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FISCAL 2011 YEAR END EARNINGS PRESENTATION

July 21, 2011

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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.

Regulation G

Today's comments include references to certain non-GAAP financial measures as defined in Regulation G. The reconciliation of these non-GAAP financial measures with the relevant GAAP financial information and other information required by Regulation G is provided in the Company's earning release, which is posted on the Company's investor relations website at investor.scholastic.com.

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Dick Robinson

Chief Executive Officer, President
and Chairman

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Educational Publishing

- Successful May launch of READ 180® Next Generation
- Double-digit growth in services in Q4 and FY11, driven by strong sales and renewals and expanding customer base
- Positive outlook for higher sales, profits in FY12
- Continued investments in new reading, math, service programs

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Digital Initiatives in Children's Books

- Accelerated ebook and ecommerce initiatives in FY11 with $30 incremental spending in Children's Books
- Free, downloadable children's ereading application built and tested, with full consumer launch expected early 2012
- New COOL ecommerce platform rolled out, driving higher engagement and online parent ordering

Children's Books

- Continued strong Trade sales and higher profits driven by Harry Potter and other bestselling series: The Hunger Games, 39 Clues
- Higher profits in School Book Fairs, reflecting higher revenue per fair and improved efficiencies
- Modest decline in School Book Club sales and profits, associated with initial transition to New COOL

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International

- Higher FY11 revenue and profits, driven by Australia and Asia
- Targeting continued revenue growth and higher margins in FY12
- Multipronged growth strategy in Asia, building upon profitable, well established platform across region

Maureen O'Connell

Executive Vice President,
Chief Administrative Officer and
Chief Financial Officer

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One-Time Items

$M (except per share)	FY 2011 Op Income	FY 2011 EPS	FY 2010 Op Income	FY 2010 EPS
Results from continuing operations	$100.7	1.29	$128.4	1.59
Bad debt expense related to Border's bankruptcy[1]	3.5	0.06	-	-
Expense associated with UK restructuring[2]	3.0	0.09	4.7	0.12
Expense related to sales tax negotiation[3]	-	-	7.5	0.12
Non-cash asset impairments[4]	3.4	0.06	43.1	0.75
Non-cash losses on investment[5]	NA	0.07	NA	0.02
Adjusted results from continuing operations	$110.6	$1.57	$183.7	$2.60

1.In the twelve months ended May 31, 2011, $3.5 of bad debt expense related to Borders' bankruptcy filing is included in the Children's Book Publishing and Distribution segment and on the Bad Debt line in the Company's income statement.

2. These expenses are primarily related to consolidating the Company's footprint in the UK and are included in the International segment and on the Cost of Goods Sold and SG&A lines in the Company's income statement.

3. In the twelve months ended May 31, 2010, $7.5 of expense associated with the settlement of a sales tax negotiation is included in Corporate Overhead for segment reporting and on the SG&A line in the Company's income statement.

4. In the twelve months ended May 31, 2011, $3.4 of impairment charges related to goodwill are included in the Educational Publishing segment. In the twelve months ended May 31, 2010, $36.3 of impairment charges related to the Company's library publishing activities are included in the Educational Publishing segment. In fiscal 2010, the Company also recorded $3.8 of impairment charges in the International segment related to assets received in connection with the dissolution of a joint venture in the UK. In addition, the Company recorded $3.0 of impairment charges related to goodwill and other intangible assets in the Media, Licensing and Advertising segment in fiscal 2010. These charges are included on the Asset Impairments line in the Company's income statement.

5. In the twelve months ended May 31, 2011, the Company recorded non-cash losses of $3.6 related to a UK-based cost method investment. In the twelve months ended May 31, 2010, the Company recorded non-cash losses of $1.5 on a cost method investment in a US-based internet company. These items are included on the Loss on Investments line in the Company's income statement and do not impact operating income.

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Income Statement (adjusted)

Adjusted $M (except per share)	Fourth Quarter 2011	Fourth Quarter 2010	Fiscal Year 2011	Fiscal Year 2010
Revenues	$545.8	$538.4	$1,906.1	$1,912.9
Cost of goods sold	241.8	232.7	885.9	859.1
Selling, general and administrative expenses	232.2	220.2	839.4	801.1
Bad debt expense	1.0	0.1	10.1	9.5
Depreciation and amortization	16.7	15.8	60.1	59.5
Total operating costs and expenses	491.7	468.8	1,795.5	1,729.2
Operating income from continuing operations	$54.1	$69.6	$110.6	$183.7
Other income (loss)	-	-	(0.4)	0.9
Interest expense, net	3.9	4.0	15.6	16.2
Provision for income taxes	19.8	28.3	41.7	72.8
Earnings from continuing operations	$30.4	$37.3	$52.9	$95.6
Loss from discontinued operations, net of tax	(1.4)	(1.6)	(4.2)	(2.6)
Net income	$29.0	$35.7	$48.7	$93.0
Earnings per diluted share from continuing operations	0.96	1.02	1.57	2.60
Loss per share from discontinued operations	(0.04)	(0.05)	(0.13)	(0.07)
Net earnings per diluted share	0.92	0.97	1.44	$2.53

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Segment Results (adjusted)

Adjusted $M (except per share)	Fourth Quarter 2011	Fourth Quarter 2010	Fiscal Year 2011	Fiscal Year 2010
Children's Book Publishing & Distribution				
Revenue	$268.8	$273.5	$922.0	$910.6
Operating income	41.6	50.7	81.6	117.9
Educational Publishing				
Revenue	$126.5	$117.2	$428.0	$476.5
Operating income	18.2	21.7	55.0	103.5
International				
Revenue	$122.0	$116.8	$444.9	$412.0
Operating income	16.6	17.8	41.3	38.5
Media, Licensing and Advertising				
Revenue	$28.5	$30.9	$111.2	$113.8
Operating income (loss)	2.7	1.4	(1.2)	(1.2)
Corporate overhead	$25.0	$22.0	$66.1	$75.0
Operating income from continuing operations	$54.1	$69.6	$110.6	$183.7

Free Cash Flow and Balance Sheet

Adjusted $M	May 31, 2011	May 31, 2010
Free cash flow (12 month period)[1]	$120.5	$171.6
Accounts receivable, net	$220.3	$212.5
Inventories, net	$309.9	$315.7
Accounts payable	$120.2	$101.0
Accrued royalties	$35.4	$42.3
Total debt	$203.4	$252.8
Cash and cash equivalents	105.3	244.1
Net debt[2]	$98.1	$8.7

[1]Free cash flow is defined by the Company as net cash provided by or used in operating activities (which includes royalty advances), reduced by spending on property, plant and equipment and pre-publication and production costs.
[2]Net debt is defined by the Company as lines of credit and short-term debt plus long-term-debt, net of cash and cash equivalents.

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Key Elements of Fiscal 2012 Outlook

- In Children's Books, improved operating results in Clubs and Fairs offsetting higher spending on digital initiatives
- Solid growth and higher profits across Education segment
- Continued revenue growth and higher margins in International, driven by Asia
- Higher profits in Media, Licensing & Advertising

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Financial Guidance

Revenue	Approximately $1.9 billion
Earnings from Continuing Operations	$1.75 to $2.10 per diluted share
Free Cash Flow	$90 to $100 million
Capital Expenditures	$55 to $65 million
Prepublication and Production Spending	$65 to $75 million

Note: Outlook for EPS and operating income excludes severance and other one-time expenses associated with restructuring actions, as well as non-cash, non-operating items.

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Questions & Answers

Participants

- Richard Robinson
- Maureen O'Connell
- Deborah Forte, Scholastic Media
- Margery Mayer, Scholastic Education
- Judy Newman, Scholastic Book Clubs and E-Commerce
- Hugh Roome, Scholastic Consumer and Professional Publishing