SALE OF EDUCATIONAL TECHNOLOGY & SERVICES BUSINESS

INVESTOR CONFERENCE CALL

April 24, 2015

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Forward-Looking Statements

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

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Press Release and Form 8-K Filing

On April 23rd, Scholastic entered into a Stock and Asset Purchase Agreement pursuant to which Houghton Mifflin Harcourt Company will acquire Scholastic's Educational Technology and Services business. Certain details of this material definitive agreement will be filed on a Form 8-K with the Securities and Exchange Commission later today. A copy of the Agreement itself will be included as an exhibit to that filing. Once filed, the Form 8-K will be posted on the Company's investor relations website at investor.scholastic.com and will also be available at sec.gov.

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Dick Robinson

Chief Executive Officer, President
and Chairman

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Sale of Educational Technology and Services

- **Overview:**
  - Sale price of **$575 million**, in an all-cash transaction
  - Structured as an **asset sale**
  - Expected after-tax proceeds in the range of **$360 –$370 million**, after transaction fees and expenses
  - Representations and warranties, **customary** for this type of transaction
  - Comprises approximately **12%** of LTM revenues and **800** employees
  - Scholastic will continue to provide certain services to the business for an agreed upon period under a **Transitional Services Agreement**

Why Sell Educational Technology and Services

- **Rationale:**
  - Attractive value for Company and its shareholders
  - Not a core business for Scholastic
    - Longer range, more cyclical business
    - Niche business with unique selling model with different market dynamics
    - Higher margin growth business with lower market share
    - Requires higher levels of capital investment in technology and prepublication product spend (with a long sales cycle) to grow
  - Excellent fit with HMH, enabling it to expand its educational technology and services offerings

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Children’s Books and Supplemental Education

- Focus on organic, targeted investments in Company’s three core businesses:
  - Children’s Book Publishing and Distribution
  - Classroom and Supplemental Materials Publishing
  - International
- Strengthen efforts on supporting and deepening relationships with Scholastic’s primary customers:
  - Teachers • Parents • Children • Schools
- Possible bolt-on acquisitions
- Balanced approach to capital allocation, including returning capital to shareholders over time

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Real Estate Update

- We have not entered into any agreements regarding our SoHo headquarters building and Management believes it is prudent to postpone consideration of the potential monetization of its SoHo headquarters building
- While we are focused on closing this value-enhancing EdTech transaction, we think the real estate market will remain robust and that interest in our space will remain high
- For that reason, the Company will no longer be providing a more detailed update on its real estate plans at the end of the fiscal year, as previously indicated

Questions & Answers

Participants

- Richard Robinson
- Maureen O’Connell

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