

UNITED STATES  
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): July 12, 2004

SCHOLASTIC CORPORATION  
-----

(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation)	000-19860 (Commission File Number)	13-338513 (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

SCHOLASTIC CORPORATION  
CURRENT REPORT ON FORM 8-K, DATED JULY 12, 2004

-----  
ITEM 7. FINANCIAL STATEMENTS, PRO FORMA  
FINANCIAL INFORMATION AND EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION OF DOCUMENT -----
99.1	Press release of Scholastic Corporation, dated July 12, 2004

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On July 12, 2004, Scholastic Corporation issued the press release attached hereto as Exhibit 99.1 announcing that it will record certain charges in the fourth quarter of its fiscal year ended May 31, 2004 related to its Continuity business.

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.

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.

SCHOLASTIC CORPORATION  
(Registrant)

Date: July 12, 2004

/s/ MARY A. WINSTON  
-----  
Mary A. Winston  
Executive Vice President  
& Chief Financial Officer

SCHOLASTIC CORPORATION  
CURRENT REPORT ON FORM 8-K, DATED JULY 12, 2004  
EXHIBIT INDEX

-----

EXHIBIT NUMBER  
-----

DESCRIPTION OF DOCUMENT  
-----

Exhibit 99.1

Press release of Scholastic  
Corporation, dated July 12, 2004

## CONTACTS:

Investors: Ray Marchuk 212-343-6857  
Media: Judy Corman 212-343-6833

SCHOLASTIC ANNOUNCES FOURTH QUARTER CHARGES RELATED TO ITS CONTINUITY BUSINESS;  
EXPECTS FISCAL 2004 EPS IN LINE WITH PREVIOUS GUIDANCE

NEW YORK, NY, July 12, 2004 - Scholastic Corporation (NASDAQ: SCHL) today announced that, in connection with its previously announced review of its Continuity business, it will record charges of approximately \$25 million in the fourth quarter of its fiscal year ended May 31, 2004 related to that business. The Company also announced that it will record a fourth quarter gain of \$8 million resulting from the termination of a sublease in New York City.

The net effect of these items of \$17 million pre-tax, or \$0.28 per diluted share net of tax, will be recorded in the quarter and year ended May 31, 2004. Including these items and special severance charges principally recorded in earlier quarters of fiscal 2004 totaling \$3.3 million pre-tax or \$0.05 per diluted share net of tax, the Company expects to report Fiscal 2004 EPS of \$1.40 to \$1.50 per diluted share. These results are in line with Scholastic's prior guidance. The Company also expects to exceed its previously stated \$50 million cash flow target for Fiscal 2004.

The Continuity-related charges primarily represent write-downs of inventory from discontinued programs and prepaid promotion costs, as well as small increases in bad debt expense and provisions for returns, and related severance. These charges will be recorded primarily as components of Cost of goods sold; Selling, general and administrative expenses; and Bad debt expense.

Richard Robinson, Chairman, President and CEO, commented, "As we said we would in March, we thoroughly reviewed our Continuity business in response to the challenges we faced during Fiscal 2004, including the effects of federal Do Not Call legislation." Robinson added, "We are adjusting our business model to strengthen our relationship with our most productive customers through product and service improvements. While we expect that reducing promotions to our less productive customers will temporarily reduce revenues, we believe these actions will improve customer retention, profitability and cash flow in this strategically important business. Our direct-to-home Continuity business has generated significant profits and cash flow since its acquisition in June 2000 and is a key part of our plan to reach parents at home and help their children read and learn."

As a result of actions taken to strengthen the management team of the Continuity business, the Company will also record a severance charge of \$2.3 million, or \$0.04 per diluted share, in the first quarter of Fiscal 2005.

Scholastic will announce Fiscal 2004 results and Fiscal 2005 plans after the close of market on July 21, 2004 and will hold its year-end investor meeting the following morning, July 22nd at 8:00 am, EDT, at corporate headquarters in New York City.

## ABOUT SCHOLASTIC

Scholastic Corporation, the world's largest publisher and distributor of children's books, creates quality educational and entertaining materials and products for use in school and at home, including children's books, textbooks, magazines, technology-based products, teacher materials, television programming, 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, school-based and direct-to-home continuity programs; retail stores, schools, libraries, and television networks; and the Company's Internet Site, <http://www.scholastic.com>.