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Fiscal 2009 Second Quarter Earnings Presentation

December 18, 2008

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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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Children's Books & Media

- Sustained sales across channels (excl. Harry Potter) in tough market
- Strong customer engagement in Clubs offset by smaller purchases
- Higher participation and revenue per fair offset by fair count timing
- Trade innovation driving bestsellers and higher sales
- Strong results in Export, Australia, Canada and Asia
- Higher interactive sales in retail; continued success of TV series

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Scholastic Education

- Educational technology sales approximately levels despite longer sales cycle, school funding pressure
- Continued growth in services
- System 44™ shipping in December, to benefit Q3
- Timing of classroom library sales leads to anticipated decline
- Reductions in selling expense benefit operating results

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Maureen O'Connell

Executive Vice President,
Chief Administrative Officer and
Chief Financial Officer

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Solid Balance Sheet

Key Liabilities and Current Assets ($M)	**Nov 30, 2008**	**Nov 30, 2007**
5% Notes Payable (2013)	$159.4	$173.5
$200M Amortizing Term-Loan (2012)	157.2	200.0
$325M credit agreement (2012)	45.0	0.0
Credit line advances	27.4	40.5
Total debt	389.0	414.1
Cash and cash equivalents	30.8	183.3
Net debt[1]	357.8	230.8
Accounts receivable, net	269.9	282.4
Inventories	430.3	426.2

[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.

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Cost Reductions

- $35M in cost reductions to primarily benefit FY10
  - $10M in external costs
  - $25M in salary expense
  - Severance and other one-time expenses impact FY09
- Spending plan reduced by $20M in 2H09
  - Management bonuses eliminated
  - Discretionary spending
  - Reorganizing key divisions
- Continue to exit unprofitable, non-core businesses

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Key Financial Results

$M (except per share)	2Q09	2Q08
Revenue	661.6	687.6
Cost of goods sold	284.4	291.4
Selling, general and administrative expenses	246.4	238.3
Bad debt expense	7.4	3.5
Operating income from continuing operations	107.8	138.9
Effective tax rate	42.1%	36.3%
Earnings from continuing operations	100.8	129.2
Loss from discontinued operations, net of tax[1]	(15.3)	(6.7)
Consolidated net income	$43.1	$75.6
Earnings per diluted share from continuing operations	1.55	2.10
Loss per diluted share from discontinued operations, net of tax[1]	(0.40)	(0.17)
Consolidated net income per diluted share	1.15	1.93
Free cash flow[2]	48.4	299.3

[1]In the three months ended November 30, 2008, the Company recorded a non-cash write down of certain assets, net of tax, of $8.4 or $0.22 per diluted share, primarily related to the Company's Puerto Rico door-to-door sales operations and Argentina businesses. Operating losses, net of tax, associated with the Argentina business were $1.0 and $0.1, with the door-to-door Puerto Rico business of $2.1 and $0.3 and with the Coach magazine of $0.6 and $0.0 for the three months ended November 30, 2008 and November 30, 2007, respectively. Operating losses, net of tax, for the Company's U.S., Canada and U.K. direct-to-home businesses as well as the school continuities business and the Maumelle facility were $3.2 and $6.3 for the three months ended November 30, 2008 and November 30, 2007, respectively. [2]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.

FY09 Outlook for Continuing Operations

- Earnings per diluted share of $1.20 to $1.50
  - Excluding severance and one-time expenses related to cost savings
- Free cash flow of $55 to $80 million

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Questions & Answers

Participants

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