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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 23, 2006

SCHOLASTIC CORPORATION
(Exact Name of Registrant as Specified in Charter)

DELAWARE	000-19860	13-3385513
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

557 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 or Former address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

|_| Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

|_| Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12)

|_| Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

|_| Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On March 23, 2006, Scholastic Corporation issued the press release attached hereto as Exhibit 99.1 announcing its results of operations for its quarter ended February 28, 2006.

The information in this Current Report on Form 8-K, including Exhibits, is being furnished to the Securities and Exchange Commission (the "SEC") and shall not be deemed to be incorporated by reference into any of Scholastic's filings with the SEC under the Securities Act of 1933.

Item 9.01 Financial Statements and Exhibits

(a) Not applicable

(b) Not applicable

(c) The following exhibit is filed as part of this report:

Press release of Scholastic Corporation, dated March 23, 2006, is filed as Exhibit 99.1.

SIGNATURES

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

Date: March 23, 2006

SCHOLASTIC CORPORATION
(Registrant)

/s/ Mary A. Winston

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

EXHIBIT INDEX

Number	Exhibit
99.1	Press release of Scholastic Corporation, dated March 23, 2006

Exhibit 99.1

Scholastic Announces Fiscal 2006 Third Quarter Results

NEW YORK--(BUSINESS WIRE)--March 23, 2006--Scholastic Corporation (NASDAQ: SCHL) today announced its fiscal 2006 third quarter results.

For the quarter ended February 28, 2006, the Company reported revenues of $487.7 million, up 1% from $480.8 million, and a seasonal net loss of $15.5 million, compared to $0.8 million in the prior year period. Net loss per diluted share was $0.37 versus $0.02 a year ago. The fiscal third quarter is typically Scholastic's second smallest revenue quarter.

"Our third quarter was disappointing, and based on our review of these results and their impact on the fourth quarter, we are reducing our outlook for the fiscal year," commented Richard Robinson, Chairman, CEO and President of Scholastic. "Promotion expenses in School Book Clubs continued to be higher due to the volume of direct mailings required as more customers than anticipated migrated to the core clubs in response to promotions. In School Book Fairs, staffing expenses increased during the quarter, in anticipation of fourth quarter fair bookings. Lastly, results in Educational Publishing were affected by lower educational technology revenues, reflecting greater seasonality in that business and a large district sale in the prior-year period."

Mr. Robinson continued, "Next year, based on customer reaction to thorough market tests conducted in School Book Clubs, we will focus exclusively on Scholastic branded clubs and discontinue Troll(R) and Trumpet(R), two smaller, less efficient clubs. We believe this focus on core clubs will substantially reduce overhead, promotion and fulfillment expense and increase profits. We also remain confident about growth opportunities for Scholastic Education, and for educational technology, where sales are up 18% this year and we have a strong pipeline of future sales prospects."

Scholastic has accelerated its company-wide plans to reduce overhead, and it has already identified more than $40 million in annualized savings from streamlining centralized functions and pursuing outsourcing opportunities, which it expects to realize fully over the next two years, with a significant amount achieved in fiscal 2007. Additionally, the Company has outsourced all remaining outbound telemarketing in Continuities, closing a call center and eliminating 75 staff positions.

Outlook

Given lower third quarter results and a revised outlook for the fourth quarter, Scholastic now expects full year earnings between $1.70 and $1.80 per diluted share, including approximately $0.15 per diluted share of expected severance expense, on revenues of approximately $2.3 billion. Free cash flow for the fiscal year is now expected to be between $70 and $80 million.

Third Quarter Results

Children's Book Publishing and Distribution. Segment revenues in the third quarter of fiscal 2006 were $270.9 million, down slightly from $272.3 million in the prior year period. Trade revenue rose 6%, from sales of best-selling and award-winning front-list titles, as well as continuing strong sales of back-list titles. Continuities revenue increased 3%, with growth in revenues from new sales channels and products offsetting declines in the traditional business. In School Book Fair, revenues declined 2% in a small quarter from lower fair count, partially offset by higher revenue per fair. School Book Club revenue was down 4% on lower revenues in the non-core clubs. Segment operating results declined to a loss of $3.2 million from a profit of $14.7 million a year ago, primarily due to higher expenses in School Book Clubs and in Fairs.

Educational Publishing. Segment revenue declined 7% to $73.5 million compared to $79.3 million in the prior year period, primarily from lower education technology sales, reflecting greater seasonality and a strong prior year period in that business, as well as soft library sales. Segment operating results declined to a loss of $3.5 million from a profit of $4.9 million a year ago, reflecting lower technology sales and increased investment in sales and support staff to support a larger customer base for READ 180(R).

International. Revenue in the segment rose 5% to $96.9 million from $92.0 million in the prior year period, primarily reflecting growth in Canada and Australia, partially offset by lower revenues in the United Kingdom. Operating profit in the segment declined slightly to $2.3 million from $3.0 million a year ago, due in part to lower results in the United Kingdom, where the Company is investing in a turn-around plan, partially offset by foreign exchange benefits.

Media, Licensing and Advertising. Revenue in the segment was up 25% to $46.4 million from $37.2 million in the prior year period, due to growth in all business lines, including software and multimedia sales, Back to Basics Toys(R) and consumer magazines. Operating profit in the quarter rose to $6.3 million from $4.4 million in the prior period.

Other Financial Results. Free cash use was $12.7 million, compared to free cash flow of $39.8 million in the prior year period, as a result of higher tax payments, higher net loss in the quarter and earlier product purchasing in School Book Fairs.

Fiscal Year-to-Date Results

Net income for the first nine months of fiscal 2006 was $30.2 million or $0.73 per diluted share, up from $21.2 million or $0.52 per diluted share in the first nine months of fiscal 2005, which included $3.6 million or $0.06 per diluted share in severance charges related to a reorganization of the Continuities business. Revenues in the period rose 13% to $1,682.8 million from $1,487.8 million in the year ago period. The year over year improvement in revenue and profitability primarily reflects higher Harry Potter revenues, partially offset by profitability declines in Clubs, International, and Continuities.

Free cash flow for the first nine months of this year was $95.2 million, compared to $2.3 million in the prior year, reflecting an increase in accrued royalties and higher net income in the period, partially offset by higher tax payments.

Conference Call

The Company will hold a conference call to discuss its results at 8:00 am ET today, March 23, 2006. Scholastic's Chairman, President and CEO, Richard Robinson, and Executive Vice President and CFO, Mary Winston, will moderate the call.

The conference call and accompanying slides will be webcast and accessible through the Investor Relations section of Scholastic's website, scholastic.com. Participation by telephone will be available by dialing 888-338-6461 from within the U.S. or +1-973-935-8510 internationally.

Following the call, an audio replay of the call will be available from approximately 10:00 am ET, March 23, 2006 through March 30, 2006 by dialing 877-519-4471 from within the U.S. or +1-973-341-3080 internationally, and entering participant code 7087347. Slides from the conference call will also be posted in the Investor Relations section of scholastic.com.

About Scholastic

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

Forward-Looking Statements

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

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

	THREE MONTHS ENDED			
	02/28/06	02/28/05	Favorable/(Unfavorable)	
		Restated(1)		
Revenues	$487.7	$480.8	$6.9	1%
Operating costs and expenses:				
Cost of goods sold	242.2	233.9	(8.3)	(4%)
Selling, general and administrative expenses (2)	230.9	208.4	(22.5)	(11%)
Bad debt expense	15.7	14.9	(0.8)	(5%)
Depreciation and amortization	16.7	15.7	(1.0)	(6%)
Total operating costs and expenses	505.5	472.9	(32.6)	(7%)
Operating income (loss)	(17.8)	7.9	(25.7)	*
Interest expense, net	6.8	9.1	2.3	25%
Loss before income taxes	(24.6)	(1.2)	(23.4)	*
Income tax benefit	(9.1)	(0.4)	8.7	*
Net loss	($15.5)	($0.8)	($14.7)	*
Weighted average shares outstanding:				
Basic	41.8	40.0	1.8	4%
Diluted	41.8	40.0	1.8	4%
Loss per share:				
Basic	($0.37)	($0.02)	($0.35)	*
Diluted	($0.37)	($0.02)	($0.35)	*

	NINE MONTHS ENDED			
	02/28/06	02/28/05	Favorable/(Unfavorable)	
		Restated(1)		
Revenues	$1,682.8	$1,487.8	$195.0	13%
Operating costs and expenses:				
Cost of goods sold	833.5	711.4	(122.1)	(17%)
Selling, general and administrative expenses (2)	684.5	618.8	(65.7)	(11%)
Bad debt expense	43.4	50.7	7.3	14%
Depreciation and amortization	49.1	46.5	(2.6)	(6%)
Total operating costs and expenses	1,610.5	1,427.4	(183.1)	(13%)
Operating income	72.3	60.4	11.9	20%
Interest expense, net	24.4	27.4	3.0	11%
Earnings before income taxes	47.9	33.0	14.9	45%
Provision for income taxes	17.7	11.8	(5.9)	(50%)
Net income	$30.2	$21.2	$9.0	42%
Weighted average shares				

outstanding:				
Basic	40.8	39.8	1.0	3%
Diluted	41.5	40.5	1.0	2%
Earnings per share:				
Basic	$0.74	$0.53	$0.21	40%
Diluted	$0.73	$0.52	$0.21	40%

(1) In the fourth quarter of fiscal 2005, the Company revised its accounting for certain leasing transactions and restated its previously issued annual and interim consolidated financial statements.

(2) In the nine months ended February 28, 2005, the Company recorded pre-tax charges of $3.6, or $0.06 per diluted share, primarily for severance related to staff reductions implemented in the first quarter of fiscal 2005 in connection with the Company's fiscal 2004 review of its Continuity business.

* Percent change not meaningful.

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

	THREE MONTHS ENDED			
	02/28/06	02/28/05	Favorable/(Unfavorable)	
		Restated(1)		
Children's Book Publishing & Distribution				
Revenue	$270.9	$272.3	($1.4)	(1%)
Operating income (loss) (2) (3)	(3.2)	14.7	(17.9)	*
Operating margin (3)	*	5.4%		
Educational Publishing				
Revenue	73.5	79.3	(5.8)	(7%)
Operating income (loss)	(3.5)	4.9	(8.4)	*
Operating margin	*	6.2%		
International				
Revenue	96.9	92.0	4.9	5%
Operating income	2.3	3.0	(0.7)	(23%)
Operating margin	2.4%	3.3%		
Media, Licensing and Advertising				
Revenue	46.4	37.2	9.2	25%
Operating income (3)	6.3	4.4	1.9	43%
Operating margin (3)	13.6%	11.8%		
Overhead expense	19.7	19.1	(0.6)	(3%)
Operating income (loss)	($17.8)	$7.9	($25.7)	*

	NINE MONTHS ENDED			
	02/28/06	02/28/05	Favorable/(Unfavorable)	
		Restated(1)		
Children's Book Publishing & Distribution				
Revenue	$970.4	$819.1	$151.3	18%
Operating income (2)(3)	65.7	41.6	24.1	58%
Operating margin (3)	6.8%	5.1%		

Educational Publishing				
Revenue	301.0	292.0	9.0	3%
Operating income	45.6	48.7	(3.1)	(6%)
Operating margin	15.1%	16.7%		
International				
Revenue	295.0	280.0	15.0	5%
Operating income	9.6	19.2	(9.6)	(50%)
Operating margin	3.3%	6.9%		
Media, Licensing and Advertising				
Revenue	116.4	96.7	19.7	20%
Operating income (3)	8.3	6.7	1.6	24%
Operating margin (3)	7.1%	6.9%		
Overhead expense	56.9	55.8	(1.1)	(2%)
Operating income	$72.3	$60.4	$11.9	20%

(1) In the fourth quarter of fiscal 2005, the Company revised its accounting for certain leasing transactions and restated its previously issued annual and interim consolidated financial statements.

(2) Results for the nine months ended February 28, 2005 include pre-tax charges of $3.6, or $0.06 per diluted share, recorded in the Children's Book Publishing and Distribution segment ("CBP&D"), primarily for severance related to staff reductions implemented in the first quarter of fiscal 2005 in connection with the Company's fiscal 2004 review of its Continuity business.

(3) In the fourth quarter of fiscal 2005, the Company reviewed the estimated Cost of goods sold related to Media, Licensing and Advertising segment ("MLA") products sold through CBP&D. The Company determined that the actual costs were lower and the gross margins higher on these products than previously allocated. Prior period inter-segment allocations were adjusted accordingly, resulting in higher gross margin in MLA with offsetting decreases in CBP&D.

* not meaningful.

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

SELECTED BALANCE SHEET ITEMS

	02/28/06	02/28/05 Restated(1)	Favorable/(Unfavorable)	
Cash and cash equivalents	$219.5	$22.1	$197.4	*
Accounts receivable, net	241.9	249.1	(7.2)	(3%)
Inventories	480.7	468.0	12.7	3%
Lines of credit, short-term debt and current portion of long-term debt	326.8	21.3	(305.5)	*
Long-term debt, excluding current portion	173.2	489.0	315.8	65%
Net debt (2)	280.5	488.2	207.7	43%
Capital lease obligations	72.3	75.3	3.0	4%
Total stockholders' equity	995.1	889.5	105.6	12%

SELECTED CASH FLOW ITEMS

THREE MONTHS ENDED			
02/28/06	02/28/05	Favorable/(Unfavorable)	

		Restated(1)		
Net cash provided by operating activities	$24.4	$80.4	($56.0)	(70%)
Additions to property, plant and equipment	15.9	10.0	(5.9)	(59%)
Pre-publication and production costs	13.9	19.9	6.0	30%
Royalty advances	7.3	10.7	3.4	32%
Free cash flow (use) (3)	($12.7)	$39.8	($52.5)	*

	NINE MONTHS ENDED			
	02/28/06	02/28/05	Favorable/(Unfavorable)	
		Restated(1)		
Net cash provided by operating activities	$210.3	$112.1	$98.2	88%
Additions to property, plant and equipment	46.6	31.4	(15.2)	(48%)
Pre-publication and production costs	46.4	53.7	7.3	14%
Royalty advances	22.1	24.7	2.6	11%
Free cash flow (3)	$95.2	$2.3	$92.9	*

(1) In the fourth quarter of fiscal 2005, the Company revised its accounting for certain leasing transactions and restated its previously issued annual and interim consolidated financial statements.

(2) Net debt is defined by the Company as lines of credit and short-term debt plus long-term-debt, net of cash and cash equivalents. The Company utilizes this non-GAAP financial measure, and believes it is useful to investors, as an indicator of the Company's effective leverage and financing needs.

(3) Free cash flow (use) is defined by the Company as net cash provided by operating activities, less spending on property, plant and equipment; pre-publication and production costs; and royalty advances. The Company utilizes this non-GAAP financial measure and believes it is useful to investors, as an indicator of cash flow available for debt repayment and other investing activities, such as acquisitions. The Company utilizes free cash flow as a further indicator of operating performance and for planning investing activities.

* Percent change not meaningful.

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