SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q/A
(Amendment No. 1)

(Mark One)

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the period ended February 28, 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 March 31, 1997
Common Stock, $.01 par value	15,363,332
Class A Stock, $.01 par value	828,100

SCHOLASTIC CORPORATION
INDEX TO FORM 10-Q FOR THE QUARTER ENDED FEBRUARY 28, 1997

PART I - FINANCIAL INFORMATION

SCHOLASTIC CORPORATION
CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
(Unaudited)
(Amounts in thousands except shares and per share data)

	Three Months Ended		Nine Months Ended	
	February 28, 1997	February 29, 1996	February 28, 1997	February 29, 1996
Revenues	$ 210,728	$ 216,085	$ 711,491	$ 645,886
Operating costs and expenses:				
Cost of goods sold	118,827	109,159	378,361	330,214
Selling, general and administrative expenses	103,599	86,488	290,843	249,620
Intangible amortization and depreciation	4,080	3,301	11,693	8,965
Total operating costs and expenses	226,506	198,948	680,897	588,799
Operating income (loss)	(15,778)	17,137	30,594	57,087
Interest expense, net	4,445	2,799	12,027	8,164
Income (loss) before income taxes	(20,223)	14,338	18,567	48,923
Provision (benefit) for income taxes	(7,685)	5,449	6,626	18,704
Net income (loss)	$ (12,538)	$ 8,889	$ 11,941	$ 30,219
Primary earnings (loss) per share	$ (0.78)	$ 0.55	$ 0.72	$ 1.87
Fully diluted earnings (loss) per share	$ (0.78)	$ 0.55	$ 0.72	$ 1.86
Weighted average Class A, Common and Class A Share and Common Share Equivalents:				
Primary	16,088,377	16,270,963	16,486,505	16,142,500
Fully diluted	16,088,377	17,702,137	17,938,550	17,223,484

SEE ACCOMPANYING NOTES

SCHOLASTIC CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEET
(Amounts in thousands)

	February 28, 1997 (Unaudited)	May 31, 1996	February 29, 1996 (Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,270	$ 4,300	$ 1,148
Accounts receivable less allowance for doubtful accounts	104,435	118,390	106,980
Inventories:			
Paper	12,681	9,041	16,310
Books and other	230,084	180,937	223,584
Prepaid and other deferred expenses	23,419	15,118	24,290
Deferred taxes current	27,103	22,694	17,730
Total current assets	399,992	350,480	390,042
Property, plant and equipment, net	129,024	114,137	107,143
Prepublication costs	106,061	105,016	101,711
Other assets and deferred charges	154,008	103,533	76,358
	$ 789,085	$ 673,166	$ 675,254
LIABILITIES & STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 64,706	$ 63,148	$ 68,843
Deferred revenue	21,654	9,216	20,873
Other accrued expenses	50,945	60,756	55,309
Other current liabilities	34,739	40,278	36,484
Total current liabilities	172,044	173,398	181,509
Noncurrent liabilities:			
Long-term debt	281,820	186,810	186,563
Other noncurrent liabilities	24,733	24,311	21,578
Total noncurrent liabilities	306,553	211,121	208,141
Stockholders' equity:			
Class A Stock, $.01 par value	8	8	8
Common Stock, $.01 par value	166	163	163
Additional paid-in capital	204,780	194,785	194,321
Accumulated earnings	142,584	130,643	128,965
Less shares held in treasury	(36,812)	(36,812)	(36,812)
Foreign currency translation adjustment	(238)	(140)	(1,041)
Total stockholders' equity	310,488	288,647	285,604
	$ 789,085	$ 673,166	$ 675,254

SEE ACCOMPANYING NOTES

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

	Nine Months Ended	
	February 28, 1997	February 29, 1996
Net cash provided by/(used) in operating activities	$ 19,094	$ (3,021)
Cash flows from investing activities:		
Business acquisition-related payments	(32,190)	(19,790)
Royalty advances paid	(25,581)	(14,615)
Prepublication cost expenditures	(21,619)	(37,359)
Additions to property, plant and equipment	(20,613)	(20,028)
Preproduction cost expenditures	(7,904)	(4,403)
Net cash used in investing activities	(107,907)	(96,195)
Cash flows from financing activities:		
Borrowings under loan agreement and revolver	233,472	162,474
Principal paydowns on loan agreement and revolver	(264,416)	(177,572)
Proceeds received from issuance of notes payable	123,903	0
Proceeds received from issuance of convertible debt	0	107,250
Borrowings under lines of credit	27,753	36,737
Principal paydowns on lines of credit	(43,468)	(36,533)
Tax benefit realized from stock option transactions	5,254	2,776
Other, net	4,342	1,467
Net cash provided by financing activities	86,840	96,599
Effects of exchange rate changes on cash	(57)	57
Net decrease in cash and cash equivalents	(2,030)	(2,560)
Cash and cash equivalents at beginning of period	4,300	3,708
Cash and cash equivalents at end of period	$ 2,270	$ 1,148
Supplemental information:		
Income taxes paid	$ 25,445	$ 15,294
Interest paid	$ 11,682	$ 7,912

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 Annual Report to shareholders.

The business of Scholastic Corporation including its subsidiaries (the "Company") is the publication and sale of educational materials and its business cycle is closely correlated to the normal school year. The results of operations for the nine months ended February 28, 1997 and February 29, 1996 are not indicative of the results expected for the full year. Due to the seasonal fluctuations that occur, the prior year's February 29 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.

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 an aggregate amount of up to $135.0 million, with a right, in certain circumstances, to increase such amount up to $160.0 million. The Loan Agreement expires on May 31, 2000. At February 28, 1997, the amount available of $135.0 million was reduced by letters of credit outstanding in the amount of $1.3 million, and the aggregate amount of borrowings outstanding was $34.0 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 February 28, 1997, the aggregate amount of borrowings outstanding was $9.1 million.

On December 23, 1996, the Company issued $125.0 million of 7% 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 will be payable semi-annually on December 15 and June 15 of each year, commencing on June 15, 1997. The net 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.

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.

SCHOLASTIC CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Revenues for the quarter ended February 28, 1997 decreased from $216.1 million to $210.7 million, or 2%, versus the comparable quarter of the prior year. Domestic book publishing revenues decreased $11.2 million, or 8%, principally due to (i) a decline in the retail trade channel sales of older Goosebumps(R) titles, the greatest portion of which affected January and February results, (ii) a reduction in revenues of $11.8 million (included in the special charge described below) reflecting increased reserves for anticipated book returns and (iii) a book club sales decrease as a result of a modest decrease in orders and revenue per order. These results were partially offset by increases in book fair revenues and trade sales of non-Goosebumps titles. International revenues increased by 18% versus the comparable quarter last year due to strong trade sales combined with the benefit of recent book distribution acquisitions by the United Kingdom subsidiary. Revenues for the nine months ended February 28, 1997 totaled $711.5 million, a 10% increase over revenue reported for the nine months ended February 29, 1996.

As a percentage of revenue, cost of goods sold increased from 50.5% to 56.4% for the quarter and from 51.1% to 53.2% for the nine months ended February 28, 1997 versus the comparable periods in the prior year. For the quarter and the nine months ended February 28, 1997, 2.0% and 0.6%, respectively, of the increase is a result of a special charge recorded in the third quarter to increase the reserve for anticipated book returns. The remainder of the increase is a result of the Company's sales mix and increased prepublication cost amortization largely due to the Scholastic Literacy Place(R) program. Selling, general and administrative expense as a percentage of revenue increased from 40.0% to 49.2% for the quarter and from 38.6% to 40.9% for the nine months ended February 28, 1997 versus the comparable periods in the prior year. Of the increase for the quarter and the nine months ended February 28, 1997, 3.9% and 1.1%, respectively, was due to the special charge recorded in the third quarter. The remaining increase is largely a result of lower than anticipated revenues combined with planned increases in selling, general and administrative expenses.

The third quarter ended February 28, 1997 resulted in an operating loss of $15.8 million compared to operating income in the corresponding quarter of the prior fiscal year of $17.1 million. The operating results for the quarter included the $13.0 million impact of special charges, primarily for an increase in the reserve for anticipated book returns based principally on a significant increase in returns during January and February. In addition, lower revenue combined with planned increases in selling, general and administrative expenses adversely affected margins and contributed to this operating loss. Operating income for the nine months ended February 28, 1997 decreased $26.5 million or 46% over the nine months ended February 29, 1996.

The quarter ended February 28, 1997 resulted in a net loss of $12.5 million versus net income of $8.9 million in the comparable quarter in the prior year. Primary and fully diluted earnings per share decreased from $0.55 in the comparable quarter last year to a net loss per share of $0.78 (including a $0.50 per share impact for the third quarter special charge). Net income for the nine months ended February 28, 1997 was $11.9 million versus $30.2 million in the comparable period last year. Primary and fully diluted earnings per share decreased to $0.72 from $1.87 primary and $1.86 fully diluted in the comparable nine month period in the prior year.

Liquidity and Capital Resources

The Company had a net decrease in cash and cash equivalents for the nine months ended February 28, 1997 of $2.0 million, compared to a net decrease for the comparable period in the prior year of $2.6 million. Cash provided by financing and operating activities funded the net cash used in investing activities during the nine months ended February 28, 1997.

For the nine months ended February 28, 1997 and February 29, 1996, net cash provided by financing activities was $86.8 million and $96.6 million, respectively. Financing activities consisted primarily of borrowings and paydowns under the Loan Agreement and Revolver, the issuance of the Notes in fiscal 1997 and the sale of the Debentures in fiscal 1996. Proceeds from the sale of Debentures, the issuance of the Notes and borrowings under the Loan Agreement as well as cash provided by operating activities have been the primary source of the Company's liquidity.

Cash used in investing activities was $107.9 million and $96.2 million for the first nine months of fiscal 1997 and 1996, respectively. Investing activities primarily consisted of payments for business and trademark acquisitions, royalty advances, prepublication and preproduction cost expenditures, and payments for capital expenditures. Business and trademark acquisition payments totaled $32.2 million and $19.8 million for the first nine months of fiscal 1997 and 1996, respectively. Fiscal 1997 acquisitions include Lectorum Publications, Inc. on September 4, 1996, the United Kingdom subsidiary's acquisition of Red House Ltd. on January 22, 1997 and the Company's investment in Gallimard S. A. on October 16, 1996. Payments for royalty advances totaled $25.6 million and $14.6 million for the first nine months of fiscal 1997 and 1996, respectively. The $11.0 million increase in advance payments over the comparable period in the prior year was largely the result of an extended agreement entered into by the Company to publish Goosebumps. Prepublication cost expenditures totaled $21.6 million and $37.4 million for the first nine months of fiscal 1997 and 1996, respectively. The $15.8 million decrease in prepublication costs for the nine months ended February 28, 1997 over the comparable period in the prior year was largely due to higher investments by the Company during the prior period in its instructional publishing and technology based activities, primarily in the development of a literacy program. Cash used in other investing activities such as preproduction cost expenditures and payments for capital expenditures changed modestly from the first nine months of fiscal 1996.

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.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

On April 7, 1997, a plaintiff, Lawrence B. Hollin, filed a lawsuit seeking Class Action status (the "Complaint") in the United States District Court for the Southern District of New York against the Company and Richard Robinson. The Complaint claims in substance that the Company made false and misleading statements concerning sales and returns of the Goosebumps series of books and failed to disclose allegedly insufficient reserves and inadequate operating controls to account for book returns. The Complaint was styled as a class action on behalf of a class of persons who purchased Company securities during the period December 6, 1996 through February 20, 1997. The Complaint asserts claims pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The Complaint seeks unspecified compensatory damages, costs and attorneys fees.

Items 2, 3, 4 and 5

These items, which would be answered in the negative, have been omitted.

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, Scholastic Inc., Citibank, N.A., as agent, Marine Midland Bank, Chase Manhattan Bank, N.A., The First National Bank of Boston and United Jersey Bank.(4)
(b)	Amendment to the Amended and Restated Loan Agreement dated May 1, 1996.(6)
(c)	Revolving Loan Agreement dated June 19, 1995 between the Registrant, Scholastic Inc. and Sun Bank, National Association.(3)
(d)	Amendment to the Revolving Loan Agreement dated August 14, 1996.(3)
(e)	Overdraft Facility dated June 1, 1992, as amended on September 12, 1994 between Scholastic Canada Ltd. and CIBC.(3)
(f)	Overdraft Facility dated June 24, 1993 between Scholastic Ltd. (formerly known as Scholastic Publications Ltd.) and Citibank, N.A.(3)
(g)	Overdraft Facility dated May 14, 1992 as amended on November 2, 1992, between Scholastic Ltd. (formerly known as Scholastic Publications Ltd.) and Midland Bank.(3)
(h)	Overdraft Facility dated April 20, 1993 between Ashton Scholastic Ltd. and ANZ Banking Group Ltd.(3)
(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.(3)
(j)	Indenture dated August 15, 1995, relating to $110 million of 5% Convertible Subordinated Debentures due August 15, 2005 issued by the Registrant.(5)
(k)	Indenture dated December 15, 1996, relating to $125 million of 7% Notes due December 15, 2003 issued by the Registrant.(7)
11	Computation of Net Income per Class A, Common and Class A Share and Common Share Equivalents.

(b) Reports on Form 8-K.

- None.

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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 (the "1992 Registration Statement").

(3) Such long-term debt does not individually amount to more than 10% of the total assets of the subsidiaries on a Registrant and its 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.

(4) 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).

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

(6) 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).

(7) 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: April 14, 1997	/s/ Richard Robinson Chairman of the Board, President, Chief Executive Officer & Director
Date: April 14, 1997	/s/ Kevin J. McEnery Executive Vice President and Chief Financial Officer

EXHIBIT 11

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

	Three Months Ended		Nine Months Ended	
	February 28, 1997	February 29, 1996	February 28, 1997	February 29, 1996
	(Unaudited)		(Unaudited)	
Net income (loss) used for primary earnings per share	$ (12,538)	$ 8,889	$ 11,941	$ 30,219
Net interest savings from assumed conversion of Convertible Subordinated Debentures	0	853	2,558	1,847
Net income (loss) used for fully diluted earnings per share	$ (12,538)	$ 9,742	$ 14,499	$ 32,066
Primary:				
Weighted average Class A and Common Shares outstanding	16,088,377	15,830,313	15,972,576	15,765,778
Common Share equivalents arising from outstanding options computed on the treasury stock method	0	440,650	513,928	376,722
Primary Class A, Common and Class A Share and Common Share Equivalents outstanding	16,088,377	16,270,963	16,486,505	16,142,500
Fully Diluted:				
Additional dilutive effect of outstanding options computed on the treasury stock method	0	0	0	47,359
Assumed conversion of Convertible Subordinated Debentures	0	1,431,174	1,452,045	1,033,625
Fully diluted Class A, Common and Class A Share and Common Share Equivalents outstanding	16,088,377	17,702,137	17,938,550	17,223,484
Primary earnings (loss) per share	$ (0.78)	$ 0.55	$ 0.72	$ 1.87
Fully diluted earnings (loss) per share	$ (0.78)	$ 0.55	$ 0.72	$ 1.86

5
1,000

YEAR	9-MOS
MAY-31-1996	MAY-31-1997
MAY-31-1996	FEB-28-1997
4,300	2,270
0	0
127,553	112,971
9,163	8,536
180,937	230,084
350,480	399,992
146,155	169,296
32,018	40,272
673,166	789,085
173,398	172,044
110,000	235,000
163	166
0	0
0	0
288,484	310,322
673,166	789,085
928,599	711,491
928,599	711,491
466,030	378,361
833,406	669,204
37,358	11,693
9,565	8,810
11,170	12,027
46,665	18,567
14,768	6,626
31,897	11,941
0	0
0	0
0	0
31,897	11,941
1.97	0.72
1.97	0.72