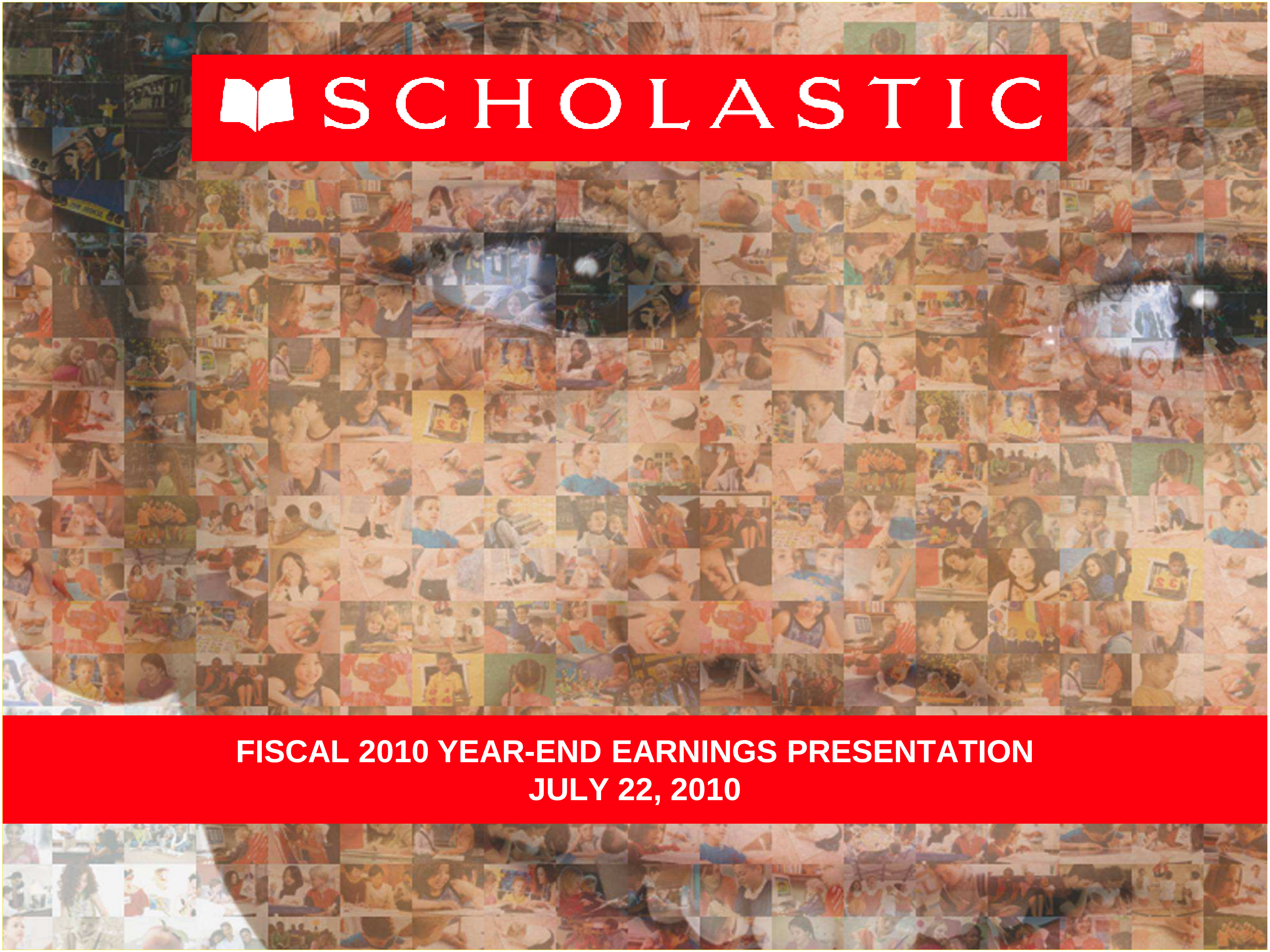

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FISCAL 2010 YEAR-END EARNINGS PRESENTATION
JULY 22, 2010

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Forward-Looking Statements

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

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Dick Robinson

Chief Executive Officer, President
and Chairman

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Fiscal 2010 Goals Achieved

- $75M increase in adjusted operating income
- 9.6% adjusted operating margins
- $172M in free cash flow
- Significant growth in Scholastic Education
- Solid sales in Children's Books and improved profits
- Strong cost and cash management

Positioned to sustain strong performance in fiscal 2011, reinvesting in key digital growth opportunities

Note: Adjusted operating income and operating margin exclude one-time, mostly non-cash items. Free cash flow or use is defined by the Company as net cash provided by or used in operating activities (which includes royalty advances), reduced by spending on property, plant and equipment and pre-publication and production costs.

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¶Fiscal 2010

Record Growth in Education

- Scholastic Education sales up 54% to $270M
  - Technology, services and curriculum portion of Educational Publishing segment
- Segment operating income up 80% to $103M
- Strong execution, new product introductions and adoptions
- Significant benefit from federal stimulus funding
  - Approx. two thirds of $100M anticipated benefit captured

¶Fiscal 2010

Stronger Children's Books Business

- Solid sales driven by publishing and merchandising
- Multiple New York Times bestsellers in Trade
- Solid growth in Book Fairs driven by new incentive program
- Recovery of Book Club order volumes in fourth quarter, after lagging earlier in year
- Segment operating income up 16% to $118M

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¶Fiscal 2011

Focus on Long-Term Growth & Profitability

- Investing in top digital opportunities for Children's Books: ecommerce and ebooks
- Consolidating record growth in Education & continuing to invest in new reading and math programs
- Continued cost savings and cash discipline

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Judy Newman

Executive Vice President,
President, Scholastic Book Clubs

Margery Mayer

Executive Vice President,
President, Scholastic Education

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Maureen O'Connell

Executive Vice President,
Chief Administrative Officer and
Chief Financial Officer

¶Fiscal 2010

One-Time Items

($M, except per share)	FY 2010 Pre-tax	FY 2010 EPS	FY 2009 Pre-tax	FY 2009 EPS
Non-cash asset impairments[1]	$43.1	$0.75	$18.4	$0.33
Non-cash losses on investment[2]	1.5	0.02	13.5	0.27
One-time severance and other cost reduction expenses[3]	-	-	19.8	0.33
One-time cash expenses related to UK restructuring[4]	4.7	0.12	-	-
One-time expense related to sales tax negotiation[5]	7.5	0.12	-	-
Total one-time items	$56.8	$1.01	$51.7	$0.93

1. For the twelve months ended May 31, 2010, $36.3 in non-cash impairment charges relate to the Company's decision to consolidate supplemental non-fiction and library publishing activities into the Children's Book Publishing and Distribution segment. The Company also recorded $3.8 in impairment charges related to a customer list, acquired as a result of the dissolution of a joint venture. In addition, the Company recorded $3.0 in non-cash impairment charges related to the Company's direct-to-home toy catalog business. These charges are included in the Company's Educational Publishing, International, and Media, Licensing and Advertising segments, respectively, and are reported on the Asset Impairments line in the Company's income statement. For the twelve months ended May 31, 2009, $17.0 in non-cash impairment charges relate to a goodwill impairment charge in the Company's United Kingdom operation. These charges are included in the International segment and are reported on the Asset Impairments line in the Company's income statement. The Company also recorded a loss related to fixed asset impairments of $1.4 that is included in the Educational Publishing segment and reported on the SG&A line in the Company's income statement.

2. In the twelve months ended May 31, 2010, the Company recorded losses on an investment in a U.S. based internet company of $1.5, which are included on the Loss on Investments line in the Company's income statement. In the twelve months ended May 31, 2009, the Company recorded non-cash losses on investments in a UK book distribution business and related entities of $13.5, which are also included on the Loss on Investments line in the Company's income statement.

3. Severance and one-time expenses associated with cost reductions includes costs related to a Company initiated voluntary retirement program as well as other employee headcount reductions. These expenses are included in Overhead for segment reporting and included on the SG&A line in the Company's income statement.

4. These expenses are primarily related to the consolidation of distribution facilities in the United Kingdom for the twelve months ended May 31, 2010, and are included in the International segment and on the Cost of Goods Sold and SG&A lines in the Company's income statement.

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

¶Fiscal 2010

Income Statement (adjusted)

Adjusted ($M, except per share)	Fourth Quarter 2010	Fourth Quarter 2009	Fiscal Year 2010	Fiscal Year 2009
Revenue	$538.4	$496.0	$1,912.9	$1,849.3
Cost of goods sold	232.7	231.8	859.1	881.7
Selling, general and administrative expenses	219.9	191.0	801.1	782.5
Bad debt expense	0.1	5.2	9.5	15.8
Depreciation and amortization	15.8	15.5	59.5	60.7
Total operating costs and expenses	468.5	443.5	1,729.2	1,740.7
Operating income from continuing operations	69.9	52.5	183.7	108.6
Other income	0.0	0.4	0.9	0.7
Interest expense, net	4.0	4.4	16.2	23.0
Provision for income taxes	28.3	18.7	72.8	38.6
Earnings from continuing operations	$37.6	$29.8	$95.6	$47.7
Loss from discontinued operations, net of tax	(1.9)	(4.4)	(2.6)	(27.5)
Net income	$35.7	$25.4	$93.0	$20.2
Earnings per share from continuing operations	$1.02	$0.82	$2.60	$1.28
Loss per share from discontinued operations	(0.05)	(0.12)	(0.07)	(0.73)
Net earnings per share	$0.97	$0.70	$2.53	$0.55

¶Fiscal 2010

Segment Results (adjusted)

Adjusted ($M, except per share)	Fourth Quarter 2010	Fourth Quarter 2009	Fiscal Year 2010	Fiscal Year 2009
Children's Book Publishing & Distribution				
Revenue	$273.5	$257.7	$910.6	$940.4
Operating income	50.7	36.2	117.9	101.8
Educational Publishing				
Revenue	$117.2	$103.4	$476.5	$384.2
Operating income	21.7	21.0	103.5	57.2
International				
Revenue	$116.8	$105.6	$412.0	$399.0
Operating income	17.8	10.3	38.5	24.3
Media, Licensing and Advertising				
Revenue	$30.9	$29.3	$113.8	$125.7
Operating income (loss)	1.4	1.9	(1.2)	(0.0)
Corporate overhead	$21.7	$16.9	$75.0	$74.7
Operating income from continuing operations	$69.9	$52.5	$183.7	$108.6

¶Fiscal 2010

Free Cash Flow and Select Balance Sheet Items

($M)	FY 2010	FY 2009
Free cash flow (12 month period)	$171.6	$84.9
Accounts receivable, net	$212.5	$197.4
Inventories, net	$315.7	$344.8
Accounts payable	$101.0	$128.2
Accrued royalties	$42.3	$41.7
Total debt	$252.8	$303.7
Cash and cash equivalents	244.1	143.6
Net debt[1]	$8.7	$160.1

[1]Net debt is defined by the Company as lines of credit and short-term debt plus long-term-debt, net of cash and cash equivalents.

¶Fiscal 2011

Key Elements of Fiscal 2011 Outlook

- Increased spending on digital initiatives, solid growth in Children's Books
- Sustained sales in Education, with increasing proportion of service revenue
- Solid growth and sustained margins in International
- Efficiencies to offset inflation in certain areas
- Increased prepublication spending on education programs
- Working capital improvements

¶Fiscal 2011

Financial Guidance

Revenue	$1.9 to $2.0 billion
Earnings from Continuing Operations	$1.95 to $2.20 per diluted share
Free Cash Flow	$90 to $100 million
Capital Expenditures	$50 to $60 million
Prepublication and Production Spending	$65 to $75 million

Note: Outlook for EPS and operating income excludes the impact of one-time items associated with non-cash, non-operating items.

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Questions & Answers

Participants

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