SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

[X] Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended November 30, 1997
or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from _________ to __________

Commission File Number: 0-19860

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

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

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

(Former name, former address and former fiscal year, if changed since last report)

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.

[X] Yes [ ] No

APPLICABLE ONLY TO USERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

[ ] Yes [ ] No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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 December 31, 1997
Common Stock, $.01 par value	15,419,532
Class A Stock, $.01 par value	828,100

SCHOLASTIC CORPORATION
INDEX TO FORM 10-Q FOR THE QUARTER ENDED NOVEMBER 30, 1997

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SCHOLASTIC CORPORATION
CONSOLIDATED CONDENSED STATEMENT OF INCOME
(Unaudited)
(Amounts in millions except per share data)

	Three Months Ended		Six Months Ended	
	November 30, 1997	November 30, 1996	November 30, 1997	November 30, 1996
Revenues	$ 354.8	$ 342.2	$ 521.4	$ 500.8
Operating costs and expenses:				
Cost of goods sold	176.1	165.8	271.6	259.5
Selling, general and administrative expenses	125.5	106.7	207.9	187.3
Intangible amortization and depreciation	5.6	4.1	10.5	7.6
Total operating costs and expenses	307.2	276.6	490.0	454.4
Operating income	47.6	65.6	31.4	46.4
Interest expense, net	5.6	4.2	10.7	7.6
Income before provision for income taxes	42.0	61.4	20.7	38.8
Provision for income taxes	16.0	22.9	7.9	14.3
Net income	$ 26.0	$ 38.5	$ 12.8	$ 24.5
Primary earnings per share	$ 1.59	$ 2.36	$ 0.79	$ 1.51
Fully diluted earnings per share	$ 1.51	$ 2.21	$ 0.79	$ 1.47
Weighted average Class A, Common and Class A Share and Common Share Equivalents:				
Primary	16.4	16.3	16.2	16.3
Fully diluted	17.8	17.8	16.2	17.8

SEE ACCOMPANYING NOTES

SCHOLASTIC CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEET
(Amounts in millions)

	November 30, 1997	May 31, 1997	November 30, 1996
	(Unaudited)		(Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 4.3	$ 4.9	$ 2.2
Accounts receivable less allowance for doubtful accounts	168.3	100.5	184.9
Inventories:			
Paper	13.3	8.1	16.6
Books and other	237.6	213.9	222.6
Prepaid and other deferred expenses	58.1	68.9	40.9
Total current assets	481.6	396.3	467.2
Property, plant and equipment, net	134.3	134.0	122.1
Prepublication costs	97.5	102.1	102.9
Other assets and deferred charges	160.1	152.0	119.1
	$ 873.5	$ 784.4	$ 811.3
LIABILITIES & STOCKHOLDERS' EQUITY			
Current liabilities:			
Lines of credit	$ 8.5	$ 5.0	$ 25.1
Accounts payable	87.0	74.2	64.3
Accrued royalties	23.0	12.2	23.4
Deferred revenue	34.9	9.0	34.1
Other current liabilities	69.7	80.2	65.5
Total current liabilities	223.1	180.6	212.4
Noncurrent liabilities:			
Long-term debt	322.2	287.9	252.4
Other noncurrent liabilities	18.4	18.4	24.0
Total noncurrent liabilities	340.6	306.3	276.4
Commitments and contingencies	-	-	-
Stockholders' equity:			
Class A stock, $.01 par value	0.0	0.0	0.0
Common stock, $.01 par value	0.2	0.2	0.2
Additional paid-in capital	204.2	203.8	202.3
Accumulated earnings	143.8	131.0	155.1
Less shares held in treasury	(36.8)	(36.8)	(36.8)
Foreign currency translation adjustment	(1.6)	(0.7)	1.7
Total stockholders' equity	309.8	297.5	322.5
	$ 873.5	$ 784.4	$ 811.3

SEE ACCOMPANYING NOTES

SCHOLASTIC CORPORATION
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
(Unaudited)
(Amounts in millions)

	Six Months Ended November 30, 1997	Six Months Ended November 30, 1996
Net cash provided by (used in) operating activities	$5.1	$ (26.6)
Cash flows from investing activities:		
Royalty advances paid	(13.4)	(8.0)
Prepublication cost expenditures	(11.6)	(11.5)
Additions to property, plant and equipment	(8.5)	(13.0)
Production cost expenditures	(7.7)	(6.2)
Business acquisition related payments	(0.4)	(10.8)
Other, net	(1.7)	(1.4)
Net cash used in investing activities	(43.3)	(50.9)
Cash flows from financing activities:		
Borrowings under loan agreement and revolver	$ 165.9	$ 152.2
Principal paydowns on loan agreement and revolver	(131.8)	(86.8)
Borrowings under lines of credit	24.2	17.8
Principal paydowns on lines of credit	(20.8)	(15.3)
Other, net	0.1	7.5
Net cash provided by financing activities	37.6	75.4
Effects of exchange rate changes on cash	0.0	0.0
Decrease in cash and cash equivalents	(0.6)	(2.1)
Cash and cash equivalents at beginning of period	4.9	4.3
Cash and cash equivalents at end of period	$ 4.3	$ 2.2
Supplemental information:		
Income taxes paid	$ 1.4	$ 9.7
Interest paid	$ 10.0	$ 6.8

SEE ACCOMPANYING NOTES

SCHOLASTIC CORPORATION
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying consolidated condensed financial statements have not been audited, but reflect those adjustments consisting of normal recurring items which management considers necessary for a fair presentation of financial position, results of operations and cash flow. These financial statements should be read in conjunction with the consolidated financial statements and related notes in the 1996/1997 Annual Report to Stockholders.

Scholastic Corporation, together with its subsidiaries and affiliates (the "Company"), is among the leading publishers and distributors of children's books, classroom and professional magazines and other educational materials, with its principal operations in the United States, Canada, the United Kingdom, Australia, New Zealand, Mexico and India. The Company distributes most of its products directly to children and teachers in elementary and secondary schools and as a result its business cycle is closely correlated to the normal school year.

The results of operations for the six months ended November 30, 1997 and 1996 are not indicative of the results expected for the full fiscal year. Due to the seasonal fluctuations that occur, the prior year's November 30 balance sheet is included for comparative purposes.

Certain prior year amounts have been reclassified in the accompanying consolidated condensed financial statements to conform to the current year presentation.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates and assumptions. Significant estimates that affect the financial statements include, but are not limited to, book returns, recoverability of inventory, recoverability of advances to authors, amortization periods, recoverability of prepublication costs and litigation reserves.

2. LONG TERM DEBT

The Company has a loan agreement (the "Loan Agreement") with certain banks which provides for revolving credit loans and letters of credit in the amount of $135.0 million, with a right, in certain circumstances, to increase such amount to $160.0 million. The Loan Agreement expires on May 31, 2000. At November 30, 1997, the amount available of $135.0 million was reduced by letters of credit outstanding in the amount of $1.0 million, and the aggregate amount of borrowings was $63.0 million.

The Company has a Revolving Loan Agreement (the "Revolver") with Sun Bank, National Association, which provides for revolving credit loans in an aggregate principal amount of up to $35.0 million. At November 30, 1997, the aggregate amount of borrowings was $20.6 million.

On December 23, 1996, the Company issued $125.0 million of 7.0% Notes due 2003 (the "Notes"). The Notes are unsecured and unsubordinated obligations of the Company and will mature on December 15, 2003. The Notes are not redeemable prior to maturity. Interest on the Notes is payable semi-annually on December 15 and June 15 of each year. The proceeds (including accrued interest) from the issuance of the Notes were $123.9 million after deducting an underwriting discount and other related offering costs. The Company utilized the net proceeds primarily to repay amounts outstanding under the Loan Agreement and the Revolver.

On August 18, 1995, the Company sold $110.0 million of 5.0% Convertible Subordinated Debentures due August 15, 2005 (the "Debentures") under Regulation S and Rule 144A of the Securities Act of 1933. The Debentures are listed on the Luxembourg Stock Exchange and the portion sold under Rule 144A is designated for trading in the Portal system of the National Association of Securities Dealers, Inc. Interest on the Debentures is payable semi-annually on August 15 and February 15 of each year. The Debentures are redeemable at the option of the Company, in whole, but not in part, at any time on or after August 15, 1998 at 100% of the principal amount plus accrued interest. Each Debenture is convertible, at the holder's option, any time prior to maturity, into Common Stock of the Company at a conversion price of $76.86 per share.

3. CONTINGENCIES

The Company and certain officers have been named as defendants in litigation which alleges, among other things, violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and rule 10b-5 thereunder, resulting from purportedly materially false and misleading statements to the investing public concerning the financial condition of the Company. The litigation is in the early stages and the Company believes that such litigation is without merit and plans to vigorously defend against it.

The Company is also engaged in various legal proceedings incident to its normal business activities. In the opinion of the Company, none of such proceedings is material to the consolidated financial position of the Company.

4. SUBSEQUENT EVENT

Effective January 1, 1998, the Company sold its SOHO Group, including Home Office Computing(R) magazine, to CurtCo Freedom Group for approximately $19.0 million and the assumption of certain liabilities pursuant to a definitive agreement dated as of December 11, 1997. Net proceeds were used to reduce debt. The Company estimates that the transaction will result in a pre-tax gain of approximately $10.0 million.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Revenues for the quarter ended November 30, 1997 increased to $354.8 million (up 4%) from $342.2 million in the comparable quarter of the prior fiscal year. Revenues improved primarily due to a $11.8 million increase (up 5%) in domestic book publishing, resulting from strong sales in book clubs, continued shipments of Scholastic's instructional publishing reading program, Scholastic Literacy Place(R), and increased sales of new trade publishing properties, including Animorphs(R) and Dear America(R), which partially offset a decrease in domestic Goosebumps(R) sales. International revenues increased by 10% versus the comparable quarter of the prior fiscal year mainly due to the favorable effect of last year's Red House acquisition as well as revenue growth from book club and trade sales of properties other than Goosebumps. Revenues for the six months ended November 30, 1997 totaled $521.4 million, a 4% increase over revenue reported for the six months ended November 30, 1996.

As a percentage of revenue, cost of goods sold increased 1.2% for the quarter and 0.3% for the six months ended November 30, 1997 versus comparable periods in the prior fiscal year. The increase in cost of goods sold over the prior fiscal year periods can be primarily attributed to changes in the Company's sales mix, including lower levels of high margin Goosebumps licensing and trade book sales. Selling, general, and administrative expense as a percentage of revenue increased 4.2% for the quarter and 2.5% for the six months ended November 30, 1997 versus comparable periods in the prior fiscal year. The primary factors for this increase were increased promotion costs in book clubs, increased selling and payroll costs in book fairs to support growth and the effect of the acquisition of Red House in January 1997.

Operating income for the quarter ended November 30, 1997 decreased from $65.6 million in the corresponding quarter of the prior fiscal year to $47.6 million. The decrease includes a reduction of approximately $27.0 million of operating profit associated with the lower level of Goosebumps revenues. Operating income for the six months ended November 30, 1997 decreased $15.0 million, or 32.3%, versus the six months ended November 30, 1996, also as a result of lower Goosebumps revenues.

Net income for the quarter ended November 30, 1997 was $26.0 million versus $38.5 million in the comparable quarter in the prior fiscal year. Primary earnings per share in the quarter ended November 30, 1997 decreased to $1.59 from $2.36, and fully diluted earnings per share decreased to $1.51 from $2.21, in the comparable quarter last fiscal year. Net income for the six months ended November 30, 1997 was $12.8 million versus $24.5 million in the comparable period last fiscal year. Primary earnings per share decreased to $0.79 from $1.51, and fully diluted earnings per share decreased to $0.79 from $1.47, in the comparable six month period in the prior fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a net decrease in cash and cash equivalents during the six month period ended November 30, 1997 of $0.6 million, compared to a net decrease during the comparable period in the prior fiscal year of $2.1 million. Cash provided by financing and operating activities funded the net cash used in investing activities during the six months ended November 30, 1997. Operating and investing activities were funded by financing activities during the six months ended November 30, 1996.

For the six months ended November 30, 1997 and 1996, net cash provided by financing activities was $37.6 million and $75.4 million, respectively. Financing activities consisted primarily of borrowings and paydowns under the Loan Agreement and Revolver. Borrowings under the Loan Agreement and the Revolver, as well as the issuance of the Notes in the 1997 fiscal year, have been a primary source of the Company's liquidity.

Cash used in investing activities was $43.3 million and $50.9 million for the first six months of fiscal 1998 and 1997, respectively. Investing activities primarily consist of royalty advances, prepublication and production cost expenditures, payments for capital expenditures, and in the 1997 fiscal year, payments for business and trademark acquisitions.

Royalty advances increased $5.4 million to $13.4 million during the first six months of fiscal 1998 over the comparable period in the prior fiscal year. This increase reflects primarily payments during fiscal 1998 of advances under an extension, entered into in November 1996, of the agreement to publish Goosebumps. Capital expenditures decreased $4.5 million to $8.5 million for the six months ended November 30, 1997 over the comparable prior fiscal year period. Prepublication and production costs expenditures increased modestly during the first six months of fiscal 1998 over the comparable prior year period. Business acquisition related payments in the prior period relate to the Company's acquisition of Lectorum Publications Inc. on September 4, 1996 and the Company's investment in Gallimard S.A.

The Company believes its existing cash position, combined with funds generated from operations and funds available under the Loan Agreement and the Revolver, will be sufficient to finance its ongoing working capital requirements for the foreseeable future.

RECENT ACCOUNTING PRINCIPLES

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128 (SFAS 128), "Earnings per Share." This statement specifies the computation, presentation and disclosure requirements for earnings per share for entities with publicly held common stock or potential common stock. The Company is required to adopt the provisions of SFAS 128 for the quarter ended February 28, 1998. The principal differences between the provisions of SFAS 128 and previous authoritative pronouncements are related to the exclusion of common stock equivalents in the determination of basic earnings per share and the market price at which common stock equivalents are calculated in the determination of diluted earnings per share. In accordance with the provisions of SFAS 128, basic and diluted earnings per share are $1.61 and $1.51 for the quarter ended November 30, 1997, respectively, and $2.41 and $2.21 for the quarter ended November 30, 1996, respectively. Basic and diluted earnings per share are $0.79 for the six months ended November 30, 1997, and $1.54 and $1.48, respectively, for the six months ended November 30, 1996.

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, (SFAS 130), "Reporting Comprehensive Income." This statement establishes the standards for the reporting and display of comprehensive income and its components in a full set of general purpose financial statements. The Company is required to adopt the provisions of SFAS 130 for the fiscal year ended May 31, 1999.

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 131 (SFAS 131), "Disclosure about Segments of an Enterprise and Related Information." This statement requires that public business enterprises report certain information about operating segments, their products and services, the geographic areas in which they operate and their major customers. The Company is required to adopt the provisions of SFAS 131 for the fiscal year ended May 31, 1999 and does not expect such adoption to have a material effect on its Results of Operations.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Three purported class action complaints were filed in the United States District Court for the Southern District of New York against Scholastic Corporation and certain officers during the 1997 fiscal year, seeking, among other remedies, damages resulting from defendants' alleged violations of federal securities laws. The complaints have now been consolidated. The Consolidated Amended Class Action Complaint (the "Consolidated Complaint"), served and filed on August 13, 1997, is styled as a class action on behalf of all persons who purchased Company Common Stock from December 10, 1996 through February 20, 1997. The Consolidated Complaint alleges, among other things, violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder resulting from purported materially false and misleading statements to the investing public concerning the financial condition of the Company. Specifically, the Consolidated Complaint alleges misstatements and omissions by the Company pertaining to adverse sales and returns of its popular Goosebumps book series prior to the Company's interim earnings announcement on February 20, 1997. The litigation is still in the early stages. During the second quarter of fiscal 1998, the Company filed a motion to dismiss. The Company believes that the suit is without merit and intends to vigorously defend against this action.

As described in the Company's Report on Form 8-K dated November 19, 1997, the Company is engaged in litigation with Parachute Press. The Company does not expect that this dispute will have a material adverse effect on its financial condition.

A number of lawsuits and administrative proceedings which have arisen in the ordinary course of business are pending or threatened against the Company. The Company believes there are meritorious defenses to substantially all such claims.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Annual Meeting of Stockholders of the Company was held on September 16, 1997 (the "Meeting"). The following sets forth the results of the proposals presented at the Meeting voted upon by the stockholders of the Company entitled to vote thereon:

Each of the 828,100 shares of Class A Stock (comprising all outstanding shares of Class A Stock) were voted in favor of:

* Setting the number of directors constituting the Board of Directors at fifteen until the next annual meeting of the stockholders.

* Electing Richard Robinson, Rebeca M. Barrera, Helen V. Benham, Frederic J. Bischoff, John Brademas, John C. Burton, Charles T. Harris III, Andrew S. Hedden, Mae C. Jemison, Richard Krinsley, Augustus K. Oliver and Richard M. Spaulding as directors to serve until the next annual meeting of stockholders.

* Electing Ernst & Young as independent auditors for the fiscal year ended May 31, 1998.

* Adopting the 1997 Outside Director's Stock Option Plan.

With respect to all matters voted on by the holders of the Class A Stock, there were no abstentions or broker non-votes.

Holders of the Common Stock elected the following three nominees as directors to serve until the next annual meeting of stockholders. Votes cast by holders of the Common Stock were as follows:

Nominee	For	Withheld
Ramon C. Cortines	11,904,040	1,362,043
Alonzo A. Crim	13,215,050	51,033
John G. McDonald	13,221,127	44,956

There were no abstentions or broker non-votes with respect to this matter.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

Exhibit Number	Description of Document
3 (a)	Amended and Restated Certificate of Incorporation of the Registrant. (1)
(b)	By-laws of the Registrant. (2)
4 (a)	Amended and Restated Loan Agreement dated April 11, 1995 among the Registrant and Citibank, N.A., as agent, Marine Midland Bank, Chase Manhattan Bank, N.A., The First National Bank of Boston and United Jersey Bank.(3)
(b)	Amendment to the Amended and Restated Loan Agreement dated May 1, 1996. (4)
(c)	Amendment to the Amended and Restated Loan Agreement dated May 28, 1997. (5)
(d)	Amendment to the Amended and Restated Loan Agreement dated November 28, 1997.
(e)	Revolving Loan Agreement dated June 19, 1995 between the Registrant and Sun Bank, National Association, as amended August 14, 1996, May 30, 1997 and November 28, 1997.(6)
(f)	Overdraft Facility dated June 1, 1992, as amended on October 30, 1995 between Scholastic Canada Ltd. and CIBC. (6)
(g)	Overdraft Facility dated June 24, 1993 between Scholastic Ltd. (formerly known as Scholastic Publications Ltd.) and Citibank, N.A. (6)

(h) Overdraft Facility dated May 14, 1992, as amended on June 30 1995, between Scholastic Ltd. (formerly known as Scholastic Publications Ltd.) and Midland Bank. (6)

(i) Overdraft Facility dated February 12, 1993, as amended on January 31, 1995 between Scholastic Australia Pty. Ltd. (formerly known as Ashton Scholastic Pty. Ltd.) and National Australia Bank Ltd. (6)

(j) Overdraft Facility dated April 20, 1993 between Scholastic New Zealand Ltd., (formerly Ashton Scholastic Ltd.) and ANZ Banking Group Ltd. (6)

(k) Indenture dated August 15, 1995, relating to $110 million of 5% Convertible Subordinated Debentures due August 15, 2005 issued by the Registrant. (7)

(l) Indenture dated December 15, 1996, relating to $125 million of 7% Notes due December 15, 2003 issued by the Registrant. (8)

11 Statements re: Computation of Per Share Earnings

27 Financial Data Schedule

(b) Reports on Form 8-K.

- Current Report on Form 8-K dated November 19, 1997, with respect to the Company's litigation with Parachute Press, Inc.

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Footnotes:

(1) Incorporated by reference to the Company's Registration Statement on Form S-8 (Registration No. 33-46338) as filed with the Commission on March 12, 1992.

(2) Incorporated by reference to the Company's Registration Statement on Form S-1 (Registration No. 33-45022) as filed with the Commission on January 10, 1992.

(3) Incorporated by reference to the Company's Form 10-Q for the quarter ended February 28, 1995 as filed with the Commission on April 13, 1995 (File No. 0-19860).

(4) Incorporated by reference to the Company's Annual Report on Form 10-K as filed with the Commission on August 28, 1996 (File No. 0-19860).

(5) Incorporated by reference to the Company's Annual Report on Form 10-K as filed with the Commission on August 26, 1997 (File No. 0-19860).

(6) Such long-term debt does not individually amount to more than 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis. Accordingly, pursuant to Item 601(b)(4)(iii) of Regulation S-K, such instrument is not filed herewith. The Registrant hereby agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.

(7) Incorporated by reference to the Company's Form 10-Q as filed with the Commission on August 28, 1995 (File No. 0-19860).

(8) Incorporated by reference to the Company's Registration Statement on Form S-3 (Registration No. 333-17365) as filed with the Commission on December 11, 1996.

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 14, 1998

/s/ Richard Robinson
Chairman of the Board,
President, Chief Executive
Officer & Director

Date: January 14, 1998

/s/ Kevin J. McEnery
Executive Vice President and
Chief Financial Officer

SCHOLASTIC CORPORATION

Form 10-Q for the Quarterly Period Ended November 30, 1997

EXHIBIT INDEX

Exhibit Number	Description of Document
4(d)	Amendment to the Amended and Restated Loan Agreement dated November 28, 1997.
11	Statement re: Computation of Per Share Earnings
27	Financial Data Schedule

EXECUTION COPY

LETTER AMENDMENT NO. 3

Dated as of November 28, 1997

To the banks, financial institutions
and other institutional lenders
(collectively, the "Banks") parties
to the Loan Agreement referred to
below and to Citibank, N.A., as agent
(the "Agent") for the Banks

Ladies and Gentlemen:

We refer to the Amended and Restated Loan Agreement dated as of April 11, 1995 (as amended, supplemented or otherwise modified through the date hereof, the "Loan Agreement") among the undersigned and you. Capitalized terms not otherwise defined in this Letter Amendment have the same meanings as specified in the Loan Agreement.

The Loan Agreement is, effective as of the date of this Letter Amendment, hereby amended as follows:

(a) Section 1.01 is amended by replacing ", whether actual or implied, of the commercial paper" in the definition of "Applicable LIBO Rate" with "of the senior unsecured long-term debt", and by replacing the table in that section with the following table:

"Senior Unsecured Long-Term Rating S&P/Moody's	Applicable LIBO Margin Rate	Applicable Commitment Fee Rate
A-/A3	0.325%	0.10%
BBB/Baa2	0.375%	0.15%
BBB-/Baa3	0.55%	0.2125%
BB+/Ba1	1.00%	0.375%
Lower than BB+/Ba1 or not rated	1.25%	0.50%"

(b) Section 6.01(a) is amended by replacing the ratio ".55:1" in clause (ii) with the ratio ".58:1", and by replacing the period at the end of clause (iii) with the following:

"; (iv) during the fourth quarter of the fiscal year ending May 31, 1998, the Borrowers shall maintain a Consolidated Debt Ratio of not more than .55:1;

(v) during the first quarter of the fiscal year ending May 31, 1999, the Borrowers shall maintain a Consolidated Debt Ratio of not more than .58:1; and

(vi) during the second quarter of the fiscal year ending May 31, 1999, the Borrowers shall maintain a Consolidated Debt Ratio of not more than .58:1."

(c) Section 6.01(b) is amended as follows:

(i) Clause (v) of the proviso to Section 6.01(b) is amended by removing the word "and" at the end thereof and by replacing the ratio "3.10:1" with the ratio "2.50:1".

(ii) Clause (vi) of the proviso to Section 6.01(b) is amended by replacing the period at the end thereof with a semi-colon and by replacing the ratio "3.25:1" with the ratio "2.50:1".

(iii) Section 6.01(b) is further amended by adding the following to the end of clause (vi) of the proviso thereof:

"(vii) during the fourth quarter of the fiscal year ending May 31, 1998, the Borrower shall maintain a Consolidated Interest Coverage Ratio of not less than

3.50:1;

(viii) during the first quarter of the fiscal year ending May 31, 1999, the Borrower shall maintain a Consolidated Interest Coverage Ratio of not less than 3.50:1; and

(ix) during the second quarter of the fiscal year ending May 31, 1999, the Borrower shall maintain a Consolidated Interest Coverage Ratio of not less than 3.50:1."

(d) Section 6.03(b)(ii) is amended by replacing the date "May 31, 1998" with the date "May 31, 2000."

This Letter Amendment shall become effective as of the date first above written when, and only when, on or before November 28, 1997, the Agent shall have received counterparts of this Letter Amendment executed by the undersigned and the Majority Banks or, as to any of the Banks, advice satisfactory to the Agent that such Bank has executed this Letter Amendment PROVIDED, HOWEVER, that part (a) of this Letter Amendment shall only become effective when the Agent shall have received counterparts of this Letter Amendment executed by all of the Banks, or as to any of the Banks, advice satisfactory to the Agent that such Bank has executed this Letter Amendment. This Letter Amendment is subject to the provisions of Section 8.11 of the Loan Agreement.

On the effective date of this Letter Amendment, the undersigned shall pay to the Agent for the account of each Bank executing this Letter Amendment on or before the date hereof (the "Signing Banks") an amendment fee of eight basis points on each Signing Bank's Commitment.

On and after the effectiveness of this Letter Amendment, each reference in the Loan Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Loan Agreement, and each reference in the Notes and each of the other Loan Instruments to "the Loan Agreement", "thereunder", "thereof" or words of like import referring to the Loan Agreement, shall mean and be a reference to the Loan Agreement, as amended by this Letter Amendment.

The Loan Agreement, the Notes and each of the other Loan Instruments, as specifically amended by this Letter Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The execution, delivery and effectiveness of this Letter Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Bank or the Agent under any of the Loan Instruments, nor constitute a waiver of any provision of any of the Loan Instruments.

If you agree to the terms and provisions hereof, please evidence such agreement by executing and returning at least three counterparts of this Letter Amendment to Citibank, N.A., 399 Park Avenue, New York, NY 10043, Attn: Mr. Dale Goncher.

This Letter Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Letter Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Letter Amendment.

This Letter Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

Very truly yours,

SCHOLASTIC CORPORATION

By: /s/

Name:
Title:

SCHOLASTIC INC.

By: /s/

Name:
Title:

Agreed as of the date first above written:

CITIBANK, N.A., as Agent

By: /s/

Name:
Title:

BANKS

CITIBANK, N.A.

By: /s/

Name:
Title:

THE CHASE MANHATTAN BANK, N.A.

By: /s/

Name:
Title:

BANK OF BOSTON, N.A. (formerly known as
The First National Bank of Boston)

By: /s/

Name:
Title:

MARINE MIDLAND BANK

By: /s/

Name:
Title:

UNITED JERSEY BANK

By: /s/

Name:
Title:

EXHIBIT 11

SCHOLASTIC CORPORATION
STATEMENTS OF COMPUTATION OF NET INCOME
PER CLASS A, COMMON AND CLASS A
SHARE AND COMMON SHARE EQUIVALENTS
(Amounts in millions except shares and per share data)

	Three Months Ended		Six Months Ended	
	November 30, 1997	November 30, 1996	November 30 , 1997	November 30, 1996
	(Unaudited)		(Unaudited)	
Net income used for primary earnings per share	$ 26.0	$ 38.5	$ 12.8	$ 24.5
Net interest savings from assumed conversion of Convertible Subordinated Debentures	0.9	0.8	1.7	1.7
Net income used for fully diluted earnings per share	$ 26.9	$ 39.3	$ 14.5	$ 26.2
Primary:				
Weighted average Class A and Common Shares outstanding	16.2	15.9	16.2	15.9
Common Share equivalents arising from outstanding options computed on the treasury stock method	0.2	0.4	0.0	0.3
Primary Class A , Common and Class A Share and Common Share Equivalents outstanding	16.4	16.3	16.2	16.2
Fully Diluted:				
Additional dilutive effect of outstanding options computed on the treasury stock method	0.0	0.0	0.1	0.1
Assumed conversion of Convertible Subordinated Debentures	1.4	1.5	1.5	1.5
Fully diluted Class A, Common and Class A Share and Common Share Equivalents outstanding	17.8	17.8	17.8	17.8
Primary earnings per share	$ 1.59	$ 2.36	$ 0.79	$ 1.51
Fully diluted earnings per share	$ 1.51	$ 2.21	$ 0.79	$ 1.47

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1,000

6-MOS
MAY-31-1998
NOV-30-1997
4,346
0
176,685
8,375
250,835
481,600
183,230
48,895
873,464
223,088
234,727
0
0
175
309,611
873,464
521,437
521,437
271,589
479,475
10,578
6,354
10,697
20,687
7,860
12,827
0
0
0
12,827
0.79
0.79