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

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**SCHEDULE TO**  
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) or 13(e)(1) OF  
THE SECURITIES EXCHANGE ACT OF 1934

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**SCHOLASTIC CORPORATION**

(Name of Subject Company (Issuer) and Filing Person (Offeror))

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**Common Stock, par value \$0.01**  
(Title of Class of Securities)

**807066105**  
(CUSIP Number of Class of Securities)

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**Scholastic Corporation**  
**Attention: Andrew S. Hedden, Esq.**  
**557 Broadway, New York, NY 10012-3999**  
**(212) 343-6100**

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing person)

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*Copy to:*

**Thomas J. Rice, Esq.**  
**Baker & McKenzie LLP**  
**1114 Avenue of the Americas**  
**New York, NY 10036**  
**(212) 626-4100**

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**CALCULATION OF FILING FEE**

Transaction Valuation(1)	Amount of Filing Fee(2)
\$150,000,000	\$10,695

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- (1) Calculated solely for purposes of determining the amount of the filing fee. This amount is based upon the offer to purchase for not more than \$150,000,000 an aggregate of up to 5,555,556 common shares of Scholastic Corporation at a purchase price of not more than \$31.00 and not less than \$27.00 per share in cash.
- (2) The amount of the filing fee, calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, equals \$71.30 per \$1,000,000 of the value of the transaction.
- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: N/A

Form or Registration No.: N/A

Filing Party: N/A

Date Filed: N/A

- Check the box if filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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## Introduction

This Tender Offer Statement on Schedule TO relates to the offer by Scholastic Corporation, a Delaware corporation (“Scholastic” or the “Company”), to purchase for not more than \$150,000,000 cash up to 5,555,556 shares of its common stock, par value \$0.01 per share (the “Common Shares”), pursuant to (i) auction tenders at prices specified by the tendering stockholders of not greater than \$31.00 nor less than \$27.00 per Common Share or (ii) purchase price tenders, in either case upon the terms and subject to the conditions described in the Offer to Purchase, dated September 28, 2010 (the “Offer to Purchase”), a copy of which is filed herewith as Exhibit (a)(1)(A), and in the related Letter of Transmittal (the “Letter of Transmittal,” which together with the Offer to Purchase, as they may be amended or supplemented from time to time, constitute the “Tender Offer”), a copy of which is attached hereto as Exhibit (a)(1)(B). This Tender Offer Statement on Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The information contained in the Offer to Purchase and the Letter of Transmittal is hereby incorporated by reference in response to all the items of this Schedule TO.

### **Item 1. Summary Term Sheet.**

The information under the heading “Summary Term Sheet,” included in the Offer to Purchase, is incorporated herein by reference.

### **Item 2. Subject Company Information.**

(a) The name of the issuer is Scholastic Corporation. The address and telephone number of the issuer’s principal executive offices are: 557 Broadway, New York, NY 10012-3999, (212) 343-6100.

(b) The subject securities are common stock, par value \$0.01 per share, of Scholastic Corporation. As of September 27, 2010, there were 34,353,245 Common Shares issued and outstanding.

(c) The information about the trading market and price of the Common Shares is incorporated herein by reference from the Offer to Purchase under the heading “Section 8 — Price Range of Common Shares; Dividends.”

### **Item 3. Identity and Background of Filing Person.**

(a) The filing person to which this Schedule TO relates is Scholastic. The address and telephone number of Scholastic is set forth under Item 2(a) above. The names of the directors and executive officers of Scholastic are as set forth in the Offer to Purchase under the heading “Section 11 — Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Common Shares,” and such information is incorporated herein by reference. The business address and business telephone number of each director and executive officer of Scholastic is c/o 557 Broadway, New York, NY 10012-3999, (212) 343-6100.

**Item 4. Terms of the Transaction.**

(a) The material terms of the transaction are incorporated herein by reference from the Offer to Purchase under the headings “Summary Term Sheet,” “Section 1 — Number of Common Shares; Purchase Price; Proration,” “Section 2 — Purpose of the Offer; Certain Effects of the Offer,” “Section 3 — Procedures for Tendering Common Shares,” “Section 4 — Withdrawal Rights,” “Section 5 — Purchase of Common Shares and Payment of Purchase Price,” “Section 6 — Conditional Tender of Common Shares,” “Section 7 — Conditions of the Offer,” “Section 9 — Source and Amount of Funds,” “Section 10 — Certain Information Concerning the Company,” “Section 11 — Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Common Shares,” “Section 14 — Material U.S. Federal Income Tax Consequences,” and “Section 15 — Extension of the Offer; Termination; Amendment.” There will be no material differences in the rights of security holders as a result of this transaction.

(b) The details regarding any purchases from an officer, director or affiliate of Scholastic are incorporated herein by reference from the Offer to Purchase under the heading “Section 11 — Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Common Shares.”

**Item 5. Past Contracts, Transactions, Negotiations and Agreements.**

Information regarding agreements involving Scholastic’s securities is incorporated herein by reference from the Offer to Purchase under the headings “Section 8 — Price Range of Common Shares; Dividends” and “Section 11 — Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Common Shares.”

**Item 6. Purposes of the Transaction and Plans or Proposals.**

(a) Information regarding the purpose of the transaction is incorporated herein by reference from the Offer to Purchase under the headings “Summary Term Sheet” and “Section 2 — Purpose of the Offer; Certain Effects of the Offer.”

(b) Information regarding the treatment of Common Shares acquired pursuant to the Tender Offer is incorporated herein by reference from the Offer to Purchase under the heading “Section 2 — Purpose of the Offer; Certain Effects of the Offer.”

(c) Information about any plans or proposals is incorporated herein by reference from the Offer to Purchase under the headings “Section 2 — Purpose of the Offer; Certain Effects of the Offer;” “Section 8 — Price Range of Common Shares; Dividends;” and “Section 11 — Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Common Shares.”

**Item 7. Source and Amount of Funds or Other Consideration.**

(a) Information regarding the source of funds is incorporated herein by reference from the Offer to Purchase under the heading “Section 9 — Source and Amount of Funds.”

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(b) Financing will not be required in connection with the Tender Offer.

(c) Scholastic will fund any purchase of Common Shares, including related fees and expenses, from available cash, initially including temporarily drawing on Scholastic's existing credit facility.

### **Item 8. Interest in Securities of the Subject Company.**

(a) The information under the heading "Section 11 — Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Common Shares" in the Offer to Purchase is incorporated herein by reference.

(b) The information under the heading "Section 11 — Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Common Shares" in the Offer to Purchase is incorporated herein by reference.

### **Item 9. Persons/Assets, Retained, Employed, Compensated or Used.**

(a) The information under the headings "Summary Term Sheet" and "Section 16 — Fees and Expenses" in the Offer to Purchase is incorporated herein by reference.

### **Item 10. Financial Statements.**

(a)-(b) Not applicable. The consideration offered consists solely of cash. Scholastic will fund any purchase of Common Shares, including the related fees and expenses, from available cash, initially including temporarily drawing on Scholastic's existing credit facility. Scholastic is a public reporting company under Section 13(a) of the Exchange Act that files reports electronically on EDGAR.

### **Item 11. Additional Information.**

(a)(1) The information under the heading "Section 11 — Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Common Shares" in the Offer to Purchase is incorporated herein by reference. The Company will amend this Schedule TO to reflect material changes to information incorporated by reference in the Offer to Purchase to the extent required by Rule 13e-4(d)(2) and will amend the Schedule TO to include documents that the Company may file with the SEC after the date of this Offer to Purchase pursuant to Sections 13(a), 13(c) and 14 of the Exchange Act and prior to the expiration of the Tender Offer to the extent required by Rule 13e-4(d)(2) of the Exchange Act.

(a)(2) The information under the heading "Section 13 — Certain Legal Matters; Regulatory Approvals" in the Offer to Purchase is incorporated herein by reference.

(a)(3) The information under the heading "Section 13 — Certain Legal Matters; Regulatory Approvals" in the Offer to Purchase is incorporated herein by reference.

(a)(4) The information under the heading "Section 2 — Purpose of the Offer; Certain Effects of the Offer" in the Offer to Purchase is incorporated herein by reference.

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(a)(5) None. The information under the heading “Section 13 — Certain Legal Matters; Regulatory Approvals” in the Offer to Purchase is incorporated herein by reference.

(b) The information set forth in the Offer to Purchase and the related Letter of Transmittal, as each may be amended or supplemented from time to time, is incorporated herein by reference.

### **Item 12. Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
(a)(1)(A)	Offer to Purchase, dated September 28, 2010.
(a)(1)(B)	Letter of Transmittal.
(a)(1)(C)	Notice of Guaranteed Delivery.
(a)(1)(D)	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees, dated September 28, 2010.
(a)(1)(E)	Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees, dated September 28, 2010.
(a)(1)(F)	Letter to participants in the Scholastic Corporation 401(k) Savings and Retirement Plan.
(a)(2)	None.
(a)(3)	Not applicable.
(a)(4)	Not applicable.
(a)(5)	Press release announcing the intention to conduct the Tender Offer, dated September 23, 2010 (incorporated by reference from the Company’s Form TO-C filed with the SEC on September 23, 2010).
(a)(6)	Press release announcing the commencement of the Tender Offer, dated September 28, 2010.
(b)(1)	Credit Agreement, dated as of June 1, 2007 (the “Credit Agreement”), among the Company and Scholastic Inc., as borrowers, the Initial Lenders named therein, JP Morgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc. and Bank of America Securities LLC., as joint lead arrangers and joint bookrunners, Bank of America, N. A. and Wachovia Bank, N. A., as syndication agents, and SunTrust Bank and The Royal Bank of Scotland, plc, as Documentation Agents (incorporated by reference to the Company’s Annual Report on Form 10-K as filed with the SEC on July 30, 2007, SEC File No. 000-19860).

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- (b)(2) Amendment No. 1 to Credit Agreement, effective as of August 16, 2010, among the Company and Scholastic Inc., as borrowers, the Initial Lenders named therein, JP Morgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc. and Bank of America Securities LLC, as joint lead arrangers and joint bookrunners, Bank of America, N.A. and Wachovia Bank, N.A., as syndication agents, and SunTrust Bank and The Royal Bank of Scotland, plc as Documentation Agents.
- (d)(1) Scholastic Corporation 1995 Stock Option Plan, effective as of September 21, 1995 (incorporated by reference to the Corporation’s Registration Statement on Form S-8 (Registration No. 33-98186), as filed with the SEC on October 16, 1995), together with Amendment No. 1, effective September 16, 1998 (incorporated by reference to the Corporation’s Quarterly Report on Form 10-Q as filed with the SEC on October 15, 1998, SEC File No. 000-19860), Amendment No. 2, effective as of July 18, 2001 (incorporated by reference to the Corporation’s Annual Report on Form 10-K as filed with the SEC on August 24, 2001, SEC File No. 000-19860), Amendment No. 3, effective as of May 25, 2006 (incorporated by reference to the Corporation’s Annual Report on Form 10-K as filed with the SEC on August 9, 2006, SEC File No. 000-19860 (the “2006 10-K”)), Amendment No. 4, dated as of March 21, 2007 (incorporated by reference to the Corporation’s Quarterly Report on Form 10-Q as filed with the SEC on March 30, 2007 (the “February 28, 2007 10-Q”)) and Amendment No. 5, dated as of May 20, 2008 (incorporated by reference to the Corporation’s Annual Report on Form 10-K as filed with the SEC on July 30, 2008).
- (d)(2) Scholastic Corporation Management Stock Purchase Plan, amended and restated effective as of September 23, 2008 (incorporated by reference to the Corporation’s Annual Report on Form 10-K as filed with the SEC on July 30, 2009, SEC File No. 000-19860 (the “2009 10-K”)).
- (d)(3) Scholastic Corporation 1997 Outside Directors’ Stock Option Plan, amended and restated as of May 25, 1999 (incorporated by reference to the Corporation’s Annual Report on Form 10-K as filed with the SEC on August 23, 1999, SEC File No. 000-19860), together with Amendment No. 1, dated September 20, 2001 (incorporated by reference to the Corporation’s Quarterly Report on Form 10-Q as filed with the SEC on January 14, 2002, SEC File No. 000-19860), Amendment No. 2, effective as of September 23, 2003 (incorporated by reference to Appendix B to the Corporation’s definitive Proxy Statement as filed with the SEC on August 19, 2003, SEC File No. 000-19860), and Amendment No. 3, effective as of May 25, 2006 (incorporated by reference to the 2006 10-K).
- (d)(4) Scholastic Corporation Director’s Deferred Compensation Plan, amended and restated effective as of September 23, 2008 (incorporated by reference to the 2009 10-K).

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- (d)(5) Scholastic Corporation 2007 Outside Directors Stock Incentive Plan effective as of September 23, 2008 (incorporated by reference to the 2009 10-K).
- (d)(6) Form of Stock Option Agreement under the 2007 Directors' Plan (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on January 9, 2008, SEC File No. 000-19860).
- (d)(7) Form of Restricted Stock Unit Agreement under the 2007 Directors' Plan, effective as of September 23, 2008 (incorporated by reference to the 2009 10-K).
- (d)(8) Scholastic Corporation 2001 Stock Incentive Plan, amended and restated as of July 21, 2009 (the "2001 Plan") (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on October 10, 2009, SEC File No. 000-19860 (the "August 31, 2009 10-Q")).
- (d)(9) Form of Stock Unit Agreement under the 2001 Plan (incorporated by reference to the August 31, 2009 10-Q).
- (d)(10) Amended and Restated Guidelines for Stock Units granted under the 2001 Plan, amended and restated as of July 21, 2009 (incorporated by reference to the August 31, 2009 10-Q).
- (d)(11) Form of Non-Qualified Stock Option Agreement under the 2001 Plan (incorporated by reference to the August 31, 2009 10-Q).
- (d)(12) Scholastic Corporation 2004 Class A Stock Incentive Plan (incorporated by reference to Appendix A to the Corporation's definitive Proxy Statement as filed with the SEC on August 2, 2004, SEC File No. 000-19860), Amendment No. 1, effective as of May 25, 2006 (incorporated by reference to the 2006 10-K), Amendment No. 2, dated July 18, 2006 (incorporated by reference to Appendix C to the Corporation's definitive Proxy Statement as filed with the SEC on August 1, 2006), and Amendment No. 3, dated as of March 20, 2007 (incorporated by reference to the February 28, 2007 10-Q).
- (d)(13) Form of Class A Option Agreement under the Class A Plan (incorporated by reference to the Corporation's Annual Report on Form 10-K as filed with the SEC on August 8, 2005, SEC File No. 000-19860).
- (d)(14) Agreement, dated July 13, 1990, between the Trust under the Will of Maurice R. Robinson and M. Richard Robinson, Jr., with regard to certain agreements relating to the Company's Class A Stock.
- (g) None.
- (h) None.



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**Item 13. Information Required by Schedule 13E-3.**

Not applicable.



**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
(a)(1)(A)	Offer to Purchase, dated September 28, 2010.
(a)(1)(B)	Letter of Transmittal.
(a)(1)(C)	Notice of Guaranteed Delivery.
(a)(1)(D)	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees, dated September 28, 2010.
(a)(1)(E)	Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees, dated September 28, 2010.
(a)(1)(F)	Letter to participants in the Scholastic Corporation 401(k) Savings and Retirement Plan.
(a)(2)	None.
(a)(3)	Not applicable.
(a)(4)	Not applicable.
(a)(5)	Press release announcing the intention to conduct the Tender Offer, dated September 23, 2010 (incorporated by reference from the Company's Form TO-C filed with the SEC on September 23, 2010).
(a)(6)	Press release announcing the commencement of the Tender Offer, dated September 28, 2010.
(b)(1)	Credit Agreement, dated as of June 1, 2007 (the "Credit Agreement"), among the Company and Scholastic Inc., as borrowers, the Initial Lenders named therein, JP Morgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc. and Bank of America Securities LLC., as joint lead arrangers and joint bookrunners, Bank of America, N.A. and Wachovia Bank, N.A., as syndication agents, and SunTrust Bank and The Royal Bank of Scotland, plc, as Documentation Agents (incorporated by reference to the Company's Annual Report on Form 10-K as filed with the SEC on July 30, 2007, SEC File No. 000-19860).
(b)(2)	Amendment No. 1 to Credit Agreement, effective as of August 16, 2010, among the Company and Scholastic Inc., as borrowers, the Initial Lenders named therein, JP Morgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc. and Bank of America Securities LLC, as joint lead arrangers and joint bookrunners, Bank of America, N.A. and Wachovia Bank, N.A., as syndication agents, and SunTrust Bank and The Royal Bank of Scotland, plc as Documentation Agents.
(d)(1)	Scholastic Corporation 1995 Stock Option Plan, effective as of September 21, 1995 (incorporated by reference to the Corporation's Registration Statement on Form S-8 (Registration No. 33-98186), as filed with the SEC on October 16, 1995), together with Amendment No. 1, effective September 16, 1998 (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on October 15, 1998, SEC File No. 000-19860), Amendment No. 2, effective as of July 18, 2001 (incorporated by reference to the Corporation's Annual Report on Form 10-K as filed with the SEC on August 24, 2001, SEC File No. 000-19860), Amendment No. 3, effective as of May 25, 2006 (incorporated by reference to the Corporation's Annual Report on Form 10-K as filed with the SEC on August 9, 2006, SEC File No. 000-19860 (the "2006 10-K")), Amendment No. 4, dated as of

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March 21, 2007 (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on March 30, 2007 (the "February 28, 2007 10-Q")) and Amendment No. 5, dated as of May 20, 2008 (incorporated by reference to the Corporation's Annual Report on Form 10-K as filed with the SEC on July 30, 2008).

- (d)(2) Scholastic Corporation Management Stock Purchase Plan, amended and restated effective as of September 23, 2008 (incorporated by reference to the Corporation's Annual Report on Form 10-K as filed with the SEC on July 30, 2009, SEC File No. 000-19860 (the "2009 10-K")).
- (d)(3) Scholastic Corporation 1997 Outside Directors' Stock Option Plan, amended and restated as of May 25, 1999 (incorporated by reference to the Corporation's Annual Report on Form 10-K as filed with the SEC on August 23, 1999, SEC File No. 000-19860, together with Amendment No. 1, dated September 20, 2001 (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on January 14, 2002, SEC File No. 000-19860), Amendment No. 2, effective as of September 23, 2003 (incorporated by reference to Appendix B to the Corporation's definitive Proxy Statement as filed with the SEC on August 19, 2003, SEC File No. 000-19860), and Amendment No. 3, effective as of May 25, 2006 (incorporated by reference to the 2006 10-K).
- (d)(4) Scholastic Corporation Director's Deferred Compensation Plan, amended and restated effective as of September 23, 2008 (incorporated by reference to the 2009 10-K).
- (d)(5) Scholastic Corporation 2007 Outside Directors Stock Incentive Plan effective as of September 23, 2008 (incorporated by reference to the 2009 10-K).
- (d)(6) Form of Stock Option Agreement under the 2007 Directors' Plan (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on January 9, 2008, SEC File No. 000-19860).
- (d)(7) Form of Restricted Stock Unit Agreement under the 2007 Directors' Plan, effective as of September 23, 2008 (incorporated by reference to the 2009 10-K).
- (d)(8) Scholastic Corporation 2001 Stock Incentive Plan, amended and restated as of July 21, 2009 (the "2001 Plan") (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on October 10, 2009, SEC File No. 000-19860 (the "August 31, 2009 10-Q")).
- (d)(9) Form of Stock Unit Agreement under the 2001 Plan (incorporated by reference to the August 31, 2009 10-Q).

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- (d)(10) Amended and Restated Guidelines for Stock Units granted under the 2001 Plan, amended and restated as of July 21, 2009 (incorporated by reference to the August 31, 2009 10-Q).
- (d)(11) Form of Non-Qualified Stock Option Agreement under the 2001 Plan (incorporated by reference to the August 31, 2009 10-Q).
- (d)(12) Scholastic Corporation 2004 Class A Stock Incentive Plan (incorporated by reference to Appendix A to the Corporation's definitive Proxy Statement as filed with the SEC on August 2, 2004, SEC File No. 000-19860), Amendment No. 1, effective as of May 25, 2006 (incorporated by reference to the 2006 10-K), Amendment No. 2, dated July 18, 2006 (incorporated by reference to Appendix C to the Corporation's definitive Proxy Statement as filed with the SEC on August 1, 2006), and Amendment No. 3, dated as of March 20, 2007 (incorporated by reference to the February 28, 2007 10-Q).
- (d)(13) Form of Class A Option Agreement under the Class A Plan (incorporated by reference to the Corporation's Annual Report on Form 10-K as filed with the SEC on August 8, 2005, SEC File No. 000-19860).
- (d)(14) Agreement, dated July 13, 1990, between the Trust under the Will of Maurice R. Robinson and M. Richard Robinson, Jr., with regard to certain agreements relating to the Company's Class A Stock.
- (g) None.
- (h) None.



**Scholastic Corporation Offer to Purchase for Not More Than \$150 Million in Cash up to 5,555,556 of its Common Shares at a Purchase Price Not Greater Than \$31.00 Nor Less Than \$27.00 Per Common Share**

**THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON OCTOBER 28, 2010, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN (SUCH DATE, AS IT MAY BE EXTENDED, THE "EXPIRATION DATE").**

Scholastic Corporation, a Delaware corporation (the "Company," "Scholastic," "we," "our" or "us"), is offering to purchase for cash up to 5,555,556 shares of its common stock, par value \$0.01 (the "Common Shares"), pursuant to (i) auction tenders at prices specified by the tendering stockholders of not greater than \$31.00 nor less than \$27.00 per Common Share ("Auction Tenders"), or (ii) purchase price tenders ("Purchase Price Tenders"), in either case upon the terms and subject to the conditions described in this Offer to Purchase and in the Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the "Offer"). Stockholders who wish to tender Common Shares without specifying a price at which such Common Shares may be purchased by the Company should make a Purchase Price Tender. Under a Purchase Price Tender, Common Shares will be purchased, upon the terms and subject to the conditions of the Offer, at the Purchase Price (as defined below) determined as provided herein. Stockholders who tender Common Shares must specify whether they are making an Auction Tender or a Purchase Price Tender.

After the Expiration Date, Scholastic will, upon the terms and subject to the conditions of the Offer, determine a single price per Common Share (the "Purchase Price"), which will be not more than \$31.00 and not less than \$27.00 per Common Share, that it will pay for Common Shares properly tendered in the Offer and not properly withdrawn, taking into account the number of Common Shares tendered pursuant to Auction Tenders and Purchase Price Tenders and the prices specified by stockholders tendering Common Shares pursuant to Auction Tenders. Common Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$27.00 per Common Share for purposes of determining the Purchase Price (which is the minimum price per Common Share under the Offer). The Purchase Price will be the lowest price per Common Share of not more than \$31.00 and not less than \$27.00 per Common Share, at which Common Shares have been tendered or have been deemed to be tendered in the Offer, that will enable Scholastic to purchase the maximum number of Common Shares properly tendered in the Offer and not properly withdrawn having an aggregate purchase price not exceeding \$150 million. Common Shares properly tendered pursuant to an Auction Tender will only be taken up if the price specified in the Auction Tender is equal to or less than the Purchase Price.

All Common Shares purchased pursuant to the Offer will be purchased at the same Purchase Price regardless of whether the stockholder tendered at a lower price. However, because of the proration and conditional tender provisions described in this Offer to Purchase, all of the Common Shares tendered at or below the Purchase Price may not be purchased if more than the number of Common Shares we seek are properly tendered and not properly withdrawn.

Only Common Shares properly tendered at prices at or below the Purchase Price, and not properly withdrawn, will be purchased. Common Shares tendered but not purchased pursuant to the Offer will be returned promptly following the Expiration Date. See Sections 3 and 4.

**The Offer is not conditioned upon obtaining financing or any minimum number of Common Shares being tendered. The Offer is, however, subject to a number of other terms and conditions. See Section 7.**

The Common Shares are listed on the NASDAQ Global Select Market (“NASDAQ”) and trade under the symbol “SCHL.” On September 22, 2010, the last full trading day prior to the announcement of the intention to make the Offer, the reported closing price of the Common Shares on NASDAQ was \$25.51 per Common Share. On September 27, 2010, the last full trading day prior to the announcement of the Offer, the reported closing price of the Common Shares on NASDAQ was \$27.27 per Common Share. **You are urged to obtain current market quotations for the Common Shares before deciding whether, and at what price or prices, to tender your Common Shares pursuant to the Offer.** See Section 8.

WHILE OUR BOARD OF DIRECTORS HAS AUTHORIZED THE OFFER, IT HAS NOT, NOR HAS THE COMPANY, THE DEALER MANAGER, THE INFORMATION AGENT OR THE DEPOSITARY MADE, OR IS MAKING, ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. YOU MUST MAKE YOUR OWN DECISIONS AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH YOU WILL TENDER THEM. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN, OR INCORPORATED BY REFERENCE IN, THIS OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE OFFER. SEE SECTION 2. YOU ARE URGED TO DISCUSS YOUR DECISIONS WITH YOUR OWN TAX ADVISORS, FINANCIAL ADVISORS AND/OR BROKERS.

OUR DIRECTORS AND OFFICERS WOULD BE ENTITLED TO PARTICIPATE IN THE OFFER ON THE SAME BASIS AS OTHER STOCKHOLDERS. HOWEVER, RICHARD ROBINSON, THE CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF SCHOLASTIC, AND OTHER MEMBERS OF THE ROBINSON FAMILY, AS WELL AS THE OTHER OFFICERS OF SCHOLASTIC, HAVE INFORMED US THAT THEY DO NOT INTEND TO TENDER COMMON SHARES IN THE OFFER. OUR DIRECTORS HAVE ALSO INFORMED US THAT THEY DO NOT INTEND TO TENDER COMMON SHARES IN THE OFFER, WITH THE EXCEPTION OF ONE DIRECTOR WHO MAY TENDER UP TO 182,600 COMMON SHARES IN THE OFFER SOLELY IN HIS FIDUCIARY CAPACITIES AS EXECUTOR OF AN ESTATE AND TRUSTEE OF A RELATED TESTAMENTARY TRUST. ANY SUCH TENDER WOULD BE A PURCHASE PRICE TENDER. ADDITIONALLY, RICHARD ROBINSON AND THE OTHER MEMBERS OF THE ROBINSON FAMILY, WHO ARE THE BENEFICIAL OWNERS OF ALL OF THE OUTSTANDING CLASS A SHARES, HAVE INFORMED US THAT THEY DO NOT INTEND TO SELL OR TRANSFER OWNERSHIP OF ANY CLASS A SHARES OR CONVERT ANY CLASS A SHARES TO COMMON SHARES PRIOR TO THE EXPIRATION DATE.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THIS TRANSACTION OR PASSED UPON THE MERITS OR FAIRNESS OF SUCH TRANSACTION OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS OFFER TO PURCHASE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Questions and requests for assistance may be directed to BNY Mellon Shareowner Services, our Information Agent, and Deutsche Bank Securities Inc., our Dealer Manager, in each case at the telephone numbers and addresses set forth on the back cover page of this Offer to Purchase. You may request additional copies of this Offer to Purchase, the Letter of Transmittal and other Offer documents from the Information Agent at the telephone numbers and address on the back cover page of this Offer to Purchase. The Information Agent will promptly furnish to stockholders additional copies of these materials at the Company’s expense. Stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

*The Dealer Manager for the Offer is:*

Deutsche Bank Securities Inc.

Offer to Purchase dated September 28, 2010

## IMPORTANT

If you want to tender all or any portion of your Common Shares, you must do one of the following prior to the Expiration Date:

- if your Common Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your Common Shares for you;
- if you hold certificates in your own name or hold Common Shares in book entry form as a registered holder, complete and sign a Letter of Transmittal according to its instructions and deliver it, together with any required signature guarantees, the certificates, if applicable, for your Common Shares and any other documents required by the Letter of Transmittal, to BNY Mellon Shareowner Services, the Depository for the Offer, at one of the addresses shown on the Letter of Transmittal;
- if you are an institution participating in The Depository Trust Company, tender your Common Shares according to the procedure for book-entry transfer described in Section 3 of this Offer to Purchase;
- if you are a holder of vested options to purchase Common Shares, subject to Company policies and practices, you may exercise your vested options to purchase Common Shares through the Company's Stock Plan Administrator and tender such Common Shares in the Offer.

**If you are tendering Common Shares under the Scholastic Corporation 401(k) Savings and Retirement Plan, you must validly follow the tender instructions provided by the trustee.**

If you want to tender your Common Shares but your certificates for the Common Shares are not immediately available, or cannot be delivered to the Depository within the required time, or you cannot comply with the procedure for book-entry transfer on a timely basis, or your other required documents cannot be delivered to the Depository prior to the Expiration Date, you may still tender your Common Shares if you comply with the guaranteed delivery procedure described in Section 3 of this Offer to Purchase.

Stockholders properly tendering Common Shares pursuant to Auction Tenders at \$27.00 per Common Share (the minimum purchase price under the Offer) and stockholders properly tendering Common Shares pursuant to Purchase Price Tenders can reasonably expect to have such Common Shares purchased at the Purchase Price if any Common Shares are purchased under the Offer (subject to the provisions relating to proration and conditional tender).

We are not aware of any jurisdiction where the making of the Offer is not in compliance with applicable law. If we become aware of any jurisdiction where the making of the Offer is not in compliance with any applicable law, we will make a good faith effort to comply with the applicable law. If, after good faith effort, we cannot comply with the applicable law, we will not make the Offer to, nor will we accept tenders from or on behalf of, the holders of shares residing in that jurisdiction. In any jurisdiction where the securities or blue sky laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on our behalf by the dealer manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

If you have any questions regarding the Offer, please contact BNY Mellon Shareowner Services, the Information Agent for the Offer, at (201) 680-6579 (banks and brokers) or (866) 351-2987 (toll-free), or Deutsche Bank Securities Inc., the Dealer Manager for the Offer, at (877) 221-7676 (toll-free).



WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES IN THE OFFER OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES IN THE OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL OR TO DOCUMENTS TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS OFFER TO PURCHASE OR IN THE LETTER OF TRANSMITTAL. IF ANYONE MAKES ANY RECOMMENDATION OR GIVES ANY INFORMATION OR REPRESENTATION, YOU MUST NOT RELY UPON THAT RECOMMENDATION, INFORMATION OR REPRESENTATION AS HAVING BEEN AUTHORIZED BY US, THE DEALER MANAGER, THE DEPOSITARY OR THE INFORMATION AGENT.

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## SUMMARY TERM SHEET

*We are providing this summary term sheet for your convenience. This summary term sheet highlights certain material information in this Offer to Purchase, but you should realize that it does not describe all of the details of the Offer to the same extent described in this Offer to Purchase. To understand the Offer fully and for a more complete description of the terms of the Offer, you should read carefully this entire Offer to Purchase, the Letter of Transmittal and the other documents that constitute part of the Offer. We have included references to the sections of this Offer to Purchase where you will find a more complete description of the topics in this summary.*

### **Who is offering to purchase my Common Shares?**

Scholastic Corporation, which we refer to as the “Company,” “Scholastic,” “we,” “our” or “us.”

### **What will be the Purchase Price for the Common Shares and what will be the form of payment?**

We are conducting an offer by means of a modified “Dutch auction” to purchase for cash up to 5,555,556 shares of our common stock, par value \$0.01 per share (the “Common Shares”), pursuant to (i) auction tenders at prices specified by the tendering stockholders of not greater than \$31.00 nor less than \$27.00 per Common Share (“Auction Tenders”), or (ii) purchase price tenders (“Purchase Price Tenders”), in either case upon the terms and subject to the conditions described in this Offer to Purchase and in the Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the “Offer”). Promptly after 5:00 p.m., New York City time, on October 28, 2010, unless the Offer is extended or withdrawn (such date, as it may be extended, the “Expiration Date”), we will, upon the terms and subject to the conditions of the Offer, determine a single price per Common Share (the “Purchase Price”), which will be not more than \$31.00 and not less than \$27.00 per Common Share, that we will pay for Common Shares properly tendered in the Offer and not properly withdrawn, taking into account the number of Common Shares tendered pursuant to Auction Tenders and Purchase Price Tenders and the prices specified by stockholders tendering Common Shares pursuant to Auction Tenders. Common Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$27.00 per Common Share for purposes of determining the Purchase Price (which is the minimum price per Common Share under the Offer).

The Purchase Price will be the lowest price per Common Share of not more than \$31.00 and not less than \$27.00 per Common Share at which Common Shares have been tendered or have been deemed to be tendered in the Offer that will enable us to purchase the maximum number of Common Shares tendered in the Offer having an aggregate purchase price not exceeding \$150 million. We will publicly announce the Purchase Price promptly after we have determined it and, upon the terms and subject to the conditions of the Offer (including the proration provisions), we will pay the Purchase Price in cash, without interest, to all stockholders who have properly tendered (and have not properly withdrawn) their Common Shares pursuant to Auction Tenders at prices equal to or less than the Purchase Price or pursuant to Purchase Price Tenders, subject to applicable withholding taxes. See Section 1.

### **How many Common Shares is Scholastic offering to purchase?**

We will purchase, at the Purchase Price, Common Shares properly tendered in the Offer and not properly withdrawn up to a maximum aggregate purchase price of \$150 million. Since the Purchase Price will only be determined after the Expiration Date, the number of Common Shares that will be purchased will not be known until after that time. If the Purchase Price is determined to be \$27.00 per Common Share, the minimum Purchase Price under the Offer, the maximum number of Common Shares that will be purchased under the Offer is 5,555,556. Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be \$31.00 per Common Share, the maximum Purchase Price under the Offer, the minimum number of Common Shares that will be purchased under the Offer is 4,838,710.

The Offer is not conditioned upon obtaining financing or any minimum number of Common Shares being tendered. The Offer is, however, subject to a number of other terms and conditions. See Section 7.

**How will Scholastic pay for the Common Shares?**

We will fund any purchase of Common Shares pursuant to the Offer, including related fees and expenses, from available cash, which will initially include temporarily drawing on our existing credit facility. The Offer is not conditional upon the receipt of financing. See Section 9.

**How long do I have to tender my Common Shares?**

You may tender your Common Shares until the Offer expires on the Expiration Date. If a broker, dealer, commercial bank, trust company or other nominee holds your Common Shares, it is likely that they will have an earlier deadline for you to act to instruct them to accept the Offer on your behalf. We urge you to immediately contact your broker, dealer, commercial bank, trust company or other nominee to find out their deadline. See Sections 1 and 3.

**Can the Offer be extended, amended or terminated and, if so, under what circumstances?**

We can extend the Offer in our sole discretion at any time, subject to applicable laws. We may, however, decide not to extend the Offer. If we were to extend the Offer, we cannot indicate, at this time, the length of any extension that we may provide. If we extend the Offer, we will delay the acceptance of any Common Shares that have been tendered. We can also amend or terminate the Offer, subject to applicable law. See Sections 7 and 15.

**How will I be notified if the Offer is extended or amended?**

If the Offer is extended, we will issue a press release announcing the extension and the new Expiration Date no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled Expiration Date. We will announce any amendment to the Offer by issuing a press release announcing the amendment. See Section 15.

**What is the purpose of the Offer?**

Since our founding in 1920, one of our principal operating objectives has been to utilize capital efficiently. We manage our capital by evaluating the returns available to stockholders in our global children’s publishing, education and media businesses, assessing potential returns in complementary lines of business and, where appropriate and subject to applicable law and rating agency and other considerations, returning excess capital to stockholders.

As more fully discussed in Section 2, during a series of meetings the Board of Directors (“Board”) and the Audit Committee of the Board considered a range of possible methods of returning value to stockholders, including a significant special dividend, which would be in addition to the Company’s regular quarterly dividends, a significant share repurchase event or repurchase program, a leveraged recapitalization returning cash to stockholders, a spin-off or split-off of one or more of our businesses, a going-private transaction and a spin-off or split-off of one or more businesses in combination with a going-private transaction, as a result of which the Board of Directors determined to proceed with the Offer. In considering the foregoing and the Offer, the Board of Directors reviewed, with the assistance of management and outside advisors, the Company’s results of operations, financial position and capital requirements, general business conditions, legal, tax, regulatory, rating agency and contractual constraints or restrictions and other factors the Board of Directors deemed relevant.

The Company believes that the modified “Dutch auction” tender offer mechanism is a prudent use of the Company’s financial resources and an efficient way to return capital to stockholders who wish to receive cash for

all or a portion of their Common Shares. The Offer provides stockholders (particularly those who, because of the size of their shareholdings, might not be able to sell their Common Shares without potential disruption to the Common Share price) with an opportunity to obtain liquidity with respect to all or a portion of their Common Shares, without potential disruption to the Common Share price and the usual transaction costs associated with market sales. In addition, stockholders who wish to achieve a greater percentage of equity ownership in the Company will be able to do so by not tendering their Common Shares in the Offer, and, if the Company completes the Offer, will therefore have a greater percentage ownership in Scholastic and its future earnings and assets, while also bearing the attendant risks associated with owning Common Shares.

After completing the Offer, we may consider various forms of share repurchases, including open market purchases, tender offers and/or accelerated share repurchases after taking into account our results of operations, financial position and capital requirements, general business conditions, legal, tax, regulatory, rating agency and contractual constraints or restrictions and other factors deemed relevant. See Section 2.

#### **What are the conditions to the Offer?**

Our obligation to accept and purchase and pay for Common Shares tendered in the Offer depends upon a number of conditions that must be satisfied or waived on or prior to the Expiration Date, including that:

- no action, suit, proceeding or application by any government or governmental, regulatory or administrative agency, authority or tribunal or by any other person, domestic, foreign or supranational, before any court, authority, agency, other tribunal or arbitrator or arbitration shall have been instituted or shall be pending, nor shall we have received notice of any such action, that directly or indirectly (1) challenges or seeks to challenge, restrain, prohibit, delay or otherwise affect the making of the Offer, the acquisition by us of some or all of the Common Shares pursuant to the Offer or otherwise relates in any manner to the Offer or seeks to obtain material damages in respect of the Offer or (2) seeks to make the purchase of, or payment for, some or all of the Common Shares pursuant to the Offer illegal or may result in a delay in our ability to accept for payment or pay for some or all of the Common Shares;
- our acceptance for payment, purchase or payment for any Common Shares tendered in the Offer shall not violate or conflict with, or otherwise be contrary to, any applicable law, statute, rule, regulation, decree or order;
- no action shall have been taken nor any statute, rule, regulation, judgment, decree, injunction or order (preliminary, permanent or otherwise) shall have been proposed, sought, enacted, entered, promulgated, enforced or deemed to be applicable to the Offer or us or any of our subsidiaries by any court, government or governmental agency or other regulatory or administrative authority or body, domestic or foreign, which (1) indicates that any approval or other action of any such court, agency or authority may be required in connection with the Offer or the purchase of Common Shares thereunder or (2) is reasonably likely to make the purchase of, or payment for, some or all of the Common Shares pursuant to the Offer illegal or to prohibit, restrict or delay consummation of the Offer;
- no general suspension of trading in, or limitation on prices for, securities on any United States national securities exchange or in the over-the-counter market, declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory, or any limitation, whether or not mandatory, by any governmental, regulatory or administrative agency or authority on, or any event that is likely, in our reasonable judgment, to materially adversely affect, the extension of credit by banks or other lending institutions in the United States shall have occurred;
- no commencement or escalation, on or after September 28, 2010, of war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism involving the United States or any other jurisdiction in which Scholastic or any of our subsidiaries have an office;

- no decrease of more than 10% in the market price for the Common Shares or in the Dow Jones Industrial Average, New York Stock Exchange Index, NASDAQ Composite Index or the Standard and Poor's 500 Composite Index measured from the close of trading on September 27, 2010 shall have occurred;
- no change in general political, market, economic, financial or industry conditions in the United States or internationally that, in our reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, results of operations or prospects of Scholastic and our subsidiaries, taken as a whole, on the value of or trading in the Common Shares, on our ability to consummate the Offer or on the benefits of the Offer to us, shall have occurred;
- no change, condition, event or development (including any act of nature or man-made disaster) or any condition, event or development involving a prospective change in the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses, franchises, permits, permit applications, results of operations or prospects of Scholastic or any of our subsidiaries that, in our reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on Scholastic and our subsidiaries, taken as a whole, on the value of or trading in the Common Shares, on our ability to consummate the Offer or on the benefits of the Offer to us, shall have occurred;
- no tender or exchange offer for any or all of our outstanding Common Shares (other than the Offer) shall have been proposed, announced or made by any person or entity or shall have been publicly disclosed;
- no approval, permit, authorization, favorable review or consent or waiver of or filing with any domestic or foreign governmental entity or other authority or any third party consent or notice, required to be obtained or made in connection with the Offer, shall not have been obtained or made on terms and conditions satisfactory to us in our reasonable judgment;
- we shall not have determined that the consummation of the Offer and the purchase of the Common Shares pursuant to the Offer is likely, in our reasonable judgment, to cause the Common Shares to be (1) held by less than 400 persons, (2) delisted from NASDAQ or (3) eligible for deregistration under the Exchange Act.

The Offer is subject to these conditions, all of which are described in greater detail in Section 7.

**Following the Offer, will the Company continue as a public company?**

Yes. It is a condition of our obligation to purchase Common Shares pursuant to the Offer that, as a result of the consummation of the Offer, there not be a reasonable likelihood that the Common Shares will be held by less than 400 persons or that the Common Shares will be delisted from NASDAQ or will be eligible for deregistration under the Exchange Act. See Sections 2, 7 and 12.

**How do I tender my Common Shares?**

If you want to tender all or any portion of your Common Shares, you must do one of the following prior to the Expiration Date:

- if your Common Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your Common Shares for you;
- if you hold certificates or hold Common Shares in book entry form as a registered holder in your own name, complete and sign a Letter of Transmittal according to its instructions and deliver it, together with any required signature guarantees, the certificates, if applicable, for your Common Shares and any

other documents required by the Letter of Transmittal, to BNY Mellon Shareowner Services, the Depository for the Offer, at one of the addresses shown on the Letter of Transmittal;

- if you are an institution participating in The Depository Trust Company (“DTC”), tender your Common Shares according to the procedure for book-entry transfer described in Section 3 of this Offer to Purchase; or

If you want to tender your Common Shares but your certificates for the Common Shares are not immediately available, or cannot be delivered to the Depository within the required time, or you cannot comply with the procedure for book-entry transfer on a timely basis, or your other required documents cannot be delivered to the Depository prior to the Expiration Date, you may still tender your Common Shares if you comply with the guaranteed delivery procedure described in Section 3.

You may contact the Information Agent, the Dealer Manager or your broker for assistance. The contact information for the Information Agent and Dealer Manager is on the back cover page of this Offer to Purchase. See Section 3 and the instructions to the Letter of Transmittal.

#### **Can I tender shares in the Offer held in my Employee Stock Purchase Plan (“ESPP”) account?**

If you have previously purchased shares as a participant in our ESPP, then you may tender such shares, subject to the terms of the ESPP.

#### **How do holders of vested stock options for Common Shares participate in the Offer?**

Options to purchase Common Shares cannot be tendered in the Offer. If you hold vested but unexercised options, you may exercise such options through the Company’s Stock Plan Administrator, E-Trade, in accordance with the terms of our share-based compensation plans and the Company’s policies and practices, and tender the Common Shares received upon such exercise in accordance with the Offer. Exercises of options cannot be revoked even if some or all of the Common Shares received upon the exercise thereof and tendered in the Offer are not purchased pursuant to the Offer for any reason. You should evaluate this Offer to Purchase carefully to determine if participation would be advantageous to you based on your stock option exercise prices and the expiration date of your options, the range of tender prices and the provisions for pro rata purchases by Scholastic described in Section 1. We strongly encourage optionholders to discuss the Offer with their own tax advisor, financial advisor and/or broker.

Please be advised that it is the optionholder’s responsibility to tender Common Shares in the Offer to the extent such holder wants to participate and it may be difficult to secure delivery of Common Shares issued pursuant to vested stock options in a time period sufficient to allow tender of those Common Shares prior to the Expiration Date. Accordingly, we suggest that you exercise your vested options and satisfy the exercise price for such Common Shares in accordance with the terms of the related stock option plan and option agreement and Company policies and practices at least four business days prior to the Expiration Date (which, unless the Offer is extended, means you should exercise your vested stock options and satisfy the related exercise price no later than 4:00 p.m., New York City time, on October 24, 2010). See Section 3.

#### **How do holders of restricted stock units participate in the Offer?**

Holders of restricted stock units may not tender the Common Shares underlying such units in the Offer unless and until the restrictions on such units have lapsed and such units have vested and been settled in Common Shares. See Section 3.

**How do participants who hold shares in the Scholastic Corporation 401(k) Savings and Retirement Plan who invest in Common Shares that are held by the plan trustee participate in the Offer?**

Participants in the Scholastic Corporation 401(k) Savings and Retirement Plan whose shares are held by a trustee may not use the Letter of Transmittal to direct the tender of shares held in the plan account but instead must follow the separate instructions that will be sent to plan participants from the agent or trustee of the plan. These instructions will require a plan participant who wishes to tender shares held under the plan to complete and execute a Direction Form provided with the separate instructions. The separate instructions will include instructions as to where to send the Direction Form. **For administrative reasons, the deadline for submitting Direction Forms will be earlier than the expiration date of the Offer. Participants in the plan should confirm their deadlines by carefully reading the materials provided to them by the plan trustee.** See Section 3.

Plan participants should be aware that the Employee Retirement Income Securities Act of 1974, as amended (“ERISA”), prohibits the sale of Common Shares to the Company for less than adequate consideration, which is generally the price of the security prevailing on NASDAQ, which may prohibit the trustee from following participant directions to tender Common Shares to the Company at certain prices within the offered range.

**What happens if the number of Common Shares tendered in the Offer would result in an aggregate purchase price of more than \$150 million?**

Because of the proration and conditional tender provisions described herein, we may not purchase all of the Common Shares that you tender even if you tender them at or below the Purchase Price. See Section 1.

**May I tender only a portion of the Common Shares that I hold?**

Yes.

**Once I have tendered Common Shares in the Offer, can I withdraw my tender?**

Yes. You may withdraw your tendered Common Shares at any time prior to the Expiration Date, or such later time and date to which we may extend the Offer, in which case you can withdraw your Common Shares until the expiration of the Offer as extended. In addition, unless we have already accepted your tendered Common Shares for payment, you may withdraw your tendered Common Shares at any time after 12:00 Midnight, New York City time, on November 24, 2010. See Section 4.

**How do I withdraw Common Shares previously tendered?**

To properly withdraw tendered Common Shares, you must deliver, on a timely basis, a written or facsimile notice of your withdrawal to the Depository, at one of its addresses appearing on the back cover page of this Offer to Purchase, while you still have the right to withdraw the Common Shares. Your notice of withdrawal must specify your name, the number of Common Shares to be withdrawn and the name of the registered holder of such Common Shares. Some additional requirements apply if the certificates for Common Shares to be withdrawn have been delivered to the Depository or if your Common Shares have been tendered under the procedure for book-entry transfer set forth in Section 3. If you have tendered your Common Shares by giving instructions to a bank, broker, dealer, trust company or other nominee, you must instruct that person to arrange for the withdrawal of your Common Shares. See Section 4. If you participate in the Scholastic Corporation 401(k) Savings and Retirement Plan and are invested in Common Shares that are held by the trustee of the plan you will need to consult the materials provided by the trustee for instruction on how to effect a withdrawal of your instructions to tender Common Shares.



**Will I receive the cash dividend scheduled to be paid on December 15, 2010 on my Common Shares that are purchased pursuant to the Offer?**

On September 22, 2010, our Board of Directors announced a quarterly dividend of \$0.075 per share for the Company's Class A and Common Shares. The dividend is payable on December 15, 2010 to stockholders of record on November 15, 2010.

Unless the Expiration Date is extended by Scholastic, you will no longer be a stockholder of record of Common Shares that are purchased under the Offer on November 15, 2010, which is the record date for the cash dividend payable on December 15, 2010. Only Common Shares held by stockholders of record as of November 15, 2010 will be eligible to receive the cash dividend payable on December 15, 2010. Therefore, unless the Expiration Date is extended to a date on or following November 15, 2010, you will not receive the cash dividend payable on December 15, 2010 or any dividend that may be payable thereafter on your Common Shares that are purchased pursuant to the Offer. See Section 8.

**Has Scholastic or its Board of Directors adopted a position on the Offer?**

While our Board of Directors has authorized the Offer, it has not, nor has the Company, the Dealer Manager, the Information Agent or the Depositary made, or is making, any recommendation to you as to whether you should tender or refrain from tendering your Common Shares or as to the price or prices at which you may choose to tender your Common Shares. You must make your own decisions as to whether to tender your Common Shares and, if so, how many Common Shares to tender and the price or prices at which you will tender them. In doing so, you should read carefully the information in, or incorporated by reference in, this Offer to Purchase and in the Letter of Transmittal, including the purposes and effects of the Offer. You are urged to discuss your decisions with your own tax advisors, financial advisors and/or brokers. See Section 2.

**Do Scholastic's directors or officers or affiliates intend to tender their Common Shares in the Offer?**

Our directors and officers would be entitled to participate in the Offer on the same basis as other stockholders. However, Richard Robinson, the Chairman, President and Chief Executive Officer of Scholastic, and other members of the Robinson family, as well as the other officers of Scholastic, have informed us that they do not intend to tender Common Shares in the Offer. Our directors have also informed us that they do not intend to tender Common Shares in the Offer, with the exception of one director who may tender up to 182,600 Common Shares in the Offer solely in his fiduciary capacities as executor of an estate and trustee of a related testamentary trust. Any such tender would be a Purchase Price Tender. Additionally, Richard Robinson and the other members of the Robinson family, who are the beneficial owners of all of the outstanding Class A Shares, have informed us that they do not intend to sell or transfer ownership of any Class A Shares or convert any Class A Shares to Common Shares prior to the Expiration Date.

As a result, the Offer will increase the proportional holdings of our officers and of the Robinson family, as well as those of our directors. See Section 11.

**What will happen if I do not tender my Common Shares?**

Stockholders who do not participate in the Offer will retain their Common Shares and, if the Company completes the Offer, their relative ownership interest in the Company will automatically increase. See Section 2.

**When and how will Scholastic pay for my tendered Common Shares that are accepted for purchase pursuant to the Offer?**

We will pay the Purchase Price in cash, less any applicable withholding taxes and without interest, for the Common Shares we purchase promptly after the expiration of the Offer and the acceptance of the Common

Shares for payment. We will pay for the Common Shares accepted for purchase by depositing the aggregate Purchase Price with the Depositary promptly after the expiration of the Offer. The Depositary will act as your agent and will transmit to you the payment for all of your Common Shares accepted for payment pursuant to the Offer. See Section 5.

**What is the recent market price for the Common Shares?**

On September 22, 2010, the last full trading day before announcement of the intention to make the Offer, the reported closing price of the Common Shares on NASDAQ was \$25.51 per Common Share, and on September 27, 2010, the last full trading day before commencement of the Offer, the reported closing price of the Common Shares on NASDAQ was \$27.27 per Common Share. **You are urged to obtain current market quotations for the Common Shares before deciding whether, and at what price or prices, to tender your Common Shares pursuant to the Offer.** See Section 8.

**Will I have to pay brokerage fees and commissions if I tender my Common Shares?**

If you are a holder of record of your Common Shares and you tender your Common Shares directly to the Depositary, you will not incur any brokerage fees or commissions. If you hold your Common Shares through a bank, broker, dealer, trust company or other nominee and that person tenders Common Shares on your behalf, that person may charge you a fee for doing so. We urge you to consult your bank, broker, dealer, trust company or other nominee to determine whether any such charges will apply. See Section 3.

**What is the accounting treatment of the Offer?**

The accounting for the purchase of Common Shares pursuant to the Offer will result in a reduction of our stockholders' equity in an amount equal to the aggregate purchase price of the Common Shares we purchase plus the fees related to the Offer and a corresponding reduction in total cash and investments and a corresponding increase in debt to the extent that we employ borrowing available under our credit facility. See Section 2.

**Are there any governmental or regulatory approvals, consents or filings to be made or obtained in connection with the Offer?**

We are not aware of any approval or other action by any governmental, administrative or regulatory authority or agency, domestic, foreign or supranational, that would be required for our acquisition or ownership of Common Shares as contemplated by the Offer. Should any such approval or other action or notice filings be required, we presently contemplate that we will seek that approval or other action and make or cause to be made such notice filings. We cannot predict whether we will be required to delay the acceptance for payment of or payment for Common Shares tendered in the Offer pending the outcome of any such approval or other action. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to our business and financial condition. Our obligations under the Offer to accept for payment and pay for Common Shares are subject to the satisfaction of certain conditions. See Sections 7 and 13.

**What are the United States federal income tax consequences if I tender my Common Shares?**

Generally, if you are a U.S. Holder (as defined in Section 14), the receipt of cash from us in exchange for the Common Shares you tender in the Offer will be a taxable event for U.S. federal income tax purposes. The receipt of cash for your tendered Common Shares will generally be treated for U.S. federal income tax purposes either as (1) a sale or exchange of tendered Common Shares eligible for capital gain or loss treatment or (2) a distribution in respect of stock from the Company. If you are a U.S. Holder, you should complete the Form W-9 included as part of the Letter of Transmittal. Any tendering stockholder or other payee who is a U.S. Holder and

who fails to complete, sign and return to the Depository the Form W-9 included in the Letter of Transmittal (or such other Internal Revenue Service form as may be applicable) may be subject to United States backup withholding. Such withholding would be equal to 28% of the gross proceeds paid to the stockholder or other payee pursuant to the Offer. See Sections 3 and 14. **All stockholders should review the discussion in Sections 3 and 14 regarding material U.S. federal income tax issues and consult their own tax advisor regarding the tax consequences of the Offer.** Special tax consequences may apply with respect to shares tendered through the Scholastic Corporation 401(k) Savings and Retirement Plan or by individuals who exercise stock options or participate in our ESPP. See Section 14. **We recommend that you consult with your tax advisor with respect to your particular situation.**

#### **Will I have to pay a stock transfer tax if I tender my Common Shares?**

If you instruct the Depository in the Letter of Transmittal to make the payment for the tendered Common Shares to the registered holder, you will not incur any stock transfer tax. See Section 5.

#### **Whom do I contact if I have questions about the Offer?**

For additional information or assistance, you may contact BNY Mellon Shareowner Services, our Information Agent, or Deutsche Bank Securities Inc., our Dealer Manager, in each case at the telephone numbers and addresses set forth on the back cover page of this Offer to Purchase. You may request additional copies of this Offer to Purchase, the Letter of Transmittal and other Offer documents from the Information Agent at the telephone numbers and address on the back cover page of this Offer to Purchase. The Information Agent will promptly furnish to stockholders additional copies of these materials at the Company's expense. Stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

### **FORWARD-LOOKING STATEMENTS**

This Offer to Purchase may include forward-looking statements that reflect our current views with respect to future events, future financial performance, strategies, expectations, and the competitive environment. Words such as "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar expressions, as well as statements in future tense, identify forward-looking statements. Additional written and oral forward-looking statements may be made by the Company from time to time in SEC filings and otherwise. The Company cautions readers that results or expectations expressed by forward-looking statements are subject to various risks and uncertainties, including, without limitation, those relating to the Company's future business prospects, plans, conditions in the children's book and educational material markets and acceptance of the Company's products in those markets, ecommerce and digital initiatives strategies, goals, revenues, improved efficiencies, general costs, manufacturing costs, medical costs, merit pay, operating margins, working capital, liquidity, capital needs, expected investing activity, interest costs and income, are subject to risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements, due to factors noted in this Offer to Purchase, in the discussion of risk factors in the Company's most recent report on Form 10-K and elsewhere in the Form 10-K and in discussions of other risks and factors identified from time to time in other documents of the Company on file with or furnished to the SEC. Except as required by law, Scholastic undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

## INTRODUCTION

To the Stockholders of Scholastic Corporation:

Scholastic Corporation (the “Company,” “Scholastic,” “we,” “our” or “us”) invites its stockholders to tender their shares of common stock, par value \$0.01 per share of the Company (the “Common Shares”), for purchase by us. Upon the terms and subject to the conditions of this Offer to Purchase and the Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the “Offer”), we are offering to purchase up to 5,555,556 Common Shares pursuant to (i) auction tenders at prices specified by the tendering stockholders of not greater than \$31.00 nor less than \$27.00 per Share (“Auction Tenders”), or (ii) purchase price tenders (“Purchase Price Tenders”). Stockholders who wish to tender Common Shares without specifying a price at which such Common Shares may be purchased by the Company should make a Purchase Price Tender. Under a Purchase Price Tender, Common Shares will be purchased, upon the terms and subject to the conditions of the Offer, at the Purchase Price (as defined below) determined as provided herein.

**The Offer will expire on October 28, 2010, at 5:00 p.m., New York City time, unless the Offer is extended or withdrawn (such date, as it may be extended, the “Expiration Date”).**

After the Expiration Date, assuming the conditions to the Offer have been satisfied or waived, we will determine a single price per Common Share (the “Purchase Price”), which will be not more than \$31.00 and not less than \$27.00 per Common Share, that we will pay for Common Shares properly tendered in the Offer and not properly withdrawn, taking into account the number of Common Shares tendered pursuant to Auction Tenders and Purchase Price Tenders and the prices specified by stockholders tendering Common Shares pursuant to Auction Tenders. Common Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$27.00 per Common Share for purposes of determining the Purchase Price (which is the minimum price per Common Share under the Offer). The Purchase Price will be the lowest price per Common Share of not more than \$31.00 and not less than \$27.00 per Common Share at which Common Shares have been tendered or have been deemed to be tendered in the Offer that will enable us to purchase the maximum number of Common Shares properly tendered in the Offer and not properly withdrawn having an aggregate purchase price not exceeding \$150 million. Common Shares properly tendered pursuant to an Auction Tender will only be taken up if the price specified in the Auction Tender is equal to or less than the Purchase Price.

All Common Shares purchased pursuant to the Offer will be purchased at the same Purchase Price regardless of whether the stockholder tendered at a lower price. However, because of the proration and conditional tender provisions described in this Offer to Purchase, all of the Common Shares tendered at or below the Purchase Price may not be purchased if more than the number of Common Shares we seek are properly tendered and not properly withdrawn.

Only Common Shares properly tendered at prices at or below the Purchase Price, and not properly withdrawn, will be purchased. Common Shares tendered but not purchased pursuant to the Offer will be returned promptly following the Expiration Date. See Sections 3 and 4.

Stockholders must complete, among other items, the section of the Letter of Transmittal relating to the price or prices at which they are tendering Common Shares in order to properly tender Common Shares. Stockholders who tender Common Shares must specify whether they are making an Auction Tender or a Purchase Price Tender. Any stockholder who wishes to tender Common Shares at more than one price must complete a separate Letter of Transmittal for each price at which Common Shares are being tendered. See Section 3.

THE OFFER IS NOT CONDITIONED UPON OBTAINING FINANCING OR ANY MINIMUM NUMBER OF COMMON SHARES BEING TENDERED. THE OFFER IS, HOWEVER, SUBJECT TO A NUMBER OF OTHER TERMS AND CONDITIONS. SEE SECTION 7.

WHILE OUR BOARD OF DIRECTORS HAS AUTHORIZED THE OFFER, IT HAS NOT, NOR HAS THE COMPANY, THE DEALER MANAGER, THE INFORMATION AGENT OR THE DEPOSITARY MADE, OR IS MAKING, ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING YOUR COMMON SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR COMMON SHARES. YOU MUST MAKE YOUR OWN DECISIONS AS TO WHETHER TO TENDER YOUR COMMON SHARES AND, IF SO, HOW MANY COMMON SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH YOU WILL TENDER THEM. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN, OR INCORPORATED BY REFERENCE IN, THIS OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE OFFER. SEE SECTION 2. YOU ARE URGED TO DISCUSS YOUR DECISIONS WITH YOUR OWN TAX ADVISORS, FINANCIAL ADVISORS AND/OR BROKERS.

Upon the terms and subject to the conditions of the Offer, if the number of Common Shares properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date would result in an aggregate purchase price of more than \$150 million, we will purchase Common Shares:

- *First*, from all stockholders who properly tender Common Shares at or below the Purchase Price, on a pro rata basis, with appropriate adjustments to avoid the purchase of fractional Common Shares (except for stockholders who tendered Common Shares conditionally for which the condition was not satisfied), until we have purchased Common Shares resulting in an aggregate purchase price of \$150 million; and
- *Second*, only if necessary to permit us to purchase Common Shares resulting in an aggregate purchase price of \$150 million, from holders who properly tender Common Shares at or below the Purchase Price conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose Common Shares are conditionally tendered must have properly tendered and not properly withdrawn all of their Common Shares prior to the Expiration Date. See Sections 1 and 6.

Because of the proration and conditional tender provisions described above, we may not purchase all of the Common Shares that you tender even if you tender them at or below the Purchase Price. See Section 1.

The Purchase Price will be paid to tendering stockholders in cash, less any applicable withholding taxes and without interest, for all Common Shares purchased. Tendering stockholders who hold Common Shares registered in their own name and who tender their Common Shares directly to the Depositary will not be obligated to pay brokerage commissions, solicitation fees or, except as set forth in Section 5 hereof, stock transfer taxes on the purchase of Common Shares by us pursuant to the Offer. Stockholders holding Common Shares in a brokerage account or otherwise through a broker, dealer, commercial bank, trust company or other nominee are urged to consult their broker, dealer, commercial bank, trust company or other nominee to determine whether any charges may apply if stockholders tender Common Shares through such nominees and not directly to the Depositary. See Section 3.

Also, any tendering stockholder or other payee who is a U.S. Holder and who fails to complete, sign and return to the Depositary the Form W-9 included with the Letter of Transmittal (or such other Internal Revenue Service form as may be applicable) may be subject to U.S. federal income tax backup withholding of 28% of the gross proceeds paid to the U.S. Holder (as defined in Section 14) or other payee pursuant to the Offer, unless such holder establishes that such holder is within the class of persons that is exempt from backup withholding. See Section 3. Also, see Section 14 regarding material U.S. federal income tax consequences of the Offer.

In addition, holders of vested but unexercised options to purchase Common Shares under our share-based compensation plans may exercise such options through the Company's Stock Plan Administrator, E-Trade, in accordance with the terms of our share-based compensation plans and the Company's policies and practices, and tender in the Offer some or all of the Common Shares issued upon such exercise. Holders of restricted stock units

may not tender the Common Shares underlying such units in the Offer unless and until the restrictions on such units have lapsed and such units have vested and been settled in Common Shares. See Sections 3 and 11.

We will pay all reasonable fees and expenses incurred in connection with the Offer by BNY Mellon Shareowner Services, the Depository and Information Agent for the Offer, and Deutsche Bank Securities Inc., our Dealer Manager. See Section 16.

As of September 27, 2010, there were 34,353,245 Common Shares issued and outstanding. The maximum of 5,555,556 Common Shares that we are offering to purchase under the Offer represents approximately 16.17% of the total number of Common Shares issued and outstanding as of September 27, 2010. Assuming the Offer is fully subscribed, the minimum of 4,838,710 Common Shares that we are offering to purchase under the Offer represents approximately 14.09% of the total number of Common Shares issued and outstanding as of September 27, 2010. See Section 1.

The Common Shares are listed on NASDAQ and trade under the symbol "SCHL." On September 22, 2010, the last full trading day before the announcement of the intention to make the Offer, the reported closing price of the Common Shares on NASDAQ was \$25.51 per Common Share. On September 27, 2010, the last full trading day before the announcement of the Offer, the reported closing price of the Common Shares on NASDAQ was \$27.27 per Common Share. **You are urged to obtain current market quotations for the Common Shares before deciding whether, and at what price or prices, to tender your Common Shares pursuant to the Offer.** See Section 8.

References in this Offer to Purchase to "dollars" and "\$" are to the lawful currency of the United States of America, unless otherwise indicated or the context suggests otherwise.

## THE OFFER

### 1. Number of Common Shares; Purchase Price; Proration.

*General.* Promptly following the Expiration Date, Scholastic will, upon the terms and subject to the conditions of the Offer, determine a single Purchase Price (which will be not more than \$31.00 and not less than \$27.00 per Common Share) that it will pay for Common Shares properly tendered in the Offer and not properly withdrawn, taking into account the number of Common Shares tendered pursuant to Auction Tenders and Purchase Price Tenders and the prices specified by stockholders tendering Common Shares pursuant to Auction Tenders. Common Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$27.00 per Common Share for purposes of determining the Purchase Price (which is the minimum price per Common Share under the Offer). The Purchase Price will be the lowest price per Common Share of not more than \$31.00 and not less than \$27.00 per Common Share at which Common Shares have been tendered or have been deemed to be tendered in the Offer that will enable Scholastic to purchase the maximum number of tendered Common Shares having an aggregate purchase price not exceeding \$150 million. Common Shares properly tendered pursuant to an Auction Tender will only be taken up if the price specified in the Auction Tender is equal or less than the Purchase Price.

Promptly after determining the Purchase Price, Scholastic will publicly announce the Purchase Price and all stockholders who have properly tendered and not properly withdrawn their Common Shares pursuant to Auction Tenders at prices equal to or less than the Purchase Price or pursuant to Purchase Price Tenders will receive the Purchase Price, payable in cash, without interest, but subject to applicable withholding taxes, for all Common Shares purchased upon the terms and subject to the conditions of the Offer, including the provisions relating to proration and conditional tender described below.

The Purchase Price will be denominated in United States dollars and all payments to stockholders under the Offer will be made in United States dollars.

Stockholders properly tendering Common Shares pursuant to Auction Tenders at \$27.00 per Common Share (the minimum purchase price under the Offer) and stockholders properly tendering Common Shares pursuant to Purchase Price Tenders can reasonably expect to have such Common Shares purchased at the Purchase Price if any Common Shares are purchased under the Offer (subject to provisions relating to proration and conditional tender described below).

Common Shares acquired pursuant to the Offer will be acquired by Scholastic free and clear of all liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom, provided that any dividends or distributions which may be declared, paid, issued, distributed, made or transferred on or in respect of such Common Shares to stockholders of record on or prior to the date on which the Common Shares are taken up and paid for under the Offer shall be for the account of such stockholders. See Section 8.

**The Offer is not conditioned upon obtaining financing or any minimum number of Common Shares being tendered. The Offer is, however, subject to a number of other terms and conditions. See Section 7.**

*Priority of Purchases.* Upon the terms and subject to the conditions of the Offer, if the number of Common Shares properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date would result in an aggregate purchase price of more than \$150 million:

- *First*, subject to the conditional tender provisions described in Section 6, we will purchase all Common Shares properly tendered and not properly withdrawn at prices at or below the Purchase Price, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional Common Shares, as described below, until we have purchased Common Shares resulting in an aggregate purchase price of \$150 million.

- *Second*, only if necessary to permit us to purchase Common Shares resulting in an aggregate purchase price of \$150 million, Common Shares conditionally tendered at or below the Purchase Price (for which the condition was not initially satisfied) and not properly withdrawn prior to the Expiration Date, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose Common Shares are conditionally tendered must have properly tendered and not properly withdrawn all of their Common Shares prior to the Expiration Date.

As a result of the foregoing priorities applicable to the purchase of Common Shares tendered, it is possible that all of the Common Shares that a stockholder tenders in the Offer at or below the Purchase Price may not be purchased. In addition, if a tender is conditioned upon the purchase of a specified number of Common Shares, it is possible that none of those Common Shares will be purchased.

*Proration.* If proration of tendered Common Shares is required, we will determine the proration factor promptly following the Expiration Date. Subject to adjustment to avoid the purchase of fractional Common Shares and subject to conditional tenders described in Section 6, proration for each stockholder tendering Common Shares will be based on the ratio of the number of Common Shares properly tendered and not properly withdrawn by the stockholder to the total number of Common Shares properly tendered and not properly withdrawn by all stockholders at or below the Purchase Price. The preliminary results of any proration will be announced by press release promptly after the Expiration Date. After the Expiration Date, stockholders may obtain preliminary proration information from the Information Agent and also may be able to obtain the information from their brokers. If the Offer is oversubscribed, Common Shares tendered at or below the purchase price and not properly withdrawn will be subject to proration.

As described in Section 14, the number of Common Shares that we will purchase from a stockholder pursuant to the Offer may affect the U.S. federal income tax consequences of the purchase to the stockholder and, therefore, may be relevant to a stockholder's decisions whether or not to tender Common Shares and whether or not to condition any tender upon our purchase of a stated number of Common Shares held by such stockholder. The Letter of Transmittal affords each stockholder who tenders Common Shares registered in such stockholder's name directly to the Depository the opportunity to designate the order of priority in which Common Shares tendered are to be purchased in the event of proration as well as the ability to condition such tender on a minimum number of Common Shares being purchased. See Section 6.

This Offer to Purchase and the Letter of Transmittal will be mailed to record holders of the Common Shares and will be furnished to brokers, dealers, commercial banks, trust companies and other nominee stockholders and similar persons whose names, or the names of whose nominees, appear on Scholastic's stockholder list, or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Common Shares.

If you are a participant in the Scholastic Corporation 401(k) Savings and Retirement Plan, you should be aware that the plan is prohibited from selling shares to us for a price less than the prevailing market price. Accordingly, the plan trustee may be prohibited from following participant directions to tender Common Shares to the Company at certain prices within the offered range.

## **2. Purpose of the Offer; Certain Effects of the Offer.**

Since our founding in 1920, one of the Company's principal operating objectives has been to utilize capital efficiently. The Company intends to actively manage its capital by evaluating the returns available to stockholders in the global children's publishing, education and media businesses, assessing potential returns in complementary lines of business and, where appropriate and subject to applicable law and rating agency and other considerations, returning excess capital to stockholders.

In June 2010, we retained Deutsche Bank Securities Inc. ("Deutsche Bank") to assist us in generally considering a number of different possible ways of returning value to stockholders, including a significant special



dividend, which would be in addition to the Company's regular quarterly dividends, a significant share repurchase event or repurchase program, a leveraged recapitalization returning cash to stockholders, a spin-off or split-off of one or more of our businesses, a going-private transaction and a spin-off or split-off of one or more businesses in combination with a going-private transaction. At the July 2010 Board of Directors ("Board") meeting, after a general presentation of such alternatives by representatives of Deutsche Bank and a preliminary evaluation of the alternatives, our Board indicated that it would be prepared to consider a significant share repurchase program and requested senior management, with the assistance of Deutsche Bank, to make a more detailed evaluation concerning possible approaches for such a share repurchase program, working with the Audit Committee of the Board for this purpose. In early August, senior management made a detailed presentation concerning possible share repurchase alternatives to the Audit Committee. At the conclusion of this meeting, senior management was requested by the Audit Committee to determine whether to make a specific recommendation for further share repurchases for consideration by the Audit Committee. Subsequently, at a meeting of the Audit Committee held on September 8, 2010, senior management, with the assistance of representatives of Deutsche Bank, discussed with the Audit Committee senior management's recommendation that the Company engage in a share repurchase program through a Dutch auction tender offer, in the range of \$150 to \$175 million. On the basis of that presentation, the Audit Committee unanimously recommended to our full Board that the Company pursue a share repurchase within such range of values by means of a modified Dutch auction style cash tender offer as a way of returning value to stockholders.

Members of our senior management met with the Board at its meeting held on September 22, 2010 to discuss the terms of the proposed cash self tender offer, as well as potential amounts to be expended for Common Share repurchases. The Board considered the terms of the Offer and potential additional Common Share repurchases, and further reviewed the Company's results of operations, financial position and capital requirements, general business conditions, legal, tax, regulatory, rating agency and contractual constraints or restrictions and other factors the Board deemed relevant. Based upon the foregoing, the full Board unanimously approved proceeding with the Offer.

The Company believes that the modified "Dutch auction" tender offer mechanism is a prudent use of the Company's financial resources and an efficient way to return capital to stockholders who wish to receive cash for all or a portion of their Common Shares. The Offer provides stockholders (particularly those who, because of the size of their shareholdings, might not be able to sell their Common Shares without potential disruption to the Common Share price) with an opportunity to obtain liquidity with respect to all or a portion of their Common Shares, without potential disruption to the Common Share price and the usual transaction costs associated with market sales. In addition, stockholders who wish to achieve a greater percentage of equity ownership in the Company will be able to do so by not tendering their Common Shares in the Offer and, if the Company completes the Offer, will therefore have a greater percentage ownership in Scholastic and its future earnings and assets, while also bearing the attendant risks associated with owning the Company's Common Shares.

As indicated above, at its September 22, 2010 meeting, the Board also considered possible additional share repurchases, as a result of which the Board also authorized the Chief Executive Officer and Chief Financial Officer, following completion of the Offer, including any additional period required by law, to make additional repurchases of Common Shares in such manner and at such prices as they deemed advisable up to an amount not to exceed \$200 million less the aggregate amount expended for Common Shares in the Offer (which would be \$50 million if \$150 million of Common Shares were purchased in the Offer). We may also otherwise consider various forms of share repurchases, including open market purchases, tender offers and/or accelerated share repurchases after taking into account our results of operations, financial position and capital requirements, general business conditions, legal, tax, regulatory, rating agency and contractual constraints or restrictions and other factors our Board deems relevant.

WHILE OUR BOARD OF DIRECTORS HAS AUTHORIZED THE OFFER, IT HAS NOT, NOR HAS THE COMPANY, THE DEALER MANAGER, THE INFORMATION AGENT OR THE DEPOSITARY MADE, OR IS MAKING, ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR

REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. YOU MUST MAKE YOUR OWN DECISIONS AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH YOU WILL TENDER THEM. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN, OR INCORPORATED BY REFERENCE IN, THIS OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE OFFER. YOU ARE URGED TO DISCUSS YOUR DECISIONS WITH YOUR OWN TAX ADVISORS, FINANCIAL ADVISORS AND/OR BROKERS.

*Certain Effects of the Offer.* Stockholders who do not tender their Common Shares in the Offer and stockholders who otherwise retain an equity interest in the Company as a result of a partial tender of Common Shares or proration will continue to be owners of the Company. As a result, if we complete the Offer, those stockholders will realize an automatic increase in their relative ownership interest in the Company and also will bear the attendant risks associated with owning our equity securities. Stockholders may be able to sell non-tendered Common Shares in the future at a net price significantly higher or lower than the Purchase Price pursuant to the Offer. We can give no assurance as to the price at which a stockholder may be able to sell its Common Shares in the future.

The Offer will reduce our “public float” (the number of Common Shares owned by non-affiliated stockholders and available for trading in the securities markets), and is likely to reduce the number of our stockholders.

Richard Robinson, the Chairman, President and Chief Executive Officer of Scholastic, and other members of the Robinson family, as well as the other officers of Scholastic, have informed us that they do not intend to tender Common Shares in the Offer. Our directors have also informed us that they do not intend to tender Common Shares in the Offer, with the exception of one director who may tender up to 182,600 Common Shares in the Offer solely in his fiduciary capacities as executor of an estate and trustee of a related testamentary trust. Any such tender would be a Purchase Price Tender. Additionally, Richard Robinson and the other members of the Robinson family, who are the beneficial owners of all of the outstanding Class A Shares, have informed us that they do not intend to sell or transfer ownership of any Class A Shares or convert any Class A Shares to Common Shares prior to the Expiration Date. As a result, the Offer will increase the proportional holdings of our officers and of the Robinson family, as well as those of our directors. After expiration or termination of the Offer, our directors and officers may sell their Common Shares, subject to applicable law and applicable policies and practices of the Company, from time to time in open market transactions at prices that may be more or less favorable than the Purchase Price to be paid to our holders of Common Share pursuant to the Offer. See Section 11.

The voting power of the Company’s capital stock is vested exclusively in the holders of Class A Stock, except for the right of the holders of Common Shares to elect one-fifth of the Board of Directors and except as otherwise provided by law or as may be established in favor of any series of preferred stock that may be issued. Richard Robinson and other members of the Robinson Family beneficially own all of the outstanding shares of Class A Stock and are able to elect up to four-fifths of the Company’s Board of Directors and, without the approval of the Company’s other stockholders, to effect or block other actions or transactions requiring stockholder approval, such as a merger, sale of substantially all assets or similar transaction. The Offer to Purchase transaction will not result in a change of control of the Company. Mr. Robinson’s proportionate share of the outstanding Common Shares (currently 15.4% as calculated pursuant to Exchange Act Rule 13d-3) will increase, as well as his ability to influence the election of the one-fifth of the Board of Directors elected by the holders of the Common Shares.

Based on the published guidelines of NASDAQ and the conditions of the Offer, we believe that our purchase of up to 5,555,556 Common Shares pursuant to the Offer will not result in delisting of the remaining

Common Shares on NASDAQ. The Common Shares are registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which requires, among other things, that we furnish certain information to our stockholders and the Securities and Exchange Commission (the “SEC”) and comply with the SEC’s proxy rules in connection with meetings of our stockholders. We believe that our purchase of Common Shares pursuant to the Offer will not result in the Common Shares becoming eligible for termination of registration under the Exchange Act. The Offer is conditioned upon, among other things, our having determined that the consummation of the Offer will not cause the Common Shares to be delisted from NASDAQ or to be eligible for deregistration under the Exchange Act. See Section 7.

Common Shares we acquire pursuant to the Offer will be retained as treasury shares by us (unless and until our Board of Directors determines to retire or reissue such Common Shares). Such Common Shares will be held in treasury with the status of authorized Common Shares and will be available for us to reissue without further stockholder action for all purposes except as prohibited or limited by applicable law or the rules of NASDAQ. We have no current plans for the reissuance of Common Shares purchased pursuant to the Offer, but reserve the right to do so without notice.

The accounting for the purchase of Common Shares pursuant to the Offer will result in a reduction of our stockholders’ equity in an amount equal to the aggregate purchase price of the Common Shares we purchase plus the fees related to the Offer and a corresponding reduction in total cash and investments and a corresponding increase in debt to the extent that we utilize available borrowing under our credit facility.

Our Common Shares are currently “margin securities” under the rules of the Federal Reserve Board. This has the effect, among other things, of allowing brokers to extend credit to their customers using the Common Shares as collateral. We believe that, following the purchase of Common Shares pursuant to the Offer, the Common Shares will continue to be “margin securities” for purposes of the Federal Reserve Board’s margin regulations.

Except as disclosed or incorporated by reference in this Offer to Purchase, Scholastic currently has no plans, proposals or negotiations underway that relate to or would result in:

- any material extraordinary transaction, such as a merger, reorganization or liquidation, involving Scholastic or any of its subsidiaries;
- any purchase, sale or transfer of a material amount of assets of Scholastic or any of its subsidiaries;
- any material change in the present dividend rate or policy, or indebtedness or capitalization of Scholastic;
- any change in the present Board of Directors or management of Scholastic, including, but not limited to, any plans or proposals to change the number or the term of directors or to fill any existing vacancies on the Board or to change any material term of the employment contract of any executive officer;
- any other material change in Scholastic’s corporate structure or business;
- any class of equity securities of Scholastic becoming eligible for termination of registration under Section 12(g)(4) of the Exchange Act or ceasing to be authorized for listing on NASDAQ;
- the suspension of Scholastic’s obligation to file reports under Section 15(d) of the Exchange Act;
- the acquisition by any person of additional securities of Scholastic, or the disposition by any person of securities of Scholastic, other than purchases and dispositions related to the exercise of outstanding options to purchase Common Shares and the vesting of restricted stock units granted to certain employees (including directors and officers); or
- any changes in Scholastic’s Certificate of Incorporation or Bylaws, in each case as currently in effect, or other governing instruments or other actions that could impede the acquisition of control of Scholastic.

Although we do not currently have any plans, other than as disclosed or incorporated by reference in this Offer to Purchase, that relate to or would result in any of the events discussed above, as we evaluate opportunities, we may undertake or plan actions that relate to or could result in one or more of these events (including, without limitation, opportunities to acquire or dispose of businesses). We reserve the right to change our plans and intentions at any time as we deem appropriate.

### 3. Procedures for Tendering Common Shares.

*Proper Tender of Common Shares.* For Common Shares to be tendered properly in the Offer:

- the certificates for the Common Shares, or confirmation of receipt of the Common Shares pursuant to the procedure for book-entry transfer set forth below, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile of the Letter of Transmittal, including any required signature guarantees, or an Agent's Message (as defined below) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, must be received prior to the Expiration Date by the Depository at its address set forth on the back cover page of this Offer to Purchase; or
- the tendering stockholder must, prior to the Expiration Date, comply with the guaranteed delivery procedure set forth below.

**In accordance with Instruction 5 to the Letter of Transmittal, each stockholder desiring to tender Common Shares in the Offer must either check (1) one, and only one, of the boxes in the section of the Letter of Transmittal captioned "Auction Price Tender: Price (in Dollars) per Common Share at Which Common Shares are Being Tendered," indicating the price at which Common Shares are being tendered, or (2) the box in the section of the Letter of Transmittal captioned "Purchase Price Tender," in which case you will be deemed to have tendered your Common Shares at the minimum price of \$27.00 per Common Share (YOU SHOULD UNDERSTAND THAT THIS ELECTION MAY CAUSE THE PURCHASE PRICE TO BE LOWER AND COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$27.00 PER SHARE.) A tender of Common Shares will be proper only if, among other things, one, and only one, of these boxes is checked on the Letter of Transmittal. Stockholders who tender Common Shares must specify whether they are making an Auction Tender or Purchase Price Tender.**

If tendering stockholders wish to maximize the chance that their Common Shares will be purchased, they should check the box in the section of the Letter of Transmittal captioned "Purchase Price Tender." Note that this election is deemed to be a tender of Common Shares at the minimum price of \$27.00 per Common Share and could result in the tendered Common Shares being purchased at the minimum price of \$27.00 per Common Share. See Section 8 for recent market prices for the Common Shares.

If tendering stockholders wish to indicate a specific price (in increments of \$0.25) at which their Common Shares are being tendered, they must check the box indicating such price under the section captioned "Auction Price Tenders: Price (in Dollars) per Common Share at Which Common Shares are Being Tendered." Tendering stockholders should be aware that this election could mean that none of their Common Shares will be purchased if the price selected by the stockholder is higher than the Purchase Price. A stockholder who wishes to tender Common Shares at more than one price must complete a separate Letter of Transmittal for each price at which Common Shares are being tendered. The same Common Shares cannot be tendered (unless previously properly withdrawn in accordance with the terms of the Offer) at more than one price. Separate notices of withdrawal (described in Section 4) are not required for each Letter of Transmittal unless each Letter of Transmittal tenders Common Shares at different prices; however, absent a notice of withdrawal, subsequent Letters of Transmittal do not revoke prior Letters of Transmittal. Stockholders may contact the Depository for additional instructions.

Stockholders holding Common Shares in a brokerage account or otherwise through a broker, dealer, commercial bank, trust company or other nominee, must contact their broker, dealer, commercial bank, trust company or other nominee in order to tender their Common Shares. Stockholders who hold Common Shares through nominee stockholders are urged to consult their nominees to determine whether any charges may apply if stockholders tender Common Shares through such nominees and not directly to the Depository.

Stockholders may tender Common Shares subject to the condition that all or a specified minimum number of Common Shares be purchased. Any stockholder desiring to make such a conditional tender should so indicate in the section entitled "Conditional Tender" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. It is the tendering stockholder's responsibility to determine the minimum number of Common Shares to be purchased. STOCKHOLDERS ARE URGED TO CONSULT THEIR OWN INVESTMENT AND TAX ADVISORS WITH RESPECT TO THE EFFECT OF PRORATION OF THE OFFER AND THE ADVISABILITY OF MAKING A CONDITIONAL TENDER. See Sections 6 and 14.

*Signature Guarantees and Method of Delivery.* No signature guarantee is required if:

- the Letter of Transmittal is signed by the registered holder of the Common Shares tendered and the holder has not completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" in the Letter of Transmittal; or
- Common Shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program, the NASDAQ OMX Group, Inc., Medallion Signature Program, the Stock Exchange Medallion Program, or an "eligible guarantor institution," as the term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing constituting an "Eligible Institution").

If a certificate for Common Shares is registered in the name of a person other than the person executing a Letter of Transmittal, or if payment is to be made, or Common Shares not purchased or tendered are to be issued, to a person other than the registered holder of the certificate surrendered, then the tendered certificate must be endorsed or accompanied by an appropriate stock power, signed in either case exactly as the name of the registered holder appears on the certificate, with the signature guaranteed by an Eligible Institution.

In all cases, payment for Common Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of certificates for the Common Shares (or a timely confirmation of the book-entry transfer of the Common Shares into the Depository's account at DTC, as described below), a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile of the Letter of Transmittal, including any required signature guarantees, or an Agent's Message (as defined below) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal.

**The method of delivery of all documents, including certificates for Common Shares, the Letter of Transmittal and any other required documents, including delivery through DTC, is at the sole election and risk of the tendering stockholder. Common Shares will be deemed delivered only when actually received by the Depository (including, in the case of a book-entry transfer, by book-entry confirmation). If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.**

*Book-Entry Delivery.* The Depository will establish an account with respect to the Common Shares for purposes of the Offer at DTC within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in DTC's system may make book-entry delivery of the Common Shares by causing DTC to transfer those Common Shares into the Depository's account in accordance with DTC's procedures for that transfer. Although delivery of Common Shares may be effected through a book-entry transfer into the Depository's account at DTC, either (1) a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile of the Letter of Transmittal, with any required signature guarantees, or an Agent's

Message, and any other required documents must, in any case, be transmitted to, and received by, the Depository at one of its addresses set forth on the back cover page of this Offer to Purchase prior to the Expiration Date or (2) the guaranteed delivery procedure described below must be followed if book-entry transfer of the Common Shares cannot be effected prior to the Expiration Date.

The confirmation of a book-entry transfer of Common Shares into the Depository's account at DTC is referred to in this Offer to Purchase as a "book-entry confirmation." **Delivery of documents to DTC in accordance with DTC's procedures will not constitute delivery to the Depository.**

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Depository and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgement from the participant tendering Common Shares through DTC that such participant has received, and agrees to be bound by, the terms of the Letter of Transmittal and that Scholastic may enforce such agreement against that participant.

*Guaranteed Delivery.* If a stockholder desires to tender Common Shares in the Offer and the stockholder's Common Share certificates are not immediately available or cannot be delivered to the Depository prior to the Expiration Date (or the procedures for book-entry transfer cannot be completed on a timely basis), or if time will not permit delivery of all required documents to the Depository prior to the Expiration Date, the Common Shares may still be tendered if all of the following conditions are satisfied:

- the tender is made by or through an Eligible Institution;
- the Depository receives by hand, mail, overnight courier or facsimile transmission, prior to the Expiration Date, a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form Scholastic has provided with this Offer to Purchase, including (where required) a signature guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery; and
- the certificates for all tendered Common Shares, in proper form for transfer (or confirmation of book-entry transfer of the Common Shares into the Depository's account at DTC), together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile of the Letter of Transmittal, or an Agent's Message in the case of a book-entry transfer, and any required signature guarantees and other documents required by the Letter of Transmittal, are received by the Depository within three business days after the date of receipt by the Depository of the Notice of Guaranteed Delivery.

Stockholders may contact the Information Agent, the Dealer Manager or their broker for assistance. The contact information for the Information Agent and Dealer Manager is on the back cover page of this Offer to Purchase.

*Stock Options.* Options to purchase Common Shares cannot be tendered in the Offer. If you hold vested but unexercised options, you may exercise such options through the Company's Stock Plan Administrator, E-Trade, in accordance with the terms of our share-based compensation plans and the Company's policies and practices, and tender the Common Shares received upon such exercise in accordance with the Offer. Exercises of options cannot be revoked even if some or all of the Common Shares received upon the exercise thereof and tendered in the Offer are not purchased pursuant to the Offer for any reason. You should evaluate this Offer to Purchase carefully to determine if participation would be advantageous to you based on your stock option exercise prices and the expiration date of your options, the range of tender prices and the provisions for pro rata purchases by Scholastic described in Section 1. We strongly encourage optionholders to discuss the Offer with their own tax advisor, financial advisor and/or broker.

Please be advised that it is the optionholder's responsibility to tender Common Shares in the Offer to the extent such holder wants to participate and it may be difficult to secure delivery of Common Shares issued

pursuant to vested stock options in a time period sufficient to allow tender of those Common Shares prior to the Expiration Date. Accordingly, we suggest that you exercise your vested options and satisfy the exercise price for such Common Shares in accordance with the terms of the related stock option plan and option agreement and Company policies and practices at least four business days prior to the Expiration Date (which, unless the Offer is extended, means you should exercise your vested stock options and satisfy the related exercise price no later than 4:00 p.m., New York City time, on October 24, 2010).

*Restricted Stock Units.* Holders of restricted stock units under our share-based compensation plans may not tender the Common Shares underlying such restricted stock units in the Offer unless and until the restrictions on the restricted stock units have lapsed and such units are vested and settled in Common Shares. If Common Shares have been issued to you in respect of vested restricted stock units, you may tender some or all of such Common Shares in the Offer. See “Proper Tender of Common Shares” above.

*Employee Stock Purchase Plan.* If you have purchased Common Shares in connection with participation in the Scholastic Corporation Employee Stock Purchase Plan (“ESPP”), you may tender some or all of such Common Shares in the Offer. See “Proper Tender of Common Shares” above.

*Scholastic Corporation 401(k) Savings and Retirement Plan.* Participants in the Scholastic Corporation 401(k) Savings and Retirement Plan whose shares are held by a trustee may not use the Letter of Transmittal to direct the tender of shares held in the plan account. Instead, to tender plan shares, plan participants must follow the separate instructions that will be provided by the trustee of the plan. These instructions will require a plan participant to complete and execute a Direction Form provided with the separate instructions in order to tender shares held in plan accounts. The separate instructions will specify instructions as to where to send the Direction Form and the deadline for submitting the Direction Form to the trustee. **For administrative reasons, the deadline for submitting Direction Forms under the Scholastic 401(k) Savings and Retirement Plan will be earlier than the expiration date of the Offer. Participants in the plan should confirm their deadline by carefully reading the materials provided to them by the plan trustee.**

*Return of Unpurchased Common Shares.* If any tendered Common Shares are not purchased, or if less than all Common Shares evidenced by a stockholder’s certificates are tendered, certificates for unpurchased Common Shares will be returned promptly after the expiration or termination of the Offer or the proper withdrawal of the Common Shares, or, in the case of Common Shares tendered by book-entry transfer at DTC, the Common Shares will be credited to the appropriate account maintained by the tendering stockholder at DTC, in each case without expense to the stockholder.

*U.S. Federal Income Tax Backup Withholding.* Under the U.S. federal income tax backup withholding rules, unless an exemption applies under the applicable law and regulations, 28% of the gross proceeds payable to a tendering stockholder or other payee who is a U.S. Holder pursuant to the Offer must be withheld and remitted to the Internal Revenue Service (the “IRS”), unless the tendering stockholder or other payee provides its taxpayer identification number (employer identification number or social security number) to the Depository (as payor) and certifies under penalties of perjury that the number is correct or otherwise establishes an exemption. Therefore, each tendering stockholder that is a U.S. Holder (as defined in Section 14) should complete and sign the Form W-9 included as part of the Letter of Transmittal so as to provide the information and certification necessary to avoid backup withholding, unless the stockholder otherwise establishes to the satisfaction of the Depository that the stockholder is not subject to backup withholding. If a U.S. Holder does not provide the Depository with the correct taxpayer identification number, the U.S. Holder may be subject to penalties imposed by the IRS. If backup withholding results in an overpayment of taxes, a refund may be obtained from the IRS in accordance with its refund procedures.

Certain “exempt recipients” (including, among others, all corporations and certain Non-U.S. Holders (as defined in Section 14)) are not subject to backup withholding. In order for a Non-U.S. Holder (other than a

partnership) to qualify as an exempt recipient, that stockholder must submit an IRS Form W-8BEN, W-8IMY (with any required attachments), W-8ECI, or W-8EXP, as applicable (which may be obtained on the IRS website (www.irs.gov)), signed under penalties of perjury, attesting to that stockholder's exempt status. See Instruction 2 to the Letter of Transmittal.

Information reporting to the IRS may also apply to proceeds from the Offer.

**Stockholders are urged to consult with their own tax advisors regarding information reporting and possible qualifications for exemption from backup withholding tax and the procedure for obtaining any applicable exemption.**

For a more complete discussion of U.S. federal income tax consequences to tendering stockholders, see Section 14.

*Determination of Validity; Rejection of Common Shares; Waiver of Defects; No Obligation to Give Notice of Defects.* All questions as to the number of Common Shares to be accepted, the Purchase Price to be paid for Common Shares to be accepted and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of Common Shares will be determined by Scholastic, in its sole discretion, and will be final and binding on all parties. Scholastic reserves the absolute right to reject any or all tenders of any Common Shares that it determines are not in proper form or the acceptance for payment of or payment for which may, in the opinion of the Company's counsel, be unlawful. Scholastic also reserves the absolute right to waive any of the conditions of the Offer prior to the Expiration Date with respect to all tendered Common Shares. Scholastic also reserves the absolute right to waive any defect or irregularity in any tender with respect to any particular Common Shares, whether or not Scholastic waives similar defects or irregularities in the case of any other stockholder. No tender of Common Shares will be deemed to have been properly made until all defects or irregularities have been cured by the tendering stockholder or waived by Scholastic. Scholastic will not be liable for failure to waive any condition of the Offer, or any defect or irregularity in any tender of Common Shares. None of Scholastic, the Depositary, the Information Agent, the Dealer Manager or any other person will be obligated to give notice of any defects or irregularities in tenders, nor will any of them incur any liability for failure to give any such notice.

*Tendering Stockholder's Representation and Warranty; Our Acceptance Constitutes an Agreement.* It is a violation of Rule 14e-4 promulgated under the Exchange Act for a person acting alone or in concert with others, directly or indirectly, to tender Common Shares for such person's own account unless, at the time of tender and at the end of the proration period or period during which Common Shares are accepted by lot, such person has a "net long position" (i.e., more Common Shares held in long positions than in short positions) in (1) a number of Common Shares that is equal to or greater than the amount tendered and will deliver or cause to be delivered such Common Shares for the purpose of tendering to us within the period specified in the Offer or (2) other securities immediately convertible into, exercisable for or exchangeable into a number of Common Shares ("Equivalent Securities") that are equal to or greater than the number of Common Shares tendered and, upon the acceptance of such tender, will acquire such Common Shares by conversion, exchange, or exercise of such Equivalent Securities and will deliver or cause to be delivered such Common Shares so acquired for the purpose of tender to us within the period specified in the Offer. Rule 14e-4 also provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. A tender of Common Shares made pursuant to any method of delivery set forth herein will constitute the tendering stockholder's acceptance of the terms and conditions of the Offer, as well as the tendering stockholder's representation and warranty to us that (i) such stockholder has a "net long position" in a number of Common Shares or Equivalent Securities at least equal to the Common Shares being tendered within the meaning of Rule 14e-4 and (ii) such tender of Shares complies with Rule 14e-4. Our acceptance for payment of Common Shares tendered in the Offer will constitute a binding agreement between the tendering stockholders and us upon the terms and subject to the conditions of the Offer, including the foregoing representations and warranties of the tendering stockholders.



*Lost or Destroyed Certificates.* If any certificate representing Common Shares has been lost or destroyed, the stockholder should promptly notify the Depository at the phone number or address set forth on the back cover page of this Offer to Purchase. The stockholder will then be instructed as to the steps that must be taken in order to replace the certificate(s) or to submit an affidavit of lost or destroyed certificate(s) and agreement of indemnity. The Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed. Stockholders are requested to contact the Depository immediately in order to permit timely processing of this documentation.

**Certificates for Common Shares, together with a properly completed Letter of Transmittal and any other documents required by the Letter of Transmittal, must be delivered to the Depository and not to Scholastic, the Dealer Manager or the Information Agent. Any certificates delivered to Scholastic the Dealer Manager or the Information Agent will not be forwarded to the Depository and will not be deemed to be properly tendered.**

#### **4. Withdrawal Rights.**

Common Shares tendered in the Offer may be withdrawn at any time prior to the Expiration Date. In addition, unless Scholastic has already accepted your tendered Common Shares for payment, you may withdraw your tendered Common Shares at any time after 12:00 Midnight, New York City time, on November 24, 2010. Except as otherwise provided in this Section 4, tenders of Common Shares pursuant to the Offer are irrevocable.

For a withdrawal to be effective, a written or facsimile notice of withdrawal must be received in a timely manner by the Depository at one of its addresses set forth on the back cover page of this Offer to Purchase, and any notice of withdrawal must specify the name of the tendering stockholder, the number of Common Shares to be withdrawn and the name of the registered holder of the Common Shares to be withdrawn, if different from the person who tendered the Common Shares. A stockholder who has tendered Common Shares at more than one price must complete a separate notice of withdrawal for Common Shares tendered at each price. If the certificates for Common Shares to be withdrawn have been delivered or otherwise identified to the Depository, then, before the release of those certificates, the tendering stockholder also must submit the serial numbers shown on those particular certificates for Common Shares to be withdrawn and, unless an Eligible Institution has tendered those Common Shares, the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution. If Common Shares have been tendered pursuant to the procedure for book-entry transfer described in Section 3, the notice of withdrawal also must specify the name and the number of the account at DTC to be credited with the withdrawn Common Shares and must otherwise comply with DTC's procedures.

Withdrawals may not be rescinded, and any Common Shares properly withdrawn will be deemed not properly tendered for purposes of the Offer. However, properly withdrawn Common Shares may be re-tendered prior to the Expiration Date by again following one of the procedures described in Section 3.

All questions as to the form and validity, including the time of receipt, of any notice of withdrawal will be determined by Scholastic, in its sole discretion, and will be final and binding on all parties. Scholastic reserves the absolute right to waive any defect or irregularity in the notice of withdrawal or method of withdrawal of Common Shares by any stockholder, whether or not Scholastic waives similar defects or irregularities in the case of any other stockholder. None of Scholastic, the Depository, the Information Agent, the Dealer Manager or any other person will be obligated to give notice of any defects or irregularities in any notice of withdrawal, nor will any of them incur liability for failure to give any such notice.

If Scholastic extends the Offer, is delayed in its purchase of Common Shares, or is unable to purchase Common Shares pursuant to the Offer for any reason, then, without prejudice to the Company's rights under the Offer, the Depository may, subject to applicable law, retain tendered Common Shares on behalf of Scholastic, and such Common Shares may not be withdrawn, except to the extent tendering stockholders are entitled to withdrawal rights as described in this Section 4.

For Common Shares held through the Scholastic Corporation 401(k) Savings and Retirement Plan, please refer to the special instructions that are being sent by the plan trustee to plan participants for information about withdrawal rights and the earlier deadline to submit withdrawal instructions.

#### **5. Purchase of Common Shares and Payment of Purchase Price.**

Upon the terms and subject to the conditions of the Offer, promptly following the Expiration Date, we will (1) determine the Purchase Price we will pay for Common Shares properly tendered and not properly withdrawn prior to the Expiration Date, taking into account the number of Common Shares so tendered and the prices specified by tendering stockholders, and (2) accept for payment and pay an aggregate purchase price of up to \$150 million for Common Shares that are properly tendered at prices at or below the Purchase Price and not properly withdrawn prior to the Expiration Date. For purposes of the Offer, we will be deemed to have accepted for payment, subject to the proration and conditional tender provisions of the Offer, Common Shares that are properly tendered at or below the Purchase Price and not properly withdrawn, only when, as and if we give oral or written notice to the Depository of our acceptance of the Common Shares for payment pursuant to the Offer.

Upon the terms and subject to the conditions of the Offer, we will accept for payment and pay the Purchase Price per Common Share for all of the Common Shares accepted for payment pursuant to the Offer promptly after the Expiration Date. In all cases, payment for Common Shares tendered and accepted for payment pursuant to the Offer will be made promptly, taking into account any time necessary to determine any proration, but only after timely receipt by the Depository of (1) certificates for Common Shares, or a timely book-entry confirmation of the deposit of Common Shares into the Depository's account at DTC, (2) a properly completed and duly executed Letter of Transmittal (or manually signed facsimile of the Letter of Transmittal) including any required signature guarantees, or, in the case of a book-entry transfer, an Agent's Message, and (3) any other required documents.

We will pay for Common Shares purchased pursuant to the Offer by depositing the aggregate Purchase Price for the Common Shares with the Depository, which will act as agent for tendering stockholders for the purpose of receiving payment from us and transmitting payment to the tendering stockholders.

In the event of proration, we will determine the proration factor and pay for those tendered Common Shares accepted for payment promptly after the Expiration Date. Certificates for all Common Shares tendered and not purchased, including all Common Shares tendered at prices in excess of the Purchase Price and Common Shares not purchased due to proration or conditional tenders, will be returned or, in the case of Common Shares tendered by book-entry transfer, will be credited to the account maintained with DTC by the participant who delivered the Common Shares, to the tendering stockholder at our expense promptly after the Expiration Date or termination of the Offer.

If you are a participant in the Scholastic Corporation 401(k) Savings and Retirement Plan, you should be aware that the plan trustee is prohibited from selling Common Shares to us for a price less than the prevailing market price. Accordingly, the plan trustee may be prohibited from following participant directions to tender Common Shares to the Company at certain prices within the offered range.

**Under no circumstances will we pay interest on the Purchase Price, even if there is any delay in making payment. In addition, if certain events occur prior to the Expiration Date, we may not be obligated to purchase Common Shares pursuant to the Offer. See Section 7.**

In addition, subject to applicable law, we have expressly reserved the right, in our sole discretion, to amend the Offer in any respect, including by decreasing or increasing the consideration offered in the Offer or by decreasing or increasing the number of Shares sought in the Offer. See Section 15.

We will pay all stock transfer taxes, if any, payable on the transfer to us of Common Shares purchased pursuant to the Offer. If, however, payment of the Purchase Price is to be made to, or (in the circumstances

permitted by the Offer) if unpurchased Common Shares are to be registered in the name of, any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person, will be deducted from the Purchase Price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption from payment of the stock transfer taxes, is submitted to the Depository.

## **6. Conditional Tender of Common Shares.**

Under certain circumstances described in Section 1, if the Offer is over-subscribed, we will prorate the Common Shares purchased pursuant to the Offer. As discussed in Section 14, the number of Common Shares to be purchased from a particular stockholder may affect the U.S. federal income tax treatment of the purchase to the stockholder and the stockholder's decision whether to tender. The conditional tender alternative is made available for stockholders seeking to take steps to have Common Shares sold pursuant to the Offer treated as a sale or exchange of such Common Shares by the stockholder, rather than a distribution to the stockholder, for U.S. federal income tax purposes. Accordingly, a stockholder may tender Common Shares subject to the condition that all or a specified minimum number of the stockholder's Common Shares tendered must be purchased if any Common Shares tendered are purchased. Any stockholder desiring to make a conditional tender must so indicate in the section entitled "Conditional Tender" in the Letter of Transmittal, and, if applicable, in the Notice of Guaranteed Delivery. It is the tendering stockholder's responsibility to calculate the minimum number of Common Shares that must be purchased from the stockholder in order for the stockholder to qualify for sale or exchange (rather than distribution) treatment for U.S. federal income tax purposes. Stockholders are urged to consult with their own tax advisors. No assurances can be provided that a conditional tender will achieve the intended U.S. federal income tax result for any stockholder tendering Common Shares. Notwithstanding the general discussion contained in this Section 6, conditional tenders are not permissible with respect to the tender of Common Shares under the Scholastic Corporation 401(k) Savings and Retirement Plan.

Any tendering stockholder wishing to make a conditional tender must calculate and appropriately indicate the minimum number of Common Shares that must be purchased if any are to be purchased. After the Expiration Date, if the number of Common Shares properly tendered and not properly withdrawn pursuant to Auction Tender at a price equal to or less than the Purchase Price and pursuant to Purchase Price Tender would result in an aggregate purchase price of more than \$150 million, so that we must prorate our acceptance of and payment for tendered Common Shares, we will calculate a preliminary proration percentage, based upon all Common Shares properly tendered, conditionally or unconditionally, and not properly withdrawn. If the effect of this preliminary proration would be to reduce the number of Common Shares to be purchased from any tendering stockholder below the minimum number specified by that stockholder, the Common Shares conditionally tendered will automatically be regarded as withdrawn (except as provided in the next paragraph).

After giving effect to these withdrawals, we will accept the remaining Common Shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If the withdrawal of conditional tenders would cause the total number of Common Shares to be purchased to fall below an aggregate Purchase Price of \$150 million, then, to the extent feasible, we will select enough of the Common Shares conditionally tendered that would otherwise have been withdrawn to permit us to purchase such number of Common Shares. In selecting among the conditional tenders, we will select by random lot, treating all tenders by a particular stockholder as a single lot, and will limit our purchase in each case to the designated minimum number of Common Shares to be purchased. To be eligible for purchase by random lot, stockholders whose Common Shares are conditionally tendered must have properly tendered all of their Common Shares.

All Common Shares tendered by a stockholder subject to a conditional tender and that are withdrawn as a result of proration and not otherwise purchased will be returned at our expense to the tendering stockholder promptly after the Expiration Date.

## 7. Conditions of the Offer.

Notwithstanding any other provision of the Offer, we will not be required to accept for payment, purchase or pay for any Common Shares tendered, and may terminate or amend the Offer or may postpone the acceptance for payment of, or the purchase of or the payment for, Common Shares tendered, subject to the rules under the Exchange Act, if at any time prior to the Expiration Date any of the following events or circumstances shall have occurred (or shall have been reasonably determined by us to have occurred):

- there shall have been instituted, or there shall be pending, or we shall have received notice of any action, suit, proceeding or application by any government or governmental, regulatory or administrative agency, authority or tribunal or by any other person, domestic, foreign or supranational, before any court, authority, agency, other tribunal or arbitrator or arbitration panel that directly or indirectly:
  - challenges or seeks to challenge, restrain, prohibit, delay or otherwise affect the making of the Offer, the acquisition by us of some or all of the Common Shares pursuant to the Offer or otherwise relates in any manner to the Offer or seeks to obtain material damages in respect of the Offer; or
  - seeks to make the purchase of, or payment for, some or all of the Common Shares pursuant to the Offer illegal or may result in a delay in our ability to accept for payment or pay for some or all of the Common Shares;
- our acceptance for payment, purchase or payment for any Common Shares tendered in the Offer shall violate or conflict with, or otherwise be contrary to, any applicable law, statute, rule, regulation, decree or order;
- any action shall have been taken or any statute, rule, regulation, judgment, decree, injunction or order (preliminary, permanent or otherwise) shall have been proposed, sought, enacted, entered, promulgated, enforced or deemed to be applicable to the Offer or us or any of our subsidiaries by any court, government or governmental agency or other regulatory or administrative authority or body, domestic or foreign, which:
  - indicates that any approval or other action of any such court, agency or authority may be required in connection with the Offer or the purchase of Common Shares thereunder; or
  - is reasonably likely to make the purchase of, or payment for, some or all of the Common Shares pursuant to the Offer illegal or to prohibit, restrict or delay consummation of the Offer;
- there shall have occurred any of the following:
  - any general suspension of trading in, or limitation on prices for, securities on any United States national securities exchange or in the over-the-counter market, the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory, or any limitation, whether or not mandatory, by any governmental, regulatory or administrative agency or authority on, or any event that is likely, in our reasonable judgment, to materially adversely affect, the extension of credit by banks or other lending institutions in the United States;
  - the commencement or escalation, on or after September 28, 2010, of war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism, directly or indirectly involving the United States or any other jurisdiction in which Scholastic or any of our subsidiaries have an office;
  - any decrease of more than 10% in the market price for the Common Shares or in the Dow Jones Industrial Average, New York Stock Exchange Index, NASDAQ Composite Index or the Standard and Poor's 500 Composite Index measured from the close of trading on September 27, 2010;

- any change in general political, market, economic, financial or industry conditions in the United States or internationally that, in our reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, results of operations or prospects of Scholastic and our subsidiaries, taken as a whole, on the value of or trading in the Common Shares, on our ability to consummate the Offer or on the benefits of the Offer to us;
- any change, condition, event or development (including any act of nature or man-made disaster) or any condition, event or development involving a prospective change in the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses, franchises, permits, permit applications, results of operations or prospects of Scholastic or any of our subsidiaries that, in our reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on Scholastic and our subsidiaries, taken as a whole, on the value of or trading in the Common Shares, on our ability to consummate the Offer or on the benefits of the Offer to us; or
- in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;
- a tender or exchange offer for any or all of our outstanding Common Shares (other than the Offer) shall have been proposed, announced or made by any person or entity or shall have been publicly disclosed;
- any approval, permit, authorization, favorable review or consent or waiver of or filing with any domestic or foreign governmental entity or other authority or any third party consent or notice required to be obtained or made in connection with the Offer shall not have been obtained or made on terms and conditions satisfactory to us in our reasonable judgment; or
- we shall have determined that the consummation of the Offer and the purchase of the Common Shares pursuant to the Offer is likely, in our reasonable judgment, to cause the Common Shares to be (1) held by less than 400 persons, (2) delisted from NASDAQ or (3) eligible for deregistration under the Exchange Act.

Each of the conditions referred to above is for our sole benefit and may be asserted or waived by us, in whole or in part, at any time and from time to time in our discretion prior to the Expiration Date. Our failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any right, and each such right will be deemed an ongoing right that may be asserted at any time and from time to time prior to the Expiration Date. Any determination by us concerning the fulfillment or non-fulfillment of the conditions described above will be final and binding on all parties except as finally determined in a subsequent judicial proceeding if Scholastic's determinations are challenged by a stockholder.

## 8. Price Range of Common Shares; Dividends.

Our Common Shares are listed for trading on NASDAQ under the symbol “SCHL.” The following table sets forth, for each of the fiscal quarters indicated, the high and low sales prices per Common Share as reported on NASDAQ and dividends declared.

	<u>High</u>	<u>Low</u>	<u>Cash Dividend Declared</u>
<b>Fiscal Year ended May 31, 2009</b>			
First quarter	\$31.35	\$25.03	\$ 0.075
Second quarter	\$30.00	\$11.96	\$ 0.075
Third quarter	\$17.36	\$10.60	\$ 0.075
Fourth quarter	\$20.34	\$ 9.39	\$ 0.075
<b>Fiscal Year ending May 31, 2010</b>			
First quarter	\$25.46	\$18.53	\$ 0.075
Second quarter	\$26.88	\$23.03	\$ 0.075
Third quarter	\$31.38	\$24.81	\$ 0.075
Fourth quarter	\$31.22	\$25.17	\$ 0.075
<b>Fiscal Year ending May 31, 2011</b>			
First quarter	\$26.55	\$22.53	\$ 0.075
Second quarter (through September 27, 2010)	\$27.27	\$24.13	\$ 0.075

On September 22, 2010, the last full trading day prior to the announcement of our intention to conduct the Offer, the reported closing price of the Common Shares on NASDAQ was \$25.51 per Common Share. On September 27, 2010, the last full trading day prior to the commencement of the Offer, the reported closing price of the Common Shares on NASDAQ was \$27.27 per Common Share. **You are urged to obtain current market quotations for the Common Shares before deciding whether, and at what price or prices, to tender your Common Shares pursuant to the Offer.**

On September 22, 2010, our Board of Directors announced a quarterly dividend of \$0.075 per Class A and Common Share, which is reflected in the table above. The dividend is payable on December 15, 2010 to Class A and Common Shareholders of record on November 15, 2010.

Unless the Expiration Date is extended by Scholastic, you will no longer be a stockholder of record of Common Shares that are purchased under the Offer on November 15, 2010, which is the record date for the cash dividend payable on December 15, 2010. Only Class A Shares and Common Shares held by stockholders of record as of November 15, 2010 will be eligible to receive the cash dividend payable on December 15, 2010. Therefore, unless the Expiration Date is extended to a date on or following November 15, 2010, you will not receive the cash dividend payable on December 15, 2010 or any dividend that may be payable thereafter on your Common Shares that are purchased under the Offer.

## 9. Source and Amount of Funds.

The Offer is not subject to a financing contingency. Assuming the Offer is fully subscribed, we expect the aggregate purchase price for the Common Shares, together with related fees and expenses, to be approximately \$151,140,650. Scholastic will fund any purchase of Common Shares pursuant to the Offer, including the related fees and expenses, from available cash, which will initially include temporarily drawing on our existing revolving credit line under our credit facility described below. Any cash drawn down under our credit facility for purchases of Common Shares under the Offer will be repaid during the current fiscal year out of cash flow from operations.

Our credit facility (as amended, the “Credit Facility”) is a \$525.0 million facility with certain banks, consisting of a \$325.0 million revolving credit component (the “Revolving Loan”) and a \$200.0 million

amortizing term loan component (the "Term Loan"). The Credit Agreement is a contractually committed unsecured credit facility that is scheduled to expire on June 1, 2012. The \$325.0 million Revolving Loan component allows the Company to borrow, repay or prepay and reborrow at any time prior to the stated maturity date, and the proceeds may be used for general corporate purposes, including financing for acquisitions and share repurchases. The Credit Agreement also provides for an increase in the aggregate Revolving Loan commitments of the lenders of up to an additional \$150.0 million. The \$200.0 million Term Loan component was established in order to fund the reacquisition by Scholastic of shares of its Common Stock pursuant to an Accelerated Share Repurchase Agreement and was fully drawn on June 28, 2007 in connection with that transaction. Any borrowing under the Credit Facility for the purpose of purchasing Common Shares pursuant to the Offer would be as a Revolving Loan.

Effective August 16, 2010, we entered into an amendment to the Credit Agreement, which added "Consolidated Leverage Ratio" as a new definition and test in the Credit Agreement for purposes of determining our ability to make increased "Restricted Payments" (as defined in the Credit Agreement) in an amount not to exceed \$200 million. Restricted Payments include, among other payments, payments to stockholders for the repurchase of capital stock. The amendment also redefined the "Base Rate" for determining the applicable interest rate to be applied to borrowings under the Credit Agreement.

Interest on both the Term Loan and Revolving Loan is due and payable in arrears on the last day of the interest period (defined as the period commencing on the date of the advance and ending on the last day of the period selected by the Borrower at the time each advance is made). At the election of the Company, the interest rate charged for each loan made under the Credit Facility, including the Revolving Loan component, is based on (1) a rate equal to the higher of (i) the prime rate, (ii) the prevailing Federal Funds rate plus 0.500% or (iii) the Eurodollar Rate for a one month interest period plus 1%; or (2) an adjusted LIBOR rate plus an applicable margin, ranging from 0.500% to 1.250% based upon the Company's prevailing consolidated debt to total capital ratio. As of August 31, 2010 and September 27, 2010 there were no borrowings outstanding under the Revolving Loan.

As of August 31, 2010, the applicable margin of the Term Loan was 0.750% and the applicable margin on the Revolving Loan was 0.600%, based upon an adjusted LIBOR rate plus an applicable margin as discussed above. The Credit Facility also provides for the payment of a facility fee ranging from 0.125% to 0.250% per annum on the Revolving Loan only, which at August 31, 2010, was 0.150%. As of August 31, 2010 and September 27, 2010, \$82.3 million was outstanding under the Term Loan at an interest rate of 1.1%.

The Credit Agreement contains certain covenants, including interest coverage and leverage ratio tests and certain limitations on the amount of dividends and other distributions, and, at August 31, 2010 the Company was in compliance with these covenants.

The disbursement of any advance under the Credit Facility is conditional upon the satisfaction of customary conditions precedent, including that the representations and warranties made under the Credit Agreement are correct at the time any such advance is made and that no default shall have occurred and be continuing thereunder at such time.

The above description of the Credit Agreement is qualified in its entirety by reference to the Credit Agreement, as amended, copies of which are filed as exhibits to the Schedule TO.

#### **10. Certain Information Concerning the Company.**

*The Company.* Scholastic is a global children's publishing, education and media company. Since our founding in 1920, we have emphasized quality products and a dedication to reading and learning. The Company is the world's largest publisher and distributor of children's books and a leading provider of

educational technology products and related services. Scholastic also creates quality educational and entertainment materials and products for use in school and at home, including magazines, children's reference and non-fiction materials, teacher materials, television programming, film, videos and toys. Scholastic is a leading operator of school-based book clubs and book fairs in the United States. It distributes its products and services through these proprietary channels, as well as directly to schools and libraries, through retail stores and through the internet. Scholastic's website, [scholastic.com](http://scholastic.com), is a leading site for teachers, classrooms and parents and an award-winning destination for children. In addition to its operations in the United States, Scholastic has long-established operations in Canada, the United Kingdom, Australia, New Zealand and parts of Asia, with newer operations in China, India and Ireland, and, through its export business, sells products in over 140 countries.

The Company currently employs approximately 6,900 people in the United States and approximately 2,000 people outside the United States.

*Recent Developments.*

- On September 27, 2010 we filed a Form 8-K reporting the results of our Annual Meeting of Stockholders.
- On September 23, 2010 we issued a news release reporting our earning for the first quarter of fiscal 2011 and filed a related Form 8-K.
- On September 23, 2010 we issued a news release announcing our intent to conduct this Offer and filed a related Form TO-C.
- On September 22, 2010 we issued a news release announcing a quarterly dividend of \$0.075 per Common and Class A Share, payable on December 15, 2010 to holders of record on November 15, 2010.
- On September 13, 2010 we issued a press release announcing that we had acquired the business of Math Solutions, a leading authority on K-12 mathematics instruction.
- On August 19, 2010 we filed a Form 8-K reporting the amendment of our Credit Agreement (reference is made to Section 9. *Source and Amount of Funds* for further details regarding this amendment).
- On August 9, 2010 we filed a Form 8-K reporting that the Class A stockholders had approved an increase in the size of our Board of Directors from ten to eleven in order to enable an additional nominee to be included for election as a director at the Company's annual meeting of stockholders.

*Available Information.* We are subject to the informational filing requirements of the Exchange Act and, accordingly, are obligated to file reports, statements and other information with the SEC relating to our business, financial condition and other matters. Information, as of particular dates, concerning our directors and executive officers, their remuneration, stock options granted to them, the principal holders of our securities and any material interest of these persons in transactions with us is required to be disclosed in proxy statements distributed to our stockholders and filed with the SEC. We also have filed an Issuer Tender Offer Statement on Schedule TO (the "Schedule TO") with the SEC that includes additional information relating to the Offer.

These reports, statements and other information can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of this material may also be obtained by mail, upon payment of the SEC's customary charges, from the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. The SEC also maintains a website on the Internet at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. You may access the Company's publicly filed documents at this site, including the Schedule TO and the documents incorporated therein by reference. You may obtain



information about the Public Reference Room by calling the SEC for more information at 1-800-SEC-0330. You may also go to the Investor Relations section of Company's website located at <http://investor.scholastic.com> to access the Schedule TO and related documents.

*Incorporation by Reference.* The rules of the SEC allow us to "incorporate by reference" information into this Offer to Purchase, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The following documents that have been previously filed with the SEC contain important information about us and we incorporate them by reference (other than any portions of the respective filings that were furnished to, rather than filed with, the SEC under applicable SEC rules):

- Annual Report on Form 10-K for the fiscal year ended May 31, 2010, as filed on July 26, 2010;
- Form 8-K, as filed on August 9, 2010;
- Definitive Proxy Statement on Schedule 14A, as filed on August 10, 2010;
- Form 8-K, as filed on August 19, 2010;
- Form TO-C, as filed on September 23, 2010
- Form 8-K, as filed on September 23, 2010; and
- Form 8-K, as filed on September 27, 2010.

Any statement contained in any document incorporated by reference into this Offer to Purchase shall be deemed to be modified or superseded to the extent that an inconsistent statement is made in this Offer to Purchase or any subsequently filed document. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offer to Purchase.

You can obtain any of the documents incorporated by reference in this Offer to Purchase from the SEC's website at the address or website set forth above. You may also request a copy of these filings, at no cost, by writing or telephoning the Information Agent at its address and telephone number set forth below:

The Information Agent for the Offer is:

BNY Shareowner Services  
480 Washington Boulevard, 27th Floor  
Jersey City, NJ 07310  
Banks and Brokers Call Collect: (201) 680-6579  
All Others Call Toll-Free: (866) 351-2987

#### **11. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Common Shares.**

*Common Shares Outstanding.* As of September 27, 2010, we had 34,353,245 issued and outstanding Common Shares. Since the Purchase Price will only be determined after the Expiration Date, the number of Common Shares that will be purchased will not be known until after that time. If the Purchase Price is determined to be \$27.00 per Common Share, the minimum Purchase Price under the Offer, the maximum number of Common Shares that will be purchased under the Offer is 5,555,556. Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be \$31.00 per Common Share, the maximum Purchase Price under the Offer, the minimum number of Common Shares that will be purchased under the Offer is 4,838,710. The maximum of 5,555,556 Common Shares that the Company is offering to purchase under the Offer represents approximately 16.17% of the total number of Common Shares issued and outstanding as of September 27, 2010. Assuming the Offer is fully subscribed, the minimum of 4,838,710 Common Shares that the Company is offering to purchase under the Offer represents approximately 14.09% of the total number of Common Shares issued and outstanding as of September 27, 2010.

**Interests of Directors and Executive Officers.** As of September 27, 2010, our directors and executive officers as a group (15 persons) beneficially owned an aggregate of 7,015,600 Common Shares, representing 18.3% of the total number of outstanding Common Shares as determined in accordance with Exchange Act Rule 13d-3. Additionally, our directors and executive officers as a group (15 persons) beneficially owned an aggregate of 2,967,700 Class A Shares, representing 100% of the total number of outstanding Class A Shares. Our directors and officers would be entitled to participate in the Offer on the same basis as other stockholders. However, Richard Robinson, the Chairman, President and Chief Executive Officer of Scholastic, and other members of the Robinson family, as well as the other officers of Scholastic, have informed us that they do not intend to tender Common Shares in the Offer. Our directors have also informed us that they do not intend to tender Common Shares in the Offer, with the exception of one director who may tender up to 182,600 Common Shares in the Offer solely in his fiduciary capacities as executor of an estate and trustee of a related testamentary trust. Any such tender would be a Purchase Price Tender. Additionally, Richard Robinson and the other members of the Robinson family who are the beneficial owners of all of the outstanding Class A Shares, have informed us that they do not intend to sell or transfer ownership of any Class A Shares or convert any Class A Shares to Common Shares prior to the Expiration Date. After expiration or termination of the Offer, our directors and officers may sell their Common Shares and members of the Robinson family, including Richard Robinson, may sell their Common Shares or their Class A Shares, or convert their Class A Shares to Common Shares, in each case, subject to applicable law and applicable policies and practices of the Company from time to time in open market transactions at prices that may be more or less favorable than the Purchase Price to be paid to our Common Stockholders pursuant to the Offer.

The following tables set forth as of September 27, 2010 (i) the aggregate number and percentage of Class A Shares and Common Shares that were beneficially owned (as determined under Exchange Act Rule 13d-3) by each person who owns (to our knowledge and based on the most current Schedule 13Ds and 13Gs filed with the SEC for each such person) more than 5% of our outstanding Class A Shares and Common Shares, and (ii) the aggregate number of Class A Shares and Common Shares that were beneficially owned (as determined under Exchange Act Rule 13d-3) by each of our current directors and executive officers, and by all directors and executive officers as a group. For purposes of these tables, and in accordance with SEC rules, Class A Shares and Common Shares are considered “beneficially owned” if the person directly or indirectly has sole or shared power to vote or direct the voting of the securities or has sole or shared power to divest or direct the divestment of the securities. A person is also considered to beneficially own Class A Shares or Common Shares that he or she has the right to acquire within 60 days after September 27, 2010, in accordance with Exchange Act Rule 13d-3.

The business address of each of our directors and executive officers is c/o Scholastic Corporation, 557 Broadway, New York, NY 10012.

**(i) Owners of More than 5% of Our Class A Shares and Common Shares**

<u>Name and Address of Beneficial Owner</u>	<u>Class A Shares</u>		<u>Common Shares</u>	
	<u>Amount and Nature of Beneficial Ownership (1)</u>	<u>Percent of Class</u>	<u>Amount and Nature of Beneficial Ownership (2)</u>	<u>Percent of Class</u>
Richard Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	2,967,700	100%	5,738,799 <sup>(3)</sup>	15.4%
Barbara Robinson Buckland c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2%	2,500,362	7.1%

Name and Address of Beneficial Owner	Class A Shares		Common Shares	
	Amount and Nature of Beneficial Ownership (1)	Percent of Class	Amount and Nature of Beneficial Ownership (2)	Percent of Class
Mary Sue Robinson Morrill c/o Scholastic Corporation 557 Broadway New York, NY 10012	765,296	46.2%	3,240,568 <sup>(4)</sup>	9.2%
William W. Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2%	2,598,685 <sup>(5)</sup>	7.4%
Florence Robinson Ford c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2%	2,492,847	7.1%
Andrew S. Hedden c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2%	2,360,825 <sup>(6)</sup>	6.7%
Trust under the Will of Maurice R. Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2%	2,331,712	6.7%
Trust under the Will of Florence L. Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	116,676	7.0%	466,676	1.4%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	—	—	3,998,759 <sup>(7)</sup>	11.6%
Blackrock, Inc. 40 East 52nd Street New York, NY 10022	—	—	2,594,929 <sup>(8)</sup>	7.6%
Dimensional Fund Advisors LP 1299 Ocean Avenue Santa Monica, CA 90401	—	—	2,986,486 <sup>(9)</sup>	8.7%

(1) Each of Richard Robinson, Barbara Robinson Buckland, Mary Sue Robinson Morrill, William W. Robinson, Florence Robinson Ford, Andrew S. Hedden and the Trust under the Will of Maurice R. Robinson (the “Maurice R. Robinson Trust”) have filed Statements on Schedule 13G with the SEC (the “13G Filings”) regarding beneficial ownership of Common Shares. Richard Robinson, Chairman of the Board, President and Chief Executive Officer of the Company, Barbara Robinson Buckland, Florence Robinson Ford, Mary Sue Robinson Morrill and William W. Robinson, all of whom are siblings of Richard Robinson, and Andrew S. Hedden, a director and executive officer of the Company, are trustees of 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 Shares by the following persons was: Richard Robinson — 2,202,404 shares (sole voting and investment power), which includes 1,311,500 shares issuable under options to purchase Class A Shares ("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); Florence Robinson Ford — 648,620 shares (shared voting and investment power); Andrew S. Hedden — 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 Class A Shares are convertible at the option of the holder into Common Shares at any time on a share-for-share basis. The number of Common Shares and percentage of the outstanding Common Shares for each beneficial owner of Class A Shares assumes the conversion of such holder's shares of Class A Shares (including the 1,311,500 shares issuable under Class A Options exercisable within 60 days, in the case of Mr. Robinson) into shares of Common Shares. Based on their 13G Filings and subsequent information made available to the Company, the aggregate beneficial ownership of Common Shares by the following holders was: Richard Robinson — 2,935,749 shares (sole voting and investment power), which includes the 1,311,500 shares under Class A Options exercisable within 60 days held by Mr. Robinson, and 2,803,050 shares (shared voting and investment power); Barbara Robinson Buckland — 168,650 shares (sole voting and investment power) and 2,331,712 shares (shared voting and investment power); Mary Sue Robinson Morrill — 3,240,568 shares (shared voting and investment power); William W. Robinson — 205,045 shares (sole voting and investment power) and 2,393,640 shares (shared voting and investment power); Florence Robinson Ford — 161,135 shares (sole voting and investment power) and 2,331,712 shares (shared voting and investment power); Andrew S. Hedden — 29,113 shares (sole voting and investment power) and 2,331,712 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 2,967,700 Common Shares issuable on conversion of the Class A Shares (including the 1,311,500 shares issuable under the Class A Options) described in Notes 1 and 2 above; 620,687 Common Shares held directly by Mr. Robinson; 68,350 Common Shares under options exercisable by Mr. Robinson within 60 days; 7,264 Common Shares with respect to which Mr. Robinson had voting rights at May 31, 2010 under the Scholastic Corporation 401(k) Savings and Retirement Plan (the "401(k) Plan"); 1,683,092 Common Shares owned by the Maurice R. Robinson Trust; 350,000 Common Shares owned by the Florence L. Robinson Trust; 8,044 Common Shares for which Mr. Robinson is custodian under a separate custodial account for one of his sons; 4,662 Common Shares owned directly by his sons; and 29,000 Common Shares owned by the Richard Robinson Charitable Fund. Does not include 118,239 unvested restricted stock units ("RSUs") held under the Management Stock Purchase Plan (the "MSPP"). Of the shares held directly by Mr. Robinson, 619,401 shares are pledged to a bank as collateral for a personal loan.
- (4) Does not include an aggregate of 208,726 Common Shares held under Trusts for which Ms. Morrill's spouse is the trustee, as to which Ms. Morrill disclaims beneficial ownership.
- (5) Does not include 15,430 Common Shares held under trusts for which Mr. Robinson's spouse is a trustee and 64,728 shares held directly by his spouse, as to which Mr. Robinson disclaims beneficial ownership.
- (6) Includes 4,113 Common Shares held directly by Mr. Hedden; 25,000 shares under options exercisable by Mr. Hedden within 60 days; 648,620 Common Shares issuable on conversion of the Class A Shares owned by the Maurice Robinson Trust; and 1,683,092 Common Shares owned by the Maurice R. Robinson Trust. Does not include 10,250 unvested RSUs held under the 2001 Plan and 20,474 unvested RSUs held under the MSPP.

- (7) The information for T. Rowe Price Associates, Inc. (“Price Associates”) is derived from a Schedule 13G, dated February 12, 2010, 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 562,264 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.
- (8) The information for Blackrock, Inc. (“Blackrock”) is derived from a Schedule 13G, dated January 20, 2010, filed with the SEC. These shares are owned by various individual and institutional investors, as to which Blackrock has the sole power to vote or direct investments with regard to all such shares. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Blackrock is deemed to be a beneficial owner of these shares.
- (9) The information for Dimensional Fund Advisors LP (“Dimensional Fund”) is derived from a Schedule 13G, dated February 10, 2010, 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.

**(ii) Directors and Executive Officers**

Name	Class A Shares		Common Shares	
	Amount and Nature of Beneficial Ownership (1)	Percent of Class	Amount and Nature of Beneficial Ownership (1)	Percent of Class
<b>Directors</b>				
Richard Robinson	2,967,700 <sup>(2)</sup>	100%	5,738,799 <sup>(3)</sup>	15.4%
James W. Barge	—	—	12,600 <sup>(4)</sup>	*
Marianne Caponnetto	—	—	0 <sup>(5)</sup>	*
John L. Davies	—	—	54,600 <sup>(6)</sup>	*
Andrew S. Hedden	648,620 <sup>(2)</sup>	39.2%	2,360,825 <sup>(7)</sup>	6.7%
Mae C. Jemison	—	—	55,604 <sup>(8)</sup>	*
Peter M. Mayer	—	—	69,850 <sup>(9)</sup>	*
John G. McDonald	—	—	55,604 <sup>(8)</sup>	*
Augustus K. Oliver	—	—	59,874 <sup>(10)</sup>	*
Richard M. Spaulding	—	—	233,663 <sup>(11)</sup>	*
Margaret A. Williams	—	—	0 <sup>(12)</sup>	*
<b>Executive Officers</b>				
Richard Robinson	2,967,700 <sup>(2)</sup>	100%	5,738,799 <sup>(3)</sup>	15.4%
Maureen O’Connell	—	—	178,797 <sup>(14)</sup>	*
Cynthia Augustine	—	—	32,380	*
Margery Mayer	—	—	276,918 <sup>(15)</sup>	1.0%
Judith Newman	—	—	217,798 <sup>(16)</sup>	*
Andrew S. Hedden	648,620 <sup>(2)</sup>	39.2%	2,360,825 <sup>(6)</sup>	6.7%
All directors and executive officers as a group (15 persons)	2,967,700 <sup>(2)</sup>	100%	7,051,600 <sup>(17)</sup>	18.3%

\* Less than 1.0%

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

- (2) See the information with respect to Richard Robinson and Andrew S. Hedden under “Owners of More than 5% of Our Common Shares” above. The Class A Shares are convertible at the option of the holder into Common Shares at any time on a share-for-share basis.
- (3) See the information with respect to Richard Robinson under “Owners of More than 5% of Our Common Shares” above.
- (4) Includes 3,600 Common Shares held directly by Mr. Barge and 9,000 Common Shares under options exercisable by Mr. Barge within 60 days.
- (5) Ms. Caponnetto joined the Board in September 2010.
- (6) Includes 3,600 Common Shares held directly by Mr. Davies and 51,000 Common Shares under options exercisable by Mr. Davies within 60 days.
- (7) See the information with respect to Andrew S. Hedden under “Owners of More than 5% of Our Common Shares” above.
- (8) Includes 4,604 Common Shares held directly by such director and 51,000 Common Shares under options exercisable by such director within 60 days.
- (9) Includes 17,850 Common Shares held directly by Mr. Mayer, 1,000 shares held through a pension plan in which Mr. Mayer has an interest, and 51,000 shares under options exercisable by Mr. Mayer within 60 days.
- (10) Includes 8,874 Common Shares held directly by Mr. Oliver and 51,000 Common Shares under options exercisable by Mr. Oliver within 60 days. Does not include 182,600 Common Shares held by the estate of Mr. Oliver’s father, of which Mr. Oliver is the executor and in which he has a beneficial interest.
- (11) Includes 179,583 Common Shares held directly by Mr. Spaulding, 53,480 shares under options exercisable by Mr. Spaulding within 60 days and 600 RSUs scheduled to vest within 60 days under the Scholastic Corporation 2001 Stock Incentive Plan (the “2001 Plan”).
- (12) Ms. Williams joined the Board in May 2010.
- (13) Includes 9,522 Common Shares held directly by Ms. O’Connell, 25 Common Shares owned by Ms. O’Connell’s minor son, and 169,250 Common Shares under options exercisable by Ms. O’Connell within 60 days. Does not include 20,767 unvested RSUs held under the Management Stock Purchase Plan (“MSPP”) or 31,250 unvested RSUs held under the 2001 Plan.
- (14) Includes 1,130 shares held directly by Ms. Augustine and 31,250 shares under options exercisable by Ms. Augustine within 60 days.
- (15) Includes 26,668 Common Shares held directly by Ms. Mayer, 244,250 shares under options exercisable by Ms. Mayer within 60 days and 6,000 RSUs vested or scheduled to vest within 60 days held under the MSPP. Does not include 2,888 unvested RSUs held under the MSPP or 29,556 unvested RSUs held under the 2001 Plan.
- (16) Includes 4,125 Common Shares held directly by Ms. Newman, 196,050 shares under options exercisable by Ms. Newman within 60 days, 6,200 vested RSUs vested under the 2001 Plan and 11,423 RSUs vested or scheduled to vest within 60 days held under the MSPP. Does not include 2,666 unvested RSUs held under the MSPP or 20,500 unvested RSUs held under the 2001 Plan.
- (17) Includes 2,967,700 Common Shares issuable on conversion of the Class A Shares (including the 1,311,500 shares issuable under the Class A Options) described in Notes 1 and 2 in “Owners of More than 5% of Our Common Shares” table, 1,683,092 Common Shares owned by the Maurice R. Robinson Trust; 350,000 Common Shares owned by the Florence L. Robinson Trust; 8,044 Common Shares for which Mr. Robinson is custodian under a separate custodial account for one of his sons; 4,662 Common Shares owned directly by Mr. Robinson’s sons; and 29,000 shares owned by the Richard Robinson Charitable Fund. Also includes an aggregate of 888,960 shares of Common Shares held directly and 1,025 shares beneficially owned by all directors and executive officers as a group; an aggregate of 1,051,630 Common Shares under options exercisable by members of the group within 60 days; an aggregate of 17,423 shares underlying RSUs vested or scheduled to vest within 60 days held under the MSPP; an aggregate of 7,264 Common Shares with respect to which members of the group had voting rights under the 401(k) Plan; and an aggregate of 6,800 shares underlying RSUs scheduled to vest within 60 days held under the 2001 Plan. Does not include an aggregate of 172,407 unvested RSUs held under the MSPP or an aggregate of 89,750 unvested RSUs held under the 2001 Plan.

*Recent Securities Transactions.* Based on our records and on information provided to us by our directors, executive officers, affiliates and subsidiaries, none of the Company or any of our directors, executive officers, affiliates or subsidiaries have effected any transactions involving our Common Shares during the 60 days prior to September 28, 2010 except as follows:

<u>Date of Transaction</u>	<u>Identity of Person</u>	<u>Number of Shares</u>	<u>Price per Share</u>	<u>Nature of Transaction</u>
9/21/2010	Maureen O'Connell	978	\$ 26.22	Vesting of 1,500 restricted stock units of Scholastic received under 2001 Stock Incentive Plan net of 522 shares withheld to cover taxes owed upon vesting.
9/21/2010	Margery W Mayer	825	\$ 26.22	Vesting of 1,500 restricted stock units of Scholastic received under the 2001 Stock Incentive Plan net of 675 shares withheld to cover taxes owed upon vesting.
9/02/2010	Maureen O'Connell	10,919	\$ 16.90	10,919 restricted stock units of Scholastic purchased under the MSPP.
9/02/2010	Maureen O'Connell	1,874	\$ 24.13	Vesting of 2,874 restricted stock units of Scholastic purchased under the MSPP net of 1,000 shares withheld to cover taxes owed upon vesting.
9/02/2010	Richard Robinson	74,644	\$ 16.90	74,644 shares of Scholastic restricted stock units purchased under the MSPP.
9/02/2010	Andrew S. Hedden	20,474	\$ 16.90	20,474 shares of Scholastic restricted stock units purchased under the MSPP.
9/02/2010	Margery W Mayer	1,436	\$ 16.90	1,436 restricted stock units of Scholastic purchased under the MSPP.
8/27/2010	Margery Mayer	1,634	\$ 22.99	Vesting of 3,000 restricted stock units of Scholastic received under 2001 Stock incentive Plan net of 1,366 shares withheld to cover taxes owed upon vesting.
8/27/2010	Cynthia Augustine	1,130	\$ 22.99	Vesting of 1,750 restricted stock units of Scholastic received under 2001 Stock Incentive Plan net of 620 shares withheld to cover taxes owed upon vesting.
8/27/2010	Judith Newman	1,634	\$ 22.99	Vesting of 3,000 restricted stock units of Scholastic received under 2001 Stock Incentive Plan net of 1,366 shares withheld to cover taxes owned upon vesting.
8/27/2010	Andrew S. Hedden	1,059	\$ 22.99	Vesting of 1,750 restricted stock units of Scholastic received under 2001 Stock Incentive Plan net of 691 shares withheld to cover taxes owned upon vesting.
8/27/2010	Maureen O'Connell	3,392	\$ 22.99	Vesting of 5,250 restricted stock units of Scholastic received under 2001 Stock Incentive Plan net of 1,858 shares withheld to cover taxes owned upon vesting.
8/25/2010	Scholastic Corporation	537	\$ 22.3526	Company open-market repurchase.
8/24/2010	Scholastic Corporation	600	\$ 22.3250	Company open-market repurchase.
8/23/2010	Scholastic Corporation	7,500	\$ 22.8934	Company open-market repurchase.
8/20/2010	Scholastic Corporation	5,000	\$ 22.9696	Company open-market repurchase.

<u>Date of Transaction</u>	<u>Identity of Person</u>	<u>Number of Shares</u>	<u>Price per Share</u>	<u>Nature of Transaction</u>
8/19/2010	Scholastic Corporation	4,979	\$ 23.2079	Company open-market repurchase.
8/13/2010	Scholastic Corporation	20,000	\$ 24.0812	Company open-market repurchase.
8/12/2010	Scholastic Corporation	15,000	\$ 24.4361	Company open-market repurchase.
8/11/2010	Scholastic Corporation	25,000	\$ 24.8978	Company open-market repurchase.
8/10/2010	Scholastic Corporation	10,000	\$ 25.4361	Company open-market repurchase.
8/06/2010	Scholastic Corporation	27,500	\$ 25.1821	Company open-market repurchase.
8/05/2010	Scholastic Corporation	2,100	\$ 25.8281	Company open-market repurchase.
8/02/2010	Scholastic Corporation	18,448	\$ 25.9465	Company open-market repurchase.
7/30/2010	Scholastic Corporation	13,839	\$ 25.5697	Company open-market repurchase.

*Share-Based Compensation Plans.* 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. The Human Resources and Compensation Committee of the Board of Directors (the “HRCC”) has determined that its current practice should be to generally consider the award of restricted stock units, stock options or a combination in appropriate cases, which determination reflects the desire to maintain a strong long-term equity component in executive compensation and to reduce, through the use of restricted stock units, the number of equity units required to provide such component. Accordingly, the Company currently utilizes grants of stock options, restricted stock units or a combination of both to qualified executives, including its executive officers. To date, only non-qualified stock options and restricted stock units have been granted under the 2001 Plan.

*Options to Purchase Common Stock and Restricted Stock Units.* Equity grants made during fiscal 2010 and to date in fiscal 2011 to executive officers, including Richard Robinson, Maureen O’Connell, Cynthia Augustine, Margery Mayer, Judith Newman and Andrew S. Hedden, were determined by the Stock Grant Committee of the Board of Directors of Scholastic (the “SGC”). During fiscal 2010 the SGC granted equity-based awards which were primarily comprised of restricted stock units. In August 2011, the SGC granted fiscal 2011 equity based awards which were primarily comprised of a mix of stock options and restricted stock units. Equity grants to the Chief Executive Officer have included only stock options.

Stock options granted to executive officers and senior management, including the Named Executive Officers (Messrs. Robinson and Hedden, Ms. O’Connell, Ms. Mayer and Ms. Newman), vest in 25% annual installments beginning on the first anniversary of the grant date, subject to minimum annual vesting of 1,000 shares, and expire after ten years.

Restricted stock units convert automatically into shares of Common Stock on a one-to-one basis upon vesting, unless otherwise deferred by the recipient. Twenty-five percent of the restricted stock units received by the executive officers and senior management vest thirteen months after the date of grant and the remaining seventy-five percent vest in three equal installments annually thereafter on each 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.

*Equity Awards for Chief Executive Officer.* In 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, media and education industries reviewed by the HRCC. As a result of its review of this issue, taking into account Mr. Robinson’s overall compensation, the Company 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”). 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 was the only eligible participant in the Class A Plan. Mr. Robinson received a total of 1,499,000 Class A Options under the Class A Plan during the period 2004 through 2008, and the program contemplated by the Class A Plan has now been completed.

In each of July 2009 and August 2010, Mr. Robinson was granted options under the 2001 Plan to purchase 250,000 shares of Common Stock by the SGC. At those times long-term incentive grants were also awarded to other executive officers and senior management by the SGC for fiscal 2010 and fiscal 2011, respectively.

*Other Equity-Based Incentives.* The Scholastic Corporation Employee Stock Purchase Plan (as amended, the “ESPP”) and the Scholastic Corporation Management Stock Purchase Plan (as amended, 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 Shares at a 15% discount from the closing price of the Common Shares on the last business day of each fiscal quarter. None of the executive officers, other than Mr. Hedden, are currently participating in the ESPP.

Under the MSPP, which was adopted in 1999 in order to provide an additional incentive for senior executives to invest in the Common Shares through the use of their cash bonuses, eligible members of senior management may use such cash bonus payments on a tax-deferred basis to make equity investments in the Company at a discounted purchase price. With respect to fiscal 2010, 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 Shares during the fiscal quarter ending on August 31, 2010. 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 one-to-one basis upon expiration of the deferral period. During fiscal 2010, each of the executive officers had elected to participate in the MSPP.

#### *Director Equity Compensation*

Under the terms of the Scholastic Corporation 2007 Outside Directors’ Stock Incentive Plan (the “2007 Plan”), as approved by the Class A Stockholders at the Company’s 2007 Annual Meeting of Stockholders, an option to purchase 3,000 Common Shares at a purchase price per share equal to the fair market value of a share of Common Share on the date of grant and 1,200 restricted stock units (“RSUs”) will be automatically granted each year to each non-employee director on the date of the annual meeting of stockholders. As a result, in each of fiscal 2010 and fiscal 2011, each non-employee director was granted options to purchase 3,000 Common Shares, at an exercise price of \$24.54 per share and \$25.61 per share, respectively, and 1,200 RSUs. The stock options become fully exercisable and the RSUs fully vest on the first anniversary of the date of grant. The stock options expire on September 23, 2019 in the case of the fiscal 2010 grant and September 22, 2020 in the case of the fiscal 2011 grant.

Under the terms of the Scholastic Corporation Directors’ Deferred Compensation Plan, directors are permitted to defer 50% or 100% of their cash retainers and meeting fees. Deferred amounts accrue interest at a rate equal to the 30-year United States Treasury bill rate and are paid in cash upon the later of termination from Board service or the end of the deferral period, unless paid earlier due to death, disability, change-of-control of the Company or severe financial hardship. During the fiscal year ended May 31, 2010, one director chose to defer 100% of his cash compensation under this plan beginning in January 2010.

## *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.

*General.* Except as otherwise described or incorporated by reference in this Offer to Purchase, the Schedule TO or Company's most recent proxy statement, and except for the share-based compensation plans, which are described in Note 9 to the financial statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2010, which descriptions are incorporated herein by reference, and the agreements described above, none of the Company nor, to the best of the Company's knowledge, any of its affiliates, directors or executive officers, is a party to any contract, arrangement, understanding or relationship with any other person relating, directly or indirectly, to the Offer or with respect to any securities of the Company, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies, consents or authorizations.

### **12. Effects of the Offer on the Market for Common Shares; Registration under the Exchange Act.**

The purchase by us of Common Shares pursuant to the Offer will reduce the number of Common Shares that might otherwise be traded publicly and is likely to reduce the number of stockholders. As a result, trading of a relatively small volume of the Common Shares after consummation of the Offer may have a greater impact on trading prices than would be the case prior to consummation of the Offer.

We believe that there will be a sufficient number of Common Shares outstanding and publicly traded following completion of the Offer to ensure a continued trading market for the Common Shares. Based upon published guidelines of NASDAQ, we do not believe that our purchase of Common Shares under the Offer will cause the remaining outstanding Common Shares to be delisted from NASDAQ. The Offer is conditioned upon, among other things, our determination that the consummation of the Offer and the purchase of Common Shares will not cause the Common Shares to be delisted from NASDAQ. See Section 7.

Our Common Shares are currently "margin securities" under the rules of the Federal Reserve Board. This has the effect, among other things, of allowing brokers to extend credit to their customers using such Common Shares as collateral. We believe that, following the purchase of Common Shares under the Offer, the Common Shares will continue to be "margin securities" for purposes of the Federal Reserve Board's margin rules and regulations.

The Common Shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our stockholders and the SEC and comply with the SEC's proxy rules in connection with meetings of our stockholders. We believe that our purchase of Common Shares under the Offer pursuant to the terms of the Offer will not result in the Common Shares becoming eligible for deregistration under the Exchange Act.

It is a condition of our obligation to purchase Common Shares pursuant to the Offer that, as a result of the consummation of the Offer, there not be a reasonable likelihood that the Common Shares will be held by less than 400 persons or that the Common Shares will be eligible for deregistration under the Exchange Act.

### **13. Certain Legal Matters; Regulatory Approvals.**

We are not aware of any license or regulatory permit that appears to be material to our business that might be adversely affected by our acquisition of Common Shares as contemplated pursuant to the Offer, nor are we aware of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic, foreign or supranational, that would be required for our acquisition or ownership of Common Shares as contemplated by the Offer. If any such approval were required, we cannot predict whether we would be required to delay the acceptance for payment of or payment for Common Shares tendered in the Offer pending the outcome of any such approval or other action. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to our business and financial condition. Our obligations under the Offer to accept for payment and pay for Common Shares are subject to the satisfaction of certain conditions. See Section 7.

### **14. Material U.S. Federal Income Tax Consequences.**

The following discussion is a summary of the material U.S. federal income tax consequences to stockholders with respect to a sale of Common Shares for cash pursuant to the Offer. The discussion is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations, administrative pronouncements of the Internal Revenue Service ("IRS") and judicial decisions, all in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect, or differing interpretations. The discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular stockholder in light of the stockholder's particular circumstances or to certain types of stockholders subject to special treatment under the U.S. federal income tax laws, such as financial institutions, tax-exempt organizations, life insurance companies, dealers in securities or currencies, employee benefit plans, U.S. Holders (as defined below) whose "functional currency" is not the U.S. dollar, partnerships or other entities treated as partnerships for U.S. federal income tax purposes, stockholders holding the Common Shares as part of a conversion transaction, as part of a hedge or hedging transaction, or as a position in a straddle for U.S. federal income tax purposes or persons who received their Common Shares through exercise of employee stock options, participation in the Scholastic Corporation Employee Stock Purchase Plan, or otherwise as compensation. In addition, the discussion below does not consider the effect of any alternative minimum taxes, state or local or non-U.S. taxes or any U.S. federal tax laws other than those pertaining to income taxation. The discussion assumes that the Common Shares are held as "capital assets" within the meaning of Section 1221 of the Code. We have neither requested nor obtained a written opinion of counsel or a ruling from the IRS with respect to the tax matters discussed below.

As used herein, a "U.S. Holder" means a beneficial owner of Common Shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for these purposes) that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more U.S. persons have the authority to

control all substantial decisions of the trust, or (y) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person. As used herein, a “Non-U.S. Holder” means a beneficial owner of Common Shares that is neither a U.S. Holder nor a partnership (or other entity treated as a partnership for U.S. federal income tax purposes). If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds Common Shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A partnership holding Common Shares and partners in such partnership should consult their tax advisors about the U.S. federal income tax consequences of a sale of Common Shares for cash pursuant to the Offer.

Each stockholder should consult its own tax advisor as to the particular U.S. federal income tax consequences to such stockholder of tendering Common Shares pursuant to the Offer and the applicability and effect of any state, local or non-U.S. tax laws and other tax consequences with respect to the Offer.

#### U.S. Federal Income Tax Treatment of U.S. Holders

*Characterization of Sale of Common Shares Pursuant to the Offer.* The sale of Common Shares by a stockholder for cash pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder may vary depending upon the U.S. Holder’s particular facts and circumstances. Under Section 302 of the Code, the sale of Common Shares by a stockholder for cash pursuant to the Offer will be treated as a “sale or exchange” of shares for U.S. federal income tax purposes, rather than as a distribution with respect to the Common Shares held by the tendering U.S. Holder, if the sale (i) results in a “complete termination” of the U.S. Holder’s equity interest in us under Section 302(b)(3) of the Code, (ii) is a “substantially disproportionate” redemption with respect to the U.S. Holder under Section 302(b)(2) of the Code, or (iii) is “not essentially equivalent to a dividend” with respect to the U.S. Holder under Section 302(b)(1) of the Code, each as described below (the “Section 302 Tests”).

The receipt of cash by a U.S. Holder pursuant to the Offer will result in a “complete termination” if either (i) the U.S. Holder owns none of our Common Shares either actually or constructively immediately after the Common Shares are sold pursuant to the Offer, or (ii) the U.S. Holder actually owns none of our Common Shares immediately after the sale of Common Shares pursuant to the Offer and, with respect to Common Shares constructively owned by the U.S. Holder immediately after the Offer, the U.S. Holder is eligible to waive, and effectively waives, constructive ownership of all such Common Shares under procedures described in Section 302(c) of the Code.

The receipt of cash by a U.S. Holder pursuant of the Offer will result in a “substantially disproportionate” redemption if the percentage of our then outstanding Common Shares actually and constructively owned by the U.S. Holder immediately following the sale of Common Shares pursuant to the Offer is less than 80% of the percentage of the outstanding Common Shares actually and constructively owned by the U.S. Holder immediately before the sale of Common Shares pursuant to the Offer.

Even if the receipt of cash by a U.S. Holder pursuant to the Offer fails to satisfy either the “complete termination” test or the “substantially disproportionate” test, a U.S. Holder may nevertheless satisfy the “not essentially equivalent to a dividend” test if the U.S. Holder’s surrender of Common Shares pursuant to the Offer results in a “meaningful reduction” in the U.S. Holder’s interest in the Company. Whether the receipt of cash by a U.S. Holder will be “not essentially equivalent to a dividend” will depend upon the U.S. Holder’s particular facts and circumstances. The IRS has indicated in published rulings that even a small reduction in the proportionate interest of a small minority stockholder in a publicly held corporation who exercises no control over corporate affairs may constitute a “meaningful reduction.”

Special “constructive ownership” rules will apply in determining whether any of the Section 302 Tests has been satisfied. Under these rules, a U.S. Holder must take into account not only the Common Shares that are

actually owned by the U.S. Holder, but also Common Shares that are constructively owned by the U.S. Holder within the meaning of Section 318 of the Code. Very generally, a U.S. Holder may constructively own Common Shares actually owned, and in some cases constructively owned, by certain members of the U.S. Holder's family and certain entities (such as corporations, partnerships, trusts and estates) in which the U.S. Holder has an equity interest, as well as Common Shares the U.S. Holder has an option to purchase.

Contemporaneous dispositions or acquisitions of Common Shares by a U.S. Holder or related individuals or entities may be deemed to be part of a single integrated transaction and may be taken into account in determining whether the Section 302 Tests have been satisfied. Each U.S. Holder should be aware that, because proration may occur in the Offer, even if all the Common Shares actually and constructively owned by a stockholder are tendered pursuant to the Offer, fewer than all of these Common Shares may be purchased by us. Thus, proration may affect whether the surrender of Common Shares by a stockholder pursuant to the Offer will meet any of the Section 302 Tests. See Section 6 for information regarding an option to make a conditional tender of a minimum number of Common Shares. U.S. Holders should consult their own tax advisors regarding whether to make a conditional tender of a minimum number of Common Shares, and the appropriate calculation thereof.

U.S. Holders should consult their own tax advisors regarding the application of the three Section 302 Tests to their particular circumstances, including the effect of the constructive ownership rules on their sale of Common Shares pursuant to the Offer.

*Sale or Exchange Treatment.* If any of the above three Section 302 Tests is satisfied, and the sale of the Common Shares is therefore treated as a "sale or exchange" for U.S. federal income tax purposes, the tendering U.S. Holder will recognize gain or loss equal to the difference between the amount of cash received by the U.S. Holder pursuant to the Offer and such holder's adjusted tax basis in the Common Shares sold pursuant to the Offer. Generally, a U.S. Holder's adjusted tax basis in the Common Shares will be equal to the cost of the Common Shares to the U.S. Holder. Any gain or loss will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder's holding period for the Common Shares that were sold exceeds one year as of the date of the purchase by us pursuant to Offer. Certain U.S. Holders (including individuals) are eligible for reduced rates of U.S. federal income tax in respect of long-term capital gain (maximum rate of 15%). A U.S. Holder's ability to deduct capital losses is subject to limitations under the Code. A U.S. Holder must calculate gain or loss separately for each block of Common Shares (generally, Common Shares acquired at the same cost in a single transaction) that we purchase from the U.S. Holder pursuant to the Offer.

*Distribution Treatment.* If none of the Section 302 Tests are satisfied, the tendering U.S. Holder will be treated as having received a distribution by us with respect to the U.S. Holder's Common Shares in an amount equal to the cash received by such holder pursuant to the Offer. The distribution would be treated as a dividend to the extent of such holder's pro rata share of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such a dividend would be taxed in its entirety without a reduction for the U.S. Holder's adjusted tax basis of the Common Shares exchanged and the adjusted tax basis of such exchanged Common Shares would be added to the adjusted tax basis of the remaining Common Shares, if any held (or treated as held under the "Constructive Ownership" rules) by the U.S. Holder. Provided that minimum holding period requirements are met, non-corporate U.S. Holders (including individuals) generally will be subject to U.S. federal income taxation at a maximum rate of 15% on amounts treated as dividends and received in taxable years beginning before January 1, 2011. The amount of any distribution in excess of our current or accumulated earnings and profits would be treated as a return of the U.S. Holder's adjusted tax basis in the Common Shares (with a corresponding reduction in such U.S. Holder's adjusted tax basis until reduced to zero), and then as gain from the sale or exchange of the Common Shares.

If a sale of Common Shares by a corporate U.S. Holder is treated as a dividend, the corporate U.S. Holder may be (i) eligible for a dividends received deduction (subject to applicable exceptions and limitations) and (ii) subject to the "extraordinary dividend" provisions of Section 1059 of the Code. Corporate U.S. Holders should consult their tax advisors regarding (i) whether a dividend-received deduction will be available to them, and (ii) the application of Section 1059 of the Code to the ownership and disposition of their Common Shares.

Based on our estimates, we expect to have current earnings and profits at the time of the repurchase. However, the determination of whether a corporation has current or accumulated earnings or profits is complex and the legal standards to be applied are subject to uncertainties and ambiguities. Additionally, whether a corporation has current earnings and profits can be determined only at the end of the taxable year. Accordingly, the extent to which a U.S. Holder will be treated as receiving a dividend if the repurchase of its Common Shares pursuant to the Offer is not entitled to sale or exchange treatment under Section 302 of the Code is unclear.

#### U.S. Federal Income Tax Treatment of Non-U.S. Holders

*Withholding for Non-U.S. Holders.* See Section 3 and the discussion below under “Distribution Treatment” with respect to the application of U.S. federal income tax withholding to payments made to Non-U.S. Holders pursuant to the Offer.

*Sale or Exchange Treatment.* Gain realized by a Non-U.S. Holder on a sale of Common Shares for cash pursuant to the Offer generally will not be subject to U.S. federal income tax if the sale is treated as a “sale or exchange” pursuant to the Section 302 Tests described above under “U.S. Federal Income Tax Treatment of U.S. Holders” unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if an income tax treaty applies, the gain is generally attributable to the U.S. permanent establishment maintained by such Non-U.S. Holder), (ii) in the case of gain realized by a Non-U.S. Holder that is an individual, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met or (iii) the Common Shares constitute a “United States real property interest” within the meaning of Section 897 of the Code and the Non-U.S. Holder held, actually or constructively, at any time during the five-year period preceding the Offer more than 5% of our Common Shares. Our Common Shares will constitute a “United States real property interest” with respect to a Non-U.S. Holder if Scholastic is or has been a “United States real property holding corporation” for U.S. federal income tax purposes at any time during the shorter of (i) the period during which the Non-U.S. Holder held shares or (ii) the five-year period ending on the date the Non-U.S. Holder sells shares pursuant to the Offer. Scholastic does not believe that it has been a “United States real property holding corporation” at any time during the last five years.

*Distribution Treatment.* If the Non-U.S. Holder does not satisfy any of the Section 302 Tests explained above, the full amount received by the Non-U.S. Holder with respect to the sale of Common Shares to us pursuant to the Offer will be treated as a distribution to the Non-U.S. Holder with respect to the Non-U.S. Holder’s Common Shares. The treatment for U.S. federal income tax purposes of such distribution as a dividend, tax-free return of capital or as gain from the sale of Common Shares will be determined in the manner described above under “U.S. Federal Income Tax Treatment of U.S. Holders.”

If a Non-U.S. Holder tenders Common Shares held in a U.S. brokerage account or otherwise through a U.S. broker, dealer, commercial bank, trust company, or other nominee, such U.S. broker or other nominee will generally be the withholding agent for the payment made to the Non-U.S. Holder pursuant to the Offer. Such U.S. brokers or other nominees may withhold or require certifications in this regard. Non-U.S. Holders tendering Common Shares held through a U.S. broker or other nominee should consult such U.S. broker or other nominee and their own tax advisors to determine the particular withholding procedures that will be applicable to them. Notwithstanding the foregoing, even if a Non-U.S. Holder tenders Common Shares held in its own name as a holder of record and delivers to the Depositary a properly completed IRS Form W-8BEN (or other applicable form) before any payment is made, the Depositary has advised Scholastic that it will withhold 30% of the gross proceeds unless the Depositary determines that a reduced rate under an applicable income tax treaty or exemption from withholding is applicable, regardless of whether the payment is properly exempt from U.S. federal gross income tax under any of the Section 302 tests, the “complete termination,” “substantially disproportionate,” or “not essentially equivalent to a dividend” tests.

To obtain a reduced rate of withholding under a tax treaty, a Non-U.S. Holder must deliver to the Depository a properly completed IRS Form W-8BEN (or other applicable form) before the payment is made. To obtain an exemption from withholding on the grounds that the gross proceeds paid pursuant to the Offer are effectively connected with the conduct of a trade or business within the United States, a Non-U.S. Holder must deliver to the Depository a properly completed IRS Form W-8ECI (or successor form). A Non-U.S. Holder that qualifies for an exemption from withholding on these grounds generally will be required to file a U.S. federal income tax return and generally will be subject to U.S. federal income tax on income derived from the sale of Common Shares pursuant to the Offer in the manner and to the extent as if it were a U.S. Holder, and in the case of a foreign corporation, an additional branch profits tax may be imposed, at a rate of 30% (or a lower rate specified in an applicable income tax treaty), with respect to such income.

A Non-U.S. Holder may be eligible to obtain a refund of all or a portion of any tax withheld if the Non-U.S. Holder (i) meets any of the “complete termination,” “substantially disproportionate” or “not essentially equivalent to a dividend” tests described in this Section 14 that would characterize the exchange as a sale (as opposed to a dividend) with respect to which the Non-U.S. Holder is not subject to U.S. federal income tax or (ii) is otherwise able to establish that no tax or a reduced amount of tax is due.

Non-U.S. Holders are urged to consult their own tax advisors regarding the application of U.S. federal withholding tax to the sale of Common Shares pursuant to the Offer, including the eligibility for withholding tax reductions or exemptions and refund procedures.

#### Tax Considerations for Participants in Scholastic’s 401(k) Savings and Retirement Plan

Special tax consequences may apply with respect to Common Shares tendered through the Scholastic Corporation 401(k) Savings and Retirement Plan. Please refer to the letter that will be sent to plan participants from the plan trustee for a discussion of the tax consequences applicable to Common Shares held pursuant to this plan.

#### Backup Withholding

See Section 3 with respect to the application of U.S. federal backup withholding.

### **15. Extension of the Offer; Termination; Amendment.**

We expressly reserve the right, in our sole discretion and subject to applicable law, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 shall have occurred or shall be deemed by us to have occurred, to extend the period of time the Offer is open and delay acceptance for payment of, and payment for, any Common Shares by giving oral or written notice of such extension to the Depository and making a public announcement of such extension. We also expressly reserve the right, in our sole discretion, to terminate the Offer and reject for payment and not pay for any Common Shares not theretofore accepted for payment or paid for or, subject to applicable law, to postpone payment for Common Shares, upon the occurrence of any of the conditions specified in Section 7 by giving oral or written notice of such termination or postponement to the Depository and making a public announcement of such termination or postponement. Our reservation of the right to delay payment for Common Shares that we have accepted for payment is limited by Rule 13e-4(f)(5) under the Exchange Act, which requires that we must pay the consideration offered or return the Common Shares tendered promptly after termination or withdrawal of the Offer. Subject to compliance with applicable law, we further reserve the right, in our sole discretion, to amend the Offer in any respect (including, without limitation, by decreasing or increasing the consideration offered pursuant to the Offer to stockholders or by decreasing or increasing the number of Common Shares being sought in the Offer). Amendments to the Offer may be made at any time and from time to time by public announcement of such amendments. In the case of an extension, the notice of the amendment must be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced Expiration Date. Any public announcement made

pursuant to the Offer will be disseminated promptly to stockholders in a manner reasonably designed to inform stockholders of such change. Without limiting the manner in which we may choose to make a public announcement, except as required by applicable law, we shall have no obligation to publish, advertise or otherwise disseminate any such public announcement other than by making a release through BusinessWire or another comparable service.

If we materially change the terms of the Offer or the information concerning the Offer, or if we waive a material condition of the Offer, we will extend the Offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the SEC provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information. If:

- we increase or decrease the price to be paid for Common Shares; or
- we decrease the number of Shares being sought in the Offer, or increase the number of Shares being sought in the Offer by more than 2% of our outstanding Common Shares; and
- the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that notice of such an increase or decrease is first published, sent or given to stockholders in the manner specified in this Section 15, then, in each case, the Offer will be extended until the expiration of the period of 10 business days, from, and including, such date. For purposes of the Offer, a “business day” means any day other than a Saturday, Sunday or Federal holiday and consists of the time period from 12:01 a.m. through 12:00 Midnight, New York City time.

## **16. Fees and Expenses.**

We have retained Deutsche Bank Securities Inc. to act as the Dealer Manager in connection with the Offer. In its role as Dealer Manager, Deutsche Bank Securities Inc. may contact brokers, dealers and similar entities and may provide information regarding the Offer to those that it contacts or persons that contact it. Deutsche Bank Securities Inc. will receive, for these services, a reasonable and customary fee. We also have agreed to reimburse Deutsche Bank Securities Inc. for reasonable out-of-pocket expenses incurred in connection with the Offer and to indemnify Deutsche Bank Securities Inc. against certain liabilities in connection with the Offer, including certain liabilities under the federal securities laws.

Deutsche Bank Securities Inc. has in the past provided, and in the future may provide, various investment banking and other services to us, for which services it has received, and would expect to receive, customary compensation from us. Additionally, in the ordinary course of business, including in its trading and brokerage operations and in a fiduciary capacity, Deutsche Bank Securities Inc. and its affiliates may hold positions, both long and short, for their own accounts and for those of their customers, in our securities.

We have also retained BNY Mellon Shareowner Services to act as Information Agent and as Depositary in connection with the Offer. The Information Agent may contact stockholders by mail, telephone, facsimile and personal interviews and may request brokers, dealers and other nominee stockholders to forward materials relating to the Offer to beneficial owners. BNY Mellon Shareowner Services, in its capacities as Information Agent and Depositary, will receive reasonable and customary compensation for the respective services, will be reimbursed by us for reasonable out-of-pocket expenses incurred in connection with the Offer and will be indemnified against certain liabilities in connection with the Offer, including certain liabilities under the federal securities laws.

We will not pay any fees or commissions to brokers, dealers or other persons (other than fees to the Dealer Manager, the Information Agent and the Depositary as described above) for soliciting tenders of Common Shares



pursuant to the Offer. Stockholders holding Common Shares through brokers, dealers or other nominee stockholders are urged to consult the brokers, dealers or other nominee stockholders to determine whether transaction costs may apply if stockholders tender Common Shares through the brokers, dealers or other nominee stockholders and not directly to the Depositary. We will, however, upon request, reimburse brokers, dealers and commercial banks for customary mailing and handling expenses incurred by them in forwarding the Offer and related materials to the beneficial owners of Common Shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as our agent, or the agent of the Information Agent, the Dealer Manager or the Depositary, for purposes of the Offer. We will pay or cause to be paid all stock transfer taxes, if any, on our purchase of Common Shares, except as otherwise provided in Section 5 hereof.

#### **17. Miscellaneous.**

We are not aware of any jurisdiction where the making of the Offer is not in compliance with applicable law. If we become aware of any jurisdiction where the making of the Offer is not in compliance with any applicable law, we will make a good faith effort to comply with the applicable law. If, after good faith effort, we cannot comply with the applicable law, we will not make the Offer to, nor will we accept tenders from or on behalf of, the holders of Common Shares residing in that jurisdiction. In any jurisdiction where the securities or blue sky laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on our behalf by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

After completing the Offer, we may consider various forms of share repurchases, including open market purchases, tender offers and/or accelerated share repurchases after taking into account our results of operations, financial position and capital requirements, general business conditions, legal, tax, regulatory, rating agency and contractual constraints or restrictions and other factors deemed relevant.

Pursuant to Rule 13e-4(c)(2) under the Exchange Act, we have filed with the SEC the Schedule TO, which contains additional information relating to the Offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in Section 10 with respect to information concerning Scholastic.

Rule 13e-4(f) under the Exchange Act prohibits us from purchasing any Common Shares other than in the Offer until at least ten (10) business days after the Expiration Time. Accordingly, any additional purchases outside of the Offer may not be consummated until at least ten (10) business days after the Expiration Time.

**We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering your Common Shares in the Offer or as to the price or prices at which you may choose to tender your Common Shares in the Offer. You should rely only on the information contained in this Offer to Purchase and in the Letter of Transmittal or in documents to which we have referred you. Our delivery of this Offer to Purchase shall not under any circumstances create any implication that the information contained in this Offer to Purchase is correct as of any time other than the date of this Offer to Purchase or that there have been no changes in the information included or incorporated by reference herein or in the affairs of Scholastic or any of its subsidiaries or affiliates since the date hereof. We have not authorized anyone to provide you with information or to make any representation in connection with the Offer other than the information and representations contained in this Offer to Purchase or in the Letter of Transmittal. If anyone makes any recommendation or gives any information or representation, you must not rely upon that recommendation, information or representation as having been authorized by us, the Dealer Manager, the Depositary or the Information Agent.**

Scholastic Corporation

September 28, 2010

The Letter of Transmittal, certificates for Common Shares and any other required documents should be sent or delivered by each stockholder of the Company or his or her broker, dealer, commercial bank, trust company or other nominee to the Depositary as follows:

*The Depositary for the Offer is:*

**BNY MELLON SHAREOWNER SERVICES**

*By Hand Delivery:*  
BNY Mellon Shareowner Services  
Attn.: Corporate Action Dept.,  
27th Floor 480 Washington Blvd.  
Jersey City, New Jersey 07310

*By Overnight Delivery:*  
BNY Mellon Shareowner Services  
Attn.: Corporate Action Dept.,  
27th Floor 480 Washington Blvd.  
Jersey City, New Jersey 07310

*By Mail:*  
BNY Mellon Shareowner Services  
Attn.: Corporate Action Dept.,  
27th Floor P.O. Box 3301  
South Hackensack, New Jersey 07606

*By Fax Transmission (For Eligible Institutions Only)*

*Fax Transmission: (201) 680-4626*

*To Confirm Fax Transmissions (For Eligible Institutions Only)*

*Confirm Receipt of Fax by Telephone:*

*(201) 680-4860*

The Letter of Transmittal and certificates for shares and any other required documents should be sent or delivered by each stockholder of Scholastic Corporation or such stockholder's broker, dealer, commercial bank, trust company or nominee to the Depositary at one of its addresses set forth above.

Any questions or requests for assistance may be directed to the Information Agent at its telephone number and address set forth below. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery may be directed to the Information Agent at the telephone number and address set forth below. You may also contact your broker, dealer, commercial bank, trust company or nominee for assistance concerning the tender offer. To confirm delivery of shares, shareholders are directed to contact the Depositary.

*The Information Agent for the Offer is:*



**BNY MELLON**  
SHAREOWNER SERVICES

**BNY Mellon Shareowner Services**

480 Washington Boulevard, 27th Floor

Jersey City, NJ 07310

Banks and Brokers Call Collect:

(201) 680-6579

All Others Call Toll Free:

(866) 351-2987

*The Dealer Manager for the Offer is:*

DEUTSCHE BANK SECURITIES, INC.

60 Wall Street New York, New York 10005 Call Toll-Free: (877) 221-7676

# Letter of Transmittal

To Tender Common Shares Pursuant to the  
Offer to Purchase

Dated September 28, 2010  
for  
Not More Than \$150,000,000 in Cash

by

## SCHOLASTIC CORPORATION

of up to 5,555,556 of its Common Shares  
at a Purchase Price Not Greater Than \$31.00  
Nor less Than \$27.00 Per Common Share

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL  
EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON OCTOBER 28, 2010,  
UNLESS THE OFFER IS EXTENDED.

### BNY Mellon Shareowner Services

*By Registered, Certified or  
Express Mail, Overnight Courier or by  
Hand:*

BNY Mellon Shareowner Services  
Attn.: Corporate Action Dept., 27th Floor  
480 Washington Blvd.  
Jersey City, New Jersey 07310

*By First Class Mail:*

BNY Mellon Shareowner Services  
Attn.: Corporate Action Dept.  
P.O. Box 3301  
South Hackensack, New Jersey 07606

Delivery of this Letter of Transmittal to an address other than as set forth above does not constitute a valid delivery.

The instructions set forth in this Letter of Transmittal should be read carefully before this Letter of Transmittal is completed.

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DESCRIPTION OF COMMON SHARES TENDERED  
(See Instructions 3 and 4)

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Name(s) and Address(es) of Registered Holders(s)  
(Please fill in, if blank, exactly as  
name(s) appear(s) on certificate(s))

Shares of Common Stock  
Tendered (Attach Additional Signed  
List if Necessary)

Certificate Number(s)*	Total Number of Common Shares Represented by Certificate(s)*	Number of Common Shares Tendered**
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\* Need not be completed if shares of Scholastic Corporation's common stock are tendered by book-entry transfer.

\*\* Unless otherwise indicated, it will be assumed that all shares of Scholastic Corporation's common stock described above are being tendered. See Instruction 4.

**Lost Certificates.** I have lost my certificate(s) for Common Shares and require assistance in replacing the Common Shares. See Instruction 12.

This Letter of Transmittal is to be used either if certificates for Common Shares are to be forwarded herewith or, unless an Agent's Message (as defined in Section 3 of the Offer to Purchase (as defined below)) is utilized, if delivery of Common Shares is to be made by book-entry transfer to an account maintained by the Depository (as defined below) at DTC (as defined below) pursuant to the procedures set forth in Section 3 of the Offer to Purchase. Tendering stockholders whose certificates for Common Shares are not immediately available or who cannot deliver either the certificates for, or a book-entry confirmation (as defined in Section 3 of the Offer to Purchase) with respect to, their Common Shares and all other documents required hereby to the Depository prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase) must tender their Common Shares in accordance with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. See Instruction 2.

Your attention is directed in particular to the following:

1. If you want to retain your Common Shares, you do not need to take any action.

2. If you want to participate in the Offer (as defined below) and wish to maximize the chance of having the Company (as defined below) accept for payment all the Common Shares you are tendering hereby, you should check the box marked "(2) Purchase Price Tender" below and complete the other portions of this Letter of Transmittal, as appropriate. If you agree to accept the purchase price determined in the Offer, your Common Shares will be deemed to be tendered at the minimum price of \$27.00 per Common Share. **YOU SHOULD UNDERSTAND THAT THIS ELECTION MAY LOWER THE PURCHASE PRICE AND COULD RESULT IN THE TENDERED COMMON SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$27.00 PER COMMON SHARE.**

3. If you wish to select a specific price at which you will be tendering your Common Shares, you should select one of the boxes in the section captioned "(1) Auction Price Tender: Price (in Dollars) per Common Share at Which Common Shares are Being Tendered," below and complete the other portions of this Letter of Transmittal, as appropriate.

**DELIVERY OF DOCUMENTS TO DTC DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.**

**CHECK HERE IF TENDERED COMMON SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH DTC AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN DTC MAY DELIVER COMMON SHARES BY BOOK-ENTRY TRANSFER):**

Name of Tendering  
Institution: \_\_\_\_\_

Account  
Number: \_\_\_\_\_

Transaction Code  
Number: \_\_\_\_\_

**CHECK HERE IF TENDERED COMMON SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY. ENCLOSE A PHOTO-COPY OF THE NOTICE OF GUARANTEED DELIVERY AND COMPLETE THE FOLLOWING:**

Name(s) of Registered

Owners(s): \_\_\_\_\_

Date of Execution of Notice of Guaranteed

Delivery: \_\_\_\_\_

Name of Institution that Guaranteed

Delivery: \_\_\_\_\_

If delivered by book-entry transfer, check box:

**THE UNDERSIGNED IS TENDERING COMMON SHARES AS FOLLOWS (CHECK ONLY ONE BOX):**

**(1) AUCTION PRICE TENDER: PRICE (IN DOLLARS) PER COMMON SHARE AT WHICH COMMON SHARES ARE BEING TENDERED (SEE INSTRUCTION 5)**

By checking ONE of the following boxes below **INSTEAD OF THE BOX BELOW UNDER “(2) Purchase Price Tender,”** you are tendering Common Shares at the price checked. This election could result in none of your Common Shares being purchased if the purchase price selected by the Company for the Common Shares is less than the price checked below. **IF YOU WISH TO TENDER COMMON SHARES AT MORE THAN ONE PRICE, YOU MUST COMPLETE A SEPARATE LETTER OF TRANSMITTAL FOR EACH PRICE AT WHICH YOU TENDER COMMON SHARES.** The same Common Shares cannot be tendered, unless previously withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price. (See Section 3 of the Offer to Purchase and Instruction 5 to this Letter of Transmittal)

**PRICE (IN DOLLARS) PER COMMON SHARE AT WHICH COMMON SHARES ARE BEING TENDERED**

- |                                  |                                  |                                  |                                  |                                  |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> \$27.00 | <input type="checkbox"/> \$28.00 | <input type="checkbox"/> \$29.00 | <input type="checkbox"/> \$30.00 | <input type="checkbox"/> \$31.00 |
| <input type="checkbox"/> \$27.25 | <input type="checkbox"/> \$28.25 | <input type="checkbox"/> \$29.25 | <input type="checkbox"/> \$30.25 |                                  |
| <input type="checkbox"/> \$27.50 | <input type="checkbox"/> \$28.50 | <input type="checkbox"/> \$29.50 | <input type="checkbox"/> \$30.50 |                                  |
| <input type="checkbox"/> \$27.75 | <input type="checkbox"/> \$28.75 | <input type="checkbox"/> \$29.75 | <input type="checkbox"/> \$30.75 |                                  |

**OR**

**(2) PURCHASE PRICE TENDER (SEE INSTRUCTION 5)**

By checking this one box **INSTEAD OF ONE OF THE BOXES ABOVE UNDER “(1) Auction Price Tender: Price (In Dollars) per Common Share at Which Common Shares Are Being Tendered,”** you are tendering Common Shares and are willing to accept the purchase price selected by the Company in accordance with the terms of the Offer. This action will maximize the chance of having the Company purchase your Common Shares pursuant to the Offer (subject to proration). Note that this election is deemed to be a tender of Common Shares at the minimum price of \$27.00 per Common Share and could result in the tendered Common Shares being purchased at the minimum price of \$27.00 per Common Share.

- The undersigned wants to maximize the chance of having the Company purchase all of the Common Shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes above, the undersigned hereby tenders Common Shares at, and is willing to accept, the purchase price determined by the Company in accordance with the terms of the Offer. **THE UNDERSIGNED SHOULD UNDERSTAND THAT THIS ELECTION MAY LOWER THE PURCHASE PRICE AND COULD RESULT IN THE TENDERED COMMON SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$27.00 PER COMMON SHARE.**

**CHECK ONLY ONE BOX UNDER (1) OR (2) ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, OR IF NO BOX IS CHECKED, THERE IS NO VALID TENDER OF COMMON SHARES.**

**CONDITIONAL TENDER**  
**(See Instruction 13)**

As described in Section 6 of the Offer to Purchase, a tendering stockholder may condition his or her tender of Common Shares upon the Company purchasing all or a specified minimum number of the Common Shares tendered. Unless at least the minimum number of Common Shares you indicate below is purchased by the Company pursuant to the terms of the Offer, none of the Common Shares tendered by you will be purchased. **IT IS THE TENDERING STOCKHOLDER'S RESPONSIBILITY TO CALCULATE THE MINIMUM NUMBER OF COMMON SHARES THAT MUST BE PURCHASED FROM THE STOCKHOLDER IN ORDER FOR THE STOCKHOLDER TO QUALIFY FOR SALE OR EXCHANGE (RATHER THAN DISTRIBUTION) TREATMENT FOR U.S. FEDERAL INCOME TAX PURPOSES. STOCKHOLDERS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS BEFORE COMPLETING THIS SECTION. NO ASSURANCES CAN BE PROVIDED THAT A CONDITIONAL TENDER WILL ACHIEVE THE INTENDED U.S. FEDERAL INCOME TAX RESULT FOR ANY STOCKHOLDER TENDERING COMMON SHARES.** Unless this box has been checked and a minimum specified, your tender will be deemed unconditional.

The minimum number of Common Shares that must be purchased from me, if any are purchased from me, is: \_\_\_\_\_ Common Shares.

If, because of proration, the minimum number of Common Shares designated will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her Common Shares and checked this box:

The tendered Common Shares represent all Common Shares held by the undersigned.



Ladies and Gentlemen:

The undersigned hereby tenders to Scholastic Corporation (the "Company") the above-described shares of common stock, par value \$0.01 per share (the "Common Shares"), of the Company, at the price per Common Share indicated in this Letter of Transmittal, to the seller in cash, less any applicable withholding taxes and without interest, on the terms and subject to the conditions set forth in the Company's Offer to Purchase dated September 28, 2010 (the "Offer to Purchase"), and this Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the "Offer"), receipt of which is hereby acknowledged. Unless the context otherwise requires, all references to the Common Shares shall refer to the common stock of the Company.

Subject to and effective on acceptance for payment of, and payment for, the Common Shares tendered with this Letter of Transmittal in accordance with the terms and subject to the conditions of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Company, all right, title and interest in and to all the Common Shares that are being tendered hereby and irrevocably constitutes and appoints BNY Mellon Shareowner Services (the "Depository"), the true and lawful agent and attorney-in-fact of the undersigned, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to the full extent of the undersigned's rights with respect to such Common Shares, to (a) deliver certificates for such Common Shares or transfer ownership of such Common Shares on the account books maintained by The Depository Trust Company ("DTC"), together, in any such case, with all accompanying evidences of transfer and authenticity to, or upon the order of the Company, (b) present such Common Shares for cancellation and transfer on the Company's books and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Common Shares, all in accordance with the terms and subject to the conditions of the Offer.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Common Shares tendered hereby and that, when the same are accepted for purchase by the Company, the Company will acquire good title thereto, free and clear of all security interests, liens, restrictions, claims and encumbrances, and the same will not be subject to any adverse claim or right. The undersigned will, on request by the Depository or the Company, execute and deliver any additional documents deemed by the Depository or the Company to be necessary or desirable to complete the sale, assignment and transfer of the Common Shares tendered hereby, all in accordance with the terms of the Offer.

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall be binding on the successors, assigns, heirs, personal representatives, executors, administrators and other legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that the valid tender of Common Shares pursuant to any of the procedures described in Section 3 of the Offer to Purchase and in the instructions to this Letter of Transmittal will constitute a binding agreement between the undersigned and the Company on the terms and subject to the conditions of the Offer.

It is a violation of Rule 14e-4 promulgated under the Exchange Act (as defined in the Offer to Purchase) for a person acting alone or in concert with others, directly or indirectly, to tender Common Shares for such person's own account unless, at the time of tender and at the end of the proration period or period during which Common Shares are accepted by lot, such person has a "net long position" (*i.e.*, more Common Shares held in long positions than in short positions) in (1) a number of Common Shares that is equal to or greater than the amount tendered and will deliver or cause to be delivered such Common Shares for the purpose of tendering to us within the period specified in the Offer or (2) other securities immediately convertible into, exercisable for or exchangeable into a number of Common Shares ("Equivalent Securities") that are equal to or greater than the number of Common Shares tendered and, upon the acceptance of such tender, will acquire such Common Shares by conversion, exchange, or exercise of such Equivalent Securities and will deliver or cause to be delivered such

Common Shares so acquired for the purpose of tender to us within the period specified in the Offer. Rule 14e-4 also provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. A tender of Common Shares made pursuant to any method of delivery set forth herein will constitute the tendering stockholder's acceptance of the terms and conditions of the Offer, as well as the tendering stockholder's representation and warranty to us that (i) such stockholder has a "net long position" in a number of Common Shares or Equivalent Securities at least equal to the Common Shares being tendered within the meaning of Rule 14e-4 and (ii) such tender of Common Shares complies with Rule 14e-4.

The undersigned understands that the Company will, upon the terms and subject to the conditions of the Offer, determine a single per Common Share purchase price, not less than \$27.00 nor greater than \$31.00 per Common Share, that it will pay for Common Shares properly tendered and not properly withdrawn prior to the Expiration Date in the Offer, taking into account the number of Common Shares so tendered and the prices specified by tendering stockholders. The undersigned understands that the Company will select the lowest purchase price within the price range specified above that will allow it to purchase 5,555,556 Common Shares, or such lesser number of Common Shares as are properly tendered and not properly withdrawn, at prices not less than \$27.00 nor greater than \$31.00 per Common Share, in the Offer, subject to its right to increase the total number of Common Shares purchased to the extent permitted by law. The undersigned understands that all Common Shares properly tendered at prices at or below the purchase price and not properly withdrawn will be purchased at the purchase price, to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions of the Offer, including its proration provisions, and conditional tender provisions, and that the Company will return at its expense all other Common Shares, including Common Shares tendered at prices greater than the purchase price and not properly withdrawn and Common Shares not purchased because of proration or conditional tenders, promptly following the Expiration Date.

In participating in the Offer, the undersigned acknowledges that: (1) the Offer is established voluntarily by the Company, it is discretionary in nature and it may be extended, modified, suspended or terminated by the Company as provided in the Offer; (2) the undersigned is voluntarily participating in the Offer; (3) the future value of the Common Shares is unknown and cannot be predicted with certainty; (4) the undersigned has consulted his or her tax and financial advisors with regard to how the Offer will impact his or her personal situation; (5) any foreign exchange obligations triggered by the undersigned's tender of Common Shares or the recipient of proceeds are solely his or her responsibility; and (6) regardless of any action that the Company takes with respect to any or all income/capital gains tax, social security or insurance, transfer tax or other tax-related items ("Tax Items") related to the Offer and the disposition of Common Shares, the undersigned acknowledges that the ultimate liability for all Tax Items is and remains his or her sole responsibility. In that regard, the undersigned authorizes the Company to withhold all applicable Tax Items legally payable by the undersigned.

The undersigned consents to the collection, use and transfer, in electronic or other form, of the undersigned's personal data as described in this document by and among, as applicable, the Company, its subsidiaries, and third party administrators for the exclusive purpose of implementing, administering and managing his or her participation in the Offer.

The undersigned understands that the Company holds certain personal information about him or her, including, as applicable, but not limited to, the undersigned's name, home address and telephone number, date of birth, social security or insurance number or other identification number, nationality, any Common Shares, details of all options or any other entitlement to Common Shares outstanding in the undersigned's favor, for the purpose of implementing, administering and managing his or her stock ownership ("Data"). The undersigned understands that Data may be transferred to any third parties assisting in the implementation, administration and management of the Offer, that these recipients may be located in his or her country or elsewhere, and that the recipient's country may have different data privacy laws and protections than his or her country. The undersigned understands that he or she may request a list with the names and addresses of any potential recipients of the Data. The undersigned authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing his or her participation in the Offer,

including any requisite transfer of such Data as may be required to a broker or other third party with whom the undersigned held any Common Shares. The undersigned understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Offer. The undersigned understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost. The undersigned understands, however, that refusing or withdrawing his or her consent may affect his or her ability to participate in the Offer. For more information on the consequences of his or her refusal to consent or withdrawal of consent, the undersigned understands that he or she may contact the Depositary.

Unless otherwise indicated herein under “Special Payment Instructions,” please issue the check for payment of the purchase price and/or return any certificates for Common Shares not tendered or accepted for payment in the name(s) of the registered holder(s) appearing under “Description of Common Shares Tendered.” Similarly, unless otherwise indicated under “Special Delivery Instructions,” please mail the check for payment of the purchase price and/or return any certificate for Common Shares not tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing under “Description of Common Shares Tendered.” In the event that both the “Special Delivery Instructions” and the “Special Payment Instructions” are completed, please issue the check for payment of the purchase price and/or return any certificates for Common Shares not tendered or accepted for payment (and any accompanying documents, as appropriate) in the name(s) of, and deliver such check and/or return such certificates (and any accompanying documents, as appropriate) to, the person or persons so indicated. Please credit any Common Shares tendered herewith by book-entry transfer that are not accepted for payment by crediting the account at DTC. The undersigned recognizes that the Company has no obligation pursuant to the “Special Payment Instructions” to transfer any Common Shares from the name of the registered holder(s) thereof if the Company does not accept for payment any of the Common Shares so tendered.

**NOTE: SIGNATURE MUST BE PROVIDED ON PAGE 10 BELOW.**

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**SPECIAL PAYMENT INSTRUCTIONS**

**(See Instructions 1, 6, 7 and 8)**

To be completed ONLY if certificates for Common Shares not tendered or not accepted for payment and/or the check for payment of the purchase price of Common Shares accepted for payment are to be issued in the name of someone other than the undersigned, or if Common Shares tendered hereby and delivered by book-entry transfer which are not purchased are to be returned by crediting them to an account at DTC other than the account designated above.

Issue:  Check  Certificate(s) to:

Name:

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(Please Print)

Address:

---

(Include Zip Code)

---

(Taxpayer Identification or Social Security Number)

(See Substitute Form W-9 Included Herewith)

Check and complete if applicable:

Credit Common Shares delivered by book-entry transfer and not purchased to the account set forth below:

DTC Account Number:

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**SPECIAL DELIVERY INSTRUCTIONS**

**(See Instructions 1, 6, 7 and 8)**

To be completed ONLY if certificates for Common Shares not tendered or not accepted for payment and/or the check for payment of the purchase price of Common Shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that above.

Mail:  Check  Certificate(s) to:

Name:

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(Please Print)

Address:

---

(Include Zip Code)

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**SIGN HERE**  
**(Also Complete Substitute Form W-9 Below)**

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(Signature(s) of Stockholder(s))

Dated: \_\_\_\_\_, 2010

(Must be signed by registered holder(s) exactly as name(s) appear(s) on stock certificate(s) for the Common Shares or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please provide the following information and see Instruction 6.)

Name(s): \_\_\_\_\_

(Please Print)

Capacity: \_\_\_\_\_

Address: \_\_\_\_\_

(Including Zip Code)

Area Code and Telephone No.: \_\_\_\_\_

Tax Identification or Social Security Number: \_\_\_\_\_

**(Complete Accompanying Substitute Form W-9)**

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**GUARANTEE OF SIGNATURE(S)**  
**(If Required — See Instructions 1 and 6)**

(Authorized Signature)

(Name(s)) (Please print)

(Name of Firm)

(Title)

(Address, include Zip Code)

(Daytime Area Code and Telephone Number)

Dated: \_\_\_\_\_, 2010

**SUBSTITUTE**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_

- Individual
- Partnership
- Corporation
- Other (specify)
- Exempt from backup withholding

**Form W-9**

Department of the  
Treasury,  
Internal Revenue Service

**PART I. TAXPAYER IDENTIFICATION NUMBER (TIN)**

Please provide your Taxpayer Identification Number in the space at right and certify by signing and dating below. If awaiting TIN, write "Applied For."

\_\_\_\_\_  
SSN:  
or  
\_\_\_\_\_  
EIN:

**Request for Taxpayer  
Identification Number (TIN)  
and Certification**

**PART II. CERTIFICATION**

Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me); and
- (2) I am not subject to backup withholding either because: (a) I am exempt from backup withholding, or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- (3) I am a U.S. person (including a U.S. resident alien).

**CERTIFICATION INSTRUCTIONS** — You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

Signature \_\_\_\_\_ Date: \_\_\_\_\_, 2010

**NOTE: FAILURE TO COMPLETE AND RETURN THIS SUBSTITUTE FORM W-9 MAY RESULT IN IRS PENALTIES AND BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS. YOU MUST ALSO COMPLETE THE FOLLOWING CERTIFICATE IF YOU ARE AWAITING (OR WILL SOON APPLY FOR) A TAXPAYER IDENTIFICATION NUMBER.**

**YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE  
BOX IN PART 3 OF SUBSTITUTE FORM W-9.**

**CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER**

**CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER**

I certify under penalties of perjury that a taxpayer identification number has not been issued to me and that either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number to the Depository by the time of payment, 28% of all reportable payments made to me will be withheld until I provide a number, and that if I do not provide my taxpayer identification number within 60 calendar days, such retained amounts shall be remitted to the Internal Revenue Service as backup withholding.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_, 2010



## INSTRUCTIONS

### Forming Part of the Terms and Conditions of the Offer

1. *Signature Guarantees and Method of Delivery.* No signature guarantee is required if: (1) the Letter of Transmittal is signed by the registered holder of the Common Shares tendered and the holder has not completed either the box entitled “Special Delivery Instructions”; or (2) the box entitled “Special Payment Instructions” in the Letter of Transmittal; or (3) Common Shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program, NASDAQ OMX Group, Inc., Medallion Signature Program, the Stock Exchange Medallion Program, or an “eligible guarantor institution,” as the term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (each of the foregoing constituting an “Eligible Institution”).

If a certificate for Common Shares is registered in the name of a person other than the person executing a Letter of Transmittal, or if payment is to be made, or Common Shares not purchased or tendered are to be issued to a person other than the registered holder of the certificate surrendered, then the tendered certificate must be endorsed or accompanied by an appropriate stock power, signed in either case exactly as the name of the registered holder appears on the certificate, with the signature guaranteed by an Eligible Institution.

2. *Requirements of Tender.* This Letter of Transmittal is to be completed by stockholders either if certificates are to be forwarded herewith or, unless an agent’s message (as defined below) is utilized, if delivery of Common Shares is to be made pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase. For Common Shares to be tendered properly in the Offer: the certificates for the Common Shares, or confirmation of receipt of the Common Shares pursuant to the procedure for book-entry transfer set forth below, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile of the Letter of Transmittal, including any required signature guarantees, or an agent’s message (as defined below) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, must be received prior to the Expiration Date by the Depository at its address set forth on the back cover page of this Offer to Purchase; or the tendering stockholder must, prior to the Expiration Date, comply with the guaranteed delivery procedure set forth below and in Section 3 of the Offer to Purchase.

If a stockholder desires to tender Common Shares in the Offer and the stockholder’s Common Share certificates are not immediately available or cannot be delivered to the Depository prior to the Expiration Date (or the procedures for book-entry transfer cannot be completed on a timely basis), or if time will not permit delivery of all required documents to the Depository prior to the Expiration Date, the Common Shares may still be tendered pursuant to the procedures forth in Section 3 of the Offer to Purchase. Pursuant to those procedures, all of the following conditions must be satisfied: (i) the tender is made by or through an Eligible Institution; (ii) the Depository receives by hand, mail, overnight courier or facsimile transmission, prior to the Expiration Date, a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form the Company has provided with this Offer to Purchase, including (where required) a signature guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery; and (iii) the certificates for all tendered Common Shares, in proper form for transfer (or confirmation of book-entry transfer of the Common Shares into the Depository’s account at DTC), together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile of the Letter of Transmittal, or an agent’s message (as defined below) in the case of a book-entry transfer, and any required signature guarantees and other documents required by the Letter of Transmittal, are received by the Depository within three business days after the date of receipt by the Depository of the Notice of Guaranteed Delivery. The term “Agent’s Message” means a message transmitted by DTC to, and received by, the Depository and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgement from the participant tendering Common Shares through DTC that such participant has received, and agrees to be bound by, the terms of this Letter of Transmittal and that the Company may enforce such agreement against that participant.

**The method of delivery of all documents, including certificates for Common Shares, this Letter of Transmittal and any other required documents, including delivery through DTC, is at the sole election and risk of the tendering stockholder. Common Shares will be deemed delivered only when actually received by the Depository (including, in the case of a book-entry transfer, by book-entry confirmation). If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.**

Except as specifically provided by the Offer to Purchase, no alternative, conditional or contingent tenders will be accepted. No fractional Common Shares will be purchased. All tendering stockholders, by execution of this Letter of Transmittal, waive any right to receive any notice of the acceptance for payment of their Common Shares.

3. *Inadequate Space.* If the space provided in the box entitled "Description of Common Shares Tendered" in this Letter of Transmittal is inadequate, the certificate numbers and/or the number of Common Shares should be listed on a separate signed schedule attached hereto.

4. *Partial Tenders (Not Applicable to Stockholders Who Tender by Book-Entry Transfer).* If fewer than all the Common Shares represented by any certificate submitted to the Depository are to be tendered, fill in the number of Common Shares that are to be tendered in the box entitled "Number of Common Shares Tendered." In that case, if any tendered Common Shares are purchased, new certificate(s) for the remainder of the Common Shares that were evidenced by the old certificate(s) will be sent to the registered holder(s), unless otherwise provided in the appropriate box on this Letter of Transmittal, promptly after the acceptance for payment of, and payment for, the Common Shares tendered herewith. All Common Shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. *Indication of Price at Which Common Shares are Being Tendered.* For Common Shares to be properly tendered, the stockholder **MUST** either (1) check the box indicating the price per Common Share at which such stockholder is tendering Common Shares under the section captioned "Price (in Dollars) per Common Share at Which Common Shares Are Being Tendered" or (2) check the box in the section captioned "Purchase Price Tender" in order to maximize the chance of having the Company purchase all of the Common Shares tendered (subject to the possibility of proration) (stockholders should understand that this election may lower the purchase price and could result in the tendered Common Shares being purchased at the minimum price of \$27.00 per Common Share). For purposes of determining the purchase price, those Common Shares that are tendered by stockholders agreeing to accept the purchase price determined in the Offer will be deemed to be tendered at the minimum price. Selecting option (1) could result in none of the stockholder's tendered Common Shares being purchased if the purchase price for the Common Shares turns out to be less than the price selected by the stockholder. Selecting option (2) may lower the purchase price and could result in the stockholder receiving the minimum price of \$27.00 per Common Share. **Only one box under (1) or (2) may be checked. If more than one box is checked, or if no box is checked, there is no proper tender of Common Shares. A stockholder wishing to tender portions of such stockholder's Common Share holdings at different prices must complete a separate Letter of Transmittal for each price at which such stockholder wishes to tender each such portion of such stockholder's Common Shares.** The same Common Shares cannot be tendered unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price.

6. *Signatures on Letter of Transmittal, Stock Powers and Endorsements.* If this Letter of Transmittal is signed by the registered holder(s) of the Common Shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without any change whatsoever.

If any of the Common Shares tendered hereby are owned of record by two or more joint owners, all such persons must sign this Letter of Transmittal.

If any Common Shares tendered hereby are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, he or she should so indicate when signing, and proper evidence satisfactory to the Company of his or her authority to so act must be submitted with this Letter of Transmittal.

If this Letter of Transmittal is signed by the registered owner(s) of the Common Shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made, or certificates for Common Shares not tendered or accepted for payment are to be issued, to a person other than the registered owner(s). Signatures on any such certificates or stock powers must be guaranteed by an eligible institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Common Shares tendered hereby, or if payment is to be made or certificate(s) for Common Shares not tendered or not purchased are to be issued to a person other than the registered owner(s), the certificate(s) representing such Common Shares must be properly endorsed for transfer or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered owner(s) appear(s) on the certificate(s). The signature(s) on any such certificate(s) or stock power(s) must be guaranteed by an eligible institution. See Instruction 1.

*7. Stock Transfer Taxes.* The Company will pay all stock transfer taxes, if any, payable on the transfer to us of Common Shares purchased pursuant to the Offer. If, however, payment of the Purchase Price is to be made to, or (in the circumstances permitted by the Offer) if unpurchased Common Shares are to be registered in the name of, any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person, will be deducted from the Purchase Price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption from payment of the stock transfer taxes, is submitted to the Depository.

Except as provided in this Instruction 7, it will not be necessary for transfer tax stamps to be affixed to the certificates listed in this Letter of Transmittal.

*8. Special Payment and Delivery Instructions.* If a check for the purchase price of any Common Shares accepted for payment is to be issued in the name of, and/or certificates for any Common Shares not accepted for payment or not tendered are to be issued in the name of and/or returned to, a person other than the signer of this Letter of Transmittal or if a check is to be sent, and/or such certificates are to be returned, to a person other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed and signatures must be guaranteed as described in Instructions 1 and 6.

*9. Determination of Validity; Rejection of Common Shares; Waiver of Defects; No Obligation to Give Notice of Defects.* All questions as to the number of Common Shares to be accepted, the Purchase Price to be paid for Common Shares to be accepted and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of Common Shares will be determined by the Company, in its sole discretion and will be final and binding on all parties. The Company reserves the absolute right to reject any or all tenders of any Common Shares that it determines are not in proper form or the acceptance for payment of or payment for which may, in the opinion of the Company's counsel, be unlawful. The Company also reserves the absolute right to waive any of the conditions of the Offer prior to the Expiration Date with respect to all tendered Common Shares. The Company also reserves the absolute right to waive any defect or irregularity in any tender with respect to any particular Common Shares, whether or not the Company waives similar defects or irregularities in the case of any other stockholder. No tender of Common Shares will be deemed to have been

properly made until all defects or irregularities have been cured by the tendering stockholder or waived by the Company. The Company will not be liable for failure to waive any condition of the Offer, or any defect or irregularity in any tender of Common Shares. None of the Company, the Depository, the Information Agent, the Dealer Manager or any other person will be obligated to give notice of any defects or irregularities in tenders, nor will any of them incur any liability for failure to give any such notice.

10. *U.S. Federal Income Tax Backup Withholding.* Under the U.S. federal income tax backup withholding rules, unless an exemption applies under the applicable law and regulations, 28% of the gross proceeds payable to a tendering stockholder or other payee who is a U.S. Holder pursuant to the Offer must be withheld and remitted to the Internal Revenue Service (the “IRS”), unless the tendering stockholder or other payee provides its taxpayer identification number (employer identification number or social security number) to the Depository (as payor) and certifies under penalties of perjury that the number is correct or otherwise establishes an exemption. Therefore, each tendering stockholder that is a U.S. Holder (as defined in Section 14 of its Offer to Purchase) should complete and sign the Form W-9 included as part of the Letter of Transmittal so as to provide the information and certification necessary to avoid backup withholding, unless the stockholder otherwise establishes to the satisfaction of the Depository that the stockholder is not subject to backup withholding. If a U.S. Holder does not provide the Depository with the correct taxpayer identification number, the U.S. Holder may be subject to penalties imposed by the IRS. If backup withholding results in an overpayment of taxes, a refund may be obtained from the IRS in accordance with its refund procedures.

Certain “exempt recipients” (including, among others, all corporations and certain Non-U.S. Holders (as defined in Section 14 of the Offer to Purchase)), are not subject to backup withholding. In order for a Non-U.S. Holder (other than a partnership) to qualify as an exempt recipient, that stockholder must submit an IRS Form W-8BEN, W-8IMY (with any required attachments), W-8ECI, or W-8EXP, as applicable (which may be obtained on the IRS website ([www.irs.gov](http://www.irs.gov))), signed under penalties of perjury, attesting to that stockholder’s exempt status.

11. *Requests for Assistance or Additional Copies.* Questions and requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective telephone numbers and addresses set forth below. Requests for additional copies of the Offer to Purchase, this Letter of Transmittal or the Notice of Guaranteed Delivery should be directed to the Information Agent. The Information Agent will promptly furnish to stockholders additional copies of these materials at the Company’s expense. You may also contact your bank, broker, dealer, trust company or other nominee for assistance concerning the Offer.

12. *Lost, Destroyed or Stolen Certificates.* If any certificate representing Common Shares has been lost or destroyed, the stockholder should check the box for “Lost Certificates” in the box on page 2, return the completed Letter of Transmittal and promptly notify the Depository at the phone number or address set forth on the back cover page of this Offer to Purchase. The stockholder will then be instructed as to the steps that must be taken in order to replace the certificate(s) or submit an affidavit of lost or destroyed certificate(s) and agreement of indemnity. The Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed. Stockholders are requested to contact the Depository immediately in order to permit timely processing of this documentation.

13. *Conditional Tenders.* As described in Sections 1 and 6 of the Offer to Purchase, stockholders may condition their tenders on all or a minimum number of their tendered Common Shares being purchased.

If you wish to make a conditional tender, you must indicate this in the box captioned “Conditional Tender” in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. In the box in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, you must calculate and appropriately indicate the minimum number of Common Shares that must be purchased from you if any are to be purchased from you.

As discussed in Sections 1 and 6 of the Offer to Purchase, proration may affect whether the Company accepts conditional tenders and may result in Common Shares tendered pursuant to a conditional tender being deemed withdrawn if the required minimum number of Common Shares would not be purchased. If, because of proration, the minimum number of Common Shares that you designate will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your Common Shares of common stock and checked the box so indicating. Upon selection by lot, if any, the Company will limit its purchase in each case to the designated minimum number of Common Shares.

All tendered Common Shares will be deemed unconditionally tendered unless the “Conditional Tender” box is completed.

The conditional tender alternative is made available so that a stockholder may seek to structure the purchase of Common Shares pursuant to the Offer in such a manner that the purchase will be treated as a sale of such Common Shares by the stockholder, rather than the payment of a dividend to the stockholder, for U.S. federal income tax purposes. It is the tendering stockholder’s responsibility to calculate the minimum number of Common Shares that must be purchased from the stockholder in order for the stockholder to qualify for sale rather than dividend treatment. Each stockholder is urged to consult his or her own tax advisor. See Section 14 of the Offer to Purchase.

**IMPORTANT.** This Letter of Transmittal, together with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message, and any other required documents, must be received by the Depository prior to the Expiration Date and either certificates for tendered Common Shares must be received by the Depository or Common Shares must be delivered pursuant to the procedures for book-entry transfer, in each case prior to the Expiration Date, or the tendering stockholder must comply with the procedures for guaranteed delivery.

This Letter of Transmittal, certificates for Common Shares and any other required documents should be sent or delivered by each stockholder of the Company or his or her bank, broker, dealer, trust company or other nominee to the Depository as follows:

*The Depository for the Offer is:*

## **BNY MELLON SHAREOWNER SERVICES**

***By Registered, Certified or  
Express Mail, Overnight Courier or by  
Hand:***

BNY Mellon Shareowner Services  
Attn.: Corporate Action Dept., 27th Floor  
480 Washington Blvd.  
Jersey City, New Jersey 07310

***By First Class Mail:***

BNY Mellon Shareowner Services  
Attn.: Corporate Action Dept.  
P.O. Box 3301  
South Hackensack, New Jersey 07606

**Delivery of this Letter of Transmittal to an address other than as set forth above will not constitute a valid delivery to the Depository.**

Questions and requests for assistance may be directed to the Information Agent at the telephone number and location listed below. You may also contact your bank, broker, dealer, trust company or other nominee for assistance concerning the Offer.

*The Information Agent for the Offer is:*



**BNY MELLON  
SHAREOWNER SERVICES**

480 Washington Blvd., 27th Floor  
Jersey City, New Jersey 07310  
Banks and Brokers Call Collect: (201) 680-6579  
All Others Call Toll Free: (866) 351-2987

*The Dealer Manager for the Offer is:*

**DEUTSCHE BANK SECURITIES INC.**

60 Wall Street New York, New York 10005 Call Toll-Free: (877) 221-7676

## NOTICE OF GUARANTEED DELIVERY (Not to be used for Signature Guarantee) for Tender of Common Shares of Scholastic Corporation

<p><b>THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON OCTOBER 28, 2010, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN (SUCH DATE, AS IT MAY BE EXTENDED, THE "EXPIRATION DATE").</b></p>
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As set forth in Section 3 of the Offer to Purchase (as defined below) this form must be used to accept the Offer (as defined below) if (1) certificates representing your shares of common stock, par value \$0.01 per share (the "Common Shares"), of Scholastic Corporation, a Delaware corporation (the "Company"), are not immediately available or cannot be delivered to the Depository prior to the Expiration Date (or the procedures for book-entry transfer described in the Offer to Purchase and the Letter of Transmittal cannot be completed on a timely basis), or (2) time will not permit all required documents, including a properly completed and duly executed Letter of Transmittal, to reach the Depository prior to the Expiration Date.

This form, signed and properly completed, may be transmitted by facsimile or delivered by hand, mail or overnight delivery to the Depository. See Section 3 of the Offer to Purchase. All capitalized terms used and not defined herein shall have the same meanings as in the Offer to Purchase.

*The Depository for the Offer is:*

**BNY Mellon Shareowner Services**

*By First Class Mail:*

BNY Mellon Shareowner Services  
Attn: Corporate Actions Dept.  
P.O. Box 3301  
South Hackensack, NJ 07606

*By Registered, Certified or  
Express Mail, Overnight Courier or by Hand:*

BNY Mellon Shareowner Services  
Attn: Corporate Actions Dept., 27th Floor  
480 Washington Boulevard  
Jersey City, NJ 07310

*By Facsimile Transmission (Eligible Institutions Only): (201) 680-4626*

*Confirm Facsimile Transmission: (201) 680-4860*

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**DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE NUMBER, OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.**

**For this Notice of Guaranteed Delivery to be validly delivered, it must be received by the Depository at one of the above addresses, or by facsimile transmission, prior to the Expiration Date. Deliveries to the Company, to the Dealer Manager, the Information Agent or the book-entry transfer facility (as described in the Offer to Purchase) will not be forwarded to the Depository and therefore will not constitute valid delivery. Deliveries to The Depository Trust Company will not constitute valid delivery to the Depository.**

**This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an Eligible Institution under the instructions in the Letter of Transmittal, the signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.**

Ladies and Gentlemen:

The undersigned hereby tenders to Scholastic Corporation, a Delaware corporation (the "Company"), at the price per Common Share indicated in this Notice of Guaranteed Delivery, on the terms and subject to the conditions set forth in the Offer to Purchase, dated September 28, 2010 (the "Offer to Purchase"), and the Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the "Offer"), receipt of which is hereby acknowledged, the number of Common Shares set forth below, all pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. All capitalized terms used and not defined herein shall have the same meanings as in the Offer to Purchase.

**Number of Common Shares to be tendered: \_\_\_\_\_ Common Shares. Unless otherwise indicated, it will be assumed that all Common Shares are to be tendered.**

**THE UNDERSIGNED IS TENDERING COMMON SHARES AS FOLLOWS (CHECK ONLY ONE BOX):**

**(1) AUCTION PRICE TENDER: PRICE (IN DOLLARS) PER COMMON SHARE AT WHICH COMMON SHARES ARE BEING TENDERED (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)**

By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER "(2) Purchase Price Tender," the undersigned is tendering Common Shares at the price checked. This election could mean that none of the Common Shares will be purchased if the price checked below is higher than the Purchase Price. **A STOCKHOLDER WHO WISHES TO TENDER COMMON SHARES AT MORE THAN ONE PRICE MUST COMPLETE A SEPARATE NOTICE OF GUARANTEED DELIVERY FOR EACH PRICE AT WHICH COMMON SHARES ARE TENDERED (SEE SECTION 3 OF THE OFFER TO PURCHASE AND INSTRUCTION 5 TO THE LETTER OF TRANSMITTAL).** The same Common Shares cannot be tendered at more than one price, unless previously and properly withdrawn as provided in Section 4 of the Offer to Purchase.

**AUCTION PRICE TENDER: PRICE (IN DOLLARS) PER COMMON SHARE AT WHICH COMMON SHARES ARE BEING TENDERED**

- |  |  |  |  |  |
|--|--|--|--|--|
| <input type="checkbox"/> Price \$27.00 | <input type="checkbox"/> Price \$28.00 | <input type="checkbox"/> Price \$29.00 | <input type="checkbox"/> Price \$30.00 | <input type="checkbox"/> Price \$31.00 |
| <input type="checkbox"/> Price \$27.25 | <input type="checkbox"/> Price \$28.25 | <input type="checkbox"/> Price \$29.25 | <input type="checkbox"/> Price \$30.25 |  |
| <input type="checkbox"/> Price \$27.50 | <input type="checkbox"/> Price \$28.50 | <input type="checkbox"/> Price \$29.50 | <input type="checkbox"/> Price \$30.50 |  |
| <input type="checkbox"/> Price \$27.75 | <input type="checkbox"/> Price \$28.75 | <input type="checkbox"/> Price \$29.75 | <input type="checkbox"/> Price \$30.75 |  |

**OR**

**(2) PURCHASE PRICE TENDER (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)**

- By checking this one box INSTEAD OF ONE OF THE PRICE BOXES UNDER "(1) Auction Price Tender: Price (in Dollars) Per Common Share at Which Common Shares Are Being Tendered," the



undersigned is tendering Common Shares and is willing to accept the Purchase Price, as the same shall be determined by the Company, in accordance with the terms of the Offer. This action will maximize the chance of having the Company purchase the Common Shares pursuant to the Offer (subject to proration). NOTE THAT THIS ELECTION IS DEEMED TO BE A TENDER OF COMMON SHARES AT THE MINIMUM PRICE OF \$27.00 PER SHARE AND COULD RESULT IN THE TENDERED COMMON SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$27.00 PER COMMON SHARE. (See Section 3 of the Offer to Purchase and Instruction 5 to the Letter of Transmittal).

**CHECK ONE, AND ONLY ONE, BOX ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, OR IF NO BOX IS CHECKED, THERE IS NO PROPER TENDER OF COMMON SHARES.**

**CONDITIONAL TENDER**

**(See Section 6 of the Offer to Purchase and page 1 of the Letter of Transmittal)**

A tendering stockholder may condition his or her tender of Common Shares upon the Company purchasing all or a specified minimum number of the Common Shares tendered, as described in Section 6 of the Offer to Purchase. Unless at least the minimum number of Common Shares you indicate below is purchased by the Company pursuant to the terms of the Offer, none of the Common Shares tendered by you will be purchased. **IT IS THE TENDERING STOCKHOLDER'S RESPONSIBILITY TO CALCULATE THE MINIMUM NUMBER OF COMMON SHARES THAT MUST BE PURCHASED FROM THE STOCKHOLDER IN ORDER FOR THE STOCKHOLDER TO QUALIFY FOR SALE OR EXCHANGE (RATHER THAN DISTRIBUTION) TREATMENT FOR U.S. FEDERAL INCOME TAX PURPOSES. STOCKHOLDERS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS BEFORE COMPLETING THIS SECTION. NO ASSURANCES CAN BE PROVIDED THAT A CONDITIONAL TENDER WILL ACHIEVE THE INTENDED U.S. FEDERAL INCOME TAX RESULT FOR ANY STOCKHOLDER TENDERING COMMON SHARES.** Unless this box has been checked and a minimum specified, your tender will be deemed unconditional.

The minimum number of Common Shares that must be purchased from me, if any are purchased from me, is: \_\_\_\_\_ Common Shares.

If, because of proration, the minimum number of Common Shares designated will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her Common Shares and checked this box:

The tendered Common Shares represent all Shares held by the undersigned.

Certificate Nos. (if available): \_\_\_\_\_

Certificate Nos. (if available): \_\_\_\_\_

**(Please Type or Print)**

Address(es): \_\_\_\_\_

Zip Code(s): \_\_\_\_\_

Daytime Area Code and Telephone Number: \_\_\_\_\_

Signature(s): \_\_\_\_\_

Name: \_\_\_\_\_

**(Please Type or Print)**

Dated: \_\_\_\_\_, 2010

If shares will be tendered by book-entry transfer, check this box  and provide the following information:

Name of Tendering Institution: \_\_\_\_\_

Account Number at Book-Entry Transfer Facility: \_\_\_\_\_

**THE GUARANTEE SET FORTH BELOW MUST BE COMPLETED.  
GUARANTEE (NOT TO BE USED FOR SIGNATURE GUARANTEE)**

The undersigned, a firm that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Securities Transfer Agents Medallion Program, NASDAQ OMX Group, Inc., Medallion Signature Program, the Stock Exchange Medallion Program, or an "eligible guarantor institution," as the term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), hereby guarantees that (1) the above named person(s) "own(s)" the Common Shares tendered hereby within the meaning of Rule 14e-4 under the Exchange Act, (2) such tender of Common Shares complies with Rule 14e-4 under the Exchange Act and (3) it will deliver to the Depository either the certificates representing the Common Shares tendered hereby, in proper form for transfer, or confirmation of book-entry transfer of such Common Shares into the Depository's account at DTC (as defined in the Offer to Purchase), in any such case, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile of the Letter of Transmittal, or an Agent's Message (as defined in the Offer to Purchase) in the case of a book-entry transfer, and any required signature guarantees and other documents required by the Letter of Transmittal, within three business days (as defined in the Offer to Purchase) after the date of receipt by the Depository of this Notice of Guaranteed Delivery.

The Eligible Institution that completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal and certificates for Common Shares to the Depository within the time period shown herein. Failure to do so could result in financial loss to such Eligible Institution.

Name of Firm: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

**(Please Type or Print)**

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Area Code and Telephone Number: \_\_\_\_\_

Dated: \_\_\_\_\_, 2010

**NOTE: DO NOT SEND CERTIFICATES FOR COMMON SHARES WITH THIS NOTICE. CERTIFICATES FOR COMMON SHARES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.**

## Offer to Purchase for Not More Than \$150,000,000 in Cash By



Scholastic Corporation of up to 5,555,556 of its Common Shares at a Purchase Price Not Greater Than \$31.00 Nor Less Than \$27.00 per Common Share

**THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON OCTOBER 28, 2010, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN (SUCH DATE, AS IT MAY BE EXTENDED, THE "EXPIRATION DATE").**

September 28, 2010

To Brokers, Dealers, Commercial Banks,  
Trust Companies and Other Nominees:

We have been appointed by Scholastic Corporation, a Delaware corporation (the "Company"), to act as Dealer Manager in connection with the Company's offer to purchase for cash up to 5,555,556 of its common stock, par value \$0.01 per share (the "Common Shares"), pursuant to (i) auction tenders at prices specified by the tendering stockholders of not greater than \$31.00 nor less than \$27.00 per Common Share ("Auction Tenders"), or (ii) purchase price tenders ("Purchase Price Tenders"), in either case upon the terms and subject to the conditions described in the Offer to Purchase, dated September 28, 2010 (the "Offer to Purchase") and in the Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the "Offer"). Please furnish copies of the enclosed materials to those of your clients for whom you hold Common Shares registered in your name or in the name of your nominee.

After the Expiration Date, the Company will, upon the terms and subject to the conditions of the Offer, determine a single price per Common Share (the "Purchase Price"), which will be not more than \$31.00 and not less than \$27.00 per Common Share, that it will pay for Common Shares properly tendered in the Offer and not properly withdrawn, taking into account the number of Common Shares tendered pursuant to Auction Tenders and Purchase Price Tenders and the prices specified by stockholders tendering Common Shares pursuant to Auction Tenders. Common Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$27.00 per Common Share for purposes of determining the Purchase Price (which is the minimum price per Common Share under the Offer). The Purchase Price will be the lowest price per Common Share of not more than \$31.00 and not less than \$27.00 per Common Share, at which Common Shares have been tendered or have been deemed to be tendered under the Offer, that will enable the Company to purchase the maximum number of Common Shares properly tendered in the Offer and not properly withdrawn having an aggregate purchase price not exceeding \$150,000,000. Common Shares properly tendered pursuant to an Auction Tender will only be taken up if the price specified in the Auction Tender is equal to or less than the Purchase Price.

All Common Shares purchased pursuant to the Offer will be purchased at the same Purchase Price regardless of whether the stockholder tendered at a lower price. However, because of proration and conditional tender provisions described in the Offer to Purchase, all of the Common Shares tendered at or below the Purchase Price may not be purchased if more than the number of Common Shares the Company seeks are properly tendered and not properly withdrawn.

Upon the terms and subject to the conditions of the Offer, if the number of Common Shares properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date would result in an aggregate purchase price of more than \$150,000,000, the Company will purchase Common Shares: (i) *first*, from all other stockholders who properly tender Common Shares at or below the Purchase Price, on a pro rata basis with appropriate adjustments to avoid the purchase of fractional Common Shares (except for stockholders who tendered Common Shares conditionally for which the condition was not satisfied), until the Company has purchased Common Shares resulting in an aggregate purchase price of \$150,000,000; and (ii) *second*, only if necessary to permit the Company to purchase Common Shares resulting in an aggregate purchase price of \$150,000,000, from holders who properly tender Common Shares at or below the Purchase Price conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose Common Shares are conditionally tendered must have properly tendered and not properly withdrawn all of their Common Shares prior to the Expiration Date. See Sections 1, 3, 4 and 6 of the Offer to Purchase.

For your information, and for forwarding to those of your clients for whom you hold Common Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. Offer to Purchase, dated September 28, 2010;
2. Letter of Transmittal (including the Form W-9), for your use in accepting the Offer and tendering Common Shares of, and for the information of, your clients (facsimile copies of the Letter of Transmittal, with manual signatures, may be used to tender Common Shares);
3. Letter to Clients, for you to send to your clients for whose accounts you hold Common Shares registered in your name or in the name of a nominee, with an Instruction Form provided for obtaining such client's instructions with regard to the Offer;
4. Notice of Guaranteed Delivery with respect to Common Shares, to be used to accept the Offer if certificates representing your clients' Common Share certificates are not immediately available or cannot be delivered to you to be further delivered to the Depository prior to the Expiration Date (or the procedures for book-entry transfer cannot be completed on a timely basis), or if time will not permit all required documents, including a properly completed and duly executed Letter of Transmittal, to reach the Depository prior to the Expiration Date; and
5. Return envelope addressed to BNY Mellon Shareowner Services, as the Depository.

**The conditions of the Offer are described in Section 7 of the Offer to Purchase.**

**Your prompt action is requested. We urge you to contact your clients as promptly as possible. Please note that the Offer, proration period and withdrawal rights will expire at 5:00 P.M., New York City time, on October 28, 2010, unless the Offer is extended or withdrawn. Under no circumstances will the Company pay interest on the Purchase Price (as such term is defined in the Offer to Purchase), even if there is any delay in making payment.**

For Common Shares to be tendered properly pursuant to the Offer:

- the certificates for the Common Shares, or confirmation of receipt of the Common Shares pursuant to the procedure for book-entry transfer set forth in the Offer to Purchase, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile of the Letter of Transmittal, including any required signature guarantees, or an Agent's Message (as defined in the Offer to Purchase) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, must be received prior to the Expiration Date by the Depository at its address set forth on the back cover page of the Offer to Purchase; or
- the tendering stockholder must, prior to the Expiration Date, comply with the guaranteed delivery procedure set forth in the Offer to Purchase.

While the Company's Board of Directors has authorized the Offer, it has not, nor has the Company, the Dealer Manager, the Information Agent or the Depositary made, or is making, any recommendation to your clients as to whether they should tender or refrain from tendering their Common Shares or as to the price or prices at which they may choose to tender their Common Shares. Your clients must make their own decisions as to whether to tender their Common Shares and, if so, how many Common Shares to tender and the price or prices at which their Common Shares should be tendered. In doing so, your clients should read carefully the information in, or incorporated by reference in, the Offer to Purchase and in the Letter of Transmittal, including the purposes and effects of the Offer. See Section 2 of the Offer to Purchase. Your clients are urged to discuss their decisions with their own tax advisors, financial advisors and/or brokers.

The Company will not pay any fees or commissions to brokers, dealers or other persons (other than fees to the Dealer Manager, the Information Agent and the Depositary, as described in the Offer to Purchase) for soliciting tenders of Common Shares pursuant to the Offer. However, the Company will, on request, reimburse you for customary mailing and handling expenses incurred by you in forwarding copies of the enclosed Offer and related materials to your clients. The Company will pay or cause to be paid all stock transfer taxes, if any, on its purchase of Common Shares pursuant to the Offer, except as otherwise provided in the Offer to Purchase (see Section 5 of the Offer to Purchase).

Questions and requests for assistance may be directed to the Dealer Manager or to the Information Agent, and requests for additional copies of the enclosed materials may be directed to the Information Agent, at the telephone numbers and addresses listed below.

**The Dealer Manager for the Offer is:**

Deutsche Bank Securities Inc.  
60 Wall Street  
New York, New York 10005  
Call Toll-Free: (877) 221-7676

**The Information Agent for the Offer is:**

BNY Mellon Shareholder Services  
480 Washington Blvd., 27<sup>th</sup> Floor  
Banks and Brokers Call: (201) 680-6579  
All Others Call Toll-Free: (866) 351-2987

Very truly yours,

**DEUTSCHE BANK SECURITIES INC.**

Nothing contained in this letter or in the enclosed documents shall render you or any other person the agent of the Company, the Dealer Manager, the Depositary, the Information Agent or any affiliate of any of them or authorize you or any other person to give any information or use any document or make any statement on behalf of any of them with respect to the Offer other than the enclosed documents and the statements contained therein.

## Offer to Purchase for Not More Than \$150,000,000 in Cash By



Scholastic Corporation of up to 5,555,556 of its Common Shares at a Purchase Price Not Greater Than \$31.00 Nor Less Than \$27.00 per Common Share

**THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON OCTOBER 28, 2010, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN (SUCH DATE, AS IT MAY BE EXTENDED, THE "EXPIRATION DATE").**

September 28, 2010

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated September 28, 2010 (the "Offer to Purchase") and the Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the "Offer"), by Scholastic Corporation, a Delaware corporation (the "Company"), to purchase for cash up to 5,555,556 of its common stock, par value \$0.01 per share (the "Common Shares"), pursuant to (i) auction tenders at prices specified by the tendering stockholders of not greater than \$31.00 nor less than \$27.00 per Common Share, or (ii) purchase price tenders, in either case upon the terms and subject to the conditions described in the Offer. After the Expiration Date, assuming the conditions to the Offer have been satisfied or waived, the Company will examine the prices chosen by stockholders for all Common Shares properly tendered and not properly withdrawn. All Common Shares purchased pursuant to the Offer will be purchased at the same Purchase Price regardless of whether the stockholder tendered at a lower price. However, because of the proration and conditional tender provisions described in the Offer to Purchase, all of the Common Shares tendered at or below the Purchase Price may not be purchased if more than the number of Common Shares the Company seeks are properly tendered and not properly withdrawn. Only Common Shares properly tendered at prices at or below the Purchase Price, and not properly withdrawn, will be purchased. Common Shares tendered but not purchased pursuant to the Offer will be returned promptly following the Expiration Date. See Sections 1, 3 and 4 of the Offer to Purchase.

Upon the terms and subject to the conditions of the Offer, if the number of Common Shares properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date would result in an aggregate purchase price of more than \$150,000,000, the Company will purchase Common Shares: (i) *first*, from all stockholders who properly tender Common Shares at or below the Purchase Price, on a pro rata basis with appropriate adjustments to avoid the purchase of fractional Common Shares (except for stockholders who tendered Common Shares conditionally for which the condition was not satisfied), until the Company has purchased Common Shares resulting in an aggregate purchase price of \$150,000,000; and (ii) *second*, only if necessary to permit the Company to purchase Common Shares resulting in an aggregate purchase price of \$150,000,000, from holders who properly tender Common Shares at or below the Purchase Price conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose Common Shares are conditionally tendered must have properly tendered and not properly withdrawn all of their Common Shares prior to the Expiration Date. See Sections 1, 3, 4 and 6 of the Offer to Purchase.

Because of the proration and conditional tender provisions described above, the Company may not purchase all of the Common Shares that you tender even if you tender them at or below the Purchase Price. See Section 1 of the Offer to Purchase.

We are the holder of record (directly or indirectly) of Common Shares held for your account. As such, we are the only ones who can tender your Common Shares, and then only pursuant to your instructions. **We are sending you the Letter of Transmittal for your information only; you cannot use it to tender Common Shares we hold for your account.**

Please instruct us, by completing the attached Instruction Form, as to whether you wish us to tender all or any portion of the Common Shares we hold for your account on the terms and subject to the conditions of the Offer.

Please note the following:

1. You may tender your Common Shares at a price not greater than \$31.00 nor less than \$27.00 per Common Share, in increments of \$0.25, as indicated in the attached Instruction Form, net to you in cash, less any applicable withholding tax and without interest.

**2. You should consult with your broker or other financial or tax advisor on the possibility of designating the priority in which your Common Shares will be purchased in the event of proration.**

3. The Offer is not conditioned upon obtaining financing or any minimum number of Common Shares being tendered. Scholastic will fund any purchase of Common Shares pursuant to the Offer, including related fees and expenses, from available cash, initially including temporarily drawing on Scholastic's existing credit facility. Additionally, the Offer is subject to a number of other terms and conditions. See Section 7 of the Offer to Purchase.

4. The Offer, proration period and withdrawal rights will expire at 5:00 P.M., New York City time, on October 28, 2010, unless the Offer is extended or withdrawn.

5. Tendering stockholders whose Common Shares are registered in their own names and who tender directly to BNY Mellon Shareowner Services, the Depository for the Offer, will not be obligated to pay brokerage fees or commissions or, except as set forth in Section 5 of the Offer to Purchase, stock transfer taxes on the purchase of Common Shares by the Company pursuant to the Offer. You should consult with us as to whether any other charges will apply as a result of your instruction to us to tender your Common Shares on your behalf.

6. If you wish to tender Common Shares at more than one price, you must complete a separate Instruction Form for each price at which you wish to tender Common Shares. We must submit separate Letters of Transmittal on your behalf for each price at which you are tendering Common Shares.

7. If you wish to tender Common Shares subject to the condition that all or a specified minimum number of your Common Shares tendered must be purchased if any Common Shares tendered are purchased, you may elect to do so by completing the section captioned "Conditional Tender" in the attached Instruction Form.

8. Any tendering stockholder or other payee who is a U.S. Holder (as defined in Section 14 of the Offer to Purchase) and who fails to complete, sign and return to the Depository the Form W-9 included with the Letter of Transmittal (or such other Internal Revenue Service form as may be applicable) may be subject to United States federal income tax backup withholding of 28% of the gross proceeds paid to the U.S. Holder or other payee pursuant to the Offer, unless such holder establishes that such holder is within the class of persons that is exempt from backup withholding. See Section 3 of the Offer to Purchase.

If you wish to have us tender all or any portion of your Common Shares, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form. An envelope to return your Instruction Form to us is enclosed. If you authorize us to tender your Common Shares, we will tender all your Common Shares unless you specify otherwise on the attached Instruction Form. If you wish to tender Common Shares at more than one price, you must complete multiple forms as provided in Instruction 6. above.

**Your prompt action is requested. Your Instruction Form or Forms should be forwarded to us in ample time to permit us to submit a tender on your behalf prior to the Expiration Date. Please note that the Offer, proration period and withdrawal rights will expire at 5:00 P.M., New York City time, on October 28, 2010, unless the Offer is extended or withdrawn.**

The Offer is not being made to, nor will tenders be accepted from or on behalf of, stockholders in any jurisdiction in which the making or acceptance of offers to sell Common Shares would not be in compliance with the laws of that jurisdiction. If the Company becomes aware of any such jurisdiction where the making of the Offer or the acceptance of Common Shares pursuant to the Offer is not in compliance with applicable law, the Company will make a good faith effort to comply with the applicable law. If, after such good faith effort, the Company cannot comply with the applicable law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the stockholders residing in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on the Company's behalf by the Dealer Manager or by one or more registered brokers or dealers licensed under the laws of that jurisdiction.

**WHILE THE COMPANY'S BOARD OF DIRECTORS HAS AUTHORIZED THE OFFER, IT HAS NOT, NOR HAS THE COMPANY, THE DEALER MANAGER, THE INFORMATION AGENT OR THE DEPOSITARY MADE, OR IS MAKING, ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING YOUR COMMON SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR COMMON SHARES. YOU MUST MAKE YOUR OWN DECISIONS AS TO WHETHER TO TENDER YOUR COMMON SHARES AND, IF SO, HOW MANY COMMON SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH YOU WILL TENDER THEM. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN, OR INCORPORATED BY REFERENCE IN, THE OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE OFFER. YOU ARE URGED TO DISCUSS YOUR DECISIONS WITH YOUR OWN TAX ADVISORS, FINANCIAL ADVISORS AND/OR BROKERS.**

**OUR DIRECTORS AND OFFICERS WOULD BE ENTITLED TO PARTICIPATE IN THE OFFER ON THE SAME BASIS AS OTHER STOCKHOLDERS. HOWEVER, RICHARD ROBINSON, THE CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF SCHOLASTIC, AND OTHER MEMBERS OF THE ROBINSON FAMILY, AS WELL AS THE OTHER OFFICERS OF SCHOLASTIC, HAVE INFORMED US THAT THEY DO NOT INTEND TO TENDER COMMON SHARES IN THE OFFER. OUR DIRECTORS HAVE ALSO INFORMED US THAT THEY DO NOT INTEND TO TENDER COMMON SHARES IN THE OFFER, WITH THE EXCEPTION OF ONE DIRECTOR WHO MAY TENDER UP TO 182,600 COMMON SHARES IN THE OFFER SOLELY IN HIS FIDUCIARY CAPACITIES AS EXECUTOR OF AN ESTATE AND TRUSTEE OF A RELATED TESTAMENTARY TRUST. ANY SUCH TENDER WOULD BE A PURCHASE PRICE TENDER. ADDITIONALLY, RICHARD ROBINSON AND THE OTHER MEMBERS OF THE ROBINSON FAMILY, WHO ARE THE BENEFICIAL OWNERS OF ALL OF THE OUTSTANDING CLASS A SHARES, HAVE INFORMED US THAT THEY DO NOT INTEND TO SELL OR TRANSFER OWNERSHIP OF ANY CLASS A SHARES OR CONVERT ANY CLASS A SHARES TO COMMON SHARES PRIOR TO THE EXPIRATION DATE.**



**INSTRUCTION FORM WITH RESPECT TO  
Offer to Purchase for Not More Than \$150,000,000 in Cash By**



**Scholastic Corporation of up to 5,555,556 of its Common Shares at a Purchase Price Not Greater Than \$31.00 Nor Less Than \$27.00 per Common Share**

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated September 28, 2010 (the "Offer to Purchase"), and the Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the "Offer"), by Scholastic Corporation, a Delaware corporation (the "Company"), to purchase for cash up to 5,555,556 of its common stock, par value \$0.01 per share (the "Common Shares"), pursuant to (i) auction tenders at prices specified by the tendering stockholders of not greater than \$31.00 nor less than \$27.00 per Common Share or (ii) purchase price tenders, in either case upon the terms and subject to the conditions described in the Offer to Purchase and in the Letter of Transmittal.

The undersigned hereby instruct(s) you to tender to the Company the number of Common Shares indicated below or, if no number is indicated, all Common Shares you hold for the account of the undersigned, on the terms and subject to the conditions of the Offer.

In participating in the Offer, the undersigned acknowledges that: (1) the Offer is established voluntarily by the Company, it is discretionary in nature and it may be extended, modified, suspended or terminated by the Company as provided in the Offer to Purchase; (2) the undersigned is voluntarily participating in the Offer; (3) the future value of the Common Shares is unknown and cannot be predicted with certainty; (4) the undersigned has received the Offer to Purchase and the Letter of Transmittal; (5) any foreign exchange obligations triggered by the undersigned's tender of Common Shares or the receipt of proceeds are solely his or her responsibility; and (6) regardless of any action that the Company takes with respect to any or all income/capital gains tax, social security or insurance tax, transfer tax or other tax-related items ("Tax Items") related to the Offer and the disposition of Common Shares, the undersigned acknowledges that the ultimate liability for all Tax Items is and remains his or her sole responsibility. In that regard, the undersigned authorizes the Company to withhold all applicable Tax Items legally payable by the undersigned. The undersigned consents to the collection, use and transfer, in electronic or other form, of the undersigned's personal data as described in this document by and among, as applicable, the Company, its subsidiaries, and third party administrators for the exclusive purpose of implementing, administering and managing his or her participation in the Offer.

**Number of Common Shares to be tendered by you for the account of the undersigned:**

\_\_\_\_\_ Common Shares. Unless otherwise indicated, it will be assumed that all Common Shares held by us for your account are to be tendered.

**THE UNDERSIGNED IS TENDERING COMMON SHARES AS FOLLOWS (CHECK ONLY ONE BOX):**

**(1) AUCTION PRICE TENDER: PRICE (IN DOLLARS) PER COMMON SHARE AT WHICH COMMON SHARES ARE BEING TENDERED (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)**

By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER "Purchase Price Tender," the undersigned is tendering Common Shares at the price checked. This election could mean that none of the Common Shares will be purchased if the price checked below is higher than the Purchase Price. A STOCKHOLDER WHO WISHES TO TENDER COMMON SHARES AT MORE THAN ONE PRICE MUST COMPLETE A SEPARATE INSTRUCTION FORM FOR EACH PRICE AT WHICH COMMON SHARES ARE TENDERED (SEE SECTION 3 OF THE OFFER TO PURCHASE AND INSTRUCTION 5 TO THE LETTER OF TRANSMITTAL). The same Common Shares cannot be tendered at more than one price, unless previously and properly withdrawn as provided in Section 4 of the Offer to Purchase.

**AUCTION PRICE TENDER: PRICE (IN DOLLARS) PER COMMON SHARE AT WHICH COMMON SHARES ARE BEING TENDERED**

<input type="checkbox"/> Price \$27.00	<input type="checkbox"/> Price \$28.00	<input type="checkbox"/> Price \$29.00	<input type="checkbox"/> Price \$30.00	<input type="checkbox"/> Price \$31.00
<input type="checkbox"/> Price \$27.25	<input type="checkbox"/> Price \$28.25	<input type="checkbox"/> Price \$29.25	<input type="checkbox"/> Price \$30.25	
<input type="checkbox"/> Price \$27.50	<input type="checkbox"/> Price \$28.50	<input type="checkbox"/> Price \$29.50	<input type="checkbox"/> Price \$30.50	
<input type="checkbox"/> Price \$27.75	<input type="checkbox"/> Price \$28.75	<input type="checkbox"/> Price \$29.75	<input type="checkbox"/> Price \$30.75	

**OR**

**(2) PURCHASE PRICE TENDER (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)**

- By checking this one box INSTEAD OF ONE OF THE PRICE BOXES UNDER "Auction Price Tender: Price (in Dollars) Per Common Share at Which Common Shares Are Being Tendered," the undersigned is tendering Common Shares and is willing to accept the Purchase Price, as the same shall be determined by the Company, in accordance with the terms of the Offer. This action will maximize the chance of having the Company purchase the Common Shares pursuant to the Offer (subject to proration). NOTE THAT THIS ELECTION IS DEEMED TO BE A TENDER OF COMMON SHARES AT THE MINIMUM PRICE OF \$27.00 PER COMMON SHARE AND COULD RESULT IN THE TENDERED COMMON SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$27.00 PER COMMON SHARE. (See Section 3 of the Offer to Purchase and Instruction 6 to the Letter of Transmittal).

**CHECK ONE, AND ONLY ONE, BOX ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, OR IF NO BOX IS CHECKED, THERE IS NO PROPER TENDER OF COMMON SHARES.**

**CONDITIONAL TENDER**

**(See Section 6 of the Offer to Purchase and Instruction 13 to the Letter of Transmittal)**

A tendering stockholder may condition his or her tender of Common Shares upon the Company purchasing all or a specified minimum number of the Common Shares tendered, as described in Section 6 of the Offer to Purchase. Unless at least the minimum number of Common Shares you indicate below is purchased by the Company pursuant to the terms of the Offer, none of the Common Shares tendered by you will be purchased. **It is the tendering stockholder's responsibility to calculate the minimum number of Common Shares that**

**must be purchased from the stockholder in order for the stockholder to qualify for sale or exchange (rather than distribution) treatment for U.S. federal income tax purposes. Stockholders are urged to consult with their own tax advisors before completing this section. No assurances can be provided that a conditional tender will achieve the intended U.S. federal income tax result for any stockholder tendering Common Shares.** Unless this box has been checked and a minimum specified, your tender will be deemed unconditional.

The minimum number of Common Shares that must be purchased from me, if any are purchased from me, is: \_\_\_\_\_ Common Shares.

If, because of proration, the minimum number of Common Shares designated will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her Common Shares and checked this box:

The tendered Common Shares represent all Common Shares held by the undersigned.

**The method of delivery of this document is at the election and risk of the tendering stockholder. If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.**

Signature(s): \_\_\_\_\_

Name(s): \_\_\_\_\_  
**(Please Type or Print)**

Taxpayer Identification or Social Security Number: \_\_\_\_\_

Address(es): \_\_\_\_\_

Zip Code: \_\_\_\_\_

Daytime Area Code and Telephone Number: \_\_\_\_\_

Dated: \_\_\_\_\_, 2010

**IMMEDIATE ATTENTION REQUIRED**

September 28, 2010

**Re: Scholastic Corporation Tender Offer**

Dear Participant in the Scholastic Corporation 401(k) Savings and Retirement Plan:

The enclosed tender offer materials and Direction Form require your immediate attention. Our records reflect that, as a participant in the Scholastic Corporation 401(k) Savings and Retirement Plan (the "Plan"), all or a portion of your individual account is invested in the Scholastic Corporation Common Stock Fund (the "Stock Fund"). The tender offer materials describe an offer by Scholastic Corporation ("Scholastic") to purchase up to \$150,000,000 of its common shares, par value \$0.01 per share (the "Shares"), at a purchase price of not more than \$31.00 and not less than \$27.00 per Share (the "Offer"). As described below, you have the right to instruct Fidelity Management Trust Company ("Fidelity"), as trustee of the Plan, concerning whether to tender Shares related to your individual account under the Plan. **You will need to complete the enclosed Direction Form and return it to Fidelity's tabulator in the enclosed return envelope so that it is RECEIVED by 5:00 p.m., New York City Time, on Friday, October 22, 2010, unless the Offer is extended, in which case the deadline for receipt of instructions will, to the extent feasible, be four business days prior to the expiration date of the Offer. If you do not complete the enclosed Direction Form and return it to Fidelity's tabulator on a timely basis, you will be deemed to have elected not to participate in the Offer and no Shares related to your individual account under the Plan will be tendered.**

The remainder of this letter summarizes the transaction, your rights under the Plan (including notice of a blackout period) and the procedures for completing and submitting the Direction Form. You should also review the more detailed explanation provided in the Offer to Purchase, dated September 28, 2010 (the "Offer to Purchase"), enclosed with this letter.

**BACKGROUND**

Scholastic has made an Offer to purchase up to \$150,000,000 of its Shares from its stockholders at a price not more than \$31.00 and not less than \$27.00 per Share, upon the terms and subject to the conditions set forth in the enclosed Offer to Purchase. Scholastic will select the lowest purchase price (in increments of \$0.25) that will allow it to purchase up to \$150,000,000 of its Shares. Subject to the terms and conditions of the Offer as set forth in the Offer to Purchase, if the total value of Shares tendered is less than or equal to \$150,000,000, Scholastic will purchase all Shares that are properly tendered and not withdrawn. All Shares acquired in the Offer will be acquired at the same purchase price regardless of whether the stockholder tendered at a lower price.

The enclosed Offer to Purchase sets forth the terms and conditions of the Offer and is being provided to all of Scholastic's stockholders. To understand the Offer fully and for a more complete description of the terms and conditions of the Offer, you should carefully read the entire Offer to Purchase.

The Offer extends to the Shares held by the Plan. As of September 22, 2010, the Plan held approximately 308,879 Shares. Only Fidelity, as trustee of the Plan, can tender these Shares in the Offer. Nonetheless, as a participant under the Plan, you have the right to direct Fidelity whether or not to tender some or all of the Shares attributable to your individual account under

the Plan, and at what price or prices. Unless otherwise required by applicable law, Fidelity will tender Shares attributable to participant accounts in accordance with participant instructions and Fidelity will not tender Shares attributable to participant accounts for which it does not receive timely instructions. **If you do not complete the enclosed Direction Form and return it to Fidelity's tabulator on a timely basis, you will be deemed to have elected not to participate in the Offer and no Shares attributable to your Plan account will be tendered.**

#### **LIMITATIONS ON FOLLOWING YOUR DIRECTION**

The enclosed Direction Form allows you to specify the percentage of the Shares attributable to your account that you wish to tender and the price or prices at which you want to tender Shares attributable to your account. As detailed below, when Fidelity tenders Shares on behalf of the Plan, it may be required to tender Shares on terms different than those set forth on your Direction Form.

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), prohibits the sale of Shares to Scholastic for less than "adequate consideration," which is defined by ERISA for a publicly traded security as the prevailing market price on a national securities exchange. Fidelity will determine "adequate consideration," based on the prevailing or closing market price of the Shares on NASDAQ Global Select Market, on or about the date the Shares are tendered by Fidelity (the "prevailing market price"). Accordingly, depending on the prevailing market price of the Shares on such date, Fidelity may be unable to follow participant directions to tender Shares to Scholastic at certain prices within the offered range. Fidelity will tender or not tender Shares as follows:

- If the prevailing market price is greater than the maximum tender price offered by Scholastic (\$31.00 per Share), notwithstanding your direction to tender Shares in the Offer, the Shares will not be tendered.
- If the prevailing market price is lower than the price at which you direct Shares be tendered, Fidelity will follow your direction both as to percentage of Shares to tender and as to the price at which such Shares are tendered.
- If the prevailing market price is greater than the price at which you direct the Shares be tendered but within the range of \$27.00 to \$31.00, Fidelity will follow your direction regarding the percentage of Shares to be tendered, but will increase the price at which such Shares are to be tendered to the lowest tender price that is not less than the prevailing market price.
- If the prevailing market price is within the range of \$27.00 to \$31.00, for all Shares directed to be tendered at the "per Share purchase price to be determined pursuant to the tender offer", Fidelity will tender such Shares at the lowest tender price that is not less than the prevailing market price.

**Unless otherwise required by applicable law, Fidelity will not tender Shares attributable to participant accounts for which it has not received a completed Direction Form, or for which it has received a direction not to tender pursuant to the Direction Form. Fidelity makes no recommendation as to whether to direct the tender of Shares or whether to refrain from directing the tender of Shares. EACH PARTICIPANT OR BENEFICIARY MUST MAKE HIS OR HER OWN DECISIONS.**

## CONFIDENTIALITY

To assure the confidentiality of your decision, Fidelity and their affiliates or agents will tabulate the Direction Forms. Neither Fidelity nor their affiliates or agents will make your individual instructions or Direction Form available to Scholastic.

## PROCEDURE FOR DIRECTING TRUSTEE

Enclosed is a Direction Form which should be completed and returned to Fidelity's tabulator. Please note that the Direction Form indicates the number of Shares attributable to your individual account as of September 22, 2010. However, for purposes of the final tabulation, Fidelity will apply your instructions to the number of Shares attributable to your account as of October 25, 2010, or as of a later date if the Offer is extended.

If you do not properly complete the Direction Form or do not return it by the deadline specified, such Shares will be considered NOT TENDERED.

To properly complete your Direction Form, you must do the following:

- (1) On the face of the Direction Form, check Box 1 or 2. CHECK ONLY ONE BOX (if more than one box is checked, you will be deemed to have not tendered):
  - CHECK BOX 1 if you do not want the Shares attributable to your individual account tendered for sale in accordance with the terms of the Offer and simply want the Plan to continue holding such Shares.
  - CHECK BOX 2 in all other cases and complete the table immediately below Box 2. Specify the percentage (between 1% and 100% in whole numbers) of Shares attributable to your individual account that you want to tender at each price indicated.

You may direct the tender of Shares attributable to your account at different prices. To do so, you must state the percentage (between 1% and 100% in whole numbers) of Shares to be sold at each price by filling in the percentage of such Shares on the line immediately before the price. Also, you may elect to accept the per Share purchase price to be determined pursuant to the Offer, which will result in receiving a price per Share as low as \$27.00 or as high as \$31.00. You should understand that an election to accept the per Share price to be determined pursuant to the Offer may cause the purchase price to be lower and could result in the tendered Shares being purchased at the minimum price of \$27.00 per Share. Leave a given line blank if you want no Shares tendered at that particular price. The total of the percentages you provide on the Direction Form may not exceed 100%, but it may be less than 100%. If this amount is less than 100%, you will be deemed to have instructed Fidelity NOT to tender the balance of the Shares attributable to your individual account.

- (2) Date and sign the Direction Form in the space provided.
- (3) Return the Direction Form in the enclosed return envelope so that it is received by Fidelity's tabulator at the address on the return envelope (P.O. Box 9123, Hingham, MA 02043) not later than 5:00 P.M., New York City Time, on Friday, October 22, 2010, unless the Offer is extended, in which case, to the extent feasible, the participant deadline shall be four business days prior to the expiration date of the Offer. If you wish to return the form by overnight courier, please send it to Fidelity's tabulator at Tabulator, 60 Research Road, Hingham, MA 02043. Direction Forms will not be accepted via facsimile.

Your direction pursuant to your Direction Form will be deemed irrevocable unless withdrawn by 5:00 p.m., New York City Time, on Friday, October 22, 2010, unless the Offer is extended by Scholastic. In order to make an effective withdrawal, you must submit a new Direction Form which may be obtained by calling Fidelity at (800) 835-5095. Upon receipt of a new, completed and signed Direction Form, your previous direction under your previously submitted Direction Form will be deemed canceled. You may direct the re-tendering of any Shares attributable to your individual account by obtaining an additional Direction Form from Fidelity and repeating the previous instructions for directing tender as set forth in this letter.

After the deadline above for returning the Direction Form to Fidelity's tabulator, Fidelity and their affiliates or agents will complete the tabulation of all directions. Fidelity will tender the appropriate number of Shares on behalf of the Plan.

Subject to the satisfaction of the conditions described in the Offer to Purchase, Scholastic will purchase up to \$150,000,000 of Shares that are properly tendered through the Offer. If the total value of Shares tendered exceeds \$150,000,000, the Shares tendered pursuant to the Offer may be subject to proration, as described in the Offer to Purchase. Any Shares attributable to your account that are not purchased in the Offer will remain allocated to your individual account under the Plan.

The conditional tender of Shares described in the Offer to Purchase will not apply to participants in the Plan.

#### **EFFECT OF TENDER ON YOUR ACCOUNT**

**If you direct Fidelity pursuant to your Direction Form to tender some or all of the Shares attributable to your Plan account, as of 4:00 p.m., New York City Time, on Monday October 25, 2010, certain transactions involving the Stock Fund attributable to your account, including all exchanges out, loans, withdrawals and distributions, will be prohibited until all processing related to the Offer has been completed, unless the Offer is terminated or the completion date is extended. We currently anticipate that this freeze on transactions will last until approximately November 10, 2010. This freeze on transactions will apply to ALL Shares attributable to your Plan account, even if you elect to tender less than 100% of the Shares attributable to your Plan account.** (Balances in the Stock Fund will be utilized to calculate amounts eligible for loans and withdrawals throughout this freeze on the Stock Fund.) Additionally, if you direct Fidelity to tender some or all of your Shares, any outstanding orders to sell Shares will be canceled. Please note that cancelled sell orders will not automatically be reinstated; participants who wish to establish a new sell order after the Offer or after an extension of the Offer must initiate such action themselves. In the event that the Offer is extended, the freeze on transactions involving the Stock Fund will, if feasible, be temporarily lifted until three days prior to the new completion date of the Offer, as extended, at which time a new freeze on these transactions involving the Stock Fund will commence. You can call Fidelity at (800) 835-5095 to obtain updated information on expiration dates, deadlines and Stock Fund freezes.

If you directed Fidelity pursuant to your Direction Form NOT to tender any of the Shares attributable to your account or you did not return your Direction Form in a timely manner, you will continue to have access to all transactions normally available to the Stock Fund, subject to Plan rules.

## **IMPORTANT NOTICE CONCERNING YOUR RIGHTS**

If you direct Fidelity to tender some or all of the Shares attributable to your account, and Fidelity tenders Shares on your behalf, you temporarily will be unable to conduct certain Plan transactions involving the Stock Fund during the freeze period. This freeze period is called a "Blackout Period." During the Blackout Period certain transactions involving the Stock Fund attributable to your account, including all exchanges out, loans, withdrawals and distributions, will be prohibited and you will be unable to direct or diversify investments in the Stock Fund attributable to your account. The Blackout Period will begin at 4:00pm, New York City time, on October 25, 2010. For Plan participants who do not elect to tender any Shares attributable to their Plan accounts in the Offer, there will not be a Blackout Period. For Plan participants who do elect to tender all or a portion of the Shares attributable to their Plan accounts in the Offer, the Blackout Period is expected to end on or about November 10, 2010. You can determine whether the Blackout Period has started or ended by calling Scholastic Corporate Benefits at 212-343-4655 or e-mail to [BenefitsEline@Scholastic.com](mailto:BenefitsEline@Scholastic.com).

Because during the Blackout Period you will be unable to conduct certain transaction, it is very important that you review and consider the appropriateness of your current investments in light of your inability to direct or diversify those investments during the Blackout Period. For your long-term retirement security, you should give careful consideration to the importance of a well-balanced and diversified investment portfolio, taking into account all your assets, income and investments. You should be aware that there is a risk to holding substantial portions of your assets in the Stock Fund, as individual securities –including the Shares— tend to have wider price swings, up and down, in short periods of time, than investments in diversified funds. Stocks that have wide price swings might have a large loss during the Blackout Period, and you would not be able to direct the sale of such stocks from your account during the Blackout Period.

Federal law generally requires that you be furnished notice of a Blackout Period at least 30 days in advance of the last date on which you could exercise your affected rights immediately before the commencement of any Blackout Period in order to provide you with sufficient time to consider the effect of the Blackout Period on your retirement and financial plans. There is an exception to this 30-day rule where such advance notice is not possible due to events beyond the reasonable control of the Plan administrator. In this case, the tender offer was publicly announced on September 23, 2010 and is scheduled to end on October 28, 2010. In order to process tender directions, it is required that the Blackout Period must begin on October 25. As the administratively required Blackout Period for the Plan will begin less than 30 days after the date of this notice, it was not possible to furnish 30 days advance notice.

If you have any questions concerning the Blackout Period, you should contact Scholastic Corporate Benefits at 212-343-4655 or e-mail to [BenefitsEline@Scholastic.com](mailto:BenefitsEline@Scholastic.com).

## **INVESTMENT OF PROCEEDS**

For any Shares in the Plan that are tendered and purchased by Scholastic, Scholastic will pay cash to the Plan. **INDIVIDUAL PARTICIPANTS IN THE PLAN WILL NOT, HOWEVER, RECEIVE ANY CASH TENDER PROCEEDS DIRECTLY. ALL SUCH PROCEEDS WILL REMAIN IN THE PLAN AND MAY BE WITHDRAWN ONLY IN ACCORDANCE WITH THE TERMS OF THE PLAN**



Fidelity will invest proceeds received with respect to Shares attributable to your account in the Fidelity Freedom Income Fund as soon as administratively possible after receipt of proceeds. Fidelity anticipates that the processing of participant accounts will be completed five to seven business days after receipt of these proceeds. You may call Fidelity at (800) 835-5095 after the reinvestment is complete to learn the effect of the tender on your account or to have the proceeds from the sale of Shares which were invested in the Fidelity Freedom Income Fund invested in other investment options offered under the Plan.

#### **SHARES OUTSIDE THE PLAN**

If you hold Shares outside of the Plan, you will receive, under separate cover, Offer materials to be used to tender those Shares. **Those Offer materials may not be used to direct Fidelity to tender or not tender the Shares attributable to your individual account under the Plan.** Likewise, the tender of Shares attributable to your individual account under the Plan will not be effective with respect to Shares you hold outside of the Plan. The direction to tender or not tender Shares attributable to your individual account under the Plan may only be made in accordance with the procedures in this letter. Similarly, the enclosed Direction Form may not be used to tender Shares held outside of the Plan.

#### **TAX CONSEQUENCES**

While you will not recognize any immediate tax gain or loss as a result of the tender and sale of any Shares attributable to your account in the Plan, the tax treatment of future distributions from the Plan may be impacted. Tender offer proceeds will be subject to all applicable taxes at the time you receive a distribution from the Plan. We encourage you to consult your tax advisor concerning your decision to participate in the Offer and possible tax ramifications.

#### **FURTHER INFORMATION**

If you require additional information concerning the procedure to tender Shares attributable to your individual account under the Plan, please contact Fidelity at (800) 835-5095. If you require additional information concerning the terms and conditions of the Offer, please call BNY Mellon Shareowner Services, the information agent of the Offer, toll free at (866) 351-2987.

Sincerely,

Fidelity Management Trust Company

FIDELITY INVESTMENTS  
P.O. BOX 9112  
FARMINGDALE, NY 11735

MIS EDITS: # OF CHANGES \_\_\_/\_\_\_ PRF 1 \_\_\_ PRF 2 \_\_\_

OK TO PRINT AS IS\* \_\_\_\_\_ \*By signing this form you are authorizing MIS to print this form in its current state.

LABEL BELOW FOR MIS USE ONLY!

PO# T 4248

FESCO #488

SCHOLASTIC TENDER OFFER # 035

ORIGINAL 1UP 09-24-10 TM

FRAN (SCHOLASTIC - FESCO - T4248 TO 2010 FL)

REVISION #1 9/27/10 KD

\_\_\_\_\_  
SIGNATURE OF PERSON AUTHORIZING PRINTING    DATE

**DIRECTION FORM**

**SCHOLASTIC CORPORATION TENDER OFFER**

**BEFORE COMPLETING THIS FORM, PLEASE READ CAREFULLY  
THE ACCOMPANYING OFFER TO PURCHASE AND ALL OTHER  
ENCLOSED MATERIALS.**

PLEASE NOTE THAT IF YOU DO NOT SEND IN A PROPERLY COMPLETED, SIGNED DIRECTION FORM, OR IF SUCH DIRECTION FORM IS NOT RECEIVED BY 5:00 P.M., NEW YORK CITY TIME ON FRIDAY, OCTOBER 22, 2010, UNLESS THE OFFER IS EXTENDED, THE SCHOLASTIC CORPORATION SHARES ATTRIBUTABLE TO YOUR ACCOUNT UNDER THE PLAN WILL NOT BE TENDERED IN ACCORDANCE WITH THE OFFER, UNLESS OTHERWISE REQUIRED BY LAW.

Fidelity Management Trust Company ("Fidelity") makes no recommendation to any participant in the Scholastic Corporation 401(k) Savings and Retirement Plan (the "Plan") as to whether to tender or not, or at which prices. Your direction to Fidelity will be kept confidential.

This Direction Form, if properly signed, completed and received by Fidelity's tender offer tabulator in a timely manner, will supersede any previous Direction Form.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Please Print Name

\_\_\_\_\_  
Signature

488035 Scholastic TO FL

OK TO PRINT AS IS\* \_\_\_\_\_ \*By signing this form you are authorizing MIS to print this form in its current state.

**LABEL BELOW FOR MIS USE ONLY!**

**PO# T 4248**  
**FESCO #488**  
**SCHOLASTIC TENDER OFFER # 035**  
**ORIGINAL 1UP 09-24-10 TM**  
**FRAN (SCHOLASTIC - FESCO - T4248 TO 2010 FL)**  
**REVIEW #1 09-27-10 JM**  
**REVISION #1 9/27/10 KD**

\_\_\_\_\_  
 SIGNATURE OF PERSON AUTHORIZING PRINTING      DATE

**q Please fold and detach card at perforation before mailing q**

**As of September 22, 2010, the number of shares attributable to your account in the Plan is shown to the right of your address.**

In connection with the Offer to Purchase made by Scholastic Corporation dated September 28, 2010, I hereby instruct Fidelity to tender the Scholastic Corporation shares ("Shares") attributable to my account under the Plan as of October 25, 2010, unless a later deadline is announced, as follows (check only one box and complete):

(CHECK BOX ONE OR TWO)

- 1. Please refrain from tendering and continue to HOLD all Shares attributable to my individual account under the Plan.
- 2. Please TENDER Shares attributable to my individual account under the Plan in the percentage indicated below for each of the prices provided. A blank space before a given price will be taken to mean that no Shares attributable to my account are to be tendered at that price. **FILL IN THE TABLE BELOW ONLY IF YOU HAVE CHECKED BOX 2.**

Percentage of Shares to be Tendered (The total of all percentages must be less than or equal to 100%. If the total is less than 100%, you will be deemed to have directed Fidelity NOT to tender the remaining percentage.)

_____ % at US\$27.00	_____ % at US\$28.50	_____ % at US\$30.00
_____ % at US\$27.25	_____ % at US\$28.75	_____ % at US\$30.25
_____ % at US\$27.50	_____ % at US\$29.00	_____ % at US\$30.50
_____ % at US\$27.75	_____ % at US\$29.25	_____ % at US\$30.75
_____ % at US\$28.00	_____ % at US\$29.50	_____ % at US\$31.00
_____ % at US\$28.25	_____ % at US\$29.75	_____ % at TBD**

\*\* By entering a percentage on the % line at TBD, the undersigned is willing to accept the Purchase Price resulting from the Dutch Auction, for the percentage of shares elected. This could result in receiving a price per Share as low as US\$27.00 or as high as US\$31.00 per Share.

**SCHOLASTIC CORPORATION ANNOUNCES COMMENCEMENT OF TENDER OFFER TO  
PURCHASE UP TO \$150 MILLION OF COMMON STOCK**

**New York, NY – September 28, 2010** – Scholastic Corporation (Nasdaq: SCHL), the global children’s publishing, education and media company, announced today that it has commenced a modified “Dutch Auction” tender offer to purchase up to \$150 million of its common stock at a price not less than \$27.00 per share or more than \$31.00 per share. The number of shares proposed to be purchased in the tender offer (at the minimum purchase price of \$27.00 per share) represents approximately 16.17% of Scholastic’s currently outstanding common shares. The reported closing price per share of Scholastic’s common stock on the Nasdaq Stock Market on September 22, 2010, the day before the announcement of Scholastic’s intention to conduct the offer, was \$25.51 per share. The last reported sales price per share of Scholastic’s common stock on the Nasdaq Stock Market on September 27, 2010 was \$27.27 per share.

The tender offer will expire on October 28, 2010 at 5:00 P.M., New York City time, unless extended. Tenders of shares of the Company’s common stock must be made on or prior to the expiration of the tender offer and may be withdrawn at any time on or prior to the expiration of the tender offer. The tender offer is subject to a number of terms and conditions described in the Offer to Purchase that will be distributed to stockholders.

On the terms and subject to the conditions of the tender offer, Scholastic’s stockholders will have the opportunity to tender some or all of their shares of common stock within the price range established by Scholastic. Based on the number of shares tendered and the prices specified by the tendering stockholders, Scholastic will determine the lowest price per share within the range that will enable it to buy 5,555,556 shares of its common stock or a lesser amount if fewer than 5,555,556 shares of common stock are properly tendered. If stockholders properly tender more than 5,555,556 shares, Scholastic will purchase shares of common stock tendered by those stockholders on a pro rata basis, subject to the conditional tender offer provisions described in the Offer to Purchase. In accordance with the rules of the Securities and Exchange Commission, Scholastic may under certain circumstances, and reserves the right to, purchase in the tender offer an additional amount of shares, not to exceed 2% of its outstanding common stock, without amending or extending the tender offer.

All shares that are acquired in the tender offer will be acquired at the same purchase price, including shares that are tendered at a lower price. Stockholders whose shares are purchased in the tender offer will be paid the purchase price in cash, less any applicable withholding taxes and without interest, promptly after the expiration of the tender offer. The tender offer is not contingent on any minimum number of shares being tendered. However, the tender offer is subject to a number of other conditions specified in the Offer to Purchase that will be distributed to Scholastic’s stockholders.

The Dealer Manager for the offer is Deutsche Bank Securities Inc. Questions concerning the tender offer may be directed to Deutsche Bank Securities Inc. at (877) 221-7676. BNY Mellon Shareowner Services is the Depositary and Information Agent for the tender offer and any questions concerning the tender offer or requests for copies of the Offer to Purchase, Letter of Transmittal and related documents should be directed to BNY Mellon Shareowner Services LLC by calling (201) 680-6579 (banks and brokerage firms) or (866) 351-2987 (all others toll free). The Offer to Purchase, Letter of Transmittal and related documents are being mailed to registered stockholders and will also be made available for distribution to beneficial owners of Scholastic’s common stock.

Neither Scholastic Corporation nor any member of its Board of Directors, nor the Dealer Manager, the Depositary or the Information Agent is making any recommendation to stockholders as to whether to tender or refrain from tendering their shares into the tender offer or as to the price or prices at which stockholders may choose to tender their shares. Stockholders must make their own decisions as to how many shares they will tender, if any, and the price, within the stated range, at which they will offer their shares for purchase by Scholastic.

SCHOLASTIC'S DIRECTORS HAVE INFORMED SCHOLASTIC THAT THEY DO NOT INTEND TO TENDER COMMON SHARES IN THE OFFER, WITH THE EXCEPTION OF ONE DIRECTOR WHO MAY TENDER CERTAIN COMMON SHARES IN THE OFFER SOLELY IN HIS FIDUCIARY CAPACITIES AS EXECUTOR OF AN ESTATE AND TRUSTEE OF A RELATED TESTAMENTARY TRUST. RICHARD ROBINSON, THE CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF SCHOLASTIC, AND OTHER MEMBERS OF THE ROBINSON FAMILY, AS WELL AS THE OTHER OFFICERS OF SCHOLASTIC, HAVE ALSO INFORMED SCHOLASTIC THAT THEY DO NOT INTEND TO TENDER COMMON SHARES IN THE OFFER.

**THIS PRESS RELEASE IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO PURCHASE OR THE SOLICITATION OF AN OFFER TO SELL SHARES OF SCHOLASTIC COMMON STOCK. THE TENDER OFFER IS BEING MADE ONLY PURSUANT TO THE OFFER TO PURCHASE, LETTER OF TRANSMITTAL AND RELATED MATERIALS THAT SCHOLASTIC WILL BE DISTRIBUTING TO ITS STOCKHOLDERS AND FILING WITH THE SECURITIES AND EXCHANGE COMMISSION. STOCKHOLDERS AND INVESTORS SHOULD READ CAREFULLY THE OFFER TO PURCHASE, LETTER OF TRANSMITTAL AND RELATED MATERIALS BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING THE VARIOUS TERMS OF, AND CONDITIONS TO, THE TENDER OFFER. STOCKHOLDERS ARE URGED TO CAREFULLY READ THESE MATERIALS PRIOR TO MAKING ANY DECISION WITH RESPECT TO THE TENDER OFFER.**

Holders of common stock will be able to obtain these documents free of charge on the Company's website at [investor.scholastic.com](http://investor.scholastic.com), the SEC's website at [www.sec.gov](http://www.sec.gov), or at the SEC's public reference room located at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. In addition, holders of common stock may request copies of the Tender Offer Statement, the Offer to Purchase, related Letter of Transmittal and other filed tender offer documents free of charge by contacting BNY Mellon Shareholder Services, the Information Agent for the Offer, by telephone at (866) 351-2987(toll-free), or in writing to 480 Washington Boulevard, 27th Floor, Jersey City, NJ 07310.

### **About Scholastic**

Scholastic Corporation (NASDAQ: SCHL) is the world's largest publisher and distributor of children's books and a leader in educational technology and children's media. Scholastic creates quality educational and entertaining materials and products for use in school and at home, including children's books, magazines, technology-based products, teacher materials, television programming, film, videos and toys. The Company distributes its products and services through a variety of channels, including proprietary school-based book clubs and school-based book fairs, retail stores, schools, libraries, television networks and the Company's Internet site, [www.scholastic.com](http://www.scholastic.com).

### **Forward-Looking Statements**

This news release contains certain forward-looking statements. Such forward-looking statements 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 within 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.

### **Contact: Scholastic Corporation**

Investors: Jeffrey Mathews, 212-343-6741

Media: Kyle Good, 212-343-4563

AMENDMENT NO. 1

Dated as of August 16, 2010

to

CREDIT AGREEMENT

Dated as of June 1, 2007

THIS AMENDMENT NO. 1 ("Amendment") is made as of August 16, 2010 by and among Scholastic Corporation (the "Holding Company"), Scholastic Inc. (the "Operating Company"; the Holding Company and the Operating Company are, collectively, the "Borrowers" and, individually, each a "Borrower"), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, N.A., as Administrative Agent (the "Agent"), under that certain Credit Agreement dated as of June 1, 2007 by and among the Borrowers, the financial institutions party thereto (the "Lenders") and the Agent (the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Borrowers, the Lenders party hereto and the Agent have agreed to amend the Credit Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrowers, the Lenders party hereto and the Agent have agreed to the following amendments to the Credit Agreement.

1. Amendments to Credit Agreement. Subject to the satisfaction of the conditions precedent set forth in Section 2 below, the Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Credit Agreement is hereby amended to insert the following definition in the appropriate alphabetical order:

"Consolidated Leverage Ratio" shall mean, for any period of the most recent four consecutive fiscal quarters of the Borrowers and their Subsidiaries ending on or before any date of determination, the ratio of (a) Total Consolidated Debt to (b) the sum of (i) net income (or net loss), (ii) any extraordinary, non-recurring or unusual non-cash losses, (iii) income tax expense, (iv) depreciation expense, (v) amortization expense (but excluding any amortization of prepublication costs and expenses) and (vi) gross interest expense, less (vii) any extraordinary, non-recurring or unusual non-cash gains, all as recorded for such period.

(b) The definition of Base Rate appearing in Section 1.01 of the Credit Agreement is amended and restated in its entirety to read as follows:

"Base Rate" means, for any day, a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the higher of:

(a) the Prime Rate in effect on such day;

(b) 1/2 of one percent per annum above the Federal Funds Rate; and

(c) the Eurodollar Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%.

(c) Section 1.03 of the Credit Agreement is hereby amended to insert a new sentence at the end thereof as follows:

Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrowers or any Subsidiary at "fair value", as defined therein.

(d) Section 5.02(e) of the Credit Agreement is hereby amended to (x) delete the word "and" immediately preceding clause (iii) thereof and replace it with a "," and (y) insert the following immediately after such clause (iii):

and (iv) in addition to the foregoing, declare or pay cash dividends to its stockholders and purchase, redeem or otherwise acquire shares of its common stock or warrants, rights or options to acquire any such shares (any, or any combination of the foregoing, solely for purposes of this subclause (iv), a "Restricted Payment"), so long as immediately after giving effect to such Restricted Payment the aggregate amount of all Restricted Payments made pursuant to this clause (iv) during the remaining term of this Agreement will not exceed (x) \$200,000,000 if the Consolidated Leverage Ratio after giving effect (including pro forma effect) to such Restricted Payment is less than 2.00 to 1.00, (y) \$125,000,000 if the Consolidated Leverage Ratio after giving effect (including pro forma effect) to such Restricted Payment is greater than or equal to 2.00 to 1.00 but less than or equal to 2.50 to 1.00 or (z) \$0 if the Consolidated Leverage Ratio after giving effect (including pro forma effect) to such Restricted Payment is greater than 2.50 to 1.00

2. Conditions of Effectiveness. The effectiveness of this Amendment is subject to the conditions precedent that the Agent shall have received (i) counterparts of this Amendment duly executed by the Borrowers, the Required Lenders and the Agent, (ii) from the Borrowers, for the account of each Lender that executes and delivers its counterpart hereto as and by such time as is requested by the Agent, an amendment fee in an amount equal to 0.05% of the sum of such Lender's Revolving Credit Commitment and outstanding Term Loans as of the date hereof and (iii) from the Borrowers, payment and/or reimbursement of the Agent's and its affiliates' fees and reasonable out-of-pocket expenses (including reasonable legal fees and expenses) in connection with this Amendment.

3. Representations and Warranties of the Borrowers. Each Borrower hereby represents and warrants as follows:

(a) This Amendment and the Credit Agreement as amended hereby constitute legal, valid and binding obligations of such Borrower and are enforceable against such Borrower in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) As of the date hereof and giving effect to the terms of this Amendment, (i) there exists no Default and (ii) the representations and warranties contained in Section 4.01 of the Credit Agreement (excluding the representation and warranty contained in Section 4.01(f)(ii)), as amended hereby, are true and correct; provided that the Lenders hereby acknowledge that (A) the financial statements referenced in Section 4.01(f)(i) have been, as previously advised, restated and (B) an updated list of the Company's Subsidiaries (referenced Section 4.01(i)) is set forth in Exhibit 21 to the Company's annual report of Form 10-K for the fiscal year ended May 31, 2010.

4. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Except as specifically amended above, the Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

5. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

6. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person.

[Signature Pages Follow]



IN WITNESS WHEREOF, this the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

SCHOLASTIC CORPORATION,  
as a Borrower

By: /s/ Gil A. Dickoff  
Name: Gil A. Dickoff  
Title: Vice President and Treasurer

SCHOLASTIC INC.,  
as a Borrower

By: /s/ Gil A. Dickoff  
Name: Gil A. Dickoff  
Title: Vice President and Treasurer

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

JPMORGAN CHASE BANK, N.A.,  
individually as a Lender, as an Issuing Bank  
and as Administrative Agent

By: /s/ Michelle Cipriani

Name: Michelle Cipriani

Title: Vice President

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

BANK OF AMERICA, N.A.,  
individually as a Lender as an Issuing Bank and as a  
Syndication Agent

By: /s/ Richard M. Williams

Name: Richard M. Williams

Title: Senior Vice President

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Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
individually as a Lender and as a Syndication Agent

By: /s/ Dan O'Donnell

Name: Dan O'Donnell

Title: Senior Vice President

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

SUNTRUST BANK,  
individually as a Lender and as a Documentation Agent

By: /s/ Michael Vegh

Name: Michael Vegh

Title: Director

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

THE ROYAL BANK OF SCOTLAND plc,  
individually as a Lender and as a Documentation Agent

By: /s/ Alex Daw

Name: Alex Daw

Title: Vice President

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

DEUTSCHE BANK AG NEW YORK BRANCH,  
as a Lender

By: /s/ Anca Trifan

Name: Anca Trifan

Title: Managing Director

By: /s/ Heidi Sandquist

Name: Heidi Sandquist

Title: Director

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

HSBC BANK USA, NATIONAL ASSOCIATION,  
as a Lender

By: /s/ Robert H. Rogers

Name: Robert H. Rogers

Title: VP, Senior Relationship Manager

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007



HSBC BANK plc,  
as a Lender

By: /s/ Stephen Kemp

Name: Stephen Kemp

Title: Senior Corporate Banking Manager

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

THE GOVERNOR AND COMPANY OF THE BANK  
OF IRELAND,  
as a Lender

By: /s/ Carla Ryan

Name: Carla Ryan

Title: AUTHORISED SIGNATORY

By: /s/ Mary Gaffney

Name: Mary Gaffney

Title: AUTHORISED SIGNATORY

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

THE BANK OF NEW YORK MELLON,  
as a Lender

By: /s/ Edward J. Dougherty

Name: Edward J. Dougherty

Title: Managing Director

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

TD BANK, N.A.,  
as a Lender

By: /s/ Maria Willner

Name: Maria Willner

Title: Senior Vice President

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Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

UBS AG, STAMFORD BRANCH  
as a Lender

By: /s/ Mary E. Evans

Name: Mary E. Evans

Title: Associate Director

By: /s/ Irja R. Otsa

Name: Irja R. Otsa

Title: Associate Director

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

CAPITAL ONE, N.A.,  
as a Lender

By: /s/ Thomas P. Higgins

Name: Thomas P. Higgins

Title: Senior Vice President

Signature Page to Amendment No. 1  
Scholastic Corporation and Scholastic Inc.  
Credit Agreement dated as of June 1, 2007

This Agreement dated the 23<sup>rd</sup> day of July, 1990 between the Trust under the Will of Maurice R. Robinson ("Trust"), by its Trustees, and M. Richard Robinson, Jr. ("Robinson").

Preliminary Statement

The Trust, which owns 92,660 shares of Class A Stock, par value \$.25 per share ("Class A Stock"), of SI Holdings Inc., a Delaware corporation (the "Company"), along with other owners of Class A Stock, has agreed to convert certain Class A Stock into Common Stock, par value \$.25 per share (the "Common Stock"), of the Company to facilitate a plan whereby Robinson will obtain sufficient Class A Stock to control the Company, as well as in contemplation of, and to facilitate, a public offering of Common Stock which will facilitate the liquidation by the Trust of certain of the shares of Common Stock to be received upon conversion in order to pay certain outstanding indebtedness of the Trust. The Trustees believe a public offering is in the best interests of the Trust because, among other things, a public market for the Common Stock will enhance the liquidity of the remaining assets owned by the Trust. Following this conversion, the Trust will still own 23,165 shares of Class A Stock. Robinson and the Trustees have agreed to provide the Trust with certain rights to participate in any

sale by Robinson of control of the Company, and the Trustees and Robinson have agreed to give Robinson the right of first refusal to buy the Class A Stock owned by the Trust should the Trustees decide to sell any such shares.

NOW, THEREFORE, in consideration of the premises and mutual agreements contained in this Agreement, it is hereby agreed as follows:

SECTION 1: Right of First Refusal

1.1 Receipt of a Good Faith Offer

If the Trust receives an offer from an individual, corporation, trust, partnership or any other form of entity or organization (a "Person") other than Robinson (an "Offeror") to purchase any or all its Class A Stock, or any right, privilege or interest pertaining thereto, and the Trust desires to sell any or all of its Class A Stock (or any interest therein) to such Offeror, the Trust shall promptly provide a written copy of the offer signed by the Offeror (the "Good Faith Offer") to Robinson and advise him-in writing of its intention to sell its Class A Stock to the Offeror on the terms set forth in the Good Faith Offer (the "Offer Notice").



## 1.2 Option to Robinson

Robinson shall have the option (the "Option") to purchase all but not less than all of the Class A Stock that is the subject of the Good Faith Offer for the same price and on the same terms as set forth in the Good Faith Offer. The Option shall be exercisable for a period of forty-five (45) days of the date of receipt by Robinson of the Offer Notice (the "Option Period"). The Option is granted solely for the personal benefit of Robinson (including his executors, heirs and personal representatives as provided for in Section 3.1 hereof) and shall not inure to any Person to whom Robinson sells or otherwise transfers any of his Class A Stock (other than his executors, heirs and personal representatives in such capacities).

## 1.3 Exercise of Option: Payment for the Class A Stock subject to the Option

In the event that Robinson elects to exercise the Option, he shall send written notice to the Trust which must be received by the Trust prior to the end of the Option Period. Such notice shall set forth the date on which Robinson shall purchase the Class A Stock subject to the Option, which date

shall not be more than thirty (30) days after the expiration of the Option Period. The purchase price and payment terms for the Class A Stock subject to the exercised Option shall be the same as stated in the Good Faith Offer. However, if the Good Faith Offer provides for consideration in the form of (1) securities traded on a national securities exchange or a recognized over-the-counter market, or (2) other property owned by the Offeror, the purchase price to be paid by Robinson shall be the fair market value of such securities or other property offered by the Offeror determined by appraisal or other reasonable method.

#### 1.4 Failure to Exercise Option

If Robinson does not elect to exercise the Option or fails to consummate the purchase of Class A Stock pursuant to the exercise of the Option within the applicable time periods, the Trust shall be free to accept the Good Faith Offer and to consummate the sale of the Class A Stock to the Offeror in accordance with the terms thereof. Any Offeror who becomes an owner of the Class A Stock pursuant to this subparagraph shall not be bound by the restrictions of this Agreement nor shall such Offeror have the benefits of Section 2 hereof. In the event that Robinson does not elect to exercise his Option and

if the Trust does not consummate the sale of Class A Stock in accordance with the terms and provisions of the Good Faith Offer within sixty (60) days after the expiration of the Option Period, no sale, transfer or exchange to the Offeror shall be made by the Trust without the re-submission of the Good Faith Offer to Robinson in accordance with the provisions of this Section 1 hereof and the rights of Robinson shall be reinstated with respect to any Good Faith Offer the Trust may receive from any other Person.

SECTION 2: Right of Trust to Participate in the Sale of Control

2.1 Receipt of Control Offer

If at any time, or from time to time, Robinson receives an offer from any Person to purchase any or all of his Class A Stock and the result of that sale would be to transfer to any Person other than Robinson, or his heirs, voting power in the Company which would be sufficient to enable such Person to elect a majority of the board of directors of the Company, either alone or in concert with any other Person or Persons (other than the Trust or Robinson) which Persons would

constitute a “group” requiring the filing of a Schedule 13D with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the “Securities Act”), if the Class A Stock were registered pursuant to Section 12 of the Securities Act (a “Control Offer”), and Robinson desires to accept such Control Offer, Robinson shall promptly provide an executed written copy of the Control Offer to the Trust and advise the Trust in writing of his intention to sell his Class A Stock to the Person making the Control Offer on the terms set forth in the Control Offer (the “Control Offer Notice”).

## 2.2 Control Option to Trust

The Trust shall have the option (the “Control Option”) to sell any or all of its Class A Stock to the Person making the Control Offer (or, if Robinson so elects, to Robinson) on the terms set forth in the Control Offer before Robinson may sell any of his Class A Stock in the Control Offer. The Control Option shall be exercisable for a period of forty-five (45) days of the date of receipt by the Trust of the Control Offer Notice (the “Control Option Period”). The Control Option is granted solely to the Trust and shall not inure to the benefit of any Person to whom the Trust sells or otherwise transfers any of its Class A Stock.

### 2.3 Exercise of Control Option

In the event that the Trust elects to exercise its Control Option, it shall cause written notice to be sent to Robinson which must be received by Robinson prior to the expiration of the Control Option Period. In the event that the Person making the Control Offer fails to or refuses to purchase any of the Class A Stock owned by the Trust (or Robinson fails to purchase such Class A Stock) on the terms set forth in the Control Offer, Robinson shall reject the Control Offer and shall not sell any of his Class A Stock to such Person pursuant to the Control Offer. In the event that Robinson purchases Class A Stock owned by the Trust (as set forth in Section 2.2 above) and the Person making the Control Offer and Robinson fail to consummate the transaction contemplated by the Control Offer within sixty (60) days after the end of the Control Option Period, the Trust shall have the right to cause Robinson to return to the Trust the Class A Stock purchased from it and the Trust shall return to Robinson the consideration it received from Robinson.

### 2.4 Failure to Exercise Control Option

If the Trust does not elect to exercise the Control Option within the applicable time period, Robinson shall be free to accept the Control Offer, and to consummate the sale of

the Class A Stock in accordance with the terms of the Control Offer. Any Person who becomes an owner of the Class A Stock pursuant to this Section shall not be bound by the restrictions of this Agreement nor shall such Person have the benefits of Section 1 hereof. In the event that the Trust does not elect to exercise its Control Option and Robinson does not consummate the sale of Class A Stock in accordance with the terms of the Control Offer within sixty (60) days after the end of the Control Option Period, no sale, transfer or exchange to the Person making the Control Offer shall be made by Robinson without the re-submission of the Control Offer to the Trust in accordance with the provisions of this Section 2 and the right of the Trust shall be reinstated with respect to any Control Offer made by any other Person.

### SECTION 3: Miscellaneous Provisions

#### 3.1 Meaning of Robinson

For all purposes of this Agreement, Robinson shall mean and include M. Richard Robinson, Jr., and his executors, heirs and personal representatives, as the case may be, in the event Robinson is deceased, or a committee or like body has been judicially established to act for Robinson.

### 3.2. Restrictive Legend

Each of the Trust and Robinson shall cause each certificate representing Class A Stock held by each of them to bear the following legend:

The sale or other transfer of the shares represented by this certificate is subject to compliance with applicable securities laws and regulations and certain restrictions and rights contained in a certain Agreement dated \_\_\_\_\_, 1990 by and between the Trustees of the Trust under the Will of Maurice R. Robinson and M. Richard Robinson, Jr., a copy of which is on file with the Secretary of the Company.

### 3.3. Authority

(a) The Trust represents and warrants to Robinson that it has full legal power and authority to execute, deliver and perform this Agreement, and that this Agreement constitutes the valid and legally binding obligation of the Trust in accordance with its terms.

(b) Robinson represents and warrants to the Trust that he has the capacity and legal right to execute, deliver and perform this Agreement, and that this Agreement constitutes the valid and legally binding obligation of Robinson in accordance with its terms.

3.4 Governing Law

This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to its conflict of laws rules.

3.5 Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

THE TRUST UNDER THE WILL OF  
MAURICE R. ROBINSON

By: /s/ Mary Sue Robinson Morrill, Trustee  
Mary Sue Robinson Morrill  
Trustee

By: /s/ Barbara Robinson Buckland  
Barbara Robinson Buckland  
Trustee



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By: /s/ M. Richard Robinson, Jr.

M. Richard Robinson, Jr.  
Trustee

By: /s/ William W. Robinson

William W. Robinson  
Trustee

M. RICHARD ROBINSON, JR.

/s/ M. Richard Robinson, JR.

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