SCHOLASTIC CORP
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [_]

Check the appropriate box:

[_] Preliminary Proxy Statement
[_] CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (as permitted by Rule 14a-6(e)(2))
[X] Definitive Proxy Statement
[_] Definitive Additional Materials
[_] Soliciting Material Pursuant to Section 240.14a -12

SCHOLASTIC CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[_] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

[_] Fee paid previously with preliminary materials:

[_] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Scholastic 557 Broadway, New York, NY 10012-3999 (212) 343-6100
www.scholastic.com

SCHOLASTIC CORPORATION
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Holders of Class A Stock and Common Stock:

The Annual Meeting of Stockholders of Scholastic Corporation (the Company) will be held at the Company s corporate headquarters located at 557 Broadway, New York, New York on Wednesday, September 19, 2007, at 9:00 a.m., local time, for the following purposes:

Matters to be voted upon by holders of the Class A Stock

1. Electing eight directors to the Board of Directors,
2. Approving an Amendment to the Scholastic Corporation 2001 Stock Incentive Plan,
3. Approving the Scholastic Corporation 2007 Outside Directors Stock Incentive Plan;

Matters to be voted upon by holders of the Common Stock

1. Electing three directors to the Board of Directors;

and such other business as may properly come before the meeting and any adjournments thereof.

A proxy statement describing the matters to be considered at the Annual Meeting of Stockholders is attached to this notice. Only stockholders of record of the Class A Stock and the Common Stock at the close of business on August 1, 2007 are entitled to notice of, and to vote at, the meeting and any adjournments thereof.

We hope that you will be able to attend the meeting. Whether or not you plan to be present at the meeting, we urge you to vote your shares promptly. You can vote your shares in three ways:

via the Internet at the website indicated on your proxy card;

via telephone by calling the toll free number on your proxy card; or

by returning the enclosed proxy card.

By order of the Board of Directors

Devereux Chatillon
Secretary
August 14, 2007

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557 Broadway
New York, New York 10012-3999

PROXY STATEMENT

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September 19, 2007

SOLICITATION OF PROXIES

General Information

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the Board) of Scholastic Corporation, a Delaware corporation (the Company), to be voted at its Annual Meeting of Stockholders (the Annual Meeting), which will be held at 557 Broadway, New York, New York at 9:00 a.m., local time, on Wednesday, September 19, 2007, and at any adjournments thereof.

Shares represented by each proxy properly submitted, either by mail, the internet or telephone as indicated on the enclosed form of proxy, will be voted in accordance with the instructions indicated on such proxy unless revoked. A stockholder may revoke a proxy at any time before it is exercised by:

delivering to the Secretary of the Company a written revocation thereof or a duly executed proxy bearing a later date,

providing subsequent telephone or internet voting instructions, or

voting in person at the Annual Meeting.

Any written notice revoking a proxy should be sent to the attention of Devereux Chatillon, Secretary, Scholastic Corporation, 557 Broadway, New York, New York 10012-3999.

If no instructions are specified, your shares will be voted:

FOR the election of the directors indicated;

in the case of the Class A stockholders, FOR the approval of Proposals 2 and 3; and

in the discretion of the proxy holders, if any other matter properly comes before the Annual Meeting.

This proxy statement and the accompanying form of proxy, together with the Company s Annual Report on Form 10-K for the fiscal year ended May 31, 2007, are being mailed to stockholders on or about August 14, 2007.

The cost of soliciting proxies will be borne by the Company. Solicitation other than by mail may be made personally or by telephone, facsimile or e-mail by regularly employed officers and employees who will not be additionally compensated for such solicitation. The Company may also reimburse brokers, custodians, nominees and other fiduciaries for their reasonable expenses in forwarding proxy materials to principals.

Voting Securities of the Company

Only holders of record of the Company s Class A Stock, $0.01 par value (Class A Stock), and Common Stock, $0.01 par value (Common Stock), at the close of business on August 1, 2007 (the Record Date) are entitled to vote at the Annual Meeting. As of the Record Date, there were 1,656,200 shares of Class A Stock and 36,611,081 shares of Common Stock outstanding.

The Amended and Restated Certificate of Incorporation of the Company (the Certificate) provides that, except as otherwise provided by law, the holders of shares of Class A Stock (the Class A Stockholders), voting as a class, have the right: (i) to fix the size of the Board so long as it does not consist of less than three nor more than 15 directors, (ii) to elect all the directors, subject to the right of the holders of shares of Common Stock, voting as a class, to elect such minimum number of the members of the Board as shall equal at least one-fifth of the members of the Board, and (iii) to exercise, exclusive of the holders of the shares of Common Stock, all other voting rights of stockholders of the Company. The Certificate also provides that, except as otherwise provided by law, the voting rights of the holders of shares of Common Stock are limited to the right, voting as a class, to elect such minimum number of the members of the Board as shall equal at least one-fifth of the members of the Board.

Each share of Class A Stock and Common Stock is entitled to one vote. No holders of either class of stock have cumulative voting rights. At the Annual Meeting, the Class A Stockholders will vote on the election of eight members of the Board and the holders of the Common Stock will vote on the election of three members of the Board. The other proposals set forth in the notice attached to this proxy statement for consideration at the Annual Meeting will be voted on by the Class A Stockholders. If any other matters were to properly come before the Annual Meeting, they would be voted on by the Class A Stockholders.

The vote required for each proposal is specified in the description of such proposal. In the election of directors, withheld votes and abstentions have no effect on the vote. Under the Company s Bylaws, for the purpose of determining whether a proposal has received the required vote, abstentions will not be considered as votes cast and will have no effect. Because none of the shares of Class A Stock are held by brokers, the effect of broker non-votes is not applicable in the case of the Class A Stock. Because the only proposal before the holders of Common Stock is the election of three directors, the effect of broker non-votes is not applicable in the case of the Common Stock.

Principal Holders of Class A Stock and Common Stock

The following table sets forth information regarding persons who, to the best of the Company s knowledge, beneficially owned five percent or more of the Class A Stock or the Common Stock outstanding on the Record Date. Under the applicable rules and regulations of the Securities and Exchange Commission (the SEC), a person who directly or indirectly has, or shares, voting power or investment power with respect to a security is considered a beneficial owner of such security. Voting power is the power to vote or direct the voting of shares, and investment power is the power to dispose of or direct the disposition of shares.

	Class A Stock		Common Stock	
Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent of Class	Amount and Nature of Beneficial Ownership (2)	Percent of Class
Richard Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	2,405,450	100%	6,872,296(3)	17.3%
Barbara Robinson Buckland c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	27.0%	2,504,512	6.7%
Mary Sue Robinson Morrill c/o Scholastic Corporation 557 Broadway New York, NY 10012	765,296	31.8%	3,263,468(4)	8.7%
William W. Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	27.0%	2,589,315(5)	6.9%
Trust under the Will of Maurice R. Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	27.0%	2,331,712	6.3%
Trust under the Will of Florence L. Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	116,676	4.9%	466,676	1.3%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202			3,501,735(6)	8.6%
Dimensional Fund Advisors LP 1299 Ocean Avenue Santa Monica, CA 90401			2,626,085(7)	6.5%

(1) Each of Richard Robinson, Barbara Robinson Buckland, Mary Sue Robinson Morrill, William W. Robinson and the Maurice R. Robinson Trust have filed Statements on Schedule 13G with the SEC (the 13G Filings) regarding their beneficial ownership of Common Stock. Richard Robinson, Chairman of the Board, President and Chief Executive Officer of the Company, and Barbara Robinson Buckland, Mary Sue Robinson Morrill and William W. Robinson, all of whom are siblings of Richard Robinson, are trustees of the Trust under the Will of Maurice R. Robinson (the Maurice R. Robinson Trust), with shared voting and investment power

with respect to the shares owned by the Maurice R. Robinson Trust. Under the terms of the Maurice R. Robinson Trust, the vote of a majority of the trustees is required to vote or direct the disposition of the shares held by the Maurice R. Robinson Trust. In addition, Richard Robinson and Mary Sue Robinson Morrill are the co-trustees of the Trust under the Will of Florence L. Robinson (the Florence L. Robinson Trust), with shared voting and investment power with respect to the shares owned by the Florence L. Robinson Trust. Any acts by the Florence L. Robinson Trust require the approval of each Trustee. Each such trust directly owns the shares attributed to it in the table and each person listed herein as a trustee of such trust is deemed to be the beneficial owner of the shares directly owned by such trust. Based on their 13G filings and subsequent information made available to the Company, the aggregate beneficial ownership of the Class A Stock by the following persons was: Richard Robinson 1,640,154 shares (sole voting and investment power), which includes 749,250 shares issuable under options to purchase Class A Stock (Class A Options) exercisable by Mr. Robinson within 60 days, and 765,296 shares (shared voting and investment power); Barbara Robinson Buckland 648,620 shares (shared voting and investment power); Mary Sue Robinson Morrill 765,296 shares (shared voting and investment power); William W. Robinson 648,620 shares (shared voting and investment power); Maurice R. Robinson Trust 648,620 shares (sole voting and investment power); and Florence L. Robinson Trust 116,676 shares (sole voting and investment power).

(2) The shares of Class A Stock are convertible at the option of the holder into shares of Common Stock at any time on a share-for-share basis. The number of shares of Common Stock and percentage of the outstanding shares of Common Stock for each beneficial owner of Class A Stock assumes the conversion of such holder s shares of Class A Stock (including the 749,250 shares issuable under Class A Options exercisable within 60 days, in the case of Mr. Robinson) into shares of Common Stock. Based on their 13G filings and subsequent information made available to the Company, the aggregate beneficial ownership of Common Stock by the following holders was: Richard Robinson 3,995,203 shares (sole voting and investment power), which includes the 749,250 shares under Class A Options exercisable within 60 days held by Mr. Robinson, and 2,877,093 shares (shared voting and investment power); Barbara Robinson Buckland 172,800 shares (sole voting and investment power) and 2,331,712 shares (shared voting and investment power); Mary Sue Robinson Morrill 3,263,468 shares (shared voting and investment power); William W. Robinson 244,613 shares (sole voting and investment power) and 2,344,702 shares (shared voting and investment power); Maurice R. Robinson Trust 2,331,712 shares (sole voting and investment power); and Florence L. Robinson Trust 466,676 shares (sole voting and investment power).

(3) Includes 2,405,450 shares of Common Stock issuable on conversion of the Class A Stock (including the 749,250 shares issuable under the Class A Options) described in Notes 1 and 2 above; 1,260,513 shares of Common Stock held directly by Richard Robinson; 350,000 shares of Common Stock held pursuant to a variable pre-paid forward stock sale (the VPF), which allows Mr. Robinson to retain all increases in the share price up to 50% and, at an agreed upon future delivery date, to elect to retain these shares and settle the VPF with cash rather than selling the shares; 695,850 shares of Common Stock under options exercisable by Mr. Robinson within 60 days; 4,413 shares of Common Stock with respect to which Mr. Robinson had voting rights at May 31, 2007 under the Scholastic Corporation 401(k) Savings and Retirement Plan (the 401(k) Plan); 1,683,092 shares of Common Stock owned by the Maurice R. Robinson Trust; 350,000 shares of Common Stock owned by the Florence L. Robinson Trust; 7,594 shares of Common Stock for which Mr. Robinson is custodian under a separate custodial account for one of his sons; 4,212 shares of Common Stock owned directly by his sons; 73,894 shares of Common Stock owned by the Richard Robinson and Helen Benham Charitable Fund; and 37,278 shares of Common Stock underlying restricted stock units (RSUs) vested or vesting within 60 days held under the Scholastic Corporation Management Stock Purchase Plan (the MSPP), as more fully described herein. Does not include 15,762 unvested RSUs held under the MSPP.

(4) Does not include an aggregate of 212,896 shares of Common Stock held under Trusts for which Ms. Morrill s spouse is the trustee, as to which Ms. Morrill disclaims beneficial ownership.

(5) Does not include 25,000 shares of Common Stock held under Trusts for which Mr. William Robinson s spouse is a trustee, as to which Mr. Robinson disclaims beneficial ownership.

(6) The information for T. Rowe Price Associates, Inc. (Price Associates) is derived from a Schedule 13G, dated February 14, 2007, filed with the SEC. These shares are owned by various individual and institutional investors, as to which Price Associates serves as investment adviser with the sole power to direct investments with regard to all such shares and the sole power to vote 339,500 of such shares. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of these shares; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such shares.

(7) The information for Dimensional Fund Advisors LP (Dimensional Fund) is derived from a Schedule 13G, dated February 1, 2007, filed with the SEC. Dimensional Fund serves as investment adviser to four investment companies and as investment manager to certain other commingled group trusts and separate accounts (collectively, the Funds). The Funds own these shares, and in its role as investment advisor or manager, Dimensional Fund has the sole power to vote and direct investments with regard to all such shares. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Dimensional Fund is deemed to be a beneficial owner of such shares; however, Dimensional Fund expressly disclaims that it is, in fact, the beneficial owner of such shares.

Change of Control Arrangement for Certain Class A Stockholders

Pursuant to an agreement dated July 23, 1990 between the Maurice R. Robinson Trust and Richard Robinson, the Maurice R. Robinson Trust has agreed that if it receives an offer from any person to purchase any or all of the shares of Class A Stock owned by the Maurice R. Robinson Trust and it desires to accept such offer, Richard Robinson shall have the right of first refusal to purchase all, but not less than all, of the shares of Class A Stock that such person has offered to purchase for the same price and on the same terms and conditions offered by such person. In the event Richard Robinson does not elect to exercise such option, the Maurice R. Robinson Trust shall be free to sell such shares of Class A Stock in accordance with the offer it has received. In addition, if Richard Robinson receives an offer from any person to purchase any or all of his shares of Class A Stock and the result of that sale would be to transfer to any person other than Richard Robinson or his heirs voting power sufficient to enable such other person to elect the majority of the Board, either alone or in concert with any person other than Richard Robinson, his heirs or the Maurice R. Robinson Trust (a Control Offer), and Mr. Robinson desires to accept the Control Offer, the Maurice R. Robinson Trust shall have the option to sell any or all of its shares of Class A Stock to the person making the Control Offer at the price and on the terms and conditions set forth in the Control Offer. If the Maurice R. Robinson Trust does not exercise its option, Mr. Robinson shall be free to accept the Control Offer and to sell his shares of Class A Stock in accordance with the terms of the Control Offer. If the Maurice R. Robinson Trust exercises its option, Mr. Robinson cannot accept the Control Offer unless the person making the Control Offer purchases the shares of Class A Stock that the Maurice R. Robinson Trust has elected to sell.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the Exchange Act) requires directors, executive officers and persons who are the beneficial owners of more than 10% of the Common Stock or Class A Stock to file reports of their ownership and changes in ownership of the Company s equity securities with the SEC. The reporting persons are required by SEC regulation to furnish the Company with copies of all Section 16 reports they file. Based on a review of the copies of such forms furnished to the Company and other written representations that no other reports were required during the fiscal year ended May 31, 2007, the Company believes its directors, executive officers and greater than ten percent beneficial owners timely filed all Section 16(a) reports required during such fiscal year, except that Mr. Richard Spaulding, a director and an employee of the Company during fiscal 2007, did not file a timely report regarding the exercise of stock options and sale of the underlying Common Stock in January 2007. This report was filed on April 24, 2007, promptly after the omission was discovered.

Share Ownership of Management

On the Record Date, each director, director nominee and Named Executive Officer reported under the caption Executive Compensation and all directors and executive officers as a group beneficially owned shares of the Class A Stock and Common Stock as follows:

	Class A Stock		Common Stock	
Name	Amount and Nature of Beneficial Ownership (1)	Percent of Class	Amount and Nature of Beneficial Ownership (1)	Percent of Class
Directors and Nominees				
Richard Robinson	2,405,450(2)	100%	6,872,296(3)	17.3%
James W. Barge **			0	*
Rebeca M. Barrera			43,504(4)	*
Ramon C. Cortines			54,574(5)	*
John L. Davies			42,000(4)	*
Andrew S. Hedden			2,000(6)	*
Mae C. Jemison			59,004(7)	*
Peter M. Mayer			77,500(8)	*
John G. McDonald			61,004(9)	*
Augustus K. Oliver			62,574(9)	*
Richard M. Spaulding			197,060(10)	*
Named Executive Officers				
Richard Robinson	2,405,450(2)	100%	6,872,296(2)	17.3%
Maureen O Connell			25(11)	*
Mary A. Winston			104,310(12)	*
Deborah A. Forte			287,396(13)	*
Margery A. Mayer			256,234(14)	*
Lisa Holton			102,488(15)	*
All directors and executive officers as a group (23 persons including those named above)	2,405,450(2)	100%	9,020,365(16)	22.8%

* Less than 1.0%

** Nominee

(1) Except as indicated in the notes below, each person named has sole voting and investment power with respect to the shares shown opposite his or her name.

(2) Includes 890,904 shares of Class A Stock held directly by Richard Robinson, 648,620 shares of Class A Stock owned by the Maurice R. Robinson Trust, 116,676 shares of Class A Stock owned by the Florence L. Robinson Trust and 749,250 shares of Class A Stock subject to Class A Options exercisable within 60 days. See the information with respect to Richard Robinson under Principal Holders of Class A Stock and Common Stock above. The shares of Class A Stock are convertible at the option of the holder into shares of Common Stock at any time on a share-for-share basis.

(3) Includes 2,405,450 shares of Common Stock issuable on conversion of the Class A Stock (including 749,250 shares issuable under Class A Options exercisable within 60 days) described in Note 2 above; 1,260,513 shares of Common Stock held directly by Richard Robinson; 350,000 shares of Common Stock held pursuant to the VPF (a variable prepaid forward stock sale); 695,850 shares of Common Stock under options exercisable by Mr. Robinson within 60 days; 37,278 shares of Common Stock underlying RSUs

vested or vesting within 60 days held under the MSPP; 4,413 shares of Common Stock with respect to which Mr. Robinson had voting rights at May 31, 2007 under the 401(k) Plan; 1,683,092 shares of Common Stock owned by the Maurice R. Robinson Trust; 350,000 shares of Common Stock owned by the Florence L. Robinson Trust; 7,594 shares of Common Stock for which Mr. Robinson is custodian under a custodial account for one of his sons; 4,212 shares of Common Stock owned directly by his sons; and 73,894 shares of Common Stock owned by the Richard Robinson and Helen Benham Charitable Fund. Does not include 15,762 unvested RSUs held under the MSPP.

(4) Includes 42,000 shares of Common Stock under options exercisable by such director within 60 days.

(5) Includes 54,000 shares of Common Stock under options exercisable by such director within 60 days.

(6) As a partner of a law firm that provides legal services to the Company, Mr. Hedden has declined all stock option awards otherwise available to him as a non-employee director.

(7) Includes 58,000 shares of Common Stock under options exercisable by such director within 60 days.

(8) Includes 28,500 shares of Common Stock held directly by Mr. Mayer, 1,000 shares held through a pension plan in which he has an interest and 48,000 shares under options exercisable by him within 60 days.

(9) Includes 60,000 shares of Common Stock under options exercisable by such director within 60 days.

(10) Includes 159,558 shares of Common Stock held directly by Mr. Spaulding, 36,490 shares under options exercisable by him within 60 days and 1,012 shares underlying RSUs vested or vesting within 60 days held under the MSPP. Does not include 3,560 unvested RSUs held under the MSPP.

(11) Ms. O Connell joined the Company on January 22, 2007 as Executive Vice President, Chief Administrative Officer and Chief Financial Officer and has a minor son who owns 25 shares.

(12) Includes 100,000 shares of Common Stock under options exercisable by Ms. Winston within 60 days and 4,310 vested RSUs held under the MSPP.

(13) Includes 13,754 shares of Common Stock held directly by Ms. Forte, 259,740 shares under options exercisable by her within 60 days, 10,152 shares underlying RSUs vested or vesting within 60 days held under the MSPP and 3,750 shares underlying restricted stock units (Stock Units) scheduled to vest within 60 days under the Scholastic Corporation 2001 Stock Incentive Plan, (the 2001 Plan), as more fully described herein. Does not include 3,464 unvested RSUs held under the MSPP or 7,150 unvested Stock Units held under the 2001 Plan.

(14) Includes 20,444 shares of Common Stock held directly by Ms. Mayer, 229,790 shares under options exercisable by her within 60 days and 6,000 shares underlying RSUs vested or vesting within 60 days held under the MSPP. Does not include 1,690 unvested RSUs held under the MSPP.

(15) Includes 2,488 shares of Common Stock held directly by Ms. Holton and 100,000 shares under options exercisable by her within 60 days,

(16) Includes an aggregate of 2,546,560 shares of Common Stock under options exercisable by members of the group within 60 days, an aggregate of 71,669 shares underlying RSUs vested or vesting within 60 days held under the MSPP, an aggregate of 10,746 shares with respect to which members of the group had voting rights at May 31, 2007 under the 401(k) Plan, an aggregate of 5,583 shares underlying Stock Units vesting within 60 days held under the 2001 Plan, and 2,405,450 shares of Common Stock issuable on the conversion of Class A Stock (including the 749,250 shares issuable under Class A Options exercisable within 60 days). Does not include an aggregate of 34,332 unvested RSUs held under the MSPP or an aggregate of 36,435 unvested Stock Units held under the 2001 Plan.

Compensation Committee Interlocks and Insider Participation

No member of the Human Resources and Compensation Committee (the HRCC) was at any time during fiscal 2007 an officer or employee of the Company or any of the Company s subsidiaries nor was any such person a former officer of the Company or any of the Company s subsidiaries. In addition, no HRCC member is an executive officer of another entity at which one of the Company s executive officers serves on the board of directors.

Human Resources and Compensation Committee Report

The HRCC has reviewed and discussed with management the Compensation Discussion and Analysis (CD&A) section of this Proxy Statement. Based on this review and discussion, the HRCC recommended to the Board (and the Board has approved) that the CD&A be included in this Proxy Statement and in the Company s Annual Report on Form 10-K for the fiscal year ended May 31, 2007.

The members of the Human Resources and Compensation Committee of the Board of Directors of Scholastic Corporation have provided this report:

John L. Davies, Chairperson
Ramon C. Cortines
Peter M. Mayer
John G. McDonald

COMPENSATION DISCUSSION AND ANALYSIS

The Company s compensation programs for its executive officers and other senior management are administered by the HRCC, which is composed solely of independent directors as defined by NASDAQ rules.

The HRCC generally consults with management regarding employee compensation matters. The Company s Chief Executive Officer, working with the Company s Human Resources Department, makes annual compensation recommendations to the HRCC for executive officers (other than himself) and senior management, including the Named Executive Officers. The HRCC has reviewed and approved the following discussion and analysis, which analyzes the objectives and results for fiscal 2007 of the Company s compensation policies and procedures for the Chief Executive Officer; the Chief Financial Officer and the remaining Named Executive Officers, as well as other members of senior management. The Company s compensation programs have been adopted in order to implement the HRCC s compensation philosophy, while taking into account the Company s financial performance. They have been developed with the assistance of the Human Resources Department, as well as independent consultants. The HRCC periodically reviews the Company s compensation programs and practices in light of the HRCC s compensation philosophy, changes in laws and regulations, and the Company s financial goals. A description of the composition and procedures of the HRCC is set forth under Meetings of the Board and its Committes Human Resources and Compensation Committee and Corporate Governance HRCC and SGC Procedures in Proposal 1, Election of Directors, below.

Compensation Policies and Objectives

The Company believes that compensation for executive officers and other senior management should be determined according to a competitive framework, taking into account the financial performance of the Company, individual contributions, teamwork, divisional results and the external market in which the Company competes for executive talent. Such factors are critical to the continued development of the Company s operating segments, which in turn builds stockholder value. In determining the compensation of its executive officers, the Company seeks to achieve the following objectives through a combination of fixed and variable compensation.

Pay Competitively

A total compensation package should be competitive. For senior management, including the Company s Chief Executive Officer, the HRCC considers the level of compensation paid to individuals in comparable executive positions in the Company s peer group and at other publishing/media companies, with which the Company competes in order to recruit and retain executive talent for corporate and operating unit positions. The peer companies to which the Company has looked to gauge its competitiveness for these purposes have included but were not limited to the following: ADVO Inc., Amazon.com Inc., PRIMEDIA Inc., The McGraw-Hill Companies, Inc., Pearson plc., Readers Digest Association, Inc., School Specialty Inc., Thomson Corporation, John Wiley & Sons, Inc. and The Washington Post Company.

Pay for Performance

The Company s compensation practices are designed to create a direct link between the aggregate compensation paid to each executive officer and the financial performance of the Company and, as applicable, the results of the specific business division for which an executive is responsible. In order to accomplish this, the HRCC considers the individual performance of each executive officer by reviewing, among other factors, the achievement of pre-established corporate, business unit and individual performance objectives as well as the recommendations of the Chief Executive Officer. The amount of each component of an executive officer s compensation is based in part on the HRCC s assessment of that individual s performance as well as the other factors discussed in this section.

Executives as Stockholders

The Company s compensation practices are also designed to link a portion of each executive officer s compensation opportunity directly to the value of the Common Stock through the use of stock-based awards. The compensation for Mr. Robinson, who is the Chairman, Chief Executive Officer and President, and the controlling stockholder, of the Company, is based upon the same objectives and policies applicable to all senior management and is recommended by the HRCC and approved by the independent members of the Board.

Elements of Compensation

To accomplish its compensation objectives and philosophy, the HRCC relies on the following elements of compensation, each of which is discussed in more detail below:

Salary

Annual cash bonus awards

Equity-based incentive compensation, in the form of stock options and restricted stock units

Each component of executive compensation is designed for a specific purpose. For example, salaries are the main component of cash-based annual compensation. Salaries are set to compensate each executive based on that executive s employment and salary history, position within the Company and comparable competitive salaries at other companies. With regard to the more variable components of the compensation package, annual bonuses are tied to the Company s short-term objectives, while equity-based compensation is directed towards successful results over a longer period. The purpose of the combination of salary, annual bonus and equity awards is to provide the appropriate level of total annual cash compensation and long term incentives, combined with an appropriate performance-based component. The HRCC believes that the Company s executive compensation package, consisting of these components, is comparable to the compensation provided in the market in which the Company competes for executive talent and is critical to accomplishing the Company s recruitment and retention aims.

Components of Executive Compensation

The following provides an analysis of each element of compensation, what each is designed to reward and why the HRCC chose to include it as an element of the Company s executive compensation.

Base Salary

Base salaries are reviewed annually in the context of the HRCC s consideration of the effect of base compensation on recruiting and retaining executive talent. Accordingly, the

HRCC considers the executive compensation of a broad group of companies in the publishing and media industries, including the companies referred to above. The companies used in the compensation peer group were selected based upon several criteria, including size of company by revenues, relevant industry and other factors. Information from this peer group is used to create a framework for executive compensation practices, in combination with Company-based factors, such as the Company s financial position and relevant corporate initiatives. In establishing each executive officer s base salary, the HRCC considers several factors, including individual job performance, salary history, competitive external market conditions for recruiting and retaining executive talent, the scope of the executive s position and level of experience, changes in responsibilities, responsibility for larger, more difficult to manage or more risky business ventures, such as new product development, or positions that require considerable creative talent or creative marketing capability, and the management of those providing such creative content or marketing.

During fiscal 2007, the base salaries of executive officers were generally increased in accordance with the foregoing practices, with the HRCC particularly focusing on individual performance and changes in responsibilities. Consistent with the Company s policy for all employees, salaries for executive officers and senior management, including the Named Executive Officers, are reviewed annually in September and increases, based on the compensation objectives discussed above, are generally effective on October 1 of each year. Of the Named Executives Officers, in line with the Company s general target of three percent, Ms. Mayer, Ms. Holton and Ms. Winston each received salary increases of 3% during fiscal 2007, in each case effective as of October 1, 2006. This reflected the Company s view that their performance levels reached their individual target levels and they substantially achieved their objectives as set out by the HRCC for the fiscal year. This also reflected the Company s view that they were otherwise being compensated appropriately in terms of their respective total compensation packages. Ms. Forte and Mr. Robinson did not receive salary increases during fiscal 2007. This reflected the nature of the projects on which Ms. Forte has been working, which are not expected to come to fruition until fiscal 2008, including the production of a major motion picture. Mr. Robinson requested that he not receive a raise in view of the fact that the Company s results for fiscal 2007 were below target level. Because Ms. O Connell only joined the Company in January 2007, she was not eligible for a salary increase during fiscal 2007.

Annual Performance-Based Cash Bonus Awards

The HRCC ties a significant portion of each Named Executive Officer s total potential compensation to Company performance, individual performance and, in the case where the Named Executive Officer is responsible for an operating unit of the Company, business unit performance through the use of annual bonus awards. In setting financial and operating performance targets, which are established early in the fiscal year, the HRCC considers Company-wide strategic and operating plans and, where applicable, those of the executive s business unit. In each case, whether considering the Company as a whole or an executive s business unit, the HRCC considers the budget for the next fiscal year and sets specific incentive targets that are directly linked to the Company s or business unit s financial performance. For the Company performance portion, these targets have been based upon earnings per share (EPS) and Free Cash Flow, and for the portion based on business unit performance, the targets are, in addition, based upon the profitability of the relevant business unit (Division Operating Profit). Free Cash Flow is defined by the Company as net cash provided by all of the Company s operating activities less spending for capital expenditures, pre-publication and pre-production costs and author royalty advances.

Potential bonus awards for executive officers, including the Named Executive Officers, are set and determined under the Company s Management Incentive Program (MIP) or under the Executive Performance Incentive Plan (EPIP), which is designed to be exempt from the application of Section 162(m) of the Internal Revenue Code of 1986 (the Code), as discussed below under Regulatory Considerations.

In August 2006, the HRCC set the fiscal 2007 annual bonus targets for executive officers and senior management, including the Named Executive Officers. Bonus potentials for executive officers were set at percentages of their base salaries deemed appropriate for their current positions. For each of the Named Executive Officers, target amounts were set at 50% of base salary, except in the case of Mr. Robinson, whose target amount was set at 100% of base salary. Depending on the achievement of the Company, business unit and individual goals discussed below, the potential payout for each executive ranged from 0% to 150% of the target amount.

As shown in the tables below, the objective of the annual bonus element of compensation is to align the interest of senior management and the Named Executive Officers with the Company s financial, operating and strategic goals for the year and also to encourage and reward the achievement of individual goals. To achieve this, the HRCC established the following measures to determine bonus payouts for fiscal 2007: for Corporate Staff Groups, such as the Legal, Finance, and Human Resources departments, bonus is weighted 100% on the achievement of the Company s EPS (75%) and Free Cash Flow (25%) goals, and for Business Groups, which include the Company s operating business units, bonus is weighted 65% on the achievement of the Company s EPS and Free Cash Flow goals and 35% on Division Operating Profit (except, in the case of certain newly hired officers in each group, when a portion of bonus was guaranteed in the officers initial employment arrangements). In the case of Mr. Robinson, 100% of his bonus is dependent upon the achievement of the Company s EPS and Free Cash Flow goals. In the case of Ms. O Connell, the Company s current Chief Financial Officer, 100% of her bonus is also dependent upon the achievement of the Company s EPS and Free Cash Flow goals, except in respect of the portion of her bonus guaranteed under her initial employment arrangements, as discussed below. EPS and Free Cash Flow are two measures used by investors and analysts who follow the Company to evaluate the Company s annual performance, and the Company believes that both EPS and Free Cash Flow are a significant part of how the market evaluates the Company s management. Thus, for executives with responsibility for the Company s overall operations and strategy (Staff Executive Officers), the HRCC concluded that basing a significant component of their fiscal 2007 compensation on EPS and Free Cash Flow was appropriate. For business unit executives, such as Ms. Forte, Ms. Mayer and Ms. Holton (Business Unit Executive Officers), the HRCC concluded it was appropriate to link the annual bonus to the financial results of the executive s particular business unit as well as EPS and Free Cash Flow. Thus, for these Named Executives Officers, the financial targets were based 50% on the achievement of the Company s EPS targets, 15% on the achievement of the Company s Free Cash Flow targets, and 35% on the achievement of their respective Division Operating Profit targets.

Fiscal 2007 Target Payout Levels and Weighting

Measures	Target Payout Levels		
	35%	100%	150%
Corporate EPS	$ 1.55	$ 1.70	$ 1.85
Corporate Free Cash Flow	$ 79M	$ 89.5M	$ 100M
Division Operating Profit	85%	100%	120%

Measures	Corporate Staff Groups	Business Groups
Corporate EPS	75.0%	50.0%
Corporate Free Cash Flow	25.0%	15.0%
Division Operating Profit	N/A	35.0%
Total	100.0%	100.0%

For fiscal 2007, the Company reported EPS of $1.42 per share and Free Cash Flow of $74.7 million. As a result, Mr. Robinson was not paid a bonus. Ms. O Connell was paid $67,500, which as described below was guaranteed under the terms of her initial employment arrangements with the Company regardless of the Company s financial results. The bonuses for Ms. Forte, Ms. Mayer and Ms. Holton, as well as the Company s other members of senior management who are in charge of operating divisions, were based in part upon the achievement of the goals for their respective divisions, as well as overall results for the Company. The divisional goals were based upon Division Operating Profit of each business.

The Company retains the discretion to increase or decrease the total bonus paid to an executive (other than participants in the EPIP, as to whom only discretion to decrease the total bonus is retained) by up to 100% of the achieved target and, upon the recommendation of the Chief Executive Officer, to reflect certain other Company objectives, such as revenue growth, expense management, strategic development, organizational effectiveness, demonstration of the achievement of certain cross-departmental company goals, and individual performance both recently and over the term of employment by the Company.

After reviewing the results for fiscal 2007 and in order to provide the most appropriate incentive for management and for executives, upon the recommendation of management, the HRCC has reapportioned the weight of the targets for the current fiscal year slightly away from the aggregate results for the Company as a whole and toward divisional and individual targets. For fiscal 2008, the HRCC has added a divisional component and an individual management by objective (MBO) component to targets for the Corporate Staff Groups and has increased the divisional component and added an individual MBO component to the targets for the Business Groups. Thus, the HRCC set the following weightings for fiscal 2008 targets: for Corporate Staff Groups, bonus is weighted 75% on the achievement of the Company s EPS and Free Cash Flow goals (56.25% and 18.75%, respectively) and 25% on the achievement of divisional operating budget and individual MBO goals (10% and 15%, respectively); and for Business Groups, bonus is weighted 50% on the achievement of the Company s EPS and Free Cash Flow goals (37.5% and 12.5%, respectively) and 50% on Division Operating Profit and individual MBO goals (40% and 10%, respectively). The targets for the Company s Chief Executive Officer were weighted 100% on the achievement of the Company s EPS and Free Cash Flow goals (75% and 25%, respectively), and for the Company s Chief Financial Officer, targets were weighted 75% on the achievement of the Company s EPS and Free Cash Flow goals (56.25% and 18.75%, respectively) and 25% on the achievement of individual MBO goals. These targets will be discussed in more detail in the Company s proxy statement for its annual meeting of stockholders scheduled to be held in September 2008 (the 2008 Annual Meeting).

Long-Term Incentive Compensation

The Stock Grant Committee of the Board (the SGC), which is comprised solely of independent directors as defined by NASDAQ rules, each of whom is also a member of the HRCC, determines the awards of long-term compensation through equity incentives (in the form of stock options and restricted stock units) granted to executive officers and senior management as well as other eligible employees. The HRCC believes that including an equity component in executive compensation closely aligns the interests of the executives and the Company s stockholders and rewards executives in line with stockholder gains. The practice of the SGC is to consider annual equity grants to key employees, including the Named Executive Officers and other executive officers and senior management, at its regularly scheduled meeting in September. Option grants at other times depend upon circumstances such as promotions or new hires.

Equity awards are made under the Scholastic Corporation 2001 Stock Incentive Plan (the 2001 Plan), which provides for the grant of non-qualified stock options, incentive stock options, restricted stock and other stock-based awards. As a result of a review of its equity-based incentive award practices in fiscal 2005, the HRCC determined that it would be advisable to consider the award of restricted stock units (Stock Units) in combination with stock options in appropriate cases. This determination reflected the desire to maintain a strong long term equity component in executive compensation, to reduce the number of equity units required to provide such component and to adjust compensation practices appropriately in light of the upcoming adoption by the Company of Statement of Financial Accounting Standards 123R (FAS 123R), which requires companies to recognize the compensation cost related to share-based payment transactions, like stock options, in their financial statements. Since the 2005 review, the Company has utilized, in part, grants of a combination of stock options and Stock Units to qualified executives, including the Named Executive Officers. To date, only non-qualified stock options and Stock Units have been granted under the 2001 Plan, and the Company s current intention is to continue with that mix.

Options to purchase Common Stock and Restricted Stock Units

Equity grants made during fiscal 2007 to executive officers and senior management, including the Named Executive Officers, were determined by the SGC based upon the compensation objectives of the HRCC, as discussed above, and informed by the evolving nature of executive compensation practices. In determining the size of the equity grants for the Named Executive Officers, the SGC made an evaluation of a number of factors, including: competitive market practices; the level of responsibility of the individual; the individual s job performance and ability to influence corporate results; the number of stock options and Stock Units previously granted to that individual; and the cost to the Company under FAS 123R and the related effect of equity grants on earnings per share dilution. During fiscal 2007, Stock Units were awarded in a ratio of one Stock Unit for each two stock options awarded. This reflects the relationship between the value of Stock Units, which is based on the market value of the underlying Common Stock, and the FAS 123R value of stock options (which is generally two or three to one), as well as the intent of delivering approximately the same economic value through the Stock Unit component of the award as the stock option component.

Stock options produce value for executives and employees only if the Common Stock price increases over the exercise price, which is set at the market price of the Common Stock on the date of grant, calculated as the average of the high and low prices on the date of grant. The Company historically has calculated the exercise price of stock options by this method, which it believes gives a fair market value and eliminates price fluctuations during the day that the grant is made. Also, through vesting and forfeiture provisions, stock options create incentives for executive officers and senior management to remain with the Company. Stock options granted in fiscal 2007 to executive officers and senior management, including the Named Executive Officers, vest in 25% annual installments beginning on the first anniversary of the grant date and expire after ten years.

Stock Units convert automatically into shares of Common Stock on a 1-to-1 basis upon vesting, unless otherwise deferred by the recipient. Twenty-five percent of the Stock Units received by the Named Executives and other members of senior management vest thirteen months after the date of grant, and the remaining 75% vest in three equal installments annually thereafter on the anniversary of the date of grant. The additional month during the first vesting period facilitates compliance with applicable regulations of the Internal Revenue Service regarding deferred compensation in case the recipient elects to defer receipt of the underlying Common Stock.

The specific grants to the Named Executive Officers are set forth below in the Grants of Plan-Based Awards table, and information regarding the equity awards held by the Named Executive Officers as of the end of fiscal 2007 is set forth below in the Outstanding Equity Awards at May 31, 2007 table.

Options to purchase Class A Stock

In July 2004, the HRCC concluded that Mr. Robinson s long-term incentive compensation opportunities had been significantly below those made available to the chief executive officers of other companies in the publishing and media industries reviewed by the HRCC. As a result of its review of this issue, taking into account Mr. Robinson s overall compensation, the HRCC adopted the Scholastic Corporation 2004 Class A Stock Incentive Plan (the Class A Plan), which was designed to enable the HRCC and the SGC to grant options to Mr. Robinson to acquire Class A Stock (Class A Options) and was approved by the Class A Stockholders at the Company s annual meeting of stockholders held in September 2004. The HRCC concluded that the Class A Plan was in the best interests of the Company and its stockholders since options granted thereunder would, in its opinion, be a significant motivating factor for Mr. Robinson and would also reflect Mr. Robinson s stated intention to treat any long-term incentive compensation opportunities provided to him under the Class A Plan as a long-term investment in the Company. Mr. Robinson is the only eligible participant in the Class A Plan.

The exercise price of Class A Options is determined by reference to the market price of the Common Stock on the grant date. Based on advice from independent consultants retained by the HRCC, it was determined by the HRCC that the fair market value of a share of Class A Stock was identical to that of a share of Common Stock. All Class A Options granted to date to Mr. Robinson are part of a proposed long-term incentive compensation program for him to provide for a total of 1,500,000 Class A Options, both as a catch up in respect of the level of long-term incentive compensation opportunities provided Mr. Robinson in the past and as an ongoing program based on Mr. Robinson s continuing performance as the Chief Executive Officer of the Company. Mr. Robinson received a grant of 333,000 Class A Options in each of 2004, 2005 and 2006. Subject to annual review by the HRCC to provide a recommendation to the SGC, he is eligible to receive grants of 250,000 Class A Options in September 2007 and 2008 to complete the program. These option grants vest in equal installments over a four year period commencing on the first anniversary of the grant and expire after ten years, which is identical to the Common Stock option grants described above for other executive officers. The grant made to Mr. Robinson in fiscal 2007 is set forth below in the Grants of Plan-Based Awards Table, and information regarding the equity awards held by Mr. Robinson as of the end of fiscal 2007 is set forth below in the Outstanding Equity Awards at May 31, 2007 table.

Other Equity-Based Incentives

In addition to its stock-based incentive plans, the Company also maintains the Scholastic Corporation Employee Stock Purchase Plan (as amended, the ESPP) and the Scholastic Corporation Management Stock Purchase Plan (as amended, the MSPP). The ESPP and the MSPP were designed to augment the Company s stock-based incentive programs by providing participating employees with equity opportunities intended to further align their interests with the Company and its stockholders. The purpose of the ESPP is to encourage broad-based employee stock ownership. The ESPP is offered to United States-based employees, including executive officers other than Mr. Robinson. The ESPP permits participating employees to purchase, through after-tax payroll deductions, Common Stock at a 15% discount from the closing price of the Common Stock on the last business day of each fiscal quarter.

Under the MSPP, eligible members of senior management may use their annual cash bonus payments on a tax-deferred basis to make equity investments in the Company at a discounted purchase price. With respect to fiscal 2007, senior management participants were permitted to defer receipt of all or a portion of their annual cash bonus payments, which will be used to acquire Restricted Stock Units (RSUs) at a 25% discount from the lowest closing price of the underlying Common Stock during the fiscal quarter ending on August 31, 2007. The deferral period chosen by the participants may not be less than the three-year vesting period for the RSUs, which are converted into shares of Common Stock on a 1-to-1 basis upon expiration of the deferral period. During fiscal 2007, four members of senior management had elected to participate in the MSPP. As a result of the award of a bonus to Ms. O Connell and Ms. Forte in respect of fiscal 2007, $67,500 (100% of bonus) and $27,500 (25% of bonus), respectively, will be allocated by them to the purchase of RSUs under the MSPP on September 1, 2007. Mr. Robinson, Ms. Mayer and Ms. Holton did not elect to participate in the MSPP for fiscal 2007.

Mary Winston Severance Agreement

On January 17, 2007, the Company entered into a severance agreement with Mary Winston in connection with her resignation as Chief Financial Officer which became effective as of January 22, 2007 (Winston Agreement). Under the Winston Agreement, Ms. Winston agreed to remain an employee through July 21, 2007, to ensure a smooth transition of the new Chief Financial Officer, at her then-current monthly salary of $47,895. In addition, the Company agreed to pay her, on August 10, 2007, $574,740 as a lump-sum severance payment and $599,740 to secure a one-year noncompete provision, a one-year restriction on hiring employees of the Company, nondisparagement and confidentiality clauses, and a release of claims. In addition, the SGC approved the acceleration of the vesting of the 25,000 stock options awarded to Ms. Winston on September 19, 2006, so that all such options became immediately exercisable, as well as 3,316 RSUs and 994 RSUs held by her under the MSPP, and the extension of exercisability of all 100,000 outstanding stock options held by Ms. Winston from July 21, 2007, the last date of her employment, as provided by the terms of of the 2001 Plan at the time the SGC took such action, to December 31, 2007.

New Chief Financial Officer

On January 22, 2007, Maureen O Connell became the Company s Executive Vice President, Chief Administrative Officer and Chief Financial Officer, replacing Mary Winston. Therefore, both Ms. O Connell and Ms. Winston acted as Chief Financial Officer for a portion of fiscal 2007, and as a result, the compensation paid to each of Ms. Winston and Ms. O Connell for fiscal 2007 is included in the Summary Compensation Table and related tables that follow this discussion.

In connection with Ms. O Connell s employment, the HRCC approved an initial compensation arrangement comprised of the following elements:

Annual salary: $650,000.

Fiscal 2007 annual bonus target amount: 50% of annual salary (pro-rated based upon the date of hire), with a guaranteed minimum payment of $67,500.

Fiscal 2008 annual bonus target amount: 75% of annual salary, with a guaranteed minimum payment of $150,000.

Stock options: 100,000 options were recommended to, and granted by, the SGC in March 2007, and it will be recommended to the SGC that 100,000 options be granted in December 2007.

Participation in the MSPP.

Severance equal to twelve months of her then-current salary if she is terminated at any time during the first three years of her employment for reasons other than gross misconduct.

Regulatory Considerations

Section 162(m) of the Code generally denies a publicly traded company a Federal income tax deduction for compensation in excess of $1 million paid to certain of its executive officers, unless the amount of such excess is payable based solely upon the attainment of objective performance criteria. The Company has undertaken to qualify substantial components of the incentive compensation it makes available to its executive officers for the performance exception to non-deductibility. Most equity-based awards available for grant under the Company s equity compensation plans, and all of the equity-based awards actually granted to executive officers, are intended to so qualify. Amounts payable under the EPIP are also intended to be exempt from the application of Section 162(m) as performance-based compensation. However, in appropriate circumstances, the HRCC may deem it appropriate to pay compensation or make incentive or retentive awards that do not meet the performance based criteria and therefore may not be deductible by reason of Section 162(m).

FAS 123R became applicable to the Company on June 1, 2006. In anticipation of such implementation, in May 2006, the HRCC approved the acceleration of the vesting of all unvested stock options outstanding as of May 30, 2006 granted to all employees, including executive officers, and outside directors of the Company in order to mitigate compensation expense that the Company would have been required to recognize in its financial statements with respect to such options as a result of the implementation of FAS 123R (the Acceleration). As a result of the

Acceleration, all such options became fully vested and immediately exercisable. Except for the Acceleration, all other terms and conditions applicable to such stock options were unchanged. In its consideration of the acceleration, the HRCC took into account the fact that a substantial number of the options affected were underwater, since the then-current market price for the Common Stock was less than the applicable exercise price. A majority of the options to purchase Common Stock that became fully vested due to the Acceleration were originally scheduled to vest in fiscal 2007.

SUMMARY COMPENSATION TABLE

The following table summarizes the total compensation earned by or paid to the Named Executive Officers for the fiscal year ended May 31, 2007.

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards[1] ($)	Option Awards[2] ($)	Non-Equity Incentive Plan Compensation[3] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings[4] ($)	All Other Compen-sation[5] ($)	Total ($)
Richard Robinson Chairman of the Board, Chief Executive Officer and President	2007	$ 870,000	$ 0	$ 0	$ 698,903	$ 0	$ 17,556	$ 144,225	$ 1,730,684
Maureen O Connell[6] Executive Vice President, Chief Administrative Officer and Chief Financial Officer	2007	$ 225,000	$ 67,500	$ 0	$ 65,396	$ 0	$ 0	$ 5,050	$ 362,946
Mary A. Winston [7] Former Executive Vice President and Chief Financial Officer	2007	$ 568,945	$ 0	$ 0	$ 360,315	$ 0	$ 5,223	$ 1,271,216	$ 2,205,699
Deborah A. Forte Executive Vice President and President, Scholastic Media	2007	$ 616,270	$ 0	$ 126,967	$ 14,163	$ 110,000	$ 15,774	$ 40,537	$ 923,711
Margery W. Mayer Executive Vice President and President, Scholastic Education	2007	$ 611,769	$ 0	$ 0	$ 82,628	$ 100,000	$ 11,903	$ 10,621	$ 816,921
Lisa Holton Executive Vice President and President, Book Fairs and Trade	2007	$ 611,769	$ 0	$ 74,949	$ 0	$ 94,091	$ 4,952	$ 4,018	$ 789,779

(1) Represents the compensation cost under FAS 123R reflected in the Company s financial statements for all Stock Units held by the Named Executive Officer at May 31, 2007, whether or not awarded in fiscal 2007, which are expensed ratably over the vesting period. Assumptions used in determining the FAS 123R values can be found in Item 8, Consolidated Financial Statements and Supplementary Data, of the Company s Annual Report on Form 10-K for the fiscal year ended May 31, 2007 (the Annual Report), Note 1, Summary of Significant Accounting Policies, Stock-Based Compensation (Note 1), disregarding estimates of forfeitures related to service-based vesting conditions. There were no forfeitures during 2007 for the Named Executive Officers.

(2) Represents the compensation cost of stock options under FAS 123R reflected in the Company s financial statements. Assumptions used in determining the FAS 123R values can be found in Note 1 in the Annual Report, disregarding estimates of forfeitures related to service-based vesting conditions. There were no forfeitures during fiscal 2007 for the Named Executive Officers, except that, for Ms. Forte, 115,000 stock options expired without value on July 19, 2006 because they were not in-the-money. All awards shown are options to purchase Common Stock, except that Mr. Robinson s award represents Class A Options. For Ms. Winston, in connection with her resignation as Chief Financial Officer on January 22, 2007, as part of the Winston Agreement, the SGC approved both the acceleration of the vesting of the stock options granted to her on September 19, 2006 to purchase 25,000 shares of Common Stock, so that all such options became immediately exercisable (the option acceleration), and the extension of the exercisability of all 100,000 outstanding stock options held by her on that date from July 21, 2007, the last date of her employment, as provided by the terms of the 2001 Plan at the time of the SGC s action, to December 31, 2007 (the option extension). Such actions were considered a material modification of the stock options under FAS 123R, and the chart above reflects the cost of such modification under FAS 123R reflected in the Company s financial statements.

(3) Represents the full amount of cash bonus actually awarded to the Named Executive Officer with regard to the fiscal year under the MIP or the EPIP, including any amounts deferred at the executive s election and invested in RSUs under the MSPP. Ms. Forte had elected to invest 25% of her fiscal 2007 bonus in RSUs, which will occur on September 4, 2007.

(4) Represents solely the Company contributions and the interest credits allocated to each Named Executive Officer under the Scholastic Corporation Cash Balance Plan, as discussed under Pension Plan below.

(5) All Other Compensation is further described in the table entitled Summary of All Other Compensation below.

(6) Ms. O Connell joined the Company on January 22, 2007 at an annual rate of salary equal to $650,000, with a guaranteed minimum bonus for fiscal 2007 equal to $67,500. The amount shown in the Bonus column is the amount actually awarded to Ms. O Connell for fiscal 2007; however, because she had elected to defer 100% of any bonus awarded to her for fiscal 2007 under the MSPP, this amount will be invested in RSUs on September 4, 2007.

(7) Ms. Winston resigned from her position as Executive Vice President and Chief Financial Officer of the Company on January 22, 2007.

SUMMARY OF ALL OTHER COMPENSATION

Name	401(k) Plan Matching Contributions ($)	Life Insurance Premiums ($)	RSU Cost(1) ($)	Perquisites(2) ($)	Severance Payments ($)	Non-Compete Payment ($)	Total ($)
Richard Robinson	$ 6,800	$ 465	$ 46,193	$ 90,767	$ 0	$ 0	$ 144,225
Maureen O Connell	$ 4,800	$ 250	$ 0	$ 0	$ 0	$ 0	$ 5,050
Mary A. Winston	$ 3,447	$ 593	$ 11,275	$ 0	$ 656,161(3)	$ 599,740(3)	$ 1,271,216
Deborah A. Forte	$ 6,800	$ 593	$ 10,424	$ 22,720	$ 0	$ 0	$ 40,537
Margery W. Mayer	$ 4,550	$ 593	$ 5,478	$ 0	$ 0	$ 0	$ 10,621
Lisa Holton	$ 3,425	$ 593	$ 0	$ 0	$ 0	$ 0	$ 4,018

(1) Represents the compensation cost under FAS 123R reflected in the Company s financial statements for RSUs under the MSPP, which are expensed ratably over the vesting period. Assumptions used in determining the FAS 123R values can be found in the Annual Report in Note 8, Capital Stock and Stock Options.

(2) For Mr. Robinson, $85,000 of the amount shown represents a portion of the compensation of certain employees who perform administrative services for Mr. Robinson personally from time to time, based on the proportion of the time estimated by Mr. Robinson to be dedicated to such services, and the remainder represents club membership dues used partially for personal use. For Ms. Forte, the amount represents payments made by the Company for personal use of a company-provided automobile, based on information provided by her.

(3) In connection with her resignation as Chief Financial Officer in January 2007, Ms. Winston and the Company entered into the Winston Agreement, as further described in this Proxy Statement, pursuant to which, among other things, she was entitled to receive, on August 10, 2007, a payment of $599,740 in consideration for certain non-compete and non-solicitation covenants, confidentiality and non-disparagement provisions, and a release of claims (collectively, the Non-Compete Payment), as well as a lump-sum severance payment of $574,740. In addition, $81,421 was accrued by the Company in fiscal 2007 for the payment of her salary in fiscal 2008 through the end of her employment period on July 21, 2007, which is included in the amount under Severance Payments.

GRANTS OF PLAN-BASED AWARDS

The following table provides information on cash bonus, stock options and Stock Units granted in fiscal 2007 to each of the Named Executive Officers.

Name	Grant Date	Estimated Possible Payouts, Under Non-Equity Incentive Plan Awards[(1)] Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards[(2)] ($/Sh)	Closing Market Price on Grant Date ($/Sh)	Grant Date Fair Value of Stock and Option Awards[(3)] ($)
Richard Robinson		$ 304,500	$ 870,000	$ 1,305,000					
	9/20/2006					333,000(4)	$ 30.08	$ 30.23	$ 3,742,169
Maureen O Connell		$ 47,396	$ 135,417	$ 203,126					
	3/20/2007					100,000	$ 34.85	$ 35.05	$ 1,230,376
Mary A. Winston	9/19/2006					25,000	$ 29.74	$ 29.81	$ 616,062
Deborah A. Forte		$ 107,847	$ 308,135	$ 462,203					
	9/19/2006					6,800	$ 29.74	$ 29.81	$ 75,534
	9/19/2006				3,400(5)			$ 29.81	$ 118,707
Margery W. Mayer		$ 108,150	$ 309,000	$ 463,500					
	7/18/2006					33,000	$ 27.52	$ 27.58	$ 353,099
Lisa Holton		$ 108,150	$ 309,000	$ 463,500					

(1) Represents the potential amounts of cash bonus that could have been received for fiscal 2007 under the EPIP or the MIP. For actual amounts paid (except with respect to Ms. O Connell), see the column entitled Non-Equity Incentive Plan Compensation in the Summary Compensation Table. For Ms. O Connell, amounts shown represent the pro-rated portion of her full year target, which was $325,000, or 50% of her annual salary. The actual amount paid to Ms. O Connell was $67,500, which was the amount of guaranteed minimum bonus provided under her initial employment arrangement with the Company and is therefore shown in the column Bonus in the Summary Compensation Table.

(2) The exercise price for all options, including Class A Options, is equal to the average of the high and low Common Stock price as reported on the NASDAQ Stock Market, Inc. on the respective grant dates.

(3) This column shows the fair values of Stock Units and stock options as of the grant date computed in accordance with FAS 123R. For Mary Winston, the option acceleration and the option extension discussed above were considered a material modification of the stock options under FAS 123R, and the chart above reflects the incremental fair value, computed as of January 17, 2007, in accordance with FAS 123R with respect to those awards.

(4) Represents a grant of Class A Options.

(5) Represents Stock Units that vest in 25% increments on October 19, 2007, September 19, 2008, September 19, 2009 and September 19, 2010.

The CD&A discusses the ongoing long-term incentive compensation program for Mr. Robinson pursuant to which the Class A Options noted in the tables above were granted; the severance agreement entered into with Ms. Winston pursuant to which the salary to be paid to her in fiscal 2007, following her resignation as Chief Financial Officer, severance, and Non-Compete Payment, as well as the modifications to her stock options, noted in the tables above were made; and the initial compensation arrangement entered into with Ms. O Connell that covers her salary, as well as the bonus and stock options, noted in the above tables.

OUTSTANDING EQUITY AWARDS AT MAY 31, 2007

The following table set forth certain information with regard to all unexercised options and all unvested Stock Units held by the Named Executive Officers at May 31, 2007.

		Option Awards				Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options(1) (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(2) (#)	Market Value of Shares or Units of Stock That Have Not Vested(2) ($)
Richard Robinson	5/13/1998	190,000		$ 18.845	5/14/2008		
	7/20/1999	250,000		$ 25.69	7/21/2009		
	7/18/2000	250,000		$ 31.565	7/19/2010		
	7/18/2002	5,850		$ 36.23	7/18/2012		
	9/20/2004	333,000(3)		$ 29.49	9/20/2014		
	9/21/2005	333,000(3)		$ 36.41	9/21/2015		
	9/20/2006		333,000(3)	$ 30.08	9/20/2016		
Maureen O Connell	3/20/2007		100,000	$ 34.85	3/20/2017		
Mary A. Winston	3/15/2004	50,000		$ 31.56	12/31/2007(4)		
	7/19/2005	25,000		$ 37.38	12/31/2007(4)		
	9/19/2006	25,000(1)		$ 29.74	12/31/2007(4)		
Deborah A. Forte	5/13/1998	74,000		$ 18.845	5/14/2008		
	7/20/1999	76,000		$ 25.69	7/21/2009		
	12/18/2001	30,000		$ 42.85	12/18/2011		
	7/18/2002	28,040		$ 36.23	7/18/2012		
	7/14/2003	35,000		$ 27.46	7/14/2013		
	9/20/2004	15,000		$ 29.19	9/20/2014		
	9/19/2006		6,800	$ 29.74	9/19/2016		
	9/20/2004					7,500	$ 238,275
	9/19/2006					3,400	$ 108,018
Margery W. Mayer	9/19/2000	50,000		$ 31.865	9/20/2010		
	12/18/2001	25,000		$ 42.85	12/18/2011		
	7/18/2002	27,540		$ 36.23	7/18/2012		
	7/14/2003	35,000		$ 27.46	7/14/2013		
	5/24/2004	50,000		$ 28.11	5/24/2014		
	7/19/2005	34,000		$ 37.38	7/19/2015		
	7/18/2006		33,000	$ 27.52	7/18/2016		
Lisa Holton	5/25/2005	50,000		$ 26.33	5/25/2015		
	5/25/2006	50,000		$ 37.50	5/25/2016		
	5/25/2005					4,000	$ 108,018

(1) Excepted as noted below, all stock options that were granted in fiscal 2007 vest in 25% increments beginning with the first anniversary of the date of grant. For Mary Winston, the vesting of the stock options shown were accelerated in connection with her resignation as Chief Financial Officer on January 17, 2007, and as a result, all such options became immediately exercisable on that date.

(2) For Stock Units granted in fiscal 2007, 25% of the grant vests thirteen months after the grant date and the remaining 75% vests in equal increments on the 2nd, 3rd and 4th anniversaries of the grant date. The market value of these awards was calculated by multiplying the number of shares of Common Stock underlying the Stock Units by $31.77, the closing price of the Common Stock on NASDAQ on May 31, 2007.

(3) Represents a grant of Class A Options.

(4) The original expiration dates for Ms. Winston s stock options were ten years from the respective grant dates; as a result of certain arrangements entered into between Ms. Winston and the Company in connection with her resignation as Chief Financial Officer, she has until December 31, 2007 to exercise these options.

OPTION EXERCISES AND STOCK VESTED

The table below shows the number of shares of Common Stock acquired during fiscal 2007 upon the exercise of stock options and upon vesting of Stock Units.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Richard Robinson	153,937(1)	$ 2,044,892(1)	0	0
Maureen O Connell	0	0	0	0
Mary A. Winston	0	0	0	0
Deborah A. Forte	0	0	3,750(2)	$ 113,363(2)
Margery W. Mayer	5,610(3)	$ 76,717(3)	0	0
Lisa Holton	0	0	2,000(2)	$ 62,440(2)

(1) During fiscal 2007, Mr. Robinson exercised options to purchase 14,152 shares of Common Stock that were due to expire on July 16, 2007 and options to purchase 139,785 shares of Common Stock that were due to expire on September 16, 2007, and he retained the shares received upon each such exercise. In accordance with SEC rules, the Value Realized on Exercise was calculated by subtracting the grant price from the fair market value of the underlying Common Stock on the date of exercise. For purposes of this table in accordance with SEC rules, the fair market value of the Common Stock on the date of exercise was computed as the closing price for the Common Stock as reported on NASDAQ on the date of exercise, April 19, 2007, which was $31.56.

(2) In accordance with SEC rules, the Value Realized on Vesting was computed based on the closing price of the Common Stock as reported on NASDAQ on the vesting dates, which was $30.23 on September 20, 2006 for Ms. Forte and $31.22 on May 25, 2007 for Ms. Holton. Ms. Forte and Ms. Holton actually received only 2,332 and 1,244 shares of Common Stock, respectively, when the Stock Units vested because 1,418 and 756 shares of Common Stock, respectively, were retained by the Company at their request to cover the taxes required to be withheld at the time of vesting.

(3) Ms. Mayer exercised options to purchase 5,610 shares of Common Stock that were due to expire on July 16, 2007, and she retained the shares received upon such exercise. In accordance with SEC rules, the Value Realized on Exercise was calculated by subtracting the grant price from the fair market value of the underlying Common Stock on the date of exercise. For purposes of this table in accordance with SEC rules, the fair market value of the Common Stock on the date of exercise was computed as the closing price for the Common Stock as reported on NASDAQ on the date of exercise, April 3, 2007, which was $31.27.

PENSION PLAN

The Company maintains the Scholastic Corporation Cash Balance Retirement Plan for substantially all of its employees based in the United States, including the Named Executive Officers (the Retirement Plan). The Retirement Plan provides participants with benefits based on monthly contributions and interest credits. Individual participant contributions are not required under the Retirement Plan. The Retirement Plan provides for an annual allocation by the Company to a participant s account, calculated as follows: for less than five years of service, 3.5% of the first $25,000 of annual base pay and 2.0% of the remainder up to the government-mandated maximum limit; for five years but less than ten years of service, 4.5% of the first $25,000 of annual base pay and 3.0% of the remainder up to the government-mandated maximum limit; for ten years of service but less than 20 years of service, 5.5% of the first $25,000 of annual base pay and 4.0% of the remainder up to the government-mandated maximum limit; and for 20 years or more of service, 6.5% of the first $25,000 of annual base pay and 5% of the remainder up to the government-mandated maximum limit. Interest on the account balances is accrued monthly based on the average rate for one-year United States Treasury Bills plus 1.0%. Participants in the Retirement Plan become fully vested in their accrued benefits upon completion of five years of service. Vested retirement benefits are payable in the form of a lump-sum or annuity payment upon retirement, termination, death or disability.

The Retirement Plan was amended and restated to a cash balance plan effective June 1, 1999. All plan participants as of July 1, 1998 who were at least age 50 as of June 1, 1999 were given the option to remain under a modified version of the Retirement Plan s benefit formula used prior to such amendment and restatement (the Prior Benefit Formula). Mr. Robinson elected to continue participation under the Prior Benefit Formula, which provides covered participants with retirement benefits based upon career average compensation. Individual participant contributions are not required, and the Company makes all required contributions. The Prior Benefit Formula provides for an annual benefit payable at retirement equal to, for each year of credited service, 1.5% of that portion of the participant s basic annual compensation up to $13,650, plus 2.0% of that portion of the participant s basic annual compensation in excess of $13,650. At July 1, 2007, Mr. Robinson had earned an estimated annual benefit payment using the Prior Benefit Formula of $64,296, which is net of the benefit transferred to his former spouse pursuant to a matrimonial agreement. Mr. Robinson s benefit is payable upon his retirement.

The following table sets forth the years of credited service and the present value of benefits accumulated by each of the Named Executive Officers under the Retirement Plan, in each case computed as of May 31, 2007, the same measurement date used in the Financial Statements included in the Annual Report.

PENSION BENEFITS

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Richard Robinson	Scholastic Corporation Cash Balance Retirement Plan	45	$ 593,103[1]	$ 0
Maureen O Connell	Scholastic Corporation Cash Balance Retirement Plan	0	0	0
Mary A. Winston[2]	Scholastic Corporation Cash Balance Retirement Plan	3	$ 10,001	0
Deborah A. Forte	Scholastic Corporation Cash Balance Retirement Plan	24	$ 85,808	0
Margery W. Mayer	Scholastic Corporation Cash Balance Retirement Plan	17	$ 73,038	0
Lisa Holton	Scholastic Corporation Cash Balance Retirement Plan	2	$ 4,952	0

(1) Mr. Robinson is currently accumulating benefits under the Prior Benefit Formula.

(2) When Ms. Winston terminated employment on July 21, 2007 as discussed above, she was not vested under the terms of the Retirement Plan and, accordingly, is not currently eligible to receive benefits thereunder.

The following table sets forth information about the contributions, if any, by the Named Executive Officers under nonqualified deferred compensation arrangements during fiscal 2007 and the balances thereunder at May 31, 2007.

NONQUALIFIED DEFERRED COMPENSATION TABLE

Name	Executive Contributions in the Last Fiscal Year ($)[1]	Aggregate Balance at Last Fiscal Year End ($)[2]
Richard Robinson	$ 0	$ 1,685,081
Maureen O Connell	$ 0	$ 0
Mary A. Winston	$ 18,800	$ 136,929
Deborah A. Forte	$ 16,250	$ 432,580
Margery W. Mayer	$ 13,500	$ 244,311
Lisa Holton	$ 0	$ 0

(1) The amounts shown represent fiscal 2006 bonus amounts that were to be paid in fiscal 2007 but were deferred at the Named Executive Officer s election and invested in RSUs under the MSPP. Each of Ms. Winston, Ms. Forte and Ms. Mayer elected to invest 50%, 25% and 20%, respectively, of her fiscal 2006 bonus in RSUs under the MSPP. The purchase of the RSUs was made on September 1, 2006.

(2) Represents the value of all RSUs held by the Named Executive Officer under the MSPP at May 31, 2007 and was calculated by multiplying the number of RSUs held by $31.77, the closing price of the Common Stock on NASDAQ on such date.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL

The following summaries describe and quantify the potential payments and benefits that would be provided to each of the Named Executive Officers in connection with a termination of employment under the Company s compensation plans and individual agreements. Except where noted, the calculations of the potential payments to the Named Executive Officers reflect the assumption that the termination event occurred on May 31, 2007, with the closing sale price per share of the Common Stock on that date of $31.77. The calculations exclude payments and benefits to the extent that they do not discriminate in scope, terms or operation in favor of the Company s executive officers and are available generally to all salaried employees of the Company. The calculations also do not include plan balances under the Retirement Plan applicable to the Named Executive Officers, which are provided in the Pension Benefits table above.

O Connell Employment Arrangement. As described in Compensation Discussion and Analysis New Chief Financial Officer above, the compensation arrangements for Maureen O Connell, who joined the Company as Executive Vice President, Chief Administrative Officer and Chief Financial Officer in January 2007, include a provision for a lump-sum payment, in lieu of severance, equivalent to twelve months of her then-current base salary if she is terminated at any time during the first three years of her employment for reasons other than gross misconduct. Assuming that such a termination had occurred at May 31, 2007, this payment would have been equal to $650,000, which was her annual rate of salary as of that date.

Winston Severance Agreement. As described in Compensation Discussion and Analysis Mary Winston Severance Agreement above, on January 17, 2007, the Company entered into a severance agreement with Mary Winston in connection with her resignation as Chief Financial Officer effective as of January 22, 2007. The Winston Agreement provided for the continuation of her then-current monthly salary of $47,895 through July 21, 2007, which is the date her employment terminated, for a total of $285,231, a lump-sum severance payment of $574,740 on August 10, 2007, and a $599,740 payment on that date in consideration for a one-year non-compete provision, a one-year restriction on hiring the Company s employees, a confidentiality agreement, a non-disparagement clause and a release of claims, for a total of $1,459,711. In addition, the Company agreed to accelerate the vesting of 25,000 stock options granted to her in September 2006, so that all such options became immediately exercisable, as well as 3,316 RSUs and 994 RSUs purchased by her under the MSPP on September 1, 2005 and September 1, 2006, respectively. The value of the acceleration of the vesting of such options to Ms. Winston is estimated to be $50,750, which is based on the difference between the $31.77 closing price of the Common Stock on NASDAQ on May 31, 2007 and the $29.74 exercise price of the stock options. The value of the acceleration of such RSUs to Ms. Winston is estimated to be $59,058, which is equal to the difference between the value of the vested RSUs on the date of termination, based on the value of the underlying Common Stock on that date, compared to the value of such RSUs to her if they had remained unvested at the date of termination. Under the terms of the MSPP (as described below), the unvested RSUs would have been equal to the lower of the purchase price for the RSUs or the market value of the RSUs at the date of termination, using in each case the closing price of the Common Stock on NASDAQ on July 23, 2007, the first business day after her termination.

MSPP Plan. As described in Compensation Discussion and Analysis Other Equity Based Incentives above, eligible members of senior management, including the Named Executive Officers, may defer receipt of all or a portion of their annual cash bonus payments, including under the MIP and EPIP (as described under Compensation Discussion and Analysis Annual Performance-Based Cash Bonus Awards above), through the purchase of RSUs under the MSPP. The amounts deferred with respect to bonuses received for fiscal 2006 but paid and deferred in fiscal 2007 are included in the Non-Qualified Deferred Compensation Table above. The following discussion describes the payment provisions for unvested RSUs under the terms of the MSPP, including upon the voluntary or involuntary termination of the executive participating in the plan (a Participant).

Vesting of RSUs

A Participant will be fully vested in each RSU three years after the date such RSU is purchased or, if earlier, upon death while employed, Disability (as defined in the MSPP) while employed or retirement. The HRCC, which administers the MSPP, may, in its sole discretion, accelerate the time at which any RSUs may be vested, but in no event can the acceleration of vesting result in the acceleration of payment of the RSUs to the Participant. Of the Named Executive Officers, Mr. Robinson and Ms. Mayer are each of retirement age under the terms of the MSPP, and as a result, if either had retired on May 31, 2007, he or she would have been entitled to receive a payment of Common Stock with a value of $1,685,081 and $244,311, respectively, at that time, based upon the $31.77 closing price of the Common Stock on NASDAQ on that date.

Payment on or after Vesting

With respect to each vested RSU, the Company will issue to the Participant one share of Common Stock and cash in lieu of any fractional RSU as soon as practicable after the earlier of: (i) the end of the deferral period specified by the Participant pertaining to such RSU, or (ii) the Participant s termination of employment with the Company. All of the Named Executive Officers have selected deferral periods greater than the three-year vesting period for the RSUs held by them under the MSPP as of May 31, 2007. Had Ms. Forte s employment terminated for any reason on May 31, 2007, she would have received 4,914 shares of Common Stock in exchange for her vested RSUs, which would have been valued at $156,118 based on the $31.77 closing price of the Common Stock on NASDAQ on that date.

Payment Prior to Vesting

(a) ***Voluntary Termination; Termination for Cause.*** If a Participant voluntarily terminates his or her employment for reasons other than death or Disability or is involuntarily terminated by the Company for cause, the Participant s unvested RSUs will be canceled, and he or she will receive as soon as practicable after his or her termination of employment a cash payment equal to the lesser of:

(1) an amount equal to the number of unvested RSUs multiplied by the Cost (which is defined by the HRCC to be the lowest per share closing price of the underlying Common Stock during the fiscal quarter immediately preceding the award date for the RSU minus a discount of 25%) of those RSUs; or

(2) an amount equal to the number of unvested RSUs awarded on each award date multiplied by the fair market value of a share of Common Stock on the date of the Participant s termination of employment (which is defined under the MSPP as the last sales price of the Common Stock on NASDAQ on such date).

If Ms. Forte s employment had terminated voluntarily or for cause on May 31, 2007, she would have received a payment of $98,651 in cash for the unvested RSUs held by her on that date, which was equal to the Cost of those RSUs.

(b) ***Involuntary Termination.*** If a Participant s employment is terminated by the Company for any reason other than cause, the Participant s unvested RSUs will be canceled, and he or she will receive payment as soon as practicable following termination of employment as described below:

(1) The number of unvested RSUs will be multiplied by a fraction, the numerator of which is the number of full years that the Participant was employed by the Company after the date such RSU was purchased and the denominator of which is three, and the Participant will receive the resulting number of such whole RSUs in shares of Common Stock, with any fractional RSU paid in cash.

(2) With respect to the Participant s remaining unvested RSUs, the Participant will receive cash in an amount equal to the lesser of: (A) the number of such unvested RSUs awarded on each award date multiplied by the respective Cost of those RSUs; or (B) the number of those unvested RSUs awarded on each award date multiplied by the fair market value of a share of Common Stock on the date of the Participant s termination of employment.

If Ms. Forte s employment was terminated involuntarily, other than for cause, on May 31, 2007, she would have received a payment of 1,306 shares of Common Stock with a value of $41,492, which is based upon the pro-rata calculation set forth above based upon the time period that elapsed since the respective dates of purchase for the related RSUs, multiplied by the $31.77 closing price of the Common Stock on NASDAQ on that date, and a payment of $66,851 in cash, which is equal to the Cost of the 2,816 remaining RSUs.

MATTERS SUBMITTED TO STOCKHOLDERS

PROPOSAL 1 ELECTION OF DIRECTORS

The Amended and Restated Certificate of Incorporation of the Company provides that the Class A Stockholders, voting as a class, have the right to fix the size of the Board so long as it does not consist of less than three nor more than fifteen directors. The current Board consists of ten directors. In July 2007, at the recommendation of the Nominating and Governance Committee of the Board, the Class A Stockholders executed a unanimous written consent fixing the size of the Board at eleven directors, effective as of the date of the Annual Meeting. The Nominating and Governance Committee proposed to the Board that James W. Barge be the nominee for election at the Annual Meeting to fill the resulting vacancy.

As a result, the Board has nominated the eleven persons listed below under the sections captioned Nominees for Election by Holders of Class A Stock and Nominees for Election by Holders of Common Stock, including Mr. Barge, for election at the Annual Meeting to serve as directors of the Company until the next annual meeting of stockholders and until their respective successors are elected and qualified, or until their earlier retirement, resignation or removal.

Proxies are solicited in favor of the eight nominees to be elected by the Class A Stockholders and the three nominees to be elected by the holders of Common Stock, and it is intended that the proxies will be voted for such nominees unless otherwise specified. Should any one or more of the nominees become unable to serve for any reason, unless the Class A Stockholders provide for a lesser number of directors, the persons named in the enclosed proxy may act with discretionary authority in respect of the election of a substitute nominee or nominees. The Board has no reason to believe that any nominees will be unable to serve.

Recommendation

The Board recommends that Class A Stockholders vote FOR each of the eight nominees for election by such holders. Assuming the presence of a quorum, the affirmative vote of a plurality of the votes cast by the Class A Stockholders present and entitled to vote on this item at the Annual Meeting is required to elect each of the nominees.

The Board recommends that holders of Common Stock vote FOR each of the three nominees for election by such holders. Assuming the presence of a quorum, the affirmative vote of a plurality of the votes cast by the holders of shares of Common Stock present and entitled to vote on this item at the Annual Meeting is required to elect each of the nominees.

Nominees for Election by Holders of Class A Stock

Name	Principal Occupation or Employment	Age	Director Since*
Richard Robinson	Chairman of the Board, President and Chief Executive Officer of the Company	70	1971
Rebeca M. Barrera	Founder, Tres Rebecas, San Antonio, TX	60	1995
Ramon C. Cortines	Deputy Mayor for Education, Youth and Families, City of Los Angeles, CA	75	1995
Andrew S. Hedden	Partner, Baker & McKenzie LLP, New York, NY	66	1991
Mae C. Jemison	President and Founder, BioSentient Corporation, Houston, TX	50	1993
Peter M. Mayer	President, The Overlook Press/Peter Mayer Publishers, Inc., New York, NY	71	1999
Augustus K. Oliver	Managing Member, Oliver Press Partners, LLC, New York, NY	57	1995
Richard M. Spaulding	Current employee and former Executive Vice President of the Company	70	1974

Nominees for Election by Holders of Common Stock

Name	Principal Occupation or Employment	Age	Director Since*
James W. Barge**	Senior Vice President, Controller and Chief Accounting Officer, Time Warner, Inc., New York, NY	52	____
John L. Davies	Private Investor, Washington D.C.	57	2000
John G. McDonald	The Stanford Investors Professor, Graduate School of Business, Stanford University, Stanford, CA	70	1985

* The dates set forth above indicate the date such director was elected as a director of the Company or its predecessor entity.

** New nominee standing for election at the Annual Meeting.

Richard Robinson. Mr. Robinson has served as Chairman of the Board of the Company and/or Scholastic Inc. since 1982, as Chief Executive Officer since 1975 and as President since 1974. He has held various executive management and editorial positions with the Company since joining in 1962.

Rebeca M. Barrera. Ms. Barrera is a national leader in Latino children s education. She is an author, curriculum designer, national speaker and founder of the National Latino Children s Institute. She also is the founder of Tres Rebecas, which provides consulting, design and development services throughout the United States.

Ramon C. Cortines. Mr. Cortines has been the Deputy Mayor for Education, Youth and Families for the City of Los Angeles, CA since 2006. He was an independent Education Consultant from 2001 to 2006. Since 1956, Mr. Cortines has served six school districts, including as Superintendent of Schools for Pasadena (11 years), San Jose (2 years), New York City (2 years), San Francisco (6 years) and Los Angeles (6 months).

Andrew S. Hedden. Mr. Hedden is a partner of the law firm of Baker & McKenzie LLP, having previously been a partner with the law firm of Coudert Brothers LLP from 1975 to 2005.

Mae C. Jemison. Dr. Jemison is the president of BioSentient Corporation, a medical technology company she founded in 2001 that develops and markets ambulatory equipment to monitor the autonomic nervous system and to train people to respond favorably in stressful situations. She is also the President of The Jemison Group, a technology consulting company that focuses on the integration of science and technology into everyday life and social responsibility. Dr. Jemison was a professor of Environmental Studies at Dartmouth College from 1996-2002. She served as a National Aeronautics and Space Administration (NASA) astronaut from 1987 to 1993 and was a member of the Space Shuttle Endeavour Flight in September 1992. She is a director and member of the audit committees of Kimberly-Clark Corporation and Valspar Corporation, a director of Gen-Probe, Inc. and a member of the National Academy of Sciences Institute of Medicine.

Peter M. Mayer. Mr. Mayer has been President of The Overlook Press/Peter Mayer Publishers, Inc. since 1997. Since 2003, Mr. Mayer has also been the President of Duckworth Publishers in the United Kingdom. From 1978 to 1996, he was Chairman of the Board and Chief Executive Officer of the Penguin Group Companies, overseeing its operations in the United States, the United Kingdom, Canada, Australia, New Zealand, The Netherlands and India. From 1976 to 1978, he was President and Publisher of Pocket Books. He has also served as Editor-in-Chief, Publisher and President of Avon Books.

Augustus K. Oliver. Mr. Oliver has been a Managing Member of Oliver Press Partners LLC, an investment advisor, since 2005. Mr. Oliver also has been a Senior Managing Director of WaterView Advisors LLC, a private equity investment firm, since 1999. Mr. Oliver is the grandson of a former Chairman of the Board of Directors of Scholastic Inc. He is a director of Comverse Technology Inc.

Richard M. Spaulding. Mr. Spaulding has held various executive management positions with the Company since joining in 1960 including as Executive Vice President from 1974 to 2004.

James W. Barge. Mr. Barge has been the Senior Vice President, Controller and Chief Accounting Officer of Time Warner Inc. since 2002. Prior to joining Time Warner in 1995, Mr.

Barge held several positions at Ernst & Young, most recently as the Area Industry Leader of the Consumer Products Group and, prior to that, as a partner in its National Office, where he was responsible for the resolution of SEC, accounting and reporting issues. Mr. Barge is a member of the Financial Executive Institute s Committee on Corporate Reporting and the Advisory Council for the SEC Institute, as well as a Distinguished Practitioner Lecturer for the Terry College of Business at the University of Georgia.

John L. Davies. Mr. Davies is a private investor. Mr. Davies retired from AOL in 2002, which he had joined in 1993 as Senior Vice President. In 1994, he founded AOL International, where he served as President until becoming Senior Advisor in 2000.

John G. McDonald. Professor McDonald joined the faculty of Stanford University Graduate School of Business, where he is The Stanford Investors Professor, in 1968. Professor McDonald serves on the Boards of Directors of Varian, Inc., Plum Creek Timber Co., iStar Financial, Inc. and eight mutual funds managed by Capital Research and Management Co.

Meetings of the Board and its Committees

Five regular meetings and one special meeting of the Board were held during the 2007 fiscal year. All incumbent directors attended 75% or more of the aggregate of such meetings and of the meetings held during the 2007 fiscal year by all standing committees of the Board of which they were a member.

The Board has seven standing committees Audit; Executive; Human Resources and Compensation; Stock Grant; Nominating and Governance; Retirement Plan; and Strategic Planning. All members of the Audit, Human Resources and Compensation, Stock Grant and Nominating and Governance Committees are independent directors, as defined under NASDAQ listing standards, and all committee members are appointed by the Board on an annual basis. Each committee operates under a written charter establishing its roles and responsibilities, which can be found in the Investor Relations section of the Company s website, scholastic.com. The duties and responsibilities of all the Board committees are reviewed regularly and are outlined below.

Executive Committee. Richard Robinson (Chairperson), Peter M. Mayer, Augustus K. Oliver and Richard M. Spaulding are the current members of the Executive Committee. In the intervals between meetings of the Board, the Executive Committee is authorized to exercise, with certain exceptions, all of the powers of the Board in the management of the business and affairs of the Company. All actions taken by the Executive Committee are submitted for ratification by the Board. No meetings of the Executive Committee were held during the fiscal year ended May 31, 2007.

Audit Committee. Augustus K. Oliver (Chairperson), John L. Davies and Ramon C. Cortines are the current members of the Audit Committee. Each member of the Audit Committee is independent, as defined under NASDAQ listing standards and applicable SEC regulations. The Board has determined that all Audit Committee members are financially literate, as defined under NASDAQ listing standards, and that Mr. Oliver qualifies as the designated financial expert based upon his business experience as described previously in this proxy statement. This committee reviews the corporate accounting and financial reporting practices of the Company, including its disclosure and internal controls, and the quality and integrity of the financial reports of the Company, including a review of the Company s Quarterly Reports on Form 10-Q and Annual Report on Form 10-K. This committee appoints the Company s independent auditors and pre-approves any non-audit services to be provided by such auditors, as further described in this proxy statement under Independent Registered Public Accountants. The Audit Committee discusses with the Company s internal and independent auditors the overall scope and plans for their respective audits. The Audit Committee meets with both the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company s disclosure and internal controls and the overall quality of the Company s financial reporting. The Audit Committee periodically reviews and approves all related party transactions, as defined in SEC regulations. The Audit Committee held nine meetings during the fiscal year ended May 31, 2007, four of which were held for the purpose of reviewing and discussing the Company s Quarterly Reports on Form 10-Q and Annual Report on Form 10-K.

Retirement Plan Committee. Richard M. Spaulding (Chairperson), Mae Jemison, Andrew S. Hedden and Augustus K. Oliver are the current members of the Retirement Plan Committee. This committee acts on behalf of the Board in its capacity as settlor of the trusts underlying the Retirement Plan and the 401(k) Plan (collectively the Plans) and with respect to the powers enumerated therein, including the power to amend or terminate the Plans. This committee also oversees the Administrative Committee, comprised of Company employees who are responsible for the day-to-day administration of the Plans. In addition, this committee approves the appointment of one or more trustees, or other professionals, necessary for the proper administration and operation of the Plans. Furthermore, this committee, which reports its actions to the Board, oversees the policies and practices related to the Plans and evaluates the Company s overall retirement benefit plan philosophy and the Plans in the context of the Company as a separate company and competitively within the publishing industry, as well as the investment performance under the Plans. The Retirement Plan Committee held one meeting during the fiscal year ended May 31, 2007.

Human Resources and Compensation Committee. John L. Davies (Chairperson), Ramon C. Cortines, Peter M. Mayer and John G. McDonald are the current members of the Human Resources and Compensation Committee. Each member of the HRCC is independent, as defined under NASDAQ listing standards. Members of this committee also meet certain additional criteria so that the Company qualifies for available exemptions pursuant to Section

162(m) of the Code and Rule 16b-3 under the Exchange Act. The HRCC held five meetings during the fiscal year ended May 31, 2007. For a description of the duties and responsibilities of this committee, see Corporate Governance-HRCC and SGC Procedures below.

Nominating and Governance Committee. Ramon C. Cortines (Chairperson), Rebeca M. Barrera and Mae C. Jemison are the current members of the Nominating and Governance Committee. Each member of the committee is independent, as defined under NASDAQ listing standards. This committee identifies and recommends to the Board candidates for election as directors and recommends any changes it believes desirable in the size and composition of the Board as well as Board committee structure and membership. This committee also administers Scholastic s Corporate Governance Guidelines, reviews performance under, and compliance with, the guidelines and the content of the guidelines annually and, when appropriate, recommends updates and revisions of the guidelines to the Board. In addition, this committee oversees the Board self-assessment process. The Nominating and Governance Committee held four meetings during the fiscal year ended May 31, 2007.

Stock Grant Committee. John G. McDonald (Chairman), John L. Davies, and Peter M. Mayer are the current standing members of the Stock Grant Committee and, as permitted under Delaware law, Ramon C. Cortines is an alternate member. Each member (and alternate member) of the SGC is independent, as defined under NASDAQ listing standards. The members of this committee also meet certain additional criteria so that the Company qualifies for available exemptions pursuant to Section 162(m) of the Code and Rule 16b-3 under the Exchange Act. The SGC authorizes and approves grants, awards or issuances of stock options, warrants, restricted stock, Stock Units, or other rights under the Company s stock-based compensation plans. For a more detailed description of these duties, see Corporation Governance HRCC and SGC Procedures below. The SGC held five meetings during the fiscal year ended May 31, 2007.

Strategic Planning Committee. Mae C. Jemison (Chairperson), Rebeca M. Barrera, Peter M. Mayer and Richard M. Spaulding are the current members of the Strategic Planning Committee. This committee advises the Company s management on achieving and implementing its strategic plan and reports its findings to the Board. The Strategic Planning Committee held two meetings during the fiscal year ended May 31, 2007.

Corporate Governance

In recent years, the Board has strengthened the Company s corporate governance practices in a number of ways, including adopting the Scholastic Corporation Corporate Governance Guidelines (the Guidelines), which are summarized below. The full text of the Guidelines is available in the Investor Relations section of the Company s website, scholastic.com. Stockholders may also obtain a written copy of the Guidelines at no cost by writing to the Company at Scholastic Corporation, 557 Broadway, New York, NY 10012, Attention: Corporate Secretary. In addition to the Guidelines, the Board believes that the Scholastic Code of Ethics and the Code of Ethics for Senior Financial Officers, described below, as well as the Committee Charters, which have all been approved by the Board, are vital to securing the confidence of Scholastic s stockholders, customers, employees, governmental authorities and the investment community.

Independent Directors. The Amended and Restated Certificate of Incorporation of Scholastic Corporation and the Guidelines provide for a board of ten to fifteen directors and the Guidelines require a majority of independent directors. The Nominating and Governance Committee is responsible for reviewing with the Board annually the appropriate criteria and standards for determining director independence consistent with applicable legal requirements, including NASDAQ listing standards and the federal securities laws. The Board has determined that all of its current directors are independent, as defined in the NASDAQ listing standards, other than Mr. Robinson, Mr. Spaulding and Mr. Hedden. Mr. Robinson is the Company s Chairman, President and Chief Executive Officer, and Mr. Spaulding is an employee and former Executive Vice President of the Company. Mr. Hedden is not considered independent because he is a partner in a law firm that currently provides legal services to the Company.

Communication With the Board. Individuals may submit communications to the Board, or to the non-management directors individually or as