013 increased by $3.6 million to $29.1 million, compared to $25.5 million in the prior fiscal year quarter. The increase was due to higher outside services, conventions, commission expense and general expenses associated with the increased revenues. For the six months ended November 30, 2013, other operating expenses increased $4.6 million compared to the prior fiscal period, also due to higher conventions, commission expense and general expenses.

Segment operating income for the quarter ended November 30, 2013 increased by $1.6 million compared to the prior fiscal year quarter. For the six months ended November 30, 2013, operating income was $13.0 million higher than the prior fiscal year period. The segment continues to benefit from the strong demand for the new products referred to above. These new products:

- broaden the Company's curriculum offering and market presence, notably in mathematics;
- assist educators in the implementation of Common Core State Standards; and
- enable more technology solutions to be incorporated in the classroom.

This segment continues to collaborate with the *Classroom and Supplemental Materials Publishing* group to better leverage sales, marketing and distribution of the Company's complete suite of product offerings to educational institutions.

Classroom and Supplemental Materials Publishing

($ amounts in millions)	**Three months ended November 30, 2013**	**2012**	**$ change**	**% change**	**Six months ended November 30, 2013**	**2012**	**$ change**	**% change**
Revenues	$ 59.1	$ 53.2	$ 5.9	11.1%	$ 96.9	$ 91.1	$ 5.8	6.4%
Cost of goods sold (exclusive of depreciation and amortization)	20.3	17.9	2.4	13.4%	36.0	34.5	1.5	4.3%
Other operating expenses *	27.8	27.6	0.2	0.7%	51.2	51.1	0.1	0.2%
Depreciation and amortization	0.3	0.3	-	0.0%	0.6	0.7	(0.1)	-14.3%
Operating income (loss)	$ 10.7	$ 7.4	$ 3.3		$ 9.1	$ 4.8	$ 4.3	
Operating margin	**18.1%**	**13.9%**			**9.4%**	**5.3%**		

* Other operating expenses include selling, general and administrative expenses, bad debt expenses and asset impairments where applicable.

Revenues for the quarter ended November 30, 2013 increased $5.9 million to $59.1 million, compared to $53.2 million in the prior fiscal year quarter. The current period experienced higher revenues of $3.5 million for classroom books, driven by continued demand for the Company's digital and customized print institutional packages. Revenues from sales of classroom magazines increased $2.3 million due to modestly higher circulation volumes. Revenues for the six months ended November 30, 2013 increased $5.8 million to $96.9 million, compared to $91.1 million in the prior fiscal year period. This increase partially resulted from the aforementioned demand for digital and customized print packages. The Company has recently enhanced its online store for teachers, resulting in improved ecommerce activity from this market, increasing revenue by $3.7 million through the online store for the six months ended November 30, 2013.

Cost of goods sold for the quarter ended November 30, 2013 was $20.3 million, or 34% of revenue, compared to $17.9 million, or 34% of revenue, in the prior fiscal year quarter. Cost of goods sold for the six months ended November 30, 2013 was $36.0 million,

or 37% of revenue, compared to $34.5 million, or 38% of revenue, in the prior fiscal year quarter. The absolute increase for both periods is attributable to the higher revenues in the fiscal quarter and six month period ended November 30, 2013.

Other operating expenses for the quarter ended November 30, 2013 and the six month period ended November 30, 2013 were flat to the same periods in the prior fiscal year.

Segment operating income for the quarter ended November 30, 2013 and the six month period ended November 30, 2013 improved $3.3 million and $4.3 million, respectively. The classroom magazines business continues to experience improved circulation as customers seek supplemental content to meet Common Core State Standards, and the Company expects this trend to continue for the rest of the fiscal year. Additionally, the segment is receiving positive feedback and increased demand from customers for recently launched customized digital and print institutional packages, broadening the offering to classrooms.

Media, Licensing and Advertising

	Three months ended November 30,				Six months ended November 30,			
($ amounts in millions)	**2013**	**2012**	**$ change**	**% change**	**2013**	**2012**	**$ change**	**% change**
Revenues	$ 15.5	$ 17.0	$ (1.5)	-8.8%	$ 25.9	$ 31.4	$ (5.5)	-17.5%
Cost of goods sold (exclusive of depreciation and amortization)	6.8	7.9	(1.1)	-13.9%	11.3	13.1	(1.8)	-13.7%
Other operating expenses *	9.1	7.0	2.1	30.0%	16.8	15.9	0.9	5.7%
Depreciation and amortization	0.0	0.1	(0.1)	-100.0%	0.1	0.2	(0.1)	-50.0%
Operating income (loss)	$ (0.4)	$ 2.0	$ (2.4)		$ (2.3)	$ 2.2	$ (4.5)	
Operating margin	**-**	**11.8%**			**-**	**7.0%**		

* Other operating expenses include selling, general and administrative expenses, bad debt expenses and asset impairments where applicable.

Revenues for the quarter ended November 30, 2013 decreased by $1.5 million to $15.5 million, compared to $17.0 million in the prior fiscal year quarter. This decrease was primarily the result of a $1.8 million decrease in sales of *Leapster* products. Revenues for Company programming were down modestly in the quarter ended November 30, 2013; however, during the quarter the Company entered into a contract to provide Netflix with internet distribution rights for *Clifford*® programming. Magazines were up modestly due to increased custom publishing revenues. Revenues for the six months ended November 30, 2013 decreased $5.5 million to $25.9 million, compared to $31.4 million in the prior fiscal year quarter. This decrease was primarily related to decreased sales of the Hunger Games trilogy audio books of $4.0 million.

Cost of goods sold was $6.8 million, or 44% of revenue, for the quarter ended November 30, 2013, compared to $7.9 million, or 46% of revenue, for the prior fiscal year quarter. Lower current quarter programming amortization costs and lower volumes of low-margin *Leapster* product are responsible for the decrease as a percentage of revenues. For the six month period ended November 30, 2013, cost of goods sold was $11.3 million, or 44% of revenues, compared to $13.1 million, or 42% of revenues, in the prior fiscal period. The increase as a percentage of revenue is attributable to higher volumes of Hunger Games audio books, which carry a relatively low cost of goods sold, in the prior fiscal year period.

Other operating expenses were $9.1 million for the quarter ended November 30, 2013, compared to $7.0 million for the prior fiscal year quarter. The prior year includes $1.3 million of settlement income. Other operating expenses were $16.8 million for the six months ended November 30, 2013, compared to $15.9 million for the prior fiscal year period.

Segment operating loss for the quarter ended November 30, 2013 was $0.4 million, compared to operating income of $2.0 million in the prior fiscal year quarter. The $1.3 million of settlement income in the prior year quarter combined with the decreased revenues drove the decline. For the six month period ended November 30, 2013, operating loss was $2.3 million, compared to operating income of $2.2 million in the prior fiscal year period. The decline was due to the aforementioned settlement income and the decrease

in sales of the Hunger Games audio books. The segment continues to decrease its reliance on low-margin console products and is focusing its efforts on repurposing content for digital platforms, both internally and by partnering with distributors such as Netflix.

International

	Three months ended November 30,				Six months ended November 30,			
($ amounts in millions)	**2013**	**2012**	**$ change**	**% change**	**2013**	**2012**	**$ change**	**% change**
Revenues	$ 135.6	$ 143.7	$ (8.1)	-5.6%	$ 214.3	$ 233.9	$ (19.6)	-8.4%
Cost of goods sold (exclusive of depreciation and amortization)	64.1	67.8	(3.7)	-5.5%	102.5	113.9	(11.4)	-10.0%
Other operating expenses *	48.1	49.9	(1.8)	-3.6%	87.9	90.0	(2.1)	-2.3%
Depreciation and amortization	1.2	1.3	(0.1)	-7.7%	2.4	2.5	(0.1)	-4.0%
Operating income (loss)	$ 22.2	$ 24.7	$ (2.5)		$ 21.5	$ 27.5	$ (6.0)	
Operating margin	**16.4%**	**17.2%**			**10.0%**	**11.8%**		

* Other operating expenses include selling, general and administrative expenses, bad debt expenses and asset impairments where applicable.

Revenues for the quarter ended November 30, 2013 decreased by $8.1 million to $135.6 million, compared to $143.7 million in the prior fiscal year quarter. This decrease was due to the negative impact of foreign exchange of $7.5 million; lower sales to major market trade channels, including Canada, Australia and the UK, of $2.6 million; lower low-margin revenues of $3.0 million from an Australian software business; and decreased exports from U.S. operations of $1.7 million. Partially offsetting these declines were improved revenues from Asian markets of $4.0 million spread across the region and higher sales to major market book fair channels of $2.4 million.

Revenues for the six months ended November 30, 2013 decreased by $19.6 million to $214.3 million, compared to $233.9 million in the prior fiscal year quarter. This decrease was due to lower sales to major market trade channels of $9.0 million, driven by higher prior period sales of the Hunger Games trilogy; foreign exchange decreases of $11.9 million; a decrease of $6.0 million from an Australian software business; and lower exports from U.S. operations of $1.2 million. Partially offsetting these declines were improved revenues from Asian markets of $5.7 million.

Cost of goods sold for the quarter ended November 30, 2013 was $64.1 million, or 47% of sales, compared to $67.8 million, or 47% of sales, in the prior fiscal year quarter. Cost of goods sold for the six months ended November 30, 2013 was $102.5 million, or 48% of sales, compared to $113.9 million, or 49% of sales, in the prior fiscal year period.

Other operating expenses for the quarter ended November 30, 2013 decreased by $1.8 million to $48.1 million, from $49.9 million in the prior fiscal year quarter. Lower selling, general and administrative costs of $2.9 million, combined with a gain of $1.0 million realized in Australia, were partially offset by increased costs paid by the U.S. operations on behalf of foreign subsidiaries of $1.4 million. For the six months ended November 30, 2013, other operating expenses declined $2.1 million. Lower employee and general expenses combined with the Australia gain were partially offset by increased charges from U.S. operations. The six month period ended November 30, 2013 includes $0.6 million of severance expense related to cost savings initiatives in the Company’s Asia operations.

Segment operating results for the quarter ended November 30, 2013 and the six month period ended November 30, 2013 decreased by $2.5 million and $6.0 million, respectively. These decreases reflect lower trade channel sales in major markets for both periods, largely due to the high level of Hunger Games trilogy sales in the prior fiscal periods. The decrease in sales from the Australian software business did not significantly impact earnings, as these sales were low margin sales. The Company continues to focus on English language educational businesses, based in Singapore, which it views as a future growth driver.

Overhead

Unallocated overhead expense for the quarter ended November 30, 2013 increased $6.8 million to $13.6 million, from $6.8 million in the prior fiscal period, primarily due to $5.5 million of severance related to cost savings initiatives.

Unallocated overhead expense for the six months ended November 30, 2013 increased $5.9 million to $30.0 million, from $24.1 million in the prior fiscal period, primarily due to $6.9 million of severance related to cost savings initiatives.

Seasonality

The Company's *Children's Book Publishing and Distribution* school-based book fair and book club channels and most of its magazines operate on a school-year basis; therefore, the Company's business is highly seasonal. As a result, the Company's revenues in the first and third quarters of the fiscal year generally are lower than its revenues in the other two fiscal quarters. Typically, these school-based channel revenues are greatest in the second and fourth quarters of the fiscal year, while revenues from the sale of instructional materials and educational technology products and services are highest in the first and fourth quarters. The Company generally experiences a loss from operations in the first and third quarters of each fiscal year. Trade sales can vary through the year due to varying release dates of published titles.

Liquidity and Capital Resources

The Company’s cash and cash equivalents totaled $117.2 million at November 30, 2013, $87.4 million at May 31, 2013 and $257.3 million at November 30, 2012. Cash and cash equivalents held by the Company’s US operations totaled $101.6 million at November 30, 2013, $60.0 million at May 31, 2013 and $233.4 million at November 30, 2012.

Cash provided by operating activities was $81.5 million for the six months ended November 30, 2013, compared to cash provided by operating activities of $127.4 million for the prior fiscal year period, representing a decrease in cash provided by operating activities of $45.9 million. In the fourth quarter of fiscal 2012, the Company experienced strong sales of the Hunger Games trilogy titles, and subsequently collected significant cash from these customers in the first quarter of fiscal 2013. Partially offsetting these collections were higher royalty payments in the prior fiscal year period, also associated with the Hunger Games success, and higher payouts for incentive compensation of $28.7 million in the first quarter of fiscal 2013. Lower net income tax payments of $17.7 million also partially offset the decline.

Cash used in investing activities was $45.6 million for the six months ended November 30, 2013, compared to $63.1 million in the prior fiscal year period. The difference is attributable to higher spending on technology assets of $7.9 million and higher spending on book fairs fleet vehicles of $2.2 million in the prior fiscal year period. In the current fiscal year period, the Company invested $1.0 million for a 20% interest in a software development entity, and collected $1.3 million of proceeds from a sold asset.

Cash used in financing activities was $5.6 million for the six months ended November 30, 2013, compared to cash used in financing activities of $3.4 million for the prior fiscal year period. Current fiscal year net short-term borrowings totaled $7.5 million compared to net repayments of $5.6 million in the prior fiscal period. Proceeds pursuant to employee stock plans declined $9.9 million, in part due to a decrease in the amount of stock options held by employees.

Due to the seasonal nature of its business as discussed under “Seasonality” above, the Company usually experiences negative cash flows in the June through October time period. As a result of the Company’s business cycle, borrowings have historically increased during June, July and August, have generally peaked in September or October, and have been at their lowest point in May. In recent years, the Company had fixed debt in the form of the 5% Notes, which, while providing liquidity, resulted in high cash balances throughout the year.

The Company’s operating philosophy is to use cash provided by operating activities to create value by paying down debt, reinvesting in existing businesses and, from time to time, making acquisitions that will complement its portfolio of businesses, acquire other strategic assets, as well as engaging in shareholder enhancement initiatives, such as share repurchases or dividend declarations. In the current fiscal year period, the Company purchased $6.2 million of Company shares on the open market. The Company recently agreed to purchase the land and building comprising the leased portion of the Company’s New York City corporate headquarters, located in SoHo, for $255.0 million. The Company will use existing cash and availability under the Revolving Loan to finance this purchase. The agreement provides for the transaction to be completed by February 3, 2014, subject to the right of the Company to demand one 30 day extension.

The Company has maintained, and expects to maintain for the foreseeable future, sufficient liquidity to fund ongoing operations, including working capital requirements, pension contributions, dividends, currently authorized common share repurchases, debt service, planned capital expenditures and other investments. As of November 30, 2013, the Company’s primary sources of liquidity consisted of cash and cash equivalents of $117.2 million, cash from operations, and funding available under the Revolving Loan totaling approximately $425.0 million. Additionally, the Company has short-term credit facilities of $49.5 million, net of current borrowings of $9.6 million. The Company may at any time, but in any event not more than once in any calendar year, request that the aggregate availability of credit under the Revolving Loan be increased by an amount of $10.0 million or an integral multiple of $10.0 million (but not to exceed $150.0 million). Accordingly, the Company believes these sources of liquidity are sufficient to finance its ongoing operating needs, as well as its financing and investing activities.

Financing

Loan Agreement

There were no outstanding borrowings under the Loan Agreement as of November 30, 2013. For a more complete description of the Company's Loan Agreement see Note 4 of Notes to Condensed Consolidated Financial Statements-Unaudited in Item 1, "Financial Statements."

New Accounting Pronouncements

Reference is made to Note 1 of Notes to condensed consolidated financial statements in Item 1, "Financial Statements," for information concerning recent accounting pronouncements since the filing of the Company's Annual Report.

Forward Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. Additional written and oral forward-looking statements may be made by the Company from time to time in Securities and Exchange Commission ("SEC") filings and otherwise. The Company cautions readers that results or expectations expressed by forward-looking statements, including, without limitation, those relating to the Company's future business prospects, plans, ecommerce and digital initiatives, such as Storia, new product introductions, strategies, Common Core State Standards, goals, revenues, improved efficiencies, general costs, manufacturing costs, medical costs, merit pay, operating margins, working capital, liquidity, capital needs, interest costs, cash flows and income, are subject to risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements, due to factors including those noted in the Annual Report and other risks and factors identified from time to time in the Company's filings with the SEC.

The Company disclaims any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

SCHOLASTIC CORPORATION
Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company conducts its business in various foreign countries, and as such, its cash flows and earnings are subject to fluctuations from changes in foreign currency exchange rates. The Company sells products from its domestic operations to its foreign subsidiaries, creating additional currency risk. The Company manages its exposures to this market risk through internally established procedures and, when deemed appropriate, through the use of short-term forward exchange contracts which were not significant as of November 30, 2013. The Company does not enter into derivative transactions or use other financial instruments for trading or speculative purposes.

Additional information relating to the Company's outstanding financial instruments is included in Note 4 of Notes to condensed consolidated financial statements - unaudited in Item 1, "Financial Statements"

The following table sets forth information about the Company's debt instruments as of November 30:

(***$ amounts in millions***)	Fiscal Year Maturity							
	2014 [1]	**2015**	**2016**	**2017**	**2018**	**Thereafter**	**Total**	**Fair Value @ 11/30/13**
Debt Obligations								
Lines of Credit	$ 9.6	$ -	$ -	$ -	$ -	$ -	$ 9.6	$ 9.6
Average interest rate	5.1%	-	-	-	-	-		
Short-term debt								
Fixed-rate debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Average interest rate	-	-	-	-	-	-		

(1) Fiscal 2014 includes the remaining six months of the current fiscal year ending May 31, 2014.

Item 4. Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Corporation, after conducting an evaluation, together with other members of the Company's management, of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures as of November 30, 2013, have concluded that the Corporation's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Corporation in its reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC and accumulated and communicated to members of the Company's management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. There was no change in the Corporation's internal control over financial reporting that occurred during the quarter ended November 30, 2013 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

PART II – OTHER INFORMATION

SCHOLASTIC CORPORATION
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information with respect to repurchases of shares of Common Stock by the Corporation during the three months ended November 30, 2013:

Issuer Purchases of Equity Securities

(Dollars in millions, except per share amounts)

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares (or approximate dollar value) that may yet be purchased under the plans or programs (i)
September 1, 2013 through September 30, 2013	76,128	$ 28.98	76,128	$ 16.8
October 1, 2013 through October 31, 2013	104,993	$ 28.27	104,993	$ 13.8
November 1, 2013 through November 30, 2013	13,329	$ 28.29	13,329	$ 13.4
Total	194,450	$ 28.55	194,450	$ 13.4

(i) Represents the remaining amount under the $20 million Common share repurchase program announced on December 16, 2009 and the further $200 million Board authorization for Common share repurchases announced in connection with the modified Dutch auction tender offer commenced by the Company on September 28, 2010 and completed in November 2010. Approximately $156 million was used for repurchases in such tender offer, leaving, after subsequent additional open market repurchases of $25.0 million, $19.0 million at September 1, 2013 for further repurchases, from time to time as conditions allow, on the open market or through negotiated private transactions, under the current Board authorization.

Exhibits:

*10.1	Severance Agreement, dated September 26, 2013, between Scholastic Corporation and Maureen O'Connell.
*10.2	Scholastic Corporation 2013 Executive Performance Incentive Plan.
31.1	Certification of the Chief Executive Officer of Scholastic Corporation filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer of Scholastic Corporation filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of the Chief Executive Officer and Chief Financial Officer of Scholastic Corporation furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Document
101.DEF	XBRL Taxonomy Extension Definitions Document
101.LAB	XBRL Taxonomy Extension Labels Document
101.PRE	XBRL Taxonomy Extension Presentation Document
*	Referenced exhibit is a management contract or compensation plan or arrangement described in Item 601(b) (10) (iii) of Regulation S-K.

SCHOLASTIC CORPORATION
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 thereunto duly authorized.

SCHOLASTIC CORPORATION
(Registrant)

Date: January 7, 2014 By: /s/ Richard Robinson

Richard Robinson
Chairman of the Board,
President and Chief
Executive Officer

Date: January 7, 2014 By: /s/ Maureen O'Connell

Maureen O'Connell
Executive Vice President,
Chief Administrative Officer
and Chief Financial Officer
(Principal Financial Officer)

Exhibits Index

Exhibit Number	Description of Document
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*Referenced exhibit is a management contract or compensation plan or arrangement described in item 601 (b) (10) (iii) of Regulation S-K.

**In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed to be "furnished" and not "filed."

SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT is made as of the 26th day of September, 2013, between SCHOLASTIC CORPORATION, a Delaware corporation with its principal offices at 557 Broadway, New York, NY 10012 (the "Company"), and Maureen O'Connell ("Executive"), residing at 154 Weaver Street, Greenwich, CT 06831.

WITNESSETH THAT:

WHEREAS, this Agreement is intended to specify the financial arrangements that the Company will provide to Executive upon Executive's separation from employment with the Company and all subsidiaries of the Company under any of the circumstances described herein.

NOW, THEREFORE, to assure the Company that it will have the continued dedication of Executive notwithstanding the possibility or occurrence of any of the events specified herein, and to induce Executive to remain in the employ of the Company, and for other good and valuable consideration, the Company and Executive agree as follows:

1. Termination of Employment.

(a) The Company shall have the right to terminate Executive from employment with the Company at any time for "Cause" (as hereinafter defined), by written notice to Executive specifying the particulars of the conduct of Executive forming the basis for such termination, such termination to be effective on the 30th day following receipt of the notice by Executive if Executive has not cured the conduct (if subject to a cure) identified in such notice to the Company's reasonable satisfaction.

(b) The Company shall have the right to terminate Executive's employment without Cause at any time, and Executive shall have the right to terminate her employment for "Good Reason" (as hereinafter defined) within the six month period following the first occurrence of a Good Reason event pursuant to Section 2(a), if the Company shall not have cured the Good Reason event within the time period set forth in Section 2(a), and, upon any such termination, Executive shall be entitled to the benefits provided in Section 4(a).

2. Definitions.

(a) "Good Reason" shall mean the occurrence of any of the following events, without the consent of Executive, provided that Executive has provided written notice to the Company within ninety (90) days of the first occurrence of such event and the Company has failed to cure (if the event or circumstance is subject to cure) such event within thirty (30) days after the date of such written notice:

(i) a material diminution of Executive's title (currently, Executive Vice President/Chief Administrative Officer/Chief Financial Officer), authority, employment duties or responsibilities, which shall include but not be limited to a material diminution in Executive's direct report authority (by way of example only, a removal of a department, a change from sole direct report authority over a department to sharing such direct report authority, or the removal or reassignment of a significant number of individuals over whom the Executive has direct authority unless Executive agrees in writing to such changes);

(ii) a material reduction by the Company in Executive's base salary or target bonus opportunity or in other benefits customarily made available to the most senior executive officers of the Company (other than the Chief Executive Officer); provided, however, that if substantially similar changes are contemporaneously made to the base salaries, target bonus opportunities or benefits of all of the most senior executive officers of the MEC of the Company (other than the Chief Executive Officer) such changes shall not be considered "Good Reason";

(iii) Executive no longer reports directly and solely to Richard Robinson as the Chief Executive Officer of the Company, or Richard Robinson ceases to be the Chief Executive Officer of the Company or

(iv) a material change in the geographic location of Executive's employment.

(b) "Cause" shall mean termination by the Company of Executive's employment based upon any of the following:

(i) conviction of a felony or a crime involving moral turpitude;

(ii) acts constituting gross negligence or willful malfeasance in the performance of her duties;

(iii) material failure to comply with the Company's Code of Ethics or other material written policies or procedures; or

(iv) material failure, or refusal, to perform duties assigned or designated to the Executive by the Board of Directors (or any committee thereof) or the Chief Executive Officer of the Company, provided such duties are within the scope of a Chief Administrative or Chief Financial Officer.

The 30 day cure period provided by Section 1(a) shall apply to Sections 2(b)(ii), (iii) and (iv).

3. Payment of Wages, Earned Bonus and Benefits Through the Employment Termination Date. No later than the next regular payroll date following any termination of Executive's employment pursuant to Section 1(b), the Company shall pay to Executive (i) her full base salary owed through the date that the termination of Executive's employment becomes effective (the "Employment Termination Date"), (ii) any bonus declared but unpaid with respect to the last completed fiscal year of the Company preceding the Employment Termination Date, notwithstanding that the date on which such bonuses are normally paid to employees is after the Employment Termination Date, and (iii) an amount representing credit for any vacation earned or accrued by Executive but not taken. If, as of the Employment Termination Date, bonuses have not yet been declared by the Company with respect to the last completed fiscal year of the Company preceding the Employment Termination Date, any such bonus earned by Executive as a result of the established bonus plan targets being achieved shall be paid to Executive within thirty (30) days of the date such bonus is declared. The rates at which payments required under this Section 3 shall be calculated shall be at the rates in effect at the time written notice of termination (by the Company other than for cause or by Executive for Good Reason) is given, unless termination is pursuant to Section 2(a)(ii), then at the rates in effect immediately prior to the reduction in base salary, target bonus opportunity or benefits.

4. Benefits upon Termination.

(a) Upon the termination of the employment of Executive pursuant to Section l(b) hereof, Executive shall be entitled to receive all of the benefits specified in this Section 4(a) as follows:

(i) In lieu of any further base salary, bonus payments or any other compensation or benefits payable to Executive for periods subsequent to Executive's Employment Termination Date, and in full satisfaction of any claims for compensation or other benefits payable to her of any kind or nature before or after the Employment Termination Date (other than benefits payable to Executive under the Company's Cash Balance Retirement Plan and the Company's 401(k) Retirement Savings and Plan), the Company shall pay as severance pay to Executive (a "Severance Payment") a lump-sum cash amount equal to (x) thirty-three (33) times Executive's monthly base salary, plus (y) an amount equal to Executive's target bonus for the fiscal year in which the Employment Termination Date occurs (the "Target Bonus"), multiplied by a fraction, the numerator of which is equal to the number of full months in the year in which Executive's employment is terminated that have elapsed at the Employment Termination Date, and the denominator of which is twelve (12), provided that the Company's performance criteria for the fiscal year are met on a pro-forma basis (using the Company's actual performance through the end of the last full month prior to the Employment Termination Date and the Company's latest internal projections for the remainder of the fiscal year for purposes of this determination), plus (z) an amount equal to the cost, as of the Employment Termination Date, to Executive to purchase coverage providing for the continuation of medical benefits provided by the Company to Executive and her family for a one year period under the federal law known as COBRA. The rates at which payments required under this Section 4(a)(i) shall be calculated shall be at the rates in effect at the time written notice of termination (by the Company other than for Cause or by Executive for Good Reason) is given, unless termination is pursuant to Section 2(a)(ii), then at the rates in effect immediately prior to the reduction in base salary, target bonus opportunity or benefits.

(ii) The Company shall also pay to Executive all reasonable legal fees and expenses incurred by Executive as a result of such termination of employment (including but not limited to all reasonable fees and expenses, if any, incurred by Executive in the review and negotiation of the Release of Claims (as defined in Section 4(a)(iv) below) and in seeking to obtain or enforce any right or benefit provided to Executive by this Agreement).

(iii) Notwithstanding any other agreement in existence between the Company and Executive, upon the Employment Termination Date all stock options or shares of restricted stock, restricted stock units or performance shares granted to Executive under the Scholastic Corporation Stock Incentive Plan of 2001, as amended, or Stock Incentive Plan of 2011, as amended, or otherwise owned or held by Executive (including but not limited to that purchased under the Management Stock Purchase Plan or any other plan or agreement) that were not vested as of the Employment Termination Date shall be immediately vested in Executive without further restriction (collectively the "Accelerated Equity Awards"). Executive shall be treated at that time as the unrestricted owner of such Company stock options and stock, subject to applicable constraints under federal and state securities laws. Restricted stock units that vest pursuant to this provision shall convert into stock as of the Employment Termination Date. As to all stock options vested as of the Employment Termination Date, as well as stock options that vest pursuant to this provision, Executive shall be entitled to exercise such stock options within ninety (90) days of the Employment Termination Date or any longer period of time provided under such plans or agreements as they pertain to an involuntary termination, but in no event beyond the expiration of the stated term of such stock options. All existing and future restricted stock unit agreements and stock option agreements in existence between the Company and Executive are hereby modified to or shall incorporate this provision.

(iv) The amounts due to Executive under subparagraph (i) of Section 4(a) shall be paid to Executive not later than the thirtieth (30th) business day following the Employment Termination Date, provided that (x) Executive has signed a general "Release of Claims" against the Company in such form and manner reasonably prescribed by the Company, (y) any revocation period to which Executive is entitled by

law has expired before the end of the 30 business day period and (z) if the 30 business day period begins in one taxable year and ends in the second taxable year, the payment shall be made in the second taxable year. The Company shall deliver to Executive the Company's form of Release of Claims sufficiently before the date for payment specified in this subparagraph, such that Executive is afforded such time as may be required by applicable statute or regulation to consider whether to sign the Release of Claims and whether to revoke or rescind such Release of Claims.

(v) All benefits and payments to Executive pursuant to this Section 4 shall be subject to any applicable income, payroll or other taxes required by law to be withheld.

(vi) For the avoidance of doubt, Executive shall not be entitled to the benefits provided in this Section 4 with respect to any termination by Executive that is not described in Section 1(b) or in the event that Executive's employment shall terminate on account of death or disability.

5. Certain Covenants. (a) In consideration of the Company entering into this Agreement, Executive agrees for the benefit of the Company and its affiliates, as follows:

(i) Non-Disclosure of Confidential Information. Executive acknowledges that Executive has had or will have access to and gain knowledge of highly confidential or proprietary information or trade secrets pertaining to the Company or its affiliates, as well as the customers, suppliers, licensors, licensees, distributors or other persons and entities with whom the Company or any of its affiliates does business ("Confidential Information"), that this information was obtained or developed by the Company or its affiliates at great expense and is zealously guarded by the Company and its affiliates from unauthorized disclosure and that Executive's possession of this special knowledge is due solely to Executive's employment with the Company. In recognition of the foregoing, and in addition to any other obligations which Executive may have not to disclose Confidential Information, Executive will not, without the prior written consent of the Company, at any time following any termination of her employment pursuant to Section 1(b), disclose, use or otherwise make available to any third party any Confidential Information, including that relating to the Company's or any affiliate's business, products, services, customers, vendors or suppliers; trade secrets, data, specifications, developments, inventions and research activity; marketing and sales strategies, information and techniques; long and short term plans; existing and prospective client, vendor, supplier and employee lists, contacts and information; financial, personnel and information system information and applications; and any other information concerning the business of the Company or its affiliates which is not disclosed to the general public, or generally known in the industry, except for disclosure (x) required pursuant to Court or governmental order, lawful subpoena or otherwise by law, or (y) to Executive's tax advisors or legal counsel who have agreed to maintain the confidentiality thereof. Confidential information does not include any information which was rightfully known by Executive prior to working for the Company or becomes generally available to the public through no fault of Executive. In the event Executive becomes or may become legally compelled to disclose any Confidential Information (whether by deposition, interrogatory, request for documents, subpoena, civil investigative demand or other process or otherwise), Executive shall provide to the Company prompt prior written notice of such requirement so that the Company may seek a protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, Executive shall furnish only that portion of the Confidential Information which she is advised by counsel is legally required to be disclosed, unless otherwise ordered and in that event, only to the extent ordered, and shall reasonably cooperate with the Company in its efforts to insure that confidential treatment shall be afforded such disclosed portion of the Confidential Information.

(ii) Return of Property. By no later than the Employment Termination Date, Executive shall deliver to a designated Company representative all Confidential Information, including all copies, notes regarding and replications of such Confidential Information, as well as all records, documents, hardware, software and all other property of the Company or its affiliates and all copies of such property, in Executive's possession in any media, including passwords and codes needed to obtain access or operate any device. Executive shall not retain any copies, duplicates, reproductions or excerpts in any form whatsoever. Executive acknowledges and agrees that all such materials are the sole property of the Company or its affiliates and that Executive will certify in writing to the Company at the time of delivery that Executive has complied with this obligation.

(iii) Non-Solicitation of Employees. Executive specifically acknowledges that the Confidential Information described in Section 5(a) also includes confidential data pertaining to employees and agents of the Company or its affiliates, and, in addition to any other obligations which Executive may have regarding non-solicitation of employees, Executive further agrees that for twelve (12) months following any termination of her employment pursuant to Section 1(b), Executive will not, without the prior written consent of the Company, directly or indirectly, on Executive's own behalf or on behalf of any other person or entity, solicit, contact, approach, encourage, induce or attempt to solicit, contact, approach, encourage or induce any of the employees or agents of the Company or its affiliates to terminate their employment or agency with the Company or any of its affiliates.

(b) No Disparaging Statements. In consideration of the parties entering into this Agreement, Executive and the Company agree for the benefit of the Company and its affiliates and Executive, as the cases may be, that, from and after any termination of Executive's employment pursuant to Section 1(b), (i) the Company and/or the Chief Executive Officer will not make, and agree to use their reasonable best efforts to cause the Company's executive officers, directors and spokespersons of the Company to refrain from making, any public statements (or authorizing any statements to be reported as being attributed to the Company), that are critical, derogatory or which may tend to injure the image, reputation or business of Executive or impugn the character, integrity or ethics of Executive, and (ii) Executive agrees to refrain from making any public statements (or authorizing any statements to be reported as being attributed to Executive) that are critical, derogatory or which may tend to injure the image, reputation or business of the Company and its management or impugn the character, integrity or ethics of the Company and its management. Executive's resignation from the Company shall be announced in a notice to employees of the Company and a press release. The Company agrees to consult with Executive about the contents of the press release as it affects Executive; provided, however, that the Company shall make such statements and disclosures to regulatory authorities concerning Executive's employment, including the severance and other financial arrangements between Executive and the Company, as may be required in the sole judgment of the Company.

(c) Remedies for Breach of These Covenants. Any breach of the covenants in this Section 5 likely will cause irreparable harm to the Company or its affiliates or Executive, as the case may be, for which money damages could not reasonably or adequately compensate. Accordingly, the Company or any of its affiliates or Executive, as the case may be, shall be entitled to seek injunctive relief (whether temporary, emergency, preliminary, prospective or permanent) to enforce such covenants, in addition to damages and other available remedies, and Executive and the Company consent to the issuance of such an injunction without the necessity of the Company or any of its affiliates or Executive posting a bond. In the event that injunctive relief or damages are awarded for any breach of this Section 5, Executive and the Company further agree that the Company and its affiliates or Executive, as the case may be, shall be entitled to recover its or her costs and attorneys' fees necessary to obtain such recovery. In addition, Executive agrees that upon Executive's breach of any covenant in this Section 5, all unexercised options issued under any

stock option plans of the Company will immediately terminate and the Company shall have the right to exercise any and all of the rights described above.

(d) Conditions and Limitations.

(i) Executive's obligation to comply with subsection 5(a)(iii) is contingent upon Company's compliance in all material respects with its payment and other obligations pursuant to this Agreement;

(ii) Subject to Section 5(d)(i), Executive's compliance with Section 5 is a material condition to her receipt of benefits described in Section 4 of this Agreement; and

(iii) Nothing in this Section 5 shall be interpreted to preclude Executive from working for a competitor of Company and/or its affiliates. Engaging in ordinary business practices competitive with Company or its affiliates shall not be deemed a violation of Section 5 provided that Executive is not in breach of subsection 5(a)(i) in engaging in such practices.

6. Reimbursement of Attorneys' Fees. The Company shall reimburse Executive for reasonable attorneys' fees and costs incurred by Executive in the review, negotiation and preparation of this Agreement.

7. Assignment; Successors.

(a) This Agreement is personal to Executive, and Executive may not assign or transfer any part of her rights or duties hereunder, or any compensation due to her hereunder, to any other person. Notwithstanding the foregoing, this Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, heirs, distributees, devisees and legatees.

(b) For all purposes under this Agreement, the term "Company" shall include any successor to all or substantially all of the Company's business and/or assets or which becomes bound by the terms of this Agreement by operation of law.

8. Modification; Waiver. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in a writing signed by Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

9. Notice. All notices, requests, demands and all other communications required or permitted by either party to the other party by this Agreement (including, without limitation, any notice of termination of employment) shall be in writing and shall be deemed to have been duly given when delivered personally or received by certified or registered mail, return receipt requested, postage prepaid, at the address of the other party, as first written above (directed to the attention of the Board of Directors and Corporate Secretary in the case of the Company). Either party hereto may change its address for purposes of this Section 9 by giving 15 days' prior notice to the other party hereto.

10. Severability. If any term or provision of this Agreement or the application hereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12. Governing Law. This Agreement has been executed and delivered in the State of New York and shall in all respects be governed by, and construed and enforced in accordance with, the laws of the State of New York.

13. Headings; Effect of Agreement; Entire Agreement. The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The Company and Executive understand and agree that this Agreement is intended to reflect their agreement only with respect to payments and benefits upon termination in certain cases and is not intended to create any obligation on the part of either party to continue employment. This Agreement supersedes any and all other oral or written agreements or policies made relating to the subject matter hereof and constitutes the entire agreement of the parties relating to the subject matter hereof; provided that, except as specifically set forth in Section 4(a)(iii), this Agreement shall not supersede or limit in any way Executive's rights under any benefit plan, program or arrangements in accordance with their terms.

14. 280G Cap. (a) Upon the Company's termination of Executive without Cause or the Company's receipt of notice from Executive pursuant to Section 2(a) of the occurrence of a Good Reason Event, either of which follows a change in ownership or control of the Company for purposes of Section 280G of the Internal Revenue Code, as amended (the "Code"), the Company shall cause its independent auditors and/or tax counsel (selected by the Company but reasonably acceptable to Executive) to promptly review and determine, at the Company's sole expense, whether any of the Total Payments (as defined in Section 14 (b) below) constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 14, be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto), or any interest or penalties with respect to such tax, by reason of being "contingent on a change in ownership or control" of the Company, within the meaning of Section 280G of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such excise tax (such excise tax, together with interest and penalties, are hereafter collectively referred to as the "Excise Tax"). If so, the Total Payments shall be reduced to the amount that is One Dollar ($1.00) less than the smallest sum that would subject Executive to the Excise Tax; provided, however, that the Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 280G.

(b) As used herein, "Total Payments" shall mean, collectively, any payment or benefit received or to be received by Executive in connection with a Good Reason Event following a change in ownership or control of the Company or termination of Executive's employment (whether payable pursuant to the terms of this Agreement or any other plan, contract, agreement or arrangement with the Company, with any person whose actions result in a change in ownership or control of the Company or with any person constituting a member of an "affiliated group" as defined in Section 280G(d)(5) of the Code) with the Company or with any person whose actions result in a change in ownership or control of the Company; provided however, for purposes of calculating Total Payments, (i) no portion of the Total Payments the receipt or enjoyment of which Executive shall have effectively waived in writing prior to the date of payment of the Severance Payment shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which in the written opinion of tax counsel selected by the Company and acceptable to Executive does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the

Code; (iii) the value of any benefit provided by Section 4(a)(iii) of this Agreement with respect to Accelerated Equity Awards shall, to the extent required by Section 280G of the Code, be taken into account in computing Total Payments; and (iv) the value of any other non-cash benefit or of any deferred cash payment included in the Total Payments shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

Any determinations required under Sections 14 and 15 shall be made in writing in good faith by the Company's auditors and/or tax counsel, at the Company's sole expense, which writings shall include a detailed explanation for such determinations and/or supporting calculations to the Company and Executive as requested by the Company or the Executive.

15. Section 409A. (a) The parties intend that all payments and benefits under this Agreement comply with Section 409A of the Code and the regulations promulgated thereunder (collectively "Section 409A") and, accordingly, to the maximum extent permitted by law, this Agreement shall be interpreted in a manner in compliance therewith. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A. To the extent that any provision hereof is modified in order to comply with Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Section 409A.

(b) No amount of nonqualified deferred compensation under Section 409A shall be payable upon a termination of Executive's employment unless such termination constitutes a "separation from service" with the Company under Section 409A. To the maximum extent permitted by applicable law, amounts payable to Executive shall be made in reliance upon the exception for certain involuntary terminations under a separation pay plan or as a short-term deferral under Section 409A. To the extent any amounts payable upon Executive's separation from service are nonqualified deferred compensation under Section 409A, and if Executive is at such time a "specified employee", then to the extent required under Section 409A payment of such amounts shall be postponed until six (6) months following the date of Executive's separation from service (or until any earlier date of Executive's death), upon which date all such postponed amounts shall be paid to Executive in a lump sum. The determination of whether Executive is a specified employee at the time of Executive's separation from service shall be made in good faith by the Company in accordance with Section 409A.

(c) To the extent that reimbursements or other in-kind benefits under this Agreement constitute nonqualified deferred compensation, (i) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Executive, (ii) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(d) For purposes of Section 409A, Executive's right to receive installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company. Any other provision of this Agreement to the contrary notwithstanding, in no event shall any payment or benefit under this Agreement that constitutes nonqualified deferred compensation for purposes of Section 409A be subject to offset by any other amount unless otherwise permitted by Section 409A.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in its name by a duly authorized officer, and Executive has hereunto set her hand, all as of the date first written above.

SCHOLASTIC CORPORATION

By: /s/ Richard Robinson
Name: Richard Robinson
Title: Chairman, President and
Chief Executive Officer
Date: September 26, 2013

EXECUTIVE

/s/ Maureen O’Connell
Maureen O’Connell
Date: September 26, 2013

Exhibit 10.2

SCHOLASTIC CORPORATION
2013 EXECUTIVE PERFORMANCE INCENTIVE PLAN

1. Purpose

The purpose of this Plan is to attract, retain, and motivate key employees by providing annual cash performance awards to designated key employees of the Company and its Affiliates. This Plan is intended to establish a clear link between performance and the level of awards paid to such designated key employees with a focus on overall corporate growth and performance as well as on group, divisional or unit growth and performance. This Plan is effective as of July 17, 2013, subject to approval by the stockholders of the Company entitled to vote thereon in accordance with the laws of the State of Delaware.

2. Definitions

Unless the context otherwise requires, the words which follow shall have the following meaning:

(a) "Affiliate"—shall mean each corporation that is a member of the Company's affiliated group, within the meaning of Code Section 1504 (without regard to Code Section 1504(b)) other than any subsidiary of the Company that is itself a publicly held corporation, and subsidiaries of such public corporation, as such term is defined in Code Section 162(m) and the Treasury regulations issued thereunder.

(b) "Award"—shall mean the total annual Performance Award as determined under the Plan.

(c) "Board"—shall mean the Board of Directors of the Company.

(d) "Change in Control of the Company"—shall have the meaning set forth in the Participant's employment agreement (if any) or other written agreement with the Company or an Affiliate with respect to the Plan. If a Participant does not have an employment agreement or other written agreement which defines Change in Control, the provisions of the Plan with respect to a Change in Control shall not apply to such Participant.

(e) "Code"—shall mean the Internal Revenue Code of 1986, as amended, and any successor thereto.

(f) "Code Section 162(m)"—shall mean the exception for performance-based compensation under Section 162(m) of the Code or any successor section and the Treasury regulations promulgated thereunder.

(g) “Company”—shall mean Scholastic Corporation and any successor by merger, consolidation or otherwise.

(h) “Committee”—shall mean the Human Resources and Compensation Committee of the Board (or subcommittee thereof) or such other Committee of the Board that is appointed by the Board all of whose members shall be “outside directors,” as defined under Code Section 162(m).

(i) “Individual Target Award”—shall mean the targeted performance award for a Plan Year specified by the Committee as provided in Section 5 hereof.

(j) “Participant”—shall mean an employee of the Company or any of its Affiliates selected, in accordance with Section 4 hereof, to be eligible to receive an Award in accordance with this Plan.

(k) “Performance Award”—shall mean the amount paid or payable under Section 6 hereof.

(l) “Plan”—shall mean this Scholastic Corporation 2013 Executive Performance Incentive Plan.

(m) “Plan Year”—shall mean the fiscal year of the Company.

3. Administration and Interpretation of the Plan

The Plan shall be administered by the Committee. The Committee shall have the exclusive authority and responsibility to: (i) interpret the Plan; (ii) approve the designation of eligible Participants; (iii) set the performance criteria for Awards within the Plan guidelines; (iv) certify attainment of performance goals and other material terms; (v) reduce Awards as provided herein; (vi) authorize the payment of all benefits and expenses of the Plan as they become payable under the Plan; (vii) adopt, amend and rescind rules and regulations relating to the Plan; and (viii) make all other determinations and take all other actions necessary or desirable for the Plan’s administration, including, without limitation, correcting any defect, supplying any omission or reconciling any inconsistency in this Plan in the manner and to the extent it shall deem necessary to carry this Plan into effect, but only to the extent any such action would be permitted under Code Section 162(m).

Decisions of the Committee shall be made by a majority of its members. All decisions of the Committee on any question concerning the selection of Participants and the interpretation and administration of the Plan shall be final, conclusive, and binding upon all parties. The Committee may rely on information, and consider recommendations, provided by the Board or the senior management of the Company. The Plan is intended to comply with

Code Section 162(m), and all provisions contained herein shall be limited, construed, and interpreted in a manner to so comply.

4. Eligibility and Participation

(a) For each Plan Year, the Committee shall select, in its discretion, key employees of the Company or any of its Affiliates who are to participate in the Plan.

(b) No person shall be entitled to any Award under this Plan for any Plan Year unless he or she is so designated as a Participant for that Plan Year. The Committee may add to or delete individuals from the list of designated Participants at any time and from time to time, in its sole discretion, subject to any limitations required to comply with Code Section 162(m).

5. Individual Target Award

For each Participant for each Plan Year, the Committee may specify a targeted performance award. The Individual Target Award may be expressed, at the Committee's discretion, as a fixed dollar amount, a percentage of base pay or total pay (excluding payments made under this Plan), or an amount determined pursuant to an objective formula or standard. Establishment of an Individual Target Award for an employee for a Plan Year shall not imply or require that the same level of Individual Target Award (if any such award is established by the Committee for the relevant employee) be set for any subsequent Plan Year. At the time the Performance Goals are established (as provided in subsection 6.2 below), the Committee shall prescribe a formula to determine the percentages (which may be greater than one-hundred percent (100%)) of the Individual Target Award which may be payable based upon the degree of attainment of the Performance Goals during the Plan Year. Notwithstanding anything else herein, the Committee may, in its sole discretion, elect to pay a Participant an amount that is less than the Participant's Individual Target Award (or attained percentage thereof) regardless of the degree of attainment of the Performance Goals; provided that no such discretion to reduce an Award earned based on achievement of the applicable Performance Goals shall be permitted for the Plan Year in which a Change in Control of the Company occurs, or during such Plan Year with regard to the prior Plan Year if the Awards for the prior Plan Year have been earned but have not been paid by the time of the Change in Control of the Company, with regard to individuals who were Participants at the time of the Change in Control of the Company; and further provided that no such discretion to reduce an Award otherwise payable to a Participant shall result in an increase in an Award payable to another Participant.

6. Performance Award Program

6.1 PERFORMANCE AWARDS. Subject to Section 7 herein, each Participant is eligible to receive up to the achieved percentage of their Individual Target Award for such Plan Year (or, subject to Section 5, such lesser amount as determined by the Committee in its sole discretion) based upon the attainment of the objective Performance Goals established pursuant to subsection 6.2 and the formula or standard established pursuant to Section 5. Except as specifically provided in Section 7, no Performance Award shall be paid to a Participant for a Plan Year unless the minimum Performance Goals for such Plan Year are attained.

6.2 OBJECTIVE PERFORMANCE GOALS, FORMULAE OR STANDARDS (THE "PERFORMANCE GOALS"). The Committee shall establish the objective performance goals, formulae or standards and the Individual Target Award applicable to each Participant or class of Participants for a Plan Year in writing prior to the beginning of such Plan Year or at such later date as permitted under Code Section 162(m) and while the outcome of the Performance Goals are substantially uncertain. Such Performance Goals may incorporate, if and only to the extent permitted under Code Section 162(m), provisions for disregarding (or adjusting for) changes in accounting methods, corporate transactions (including, without limitation, dispositions and acquisitions) and other similar type events or circumstances. To the extent any such provision would create impermissible discretion under Code Section 162(m) or otherwise violate Code Section 162(m), such provision shall be of no force or effect. These Performance Goals shall be based on one or more of the following criteria with regard to the Company or any of its Affiliates (or a group, division, operational unit or administrative department of the Company or any of its Affiliates): (i) earnings per share or the attainment of a specified percentage increase in earnings per share or earnings per share from continuing operations; (ii) performance measured by revenues, net profit, net income, operating income or any combination of any or all of the foregoing (any or all of which may be measured without regard to extraordinary items); (iii) the attainment of a certain level of, reduction of, or other specified objectives with regard to limiting the level of or increase in, all or a portion of controllable expenses or costs or other expenses or costs; (iv) the attainment of certain target levels of, or a specified percentage increase in, revenues, income before income taxes and extraordinary items, net income, earnings before income tax, earnings before interest, taxes, depreciation and amortization, or a combination of any or all of the foregoing; (v) the attainment of certain target levels of, or a percentage increase in, after-tax or pre-tax profits including, without limitation, that attributable to continuing and/or other operations; (vi) the attainment of certain target levels in the fair market value of the shares of the Company's common stock; (vii) the growth in the value of an investment in the Company's common stock assuming the reinvestment of dividends; (viii) the attainment of certain target levels of, or a specified increase in, return on capital employed or return on invested capital; (ix) the attainment of certain target levels of, or a percentage increase in, after-tax or pre-tax return on stockholders' equity; (x) the attainment of certain target levels

of, or a specified increase in, economic value added targets based on a cash flow return on investment formula; (xi) the attainment of certain target levels of, or a specified increase in, free or operational cash flow; and (xii) the achievement of a certain level of, reduction of, or other specified objectives with regard to limiting the level of increase in, all or a portion of the Company's bank debt or other long-term or short-term public or private debt or other similar financial obligations of the Company, which may be calculated net of such cash balances and/or other offsets and adjustments as may be established by the Committee. For purposes of items (ii) and (iv) above, "extraordinary items" shall mean all items of gain, loss or expense for the Plan Year determined to be extraordinary or unusual in nature or infrequent in occurrence or related to a corporate transaction (including, without limitation, a disposition or acquisition) or related to a change in accounting principle, all as determined in accordance with standards as defined by the Financial Accounting Standards Board's *Accounting Standards Codification Topic 225-20*.

In addition, such Performance Goals may be based upon the attainment of specified levels of Company or any of its Affiliates (or a group, division, operational unit or administrative department of the Company or any of its Affiliates) performance under one or more of the measures described above relative to the performance of other corporations. To the extent permitted under Code Section 162(m), but only to the extent permitted under Code Section 162(m) (including, without limitation, compliance with any requirements for stockholder approval), the Committee may: (i) designate additional business criteria on which the Performance Goals may be based or (ii) adjust, modify or amend the aforementioned business criteria.

6.3 COMMITTEE CERTIFICATION. Performance Awards shall not be paid before the Committee certifies in writing that the Performance Goals specified pursuant to subsection 6.2 have been satisfied. Notwithstanding the forgoing, the Committee may, in its sole and absolute discretion, permit the payment of Performance Awards with respect to a Plan Year in the case of death or "disability" of the Participant (within the meaning of Code Section 409A) or, to the extent provided in Section 7.3 of the Plan, Change in Control of the Company during such Plan Year without regard to actual achievement of the Performance Goals and whether or not payment of such Awards would be deductible; provided, however, that this provision shall be of no force or effect to the extent Awards made under the Plan would fail to be qualified performance-based compensation under Code Section 162(m)(4)(C) and Treasury regulations issued thereunder regardless of payment. The Committee may not use its discretion to increase a Performance Award that would otherwise be payable upon attainment of the Performance Goals. The Committee shall use its best efforts to make a determination with regard to satisfaction of the Performance Goals as soon as practicable after the end of each Plan Year.

7. Time of Payment

7.1 GENERAL. Except as otherwise provided in this Section 7, Awards shall be paid no later than two and one-half 2½ months following the Plan Year in which they are earned subject to the Participant's continued active employment with the Company or any of its Affiliates on the payment date.

7.2 DISABILITY AND DEATH. The Committee, in its sole discretion, may waive the requirement of continued active employment on the payment date in the event that during the Plan Year to which the Performance Award relates the Participant experiences a termination of employment due to death or disability.

7.3 CHANGE IN CONTROL. In the event of a Change in Control of the Company during the Plan Year to which an Award relates, the Committee may, in its discretion, pay upon the consummation of such transaction a pro-rata portion (through the date of the Change in Control of the Company) of the Performance Award for such Plan Year at 100% of the Individual Target Award. Any such immediate pro-rata payment shall reduce any other Award made for such Plan Year under this Plan to the Participant by the amount of the pro-rata payment.

7.4 DEFERRAL ELECTION. A Participant may elect to defer payment of an Award pursuant to a written agreement executed on or before the date that is six months before the end of the Plan Year to which the Performance Award relates in accordance with any deferred compensation program in effect applicable to such Participant and in compliance with the requirements of Code Section 409A. Any Performance Award deferred by a Participant shall be subject to the provisions of the Company's Management Stock Purchase Plan or any successor plan. The Participant shall have no right to receive payment of any deferred Award prior to the attainment of the Performance Goals for the Plan Year to which the Award relates and certification of such attainment by the Committee and until the Participant has a right to receive such amount under the terms of the applicable deferred compensation program.

8. Non-Assignability

No Award under this Plan nor any right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance, garnishment, execution or levy of any kind or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber and, to the extent permitted by applicable law, charge, garnish, execute upon or levy upon the same shall be void and shall not be recognized or given effect by the Company.

9. No Right to Employment

Nothing in the Plan or in any notice of award pursuant to the Plan shall confer upon any person the right to continue in the employment of the Company or any of its Affiliates or affect the right of the Company or any of its Affiliates to terminate the employment of any Participant.

10. Amendment or Termination

The Board (or a duly authorized committee thereof) may, in its sole and absolute discretion, amend, suspend or terminate the Plan or adopt a new plan in place of this Plan at any time; provided, that no such amendment shall, without the prior approval of the stockholders of the Company entitled to vote thereon in accordance with the laws of the State of Delaware to the extent required under Code Section 162(m): (i) materially alter the Performance Goals as set forth in subsection 6.2; (ii) change the class of eligible employees set forth in Section 4(a); or (iii) implement any change to a provision of the Plan requiring stockholder approval in order for the Plan to continue to comply with the requirements of Code Section 162(m). Furthermore, no amendment, suspension, or termination shall, without the consent of the Participant, alter or impair a Participant's right to receive payment of an Award for a Plan Year otherwise payable hereunder.

11. Severability

In the event that any one or more of the provisions contained in the Plan shall, for any reason, be held to be invalid, illegal or unenforceable, in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of the Plan and the Plan shall be construed as if such invalid, illegal or unenforceable provisions had never been contained therein.

12. Withholding

The Company shall have the right to make such provisions as it deems necessary or appropriate to satisfy any obligations it may have to withhold federal, state, or local income or other taxes incurred by reason of payments pursuant to the Plan.

13. Sections 162(m) and 409A

It is intended that the Plan be administered in compliance with Code Section 162(m) so that the Awards paid under the Plan to Participants who are or may become subject to Code Section 162(m) will be treated as qualified performance-based compensation under Code Section 162(m)(4)(C). If any provision of the Plan does not comply with the

requirements of Code Section 162(m), then the Committee may construe or amend such provision to the extent necessary to conform to such requirements.

It is intended that the Awards granted under the Plan shall be exempt from, or in compliance with, Code Section 409A. In the event any of the Awards issued under the Plan are subject to Code Section 409A, it is intended that no payment or entitlement pursuant to this Plan will give rise to any adverse tax consequences to a Participant under Code Section 409A. The Plan shall be interpreted to that end and, consistent with that objective and notwithstanding any provision herein to the contrary, the Company may unilaterally take any action it deems necessary or desirable to amend any provision herein to avoid the application of or excise tax under Code Section 409A provided that such action is consistent with the requirements of Code Section 162(m). Neither the Company nor its Affiliates, nor their current employees, officers, directors, representatives or agents shall have any liability to any current or former Participant with respect to any accelerated taxation, additional taxes, penalties or interest for which any current or former Participant may become liable in the event that any amounts payable under the Plan are determined to violate Section 409A.

14. Governing Law

This Plan and any amendments thereto shall be construed, administered, and governed in all respects in accordance with the laws of the State of Delaware (regardless of the law that might otherwise govern under applicable principles of conflict of laws).

Exhibit 31.1

I, Richard Robinson, the principal executive officer of Scholastic Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Scholastic Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 7, 2014

/s/ Richard Robinson

Richard Robinson
Chairman of the Board,
President and Chief Executive Officer

Exhibit 31.2

I, Maureen O'Connell, the principal financial officer of Scholastic Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Scholastic Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 7, 2014

/s/ Maureen O'Connell

Maureen O'Connell
Executive Vice President,
Chief Administrative Officer
and Chief Financial Officer

Exhibit 32

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
with Respect to the Quarterly Report on Form 10-Q
for the Quarter ended November 30, 2013
of Scholastic Corporation

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Scholastic Corporation, a Delaware corporation (the "Company"), does hereby certify, to the best of such officer's knowledge, that:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 2013 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. Information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 7, 2014

/s/ Richard Robinson

Richard Robinson
Chief Executive Officer

Date: January 7, 2014

/s/ Maureen O'Connell

Maureen O'Connell
Chief Financial Officer

The certification set forth above is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Form 10-Q or as a separate disclosure document of the Company or the certifying officers.