

interest coverage ratios (as defined), limitations on the amount of dividends and other distributions, and other limitations on fundamental changes to the Company or its business. The Credit Agreement further provides for customary affirmative covenants (e.g., financial reporting etc.) and events of default.

Item 8.01 Other Information

On June 1, 2007, the Company entered into an accelerated share repurchase agreement ("ASR") with Deutsche with respect to its Common Stock, par value \$.01 per share (the "Common Stock"). Pursuant to this agreement, the Company will pay \$200 million to Deutsche in exchange for an estimated 14% of the currently outstanding Common Stock.

Under the accelerated share repurchase agreement, at the end of a defined averaging period the Company may receive additional shares of Common Stock if the volume weighted average price (VWAP) per share for such period is below the price per share paid by the Company in its initial \$200 million purchase from Deutsche, subject to a floor price. The exact number of shares of Common Stock repurchased and price per share to be paid by the Company will be determined by reference to a discount to the VWAP per share of the Common Stock over the averaging period.

The ASR Agreement contains other terms governing the transaction, including but not limited to the mechanism used to determine the final settlement of the transaction, the settlement method, the circumstances under which Deutsche is permitted to make adjustments to the valuation periods, the circumstances under which the transaction may be terminated prior to its scheduled settlement date and various representations, warranties and covenants made by the Company and Deutsche to one another, including, inter alia, certain representations related to Rule 10b5-1 and intended adherence with the Rule 10b-18 volume and timing guidelines. On June 1, 2007, the Company issued a press release regarding the ASR, which is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

- (a) Not applicable
- (b) Not applicable
- (c) Not applicable
- (d) The following exhibit is filed as part of this report:

Exhibit 99.1 Press Release of Scholastic Corporation dated June 1, 2007.

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: June 1, 2007

SCHOLASTIC CORPORATION
(Registrant)

By: /s/ Maureen O'Connell

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

Scholastic Announces \$200 Million Accelerated Share Repurchase

NEW YORK--(BUSINESS WIRE)--June 1, 2007--Scholastic Corporation (NASDAQ:SCHL) today announced that it had entered into a \$200 million accelerated share repurchase agreement with Deutsche Bank. Pursuant to this agreement, the Company expects to repurchase an estimated 14% of its currently outstanding common stock.

"Scholastic's strong balance sheet and free cash flow enable us to return capital to shareholders through this accretive share repurchase," said Richard Robinson, the Company's Chairman, CEO and President. "We believe that purchasing Scholastic stock is an efficient use of our capital and that we have ample resources to fund the repurchase while maintaining financial flexibility."

Under the accelerated share repurchase agreement, at the end of a defined averaging period, the Company may receive additional shares if the volume weighted average price (VWAP) per share for such period is below the price per share paid by the Company in its initial \$200 million purchase from Deutsche Bank, subject to a floor price. The exact number of shares repurchased and price per share to be paid by the Company will be determined by reference to a discount to the VWAP per share of the Company's common stock over the averaging period.

The Company intends to finance the repurchase with a \$200 million five-year amortizing term loan being provided by its principal bank lenders under a new credit facility. In addition to the term loan facility, the new credit arrangement also provides the Company with a five-year revolving credit facility in an aggregate amount of up to \$325 million, which replaces its existing revolving credit facilities.

About Scholastic

Scholastic Corporation (NASDAQ: SCHL) is the world's largest publisher and distributor of children's books and a leader in education 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, televisions 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 information. Such forward-looking information includes, among other things, statements regarding the Company's financial condition, the ASR, the number of shares of common stock which may be acquired thereunder and the expected benefits of the repurchases thereunder. The Company's operations are subject to various additional risks and uncertainties, including the conditions of the children's book and education materials markets and acceptance of the Company's products within those markets, and other risk 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.

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