

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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SCHEDULE TO  
TENDER OFFER STATEMENT UNDER SECTION 13(E) (I) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. 2)

FRANKLIN COVEY CO.  
(Name of Subject Company and Person Filing)

OPTIONS TO PURCHASE COMMON STOCK,  
PAR VALUE \$.01 PER SHARE, HAVING AN EXERCISE PRICE OF \$12.25 OR MORE  
(Title of Class of Securities)

59501B105  
(CUSIP Number of Class of Securities)

VAL JOHN CHRISTENSEN, ESQ.  
Secretary and General Counsel  
2200 West Parkway Boulevard  
Salt Lake City, Utah 84119-2331  
Telephone: (801) 975-1776  
(Name, Address and Telephone Number of  
Person Authorized to receive notices  
and communications on behalf of the  
person(s) filing statement)

COPY TO:

ROBERT A. PROFUSEK, ESQ.  
MEREDITH S. GOLDBERG, ESQ.  
Jones, Day, Reavis & Pogue  
599 Lexington Avenue  
New York, New York 10022  
(212) 326-3939

CALCULATION OF FILING FEE

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| TRANSACTION VALUATION | AMOUNT OF FILING FEE |
|-----------------------|----------------------|
|-----------------------|----------------------|

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\$7,312,835\*

\$1,463

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\* Calculated solely for purposes of determining the filing fee in accordance with Section 13(e) (3) of the Securities Exchange Act of 1934 and Rule O-11 thereunder. This amount assumes the cancellation of all options for which this offer is being made.

Check box if any part of the fee is offset as provided by Rule O-11(a) (2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, on the Form or Schedule and the date of its filing.

Amount previously paid: \$1,463 Filing party: Franklin Covey Co.  
Form or registration No.: Schedule TO Date filed: March 15, 2000

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) The name of the issuer is Franklin Covey Co., a Utah corporation (the "Company"), and the address of its principal executive office is 2200 West Parkway Boulevard, Salt Lake City, Utah 84119. The information set forth under "Information Concerning Franklin Covey" in Section 8 of the Offer to Cancel is incorporated herein by reference.

(b) This Tender Offer Statement on Schedule TO (this "Schedule") relates to an offer by the Company to cancel all outstanding options to purchase shares of its common stock, par value \$.01 per share, having an exercise price of \$12.25 or more (the "Options") for cash in the amount set forth on Schedule A to the Offer to Cancel, upon the terms and subject to the conditions set forth in the Offer to Cancel, dated March 14, 2000 (as amended, the "Offer to Cancel"), and the related Letter of Transmittal (as amended, the "Letter of Transmittal," which together with the Offer to Cancel constitute the "Offer"), copies of which are attached hereto as Exhibits (a) (1) and (a) (2), respectively. The information set forth in "Summary Term Sheet," "Introduction," "Number of Options; Expiration Date," and "Acceptance for Cancellation; Payment of Cash" in the Offer to Cancel is incorporated herein by reference.

(c) The information set forth in "Price Range of Common Stock Underlying the Options" in the Offer to Cancel is incorporated herein by reference.

ITEM 12. EXHIBITS.

- (a) (1) Offer to Cancel, dated March 14, 2000, as amended.
- (2) Form of Letter of Transmittal, as amended
- (3) Press release issued by the Company on April 13, 2000.
- (4) Press release issued by the Company on April 19, 2000.
- (5) Supplement to Offer to Cancel dated April 19, 2000.

(b), (d), (g) and (h) Not applicable.

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.

- (a) Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Amendment No. 2 to the Schedule TO is true, complete and correct.

FRANKLIN COVEY CO.

April 19, 2000

By: /s/ Robert A. Whitman

-----  
Robert A. Whitman  
Chief Executive Officer

OFFER TO CANCEL ALL OUTSTANDING OPTIONS  
WITH AN EXERCISE PRICE OF \$12.25 OR MORE  
FOR CASH  
BY  
FRANKLIN COVEY CO.

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THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., MOUNTAIN TIME, ON  
MAY 3, 2000, UNLESS THE OFFER IS EXTENDED.  
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Franklin Covey is offering to cancel all outstanding options to purchase shares of our common stock that have an exercise price of \$12.25 or more for an amount payable in cash, upon the terms and subject to the conditions set forth herein and in the related letter of transmittal. The cash amount will be payable promptly following the completion of the offer. We will not accept partial tenders. You must tender all of your options or none of your options.

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THIS OFFER TO CANCEL IS NOT CONDITIONED UPON A MINIMUM NUMBER OF  
OPTIONS BEING TENDERED BUT IS SUBJECT TO CERTAIN OTHER CONDITIONS. SEE SECTION  
5.  
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IMPORTANT

Any holder of options desiring to tender his or her options for cancellation should complete and sign the letter of transmittal, or a facsimile thereof, in accordance with the instructions in the letter of transmittal, mail or otherwise deliver it and any other required documents to Franklin Covey, and deliver the option agreement(s) evidencing your options to Franklin Covey along with the letter of transmittal at our address set forth on the back cover of this offer to cancel.

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NEITHER FRANKLIN COVEY NOR OUR BOARD OF DIRECTORS MAKES ANY  
RECOMMENDATION TO YOU AS TO WHETHER TO TENDER YOUR OPTIONS FOR CANCELLATION.  
YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR OPTIONS. EXCEPT  
FOR DOUGLAS G. SMITH, FRANKLIN COVEY HAS BEEN ADVISED THAT ALL OF OUR  
EXECUTIVE OFFICERS, INCLUDING THOSE THAT ARE ALSO DIRECTORS, INTEND TO TENDER  
OPTIONS PURSUANT TO THIS OFFER. NON-EMPLOYEE DIRECTORS DO NOT HAVE OPTIONS.  
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The common stock issuable upon exercise of the options is listed and principally traded on the New York Stock Exchange (the "NYSE") under the symbol "FC." On March 13, 2000, the last trading day prior to the making of this offer, the last reported sale price of the common stock on the NYSE Composite Tape was \$8.4375 per share. You are urged to obtain current market prices for the common stock.

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Questions or requests for assistance or for additional copies of this offer to cancel, the letter of transmittal, or other offer materials may be directed to Richard Putnam, our Director of Investor Relations, at (801) 817-7134.

FRANKLIN COVEY HAS NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER YOU SHOULD TENDER YOUR OPTIONS FOR CANCELLATION PURSUANT TO THIS OFFER TO CANCEL. FRANKLIN COVEY HAS NOT AUTHORIZED ANY PERSON TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFER TO CANCEL OTHER THAN THOSE CONTAINED IN THIS OFFER TO CANCEL OR IN THE LETTER OF TRANSMITTAL. IF GIVEN OR MADE, SUCH RECOMMENDATION AND SUCH INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY FRANKLIN COVEY.

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This offer to cancel is not being made to, nor will any tender of options be accepted from or on behalf of, optionholders in any jurisdiction in which the making of this offer or the acceptance of any tender of options therein would not be in compliance with the laws of such jurisdiction. However, Franklin Covey may, at its discretion, take such action as we may deem necessary for us to make the offer in any such jurisdiction and extend this offer to optionholders in such jurisdiction.

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SUMMARY TERM SHEET

We are offering to cancel all outstanding options to purchase shares of our common stock that have an exercise price of \$12.25 or more. The following are some of the questions that you, as an optionholder, may have and answers to those questions. The information in this summary is not complete and we urge you to carefully read the remainder of this offer to cancel and the accompanying letter of transmittal.

WHAT WILL I RECEIVE IF I DECIDE TO TENDER MY OPTIONS FOR CANCELLATION?

We will pay you cash in the amount set forth on Schedule A. For purposes of determining the cash amount payable to an optionholder, we have treated options as separate classes based on differences in exercise price and expiration date. The cash amount that we will pay for each class of tendered options has been determined on the basis of six factors, the values for the first four of which are the same for all optionholders regardless of class, and the values for the last two of which are the same for all optionholders within a class of options but which vary among classes. See Section 4.

WHEN WILL I RECEIVE PAYMENT FOR MY CANCELED OPTIONS?

You will receive the full cash amount for your options as set forth on Schedule A as soon as practicable after the expiration of this offer to cancel ("payment date").

No interest will accrue and no interest will be paid on any portion of the cash amount payable, regardless of when paid. See Section 4.

DO I HAVE TO TENDER ALL OF MY OPTIONS?

Yes. We will not accept partial tenders. You must tender all of your options or none of your options. See Section 2.

DOES THE COMPANY HAVE THE FINANCIAL RESOURCES TO MAKE PAYMENT?

We have sufficient cash on hand to make payment on all of the options tendered in this offer to cancel. See Section 9.

HOW LONG DO I HAVE TO DECIDE WHETHER TO TENDER IN THE OFFER?

You will have at least until 5:00 p.m., Mountain standard time, on May 3, 2000, the "expiration date," to decide whether to tender your options in this offer to cancel.

HOW WILL I BE NOTIFIED IF THE OFFER IS EXTENDED?

If we extend the offer, we will make a public announcement of the extension, not later than 9:00 a.m., Mountain standard time, on the day after the date on which the offer was previously scheduled to expire. See Section 13.

WHAT ARE THE MOST SIGNIFICANT CONDITIONS TO THE OFFER?

This offer to cancel is not conditioned on a minimum number of options being tendered. However, the offer is subject to a number of other conditions. See Section 5.

HOW DO I TENDER MY OPTIONS?

To tender an option for cancellation you must deliver your option agreement(s) together with a properly completed and duly executed letter of transmittal and any other required documents to us at the address set forth on the back cover of this offer to cancel no later than the expiration date.

HOW DO I WITHDRAW PREVIOUSLY TENDERED OPTIONS AND UNTIL WHAT TIME CAN I WITHDRAW THEM?

You can withdraw previously tendered options at any time until the expiration date. To withdraw tendered options you must deliver a written notice of withdrawal, or facsimile thereof, with the required information to us while you still have the right to withdraw the tendered options. Once withdrawn, you may retender options only by again following one of the delivery procedures described in Section 2. See Section 3.

WHOM CAN I TALK TO IF I HAVE QUESTIONS ABOUT THE OFFER?

You can call Richard Putnam, our Director of Investor Relations, at (801) 817-7134.

TO THE HOLDERS OF OPTIONS TO PURCHASE COMMON STOCK  
OF FRANKLIN COVEY WITH AN EXERCISE PRICE OF \$12.25 OR MORE:

## INTRODUCTION

### SUMMARY TERMS OF THE OFFER

Franklin Covey hereby offers to cancel all outstanding options to purchase shares of our common stock that have an exercise price of \$12.25 or more for an amount payable in cash, upon the terms and subject to the conditions set forth herein and in the related letter of transmittal (which together constitute the "offer"). The amount of cash for each tendered option will be payable as set forth in Schedule A to this offer to cancel. For purposes of determining the cash amount payable to an optionholder, we have treated options as separate classes based on differences in exercise price and expiration date. The cash amount that we will pay for each class of tendered options has been determined on the basis of six factors, the values for the first four of which are the same for all optionholders regardless of class, and the values for the last two of which are the same for all optionholders within a class of options but which vary among classes. See Section 4.

We will accept for cancellation all options validly tendered and not properly withdrawn on or prior to the expiration date. However, we will not accept partial tenders. You must tender all of your options or none of your options.

This offer is not conditioned upon any minimum number of options being tendered. The offer is, however, subject to a number of other conditions. See Section 5. We reserve the right (but are not obligated) to waive any or all such conditions, other than those that are legally mandated.

NEITHER WE NOR OUR BOARD OF DIRECTORS MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER YOUR OPTIONS FOR CANCELLATION. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER OPTIONS FOR CANCELLATION.

### GENERAL INFORMATION

As of the date of this offer to cancel, we had issued and outstanding options to purchase 3,934,214 shares of our common stock issued under our various benefit and/or incentive compensation plans, of which options to purchase 2,542,262 shares of our common stock have an exercise price of \$12.25 or more. The options that we are offering to purchase represent 100% of the options issued and outstanding as of such date that have an exercise price of \$12.25 or more.

The common stock issuable upon exercise of the options is listed and principally traded on the NYSE under the symbol "FC." On March 13, 2000, the last reported sale price of the common stock was \$8.4375 per share. Optionholders are urged to obtain current market prices for the common stock. See Section 6.

All options accepted by us pursuant to this offer will be cancelled. See Section 4.

### FORWARD-LOOKING INFORMATION

This document contains and incorporates by reference forward-looking statements with respect to our business, financial condition and results of operations, including, without limitation, statements herein and in our annual and quarterly reports under the captions "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." You can generally identify forward-looking statements by looking for words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue." Variations on those or similar words, or the negatives of such words, also may indicate forward-looking statements.

These forward-looking statements are based on certain assumptions and are subject to a number of risks and uncertainties. Such uncertainties include, but are not limited to:

- o unanticipated developments in the integration of acquired or merged businesses;
- o management of growth;
- o dependence on products and services;



- o the rate and consumer acceptance of new product introductions;
- o competition;
- o the number and nature of customers and their product orders;
- o pricing;
- o pending and threatened litigation; and
- o other risk factors, some of which are described below, and others of which may be detailed from time to time in our press releases, reports to shareholders and our filings with the Securities and Exchange Commission, or SEC.

These forward-looking statements are based on management's expectations as of the date of this document, or if incorporated by reference from a document as of an earlier date, the earlier date. Actual future performance and results could differ materially from that contained in or suggested by these forward-looking statements as a result of the factors described above and elsewhere in this offer to cancel.

THE OFFER

1. NUMBER OF OPTIONS; EXPIRATION DATE.

Upon the terms and subject to the conditions described herein and in the accompanying letter of transmittal, we will accept for cancellation, and will cancel, all options to purchase shares of our common stock that have an exercise price of \$12.25 or more and that are validly tendered on or prior to the expiration date and which are not properly withdrawn in accordance with Section 3. We will not accept partial tenders. You must tender all of your options or none of your options. The later of 5:00 P.M., Mountain standard time, on April 24, 2000 or the latest time and date to which the offer is extended, is referred to herein as the "expiration date." This offer is not conditioned on any minimum number of options being tendered. If your options are accepted for cancellation, you will be entitled to receive a cash payment in the amount set forth on Schedule A to this offer to cancel. The cash amount will be payable promptly following the completion of the offer. See Section 4.

Subject to the applicable rules and regulations of the SEC, we expressly reserve the right, in our sole discretion, to change the terms of this offer to cancel. This offer to cancel will be extended until the expiration of ten business days from the date of publication of notice if:

- o we increase or decrease the amount of cash to be paid for options tendered for cancellation; and
- o 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 increase or decrease is first published, sent or given in the manner described in Section 13.

For purposes of this 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 Midnight, Mountain standard time. There can be no assurance, however, that we will exercise our right to extend this offer to cancel.

2. PROCEDURE FOR TENDERING OPTIONS.

PROPER TENDER OF OPTIONS. To validly tender options for cancellation pursuant to this offer a properly completed and duly executed letter of transmittal, or facsimile thereof, together with any other documents required by the letter of transmittal, including your option agreement(s) evidencing the options to be tendered, must be received by us at our address set forth on the back cover of this offer to cancel prior to the expiration date.

THE METHOD OF DELIVERY OF OPTIONS, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING OPTIONHOLDER. OPTIONS WILL BE DEEMED DELIVERED ONLY WHEN ACTUALLY RECEIVED BY US. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE TIMELY DELIVERY.

No interest will accrue and no interest will be paid on the cash amount payable to you, regardless of:

- o the date you receive any portion of the cash amount pursuant to the vesting schedule;
- o any extension of the offer; or
- o any delay in making any payment.

DETERMINATION OF VALIDITY; REJECTION OF OPTIONS; WAIVER OF DEFECTS; NO OBLIGATION TO GIVE NOTICE OF DEFECTS. All questions as to the form of documents and the validity, eligibility (including time of receipt) and

acceptance for cancellation and payment will be determined by us in our sole discretion, and our determination will be final and binding on all parties. We reserve the absolute right to reject any or all tenders of options that we determine are not in proper form or the acceptance for cancellation and payment of or cancellation and payment for which may be unlawful. We also reserve the absolute right to waive any condition of the offer or any defect or irregularity in any tender of options. A tender of options will not be deemed to have been properly made until all defects or irregularities have been cured by the tendering optionholder or waived by us. Neither we nor any other person will be under any duty to give notice of any defect or irregularity in tenders, nor shall we nor any other person incur any liability for failure to give any such notice.

LOST, STOLEN, DESTROYED OR MUTILATED OPTION AGREEMENTS EVIDENCING THE TENDERED OPTIONS. If your option agreement evidencing the options to be tendered has been lost, stolen, destroyed or mutilated, you must complete the box captioned "Description of Options Tendered" on the letter of transmittal, indicating the number of options subject to the lost, stolen, destroyed or mutilated option agreement. You must then contact us to ascertain the steps that must be taken to replace the option agreement evidencing the options to be tendered. In order to avoid delay, you should contact Richard Putnam, our Director of Investor Relations, at (801) 817-7134.

3. WITHDRAWAL RIGHTS.

Tenders of options made pursuant to this offer to cancel may be withdrawn at any time prior to the expiration date. Thereafter, tenders are irrevocable, except that they may be withdrawn after May 31, 2000 unless they have been previously accepted for cancellation as provided in this offer to cancel. If we extend the period of time during which the offer is open, we are delayed in accepting for payment or paying for options or we are unable to accept for cancellation and payment or pay for options pursuant to the offer for any reason, then, without prejudice to our rights under the offer, we may retain all options tendered, and tendered options may not be withdrawn, except as otherwise provided in this Section 3, subject to Rule 13e-4(f)(5) under the Exchange Act, which provides that the issuer making the tender offer shall either pay the consideration offered, or return the tendered securities promptly after the termination or withdrawal of this offer to cancel. To be effective, a written or facsimile transmission notice of withdrawal must be timely received by us at our address set forth on the back cover of this offer to cancel and must specify the name of the person who tendered the options to be withdrawn and the number of options to be withdrawn. Withdrawals may not be rescinded, and options withdrawn will thereafter be deemed not validly tendered for purposes of this offer. However, withdrawn options may be retendered by again following one of the procedures described in Section 2 at any time prior to the expiration date.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by us, in our sole discretion, which determination shall be final and binding. Neither Franklin Covey nor any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

4. ACCEPTANCE FOR CANCELLATION OF OPTIONS AND PAYMENT OF CASH.

Upon the terms and subject to the conditions of this offer to cancel and as promptly as practicable after the expiration date, we will accept for cancellation all options validly tendered. You will receive the full cash amount for your options as set forth on Schedule A as soon as practicable after the expiration of this offer to cancel ("payment date").

For purposes of determining the cash amount payable to an optionholder, we have treated options as separate classes based on differences in exercise price and expiration date. The cash amount that we will pay for each class of tendered options has been determined on the basis of six factors, the values for the first four of which are the same for all optionholders regardless of class, and the values for the last two of which are the same for all optionholders within a class of options but which vary among classes, as follows:

- the dividend rate applicable to our common stock, which in this case is not applicable since we do not pay dividends on our common stock;
- an assumed risk free rate of return of 6.5%;
- an assumed volatility rate of 55.77%, calculated based on the performance of our common stock since it began publicly trading;
- the average market price of our common stock during the 60-day period preceding commencement of the offer;
- the exercise price of the particular option; and
- the length of time to expiration of the particular option.

For purposes of the offer, we will be deemed to have accepted for cancellation and payment options that are validly tendered and not properly withdrawn as, if and when we give oral or written notice to the optionholders of our acceptance for payment of such options, which may be by press release.

Under no circumstances will interest accrue or be paid on amounts to be paid to tendering optionholders, regardless of when payment of any portion of the cash amount is made or if there is any delay in making any cash payment.

#### 5. CONDITIONS OF THE OFFER.

Notwithstanding any other provision of this offer to cancel, we will not be required to accept for cancellation, or make any payment with respect to, any options tendered, and may terminate or amend and may postpone (subject to the requirements of the Exchange Act for prompt payment for or return of options) the acceptance for cancellation of options tendered, if at any time on or after April 12, 2000 and on or before the expiration date any of the following shall have occurred:

(a) there shall have been threatened, instituted or pending any action or proceeding by any government or governmental, regulatory or administrative agency or authority or tribunal or any other person, domestic or foreign, or before any court, authority, agency or tribunal that (i) challenges the cancellation of options by us pursuant to this offer or otherwise in any manner relates to or affects the offer or (ii) in our reasonable judgment, could materially and adversely affect our business, condition (financial or other), income, operations or prospects, or otherwise materially impair in any way the contemplated future conduct of our or any of our subsidiaries' business or materially impair the offer's contemplated benefits to us;

(b) there shall have been any action threatened, pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to this offer or to us or any of our subsidiaries, by any legislative body, court, authority, agency or tribunal which, in our reasonable judgment, would or might directly or indirectly (i) make the acceptance for payment of, or payment for, some or all of the options illegal or otherwise restrict or prohibit consummation of this offer, (ii) delay or restrict our ability, or render us unable, to accept for payment or pay for some or all of the options, (iii) materially impair the contemplated benefits of this offer to us or (iv) materially and adversely affect our business, condition (financial or other), income, operations or prospects, or otherwise materially impair in any way the contemplated future conduct of the business of Franklin Covey or any of our subsidiaries;

(c) it shall have been publicly disclosed or we shall have learned that (i) any person or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) has acquired or proposes to acquire beneficial ownership of more than 5% of the outstanding shares of common stock underlying the options whether through the acquisition, directly or indirectly, of our capital stock, the formation of a group, the grant of any option or right, or otherwise (other than as disclosed in a Schedule 13D or 13G on file with the SEC on or prior to March 1, 2000 or (ii) any such person or group that on or prior to March 1, 2000 had filed a Schedule 13D or 13G with the SEC thereafter shall have acquired or shall propose to acquire whether through the acquisition shares, the formation of a group, the grant of any option or right, or otherwise, beneficial ownership of additional shares of common stock

underlying the options representing 2% or more of the outstanding shares of common stock underlying the options;

(d) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market, (ii) any significant decline or increase in the market price of the shares of our common stock, (iii) any change in the general political, market, economic or financial condition in the United States or abroad that could have a material adverse effect on our business, condition (financial or other), income, operations, prospects or ability to obtain

financing generally or the trading in the options, (iv) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or any limitation on, or any event which, in our reasonable judgment, might affect, the extension of credit by lending institutions in the United States, (v) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or (vi) in the case of any of the foregoing existing at the time of the commencement of the offer, in our reasonable judgment, a material acceleration or worsening thereof;

(e) a tender or exchange offer with respect to some or all of the options or our common stock (other than this offer), or a merger, acquisition or other business combination proposal for our Company, shall have been proposed, announced or made by any person;

(f) there shall have occurred any event or events that have resulted, or may in our reasonable judgment result, in an actual or threatened change in the business, condition (financial or other), income, operations, option ownership or prospects of Franklin Covey and our subsidiaries, taken as a whole; or

(g) there shall have occurred any decline in the Dow Jones Industrial Average or the Standard & Poor's Composite 500 Stock Index by an amount in excess of 10% measured from the close of business on March 1, 2000;

and, in our reasonable judgment, such event or events make it undesirable or inadvisable to proceed with the offer or with such acceptance for cancellation and payment.

The foregoing conditions are for our reasonable benefit and may be asserted by us regardless of the circumstances (including any action or inaction by us) giving rise to any such condition, and any such condition may be waived by us, in whole or in part, at any time and from time to time, in our reasonable discretion, whether or not any other condition of the offer is also waived. The failure by us at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by us concerning the events described above will be final and binding on all parties.

6. PRICE RANGE OF COMMON STOCK UNDERLYING THE OPTIONS.

The common stock issuable upon exercise of the options is listed and principally traded on the NYSE under the symbol "FC." The following table sets forth the high and low sales prices of the common stock on the NYSE Composite Tape for the fiscal quarters indicated:

|  | HIGH*     | LOW*      |
|--|-----------|-----------|
| Fiscal Year Ended August 31, 1998:                       |           |           |
| Quarter ended November 30, 1997.....                     | \$28.1250 | \$21.1250 |
| Quarter ended February 28, 1998.....                     | 24.6875   | 20.7500   |
| Quarter ended May 31, 1998.....                          | 25.7500   | 19.2500   |
| Quarter ended August 31, 1998.....                       | 21.1250   | 18.5625   |
| Fiscal Year Ended August 31, 1999:                       |           |           |
| Quarter ended November 30, 1998.....                     | 20.1875   | 17.7500   |
| Quarter ended February 27, 1999.....                     | 19.0625   | 11.8750   |
| Quarter ended May 29, 1999.....                          | 12.2500   | 8.8750    |
| Quarter ended August 31, 1999.....                       | 9.8750    | 5.9375    |
| Fiscal Year Ending August 31, 2000:                      |           |           |
| Quarter ended November 30, 1999.....                     | 8.7500    | 7.1250    |
| Quarter ended February 29, 2000.....                     | 10.5000   | 6.8125    |
| Quarter ended May 31, 2000 (through March 13, 2000)..... | 9.0000    | 7.7500    |

o This information was obtained from The Wall Street Journal, and we believe such information to be accurate.

On March 13, 2000, the last full NYSE trading day prior to the making of this offer to cancel, the last reported sale price of the common stock underlying the options on the NYSE Composite Tape was \$8.4375 per share. YOU ARE URGED TO OBTAIN CURRENT MARKET PRICES FOR THE COMMON STOCK.

7. PURPOSE OF THE OFFER.

We believe that many of our outstanding options, though currently exercisable, are not achieving the purpose for which they were intended since they have exercise prices that are significantly higher than the current market price, effectively making them unlikely to be exercised. By making this offer to cancel and instituting other forms of incentive and option plans for which our current employees will be able to realize the intended benefits, we expect to be able to provide better performance incentives to these employees and thereby maximize shareholder value.

Except as disclosed in this offer to cancel, we have no plans or proposals which relate to or would result in:

- o the acquisition by any person of any of our securities or the disposition of any of our securities;
- o an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Franklin Covey or any of our subsidiaries;
- o a sale or transfer of a material amount of our or our subsidiaries' assets;
- o any change in our present board of directors or management;
- o any material change in our present dividend rate or policy, or our indebtedness or capitalization;
- o any other material change in our corporate structure or business;
- o any change in our Restated Certificate of Incorporation or By-laws, as amended, or any actions which may impede the acquisition of control of Franklin Covey by any person;
- o a class of equity securities being delisted from a national securities exchange;
- o a class of our equity securities becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or
- o the suspension of our obligation to file reports pursuant to Section 15(d) of the Exchange Act.

NEITHER WE NOR OUR BOARD OF DIRECTORS MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER YOUR OPTIONS, NOR HAVE WE AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. YOU ARE URGED TO EVALUATE CAREFULLY ALL INFORMATION IN THE OFFER TO CANCEL AND TO CONSULT YOUR OWN INVESTMENT AND TAX ADVISORS. YOU MUST MAKE YOUR OWN DECISION WHETHER TO TENDER YOUR OPTIONS FOR CANCELLATION.

8. INFORMATION CONCERNING FRANKLIN COVEY.

GENERAL. We are a professional services firm that provides management solutions in four main areas:

- o Time Management;
- o Leadership Skills;
- o Communication Skills; and
- o Sales Skills Management.

We provide tools and services to professionals and organizations through training seminars, our 125 retail stores, catalog operations and through the Internet at [www.franklincovey.com](http://www.franklincovey.com). Our products include the popular Franklin Planner, best selling books such as 7 Habits of Highly Effective People and functional electronic tools such as 3Com's Palm planning device. Our services include consulting, assessment measurement and training to help professionals and organizations become more effective.

Our principal executive offices are located at 2200 West Parkway Boulevard, Salt Lake City, Utah 84119-2331, and our telephone number is (801) 817-7134.

BUSINESS STRATEGY. In an effort to increase shareholder value, we had been pursuing a two-part strategy seeking to improve our results of operations through increased efficiencies and increased leverage through borrowings and common share repurchases. Despite these efforts, the market price of our common stock declined during 1998 and 1999. In mid-1999, we adopted a new, long-term growth strategy predicated on substantial investments in our core businesses to maintain our position as an industry leader in providing solutions for personal

and organizational effectiveness. Although we believe that we have the industry's best individual and organizational productivity content, learning processes and implementation tools, we believe that there are opportunities to develop new products and delivery channels to meet the changing needs of our customers and to expand our geographic reach. In addition, we believe that there are acquisition opportunities in complementary businesses. Accordingly, in June 1999, we issued 750,000 Series A preferred shares to Knowledge Capital and in November 1999 we conducted a rights offering to purchase additional shares of our Series A Preferred Stock to holders of our common stock as of November 8, 1999. Both offerings raised an aggregate of \$79.2 million to provide us with the initial capital base to pursue this strategy.

We are in the process of further refining our growth strategy and improving the efficiency of our operations. Our objective is to create a plan that will produce sustainable long-term growth and build shareholder value. In this regard, on October 12, 1999, we announced a strategic realignment and organizational restructuring of our core businesses to lay strategic, operational, organizational and financial foundations for profitable growth. The restructuring aligns our products, services and channels to focus our resources on providing integrated solutions to individuals and organizations.

#### 9. SOURCE AND AMOUNT OF FUNDS.

Assuming we cancel all of our outstanding options that have an exercise price of \$12.25 or more pursuant to the offer, the aggregate cash consideration to be paid (assuming all outstanding options for which this offer is being made fully vest and are accepted for payment) will be approximately \$7.3 million (excluding estimated fees and expenses). We anticipate financing the cash consideration payable to tendering optionholders for the cancellation of options pursuant to this offer to cancel and the payment of related fees and expenses from available cash.

#### 10. INTERESTS OF DIRECTORS AND OFFICERS; TRANSACTIONS AND AGREEMENTS CONCERNING THE OPTIONS.

Except as described in the next paragraph, neither Franklin Covey, nor to the best of our knowledge, any of our directors or executive officers, nor any affiliates of any of the foregoing, had any transactions involving the options or the common stock issuable upon the exercise of such options during the 60 business days prior to the date of this offer to cancel.

On January 6, 2000, Don J. Johnson purchased 1,500 shares of our common stock at a price of \$8.05 per share. On February 10, 2000, Steven Wheelwright, certain members of his family and related trusts purchased an aggregate of 15,800 shares of our common stock at prices ranging from \$9.75 per share to \$10.00 per share.

Except for outstanding options to purchase common stock granted from time to time to certain of our employees (including executive officers) and non-employee directors pursuant to our option plans, and restricted share awards granted from time to time to certain of our employees (including executive officers) pursuant to our incentive compensation programs and except as otherwise described herein, neither Franklin Covey nor, to the best of our knowledge, any of our 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 with respect to any of our securities, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any such securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding or proxies, consents or authorizations.

#### 11. FEDERAL INCOME TAX CONSIDERATIONS.

GENERAL. The following summary of certain federal income tax consequences of the cancellation of options pursuant to this offer to cancel is based on the Internal Revenue Code of 1986, as amended to date, applicable proposed and final Treasury Regulations, judicial authority and current administrative rulings and practice, all of which are subject to change. This summary does not attempt to describe all of the possible tax consequences that could result from this offer to cancel or the cancellation of options pursuant to this offer to cancel.



The cash amounts paid to optionholders who tender options for cancellation are taxed as ordinary compensation income of the optionholders in the year received. Such income is subject to withholding of income, FICA and Medicare taxes and other applicable employment taxes. To the extent that a tendering optionholder recognizes ordinary income, we would be entitled to a corresponding federal income tax deduction, provided in general that (i) the amount is an ordinary and necessary business expense and such income meets the test of reasonableness; (ii) the deduction is not disallowed pursuant to the annual compensation limit set forth in Section 162(m) of the Internal Revenue Code; and (iii) certain statutory provisions relating to so-called "excess parachute payments" do not apply.

INCENTIVE STOCK OPTIONS. Certain of the options subject to this offer to cancel are intended to qualify as "incentive stock options." In order for a holder of incentive stock options to receive certain favorable tax treatment with respect to shares of common stock obtained through the exercise of those options, several statutory requirements must be satisfied. One of these requirements is that the stock subject to the incentive stock option be held by the optionholder following exercise of the option for two years after the date the option was granted or, if later, one year after the option is exercised (the "statutory holding period").

If the holder of an incentive stock option does not tender the incentive stock option pursuant to this offer to cancel, the statutory holding period for that option will begin on the date of the offer. This is because the offer is treated as the grant of a new incentive stock option for purposes of the statutory holding period requirements. Therefore, in order to be eligible for favorable tax treatment, the holder of the incentive stock option must hold any stock purchased on exercise of the option for two years after the date of this offer or, if later, one year after the option is exercised.

THE TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. THE TAX CONSEQUENCES OF THIS OFFER TO CANCEL OR A CANCELLATION PURSUANT TO THE OFFER MAY VARY DEPENDING UPON, AMONG OTHER THINGS, THE PARTICULAR CIRCUMSTANCES OF THE TENDERING OPTIONHOLDER. NO INFORMATION IS PROVIDED HEREIN AS TO THE STATE, LOCAL OR FOREIGN TAX CONSEQUENCES OF THE TRANSACTION CONTEMPLATED BY THE OFFER. OPTIONHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF CANCELLATION MADE BY THEM PURSUANT TO THE OFFER.

#### 12. LEGAL MATTERS; REGULATORY APPROVALS.

We are not aware of any license or regulatory permit that we believe is material to our business that might be adversely affected by our cancellation of options as contemplated herein or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the cancellation by us of options as contemplated herein. Should any such approval or other action be required, we presently contemplate that such approval or other action will be sought. We are unable to predict whether we will be required to delay the acceptance for payment of, or payment for, options tendered pursuant to the offer pending the outcome of any such matter. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to our business. Our obligations under the offer to accept for cancellation, and make any payment in respect of, any options are subject to a number of conditions. See Section 5.

#### 13. EXTENSION OF TENDER PERIOD; TERMINATION; AMENDMENTS.

We expressly reserve the right, in our sole discretion and at any time or from time to time, to extend the period of time during which this offer to cancel is open by giving oral or written notice of such extension to the optionholders. There can be no assurance, however, that we will exercise our right to extend this offer. During any such extension, all options previously tendered will remain subject to the offer, except to the extent that such options may be withdrawn as set forth in Section 3. We also expressly reserve the right, in our reasonable discretion, (a) to terminate the offer and not accept for payment any options not theretofore accepted for payment or, subject to Rule 13-4(f)(5) under the Exchange Act, which requires us either to pay the consideration offered or to return the options

tendered promptly after the termination or withdrawal of the offer, to postpone payment for options upon the occurrence of any of the conditions specified in Section 5 hereof by giving oral or written notice of such termination to the optionholders by making a public announcement thereof and (b) at any time or from time to time amend the offer in any respect. Amendments to the offer may be effected by public announcement. Without limiting the manner in which we may choose to make public announcement of any termination or amendment, we will have no obligation (except as otherwise required by applicable law) to publish, advertise or otherwise communicate any such public announcement, other than by making a release to the Dow Jones News Service, except in the case of an announcement of an extension of the offer, in which case we will have no obligation to publish, advertise or otherwise communicate such announcement other than by issuing a notice of such extension by press release or other public announcement, which notice will be issued no later than 9:00 a.m., Mountain standard time, on the next business day after the previously scheduled expiration date. Material changes to information previously provided to holders of the options in this offer or in documents furnished subsequent thereto will be disseminated to holders of options in compliance with Rule 13e-4(e) (2) promulgated by the SEC under the Exchange Act.

If we materially change the terms of this offer to cancel 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) and 13e-4(e) (2) under the Exchange Act. Those rules require that the minimum period during which an offer must remain open following material changes in the terms of the offer or information concerning the offer (other than a change in the amount of the consent payment or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information. In a published release, the SEC has stated that in its view, an offer should remain open for a minimum of five business days from the date that notice of such a material change is first published, sent or given. The offer will continue or be extended for at least ten business days from the time we publish, send or give to holders of options a notice that we will (a) increase or decrease the amount of the consideration payable or (b) increase (except for an increase not exceeding 2% of the outstanding subject options) or decrease the percentage of subject options sought.

14. FEES AND EXPENSES.

We will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of options pursuant to this offer to cancel.

15. ADDITIONAL INFORMATION.

We are subject to the informational filing requirements of the Exchange Act and, in accordance therewith, file with the SEC periodic reports, proxy statements and other information relating to our business, financial condition and other matters. We are required to disclose in such reports certain information, as of particular dates, concerning our operating results and financial condition, officers and directors, principal holders of securities, any material interests of such persons in transactions with us and other matters. These reports and other informational filings required by the Exchange Act are available for inspection at the public reference facilities maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W. Washington, D.C. 20549 and also are available for inspection and copying at the regional offices of the commission located at Citicorp Center, 500 West Madison Street, Chicago, Illinois 60611 and 7 World Trade Center, 13th Floor, New York, New York 10048. Copies of such material may be obtained by mail, upon payment of the SEC's customary fees, from the SEC's principal office at Judiciary Plaza, 450 Fifth Street, N.W., Washington D.C. 20549. The SEC maintains a Web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, such as us. The SEC's Web site address is <http://www.sec.gov>. Information regarding Franklin Covey may also be obtained at the offices of The New York Stock Exchange, 20 Broad Street, New York, NY 10005.

The SEC allows us to "incorporate by reference" other documents filed with the SEC, which means that we can disclose important information to you by referring you to other documents. The documents that are incorporated by reference are legally considered to be a part of this prospectus. The documents incorporated by reference are:

- o Annual Report on Form 10-K for the year ended August 31, 1999;
- o Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 1999; and
- o Any filings with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of this offer to cancel and the expiration of the offer.

As you read the above documents, you may find some inconsistencies in information from one document to another. If you find inconsistencies between the documents, or between a document and this prospectus, you should rely on the statements made in the most recent document.

You should rely only on the information in this prospectus or incorporated by reference. We have not authorized anyone to provide you with any different information.

The information contained in this offer to cancel about Franklin Covey should be read in conjunction with the information contained in the documents incorporated by reference.

We will provide without charge to each person to whom a copy of this offer to cancel is delivered, upon the written or oral request of any such person, a copy of any or all of the documents incorporated herein by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests should be directed to Franklin Covey, 2200 West Parkway Boulevard, Salt Lake City, Utah 84119, Attention: Richard Putnam (telephone: (801) 817-7134). In order to ensure timely delivery of the documents prior to the expiration date, any such requests should be made by April 5, 2000.

This offer to cancel constitutes part of an Issuer Tender Offer Statement on Schedule TO, as amended, filed with the SEC by us pursuant to Section 13 of the Exchange Act and the rules and regulations promulgated thereunder. The Schedule TO and all exhibits thereto are incorporated by reference into this offer to cancel.

FRANKLIN COVEY CO.

March 14, 2000

SCHEDULE A

|        |      |        |       | Outstanding Options |          |       | Black Scholes |             | Value of Options |          |                |
|--------|------|--------|-------|---------------------|----------|-------|---------------|-------------|------------------|----------|----------------|
| Option |      |        |       | Vested              | Unvested | Total | Option Value  | Total Value | Vested           | Unvested | Current Payout |
| Name   | Date | Shares | Price |                     |          |       |               |             |                  |          |                |
| -----  |      |        |       |                     |          |       |               |             |                  |          |                |
| Totals |      |        |       |                     |          |       |               |             |                  |          |                |
| =====  |      |        |       |                     |          |       |               |             |                  |          |                |

=====  
OFFER TO CANCEL

ALL OUTSTANDING OPTIONS

WITH AN EXERCISE PRICE OF \$12.25 OR MORE

OF

FRANKLIN COVEY CO.  
  
-----

Any questions or requests for assistance or additional copies of any documents incorporated by reference into the prospectus may be directed to Richard Putnam, our Director of Investor Relations, at Franklin Covey Co., 2200 West Parkway Boulevard, Salt Lake City, Utah 84119, telephone (801) 817-7134.

-----  
March 14, 2000

LETTER OF TRANSMITTAL  
TO TENDER OPTIONS TO PURCHASE SHARES OF COMMON STOCK  
HAVING AN EXERCISE PRICE OF \$12.25 OR MORE  
OF  
FRANKLIN COVEY CO.  
PURSUANT TO THE OFFER TO CANCEL  
DATED MARCH 14, 2000

-----  
THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., MOUNTAIN TIME, ON  
MAY 3, 2000, UNLESS THE OFFER IS EXTENDED.  
-----

TO: RICHARD PUTNAM  
DIRECTOR OF INVESTOR RELATIONS  
FRANKLIN COVEY CO.  
2200 WEST PARKWAY BOULEVARD  
SALT LAKE CITY, UTAH 84119  
TELEPHONE: (801) 817-7134  
FACSIMILE: (801) 817-8705

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS  
SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

Optionholders tendering options should complete the following chart:

-----  
DESCRIPTION OF OPTIONS TENDERED  
-----

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S)  
(PLEASE FILL IN EXACTLY AS NAME(S) APPEAR(S) ON  
AGREEMENT(S) OR INSTRUMENT(S) EVIDENCING THE OPTION)

OPTIONS TENDERED\*  
(ATTACH ADDITIONAL LIST IF NECESSARY)

OPTION  
NUMBER(S) \*\*

TOTAL NUMBER OF  
SHARES OF COMMON  
STOCK SUBJECT TO OPTION

TOTAL OPTIONS

- \* We will not accept partial tenders. You must tender all of your options or none of your options.
- \*\* If applicable.

This letter of transmittal is to be used only if your option agreement evidencing options to be tendered is to be forwarded herewith.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

Ladies and Gentlemen:

The undersigned hereby tenders to Franklin Covey Co., the above-described options to purchase shares of common stock of Franklin Covey having an exercise price of at least \$12.25 per share, pursuant to your offer to cancel such options for an amount payable in cash, upon the terms and subject to the conditions set forth in the offer to cancel, receipt of which is hereby acknowledged, and in this letter of transmittal, which together constitute the "offer."

Subject to, and effective upon, acceptance for cancellation of and cancellation of the options tendered herewith in accordance with the terms and subject to the conditions of the offer (including, if the offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Franklin Covey all right, title and interest in and to all the options that are being tendered hereby and orders the cancellation of all such options.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender the options tendered hereby and that, when and to the extent the same are accepted for cancellation by Franklin Covey, such options will be free and clear of all security interests, liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to the sale or transfer thereof, and the same will not be subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by Franklin Covey to be necessary or desirable to complete the cancellation of the options tendered hereby.

All authority herein conferred or agreed to be conferred shall not be affected by, and shall survive the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the offer, this tender is irrevocable.

By execution hereof, the undersigned understands that tenders of options pursuant to the procedure described in Section 2 of the offer to cancel and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the offer. Franklin Covey's acceptance for cancellation of options tendered pursuant to the offer will constitute a binding agreement between the undersigned and Franklin Covey upon the terms and subject to the conditions of the offer. The undersigned acknowledges that no interest will be paid on any or all of the cash amount payable for tendered options regardless of when payment of any portion of the cash amount is made or any delay in making any cash payment.

The undersigned understands that all options properly tendered prior to the expiration date and not properly withdrawn will be canceled, upon the terms and subject to the conditions of the offer.

Unless otherwise indicated under "Special Payment Instructions," please issue the check or checks for each portion of the cash amount payable for all options canceled, and/or return any options not accepted for cancellation, in the name(s) of the undersigned. Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check or checks for each portion of the cash amount payable for all options canceled and/or return any option agreements evidencing options not accepted for cancellation (and accompanying documents, if any, as appropriate) to the undersigned at the address shown below the undersigned's signature(s). If "Special Payment Instructions" and/or "Special Delivery Instructions" are completed, please issue the check or checks and/or return any option agreements evidencing options not accepted for cancellation in the name(s) of, and mail said check and/or any option agreements to, the person(s) so indicated.

The undersigned recognizes that, under certain circumstances set forth in the offer to cancel, Franklin Covey may terminate or amend the offer or may postpone the acceptance for cancellation of, or the cancellation of and payment for, options tendered. In any such event, the undersigned understands that the options delivered herewith but not accepted for cancellation will be returned to the undersigned at the address indicated below, unless otherwise indicated under the "Special Payment Instructions" or "Special Delivery Instructions" below. The undersigned recognizes that Franklin Covey has no obligation, pursuant to the "Special Payment Instructions," to transfer any options from the name of the registered holder(s) thereof, if Franklin Covey does not accept for cancellation any of the options so tendered.

This letter of transmittal is to be used by the undersigned only if the options are to be physically delivered to you herewith.

THE OFFER IS NOT BEING MADE TO (NOR WILL TENDERS OF OPTIONS BE ACCEPTED FROM OR ON BEHALF OF) HOLDERS IN ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE OF THE OFFER WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION.

All capitalized terms used herein and not defined shall have the meaning ascribed to them in the offer to cancel.

The undersigned has read, understands, and agrees to all of the terms of the offer.



SPECIAL PAYMENT INSTRUCTIONS  
(SEE INSTRUCTIONS 1 AND 4)

To be completed ONLY if the check for the cash amount payable in respect of options accepted for cancellation and/or option agreements evidencing options not accepted for cancellation are to be issued in the name of someone other than the undersigned.

Issue  check(s) and/or  option agreements(s)

Name \_\_\_\_\_

\_\_\_\_\_  
(Please Print)

Address \_\_\_\_\_

\_\_\_\_\_  
(Include Zip Code)

\_\_\_\_\_  
(Taxpayer Identification or Social Security No.)

SPECIAL DELIVERY INSTRUCTIONS  
(SEE INSTRUCTIONS 1 AND 4)

To be completed ONLY if the check for the cash amount payable in respect of options accepted for cancellation and/or option agreements evidencing options not accepted for cancellation are to be mailed to someone other than the undersigned.

Mail  check(s) and/or  option agreement(s)

Name \_\_\_\_\_

\_\_\_\_\_  
(Please Print)

Address \_\_\_\_\_

\_\_\_\_\_  
(Include Zip Code)

SIGN HERE

-----  
Signature(s) of Optionholder(s)  
-----

Dated \_\_\_\_\_, 2000

Name(s) \_\_\_\_\_  
-----

(please print)

Capacity (full title) \_\_\_\_\_  
-----

Address \_\_\_\_\_  
-----

-----  
-----  
(Include Zip Code)

Area Code and Telephone No. \_\_\_\_\_  
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Must be signed by registered optionholder(s) exactly as name(s) appear(s) on the option agreement(s) evidencing the options to be tendered.

INSTRUCTIONS  
FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. DELIVERY OF LETTER OF TRANSMITTAL AND OPTIONS. This letter of transmittal is to be used if the option agreements evidencing options to be tendered are to be forwarded herewith. Option agreements evidencing options to be tendered, as well as a properly completed and duly executed letter of transmittal (or facsimile thereof) and any other documents required by this letter of transmittal, must be received by Franklin Covey at our address set forth on the front cover of this letter of transmittal on or prior to 5:00 P.M., Mountain time, on the expiration date (as defined in the offer to cancel).

THE METHOD OF DELIVERY OF OPTIONS AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING OPTIONHOLDER. IF THE OPTION AGREEMENTS EVIDENCING OPTIONS TO BE TENDERED ARE SENT BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE DELIVERY.

Tenders of options made pursuant to the offer may be withdrawn at any time prior to the expiration date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after May 31, 2000 unless they have been previously accepted for cancellation as provided in the offer to cancel. If we extend the period of time during which the offer is open, we are delayed in accepting for cancellation or paying the cash amount for options or we are unable to accept for cancellation or pay for options pursuant to the offer for any reason, then, without prejudice to our rights under the offer, we may retain all options tendered, and such options may not be withdrawn except as otherwise provided in Section 3 of the offer to cancel, subject to Rule 13e-4(f)(5) under the Exchange Act, which provides that the issuer making the tender offer shall either pay the consideration offered, or return the tendered securities promptly after the termination or withdrawal of the tender offer. To be effective, a written or facsimile transmission notice of withdrawal must be timely received by us at our address set forth on the front cover of this letter of transmittal and must specify the name of the person who tendered the options to be withdrawn and the number of options to be withdrawn. Withdrawals may not be rescinded, and options withdrawn will thereafter be deemed not validly tendered for purposes of the offer. However, withdrawn options may be retendered by again following one of the procedures described in Section 2 of the offer to cancel at any time prior to the expiration date.

No alternative or contingent tenders will be accepted. By executing this letter of transmittal (or a facsimile thereof), the tendering optionholder waives any right to receive any notice of the acceptance for cancellation of the options. No partial tenders will be accepted by Franklin Covey. The undersigned must tender all of his or her options or none of his or her options.

2. INADEQUATE SPACE. If the space provided herein is inadequate, the information requested by the first table in this letter of transmittal regarding which options are to be tendered should be provided on a separate schedule attached hereto.

3. SIGNATURES ON THIS LETTER OF TRANSMITTAL. If this letter of transmittal is signed by the registered holder(s) of the options, the signature(s) must correspond with the name(s) as written on the face of the option agreement(s) without alteration, enlargement or any change whatsoever.

If any of the options to be tendered are held of record by two or more persons, all such persons must sign this letter of transmittal. If any of the options tendered are registered in different names are subject to different option agreements evidencing the options, it will be necessary to complete, sign and submit as many separate letters of transmittal as there are different registrations or option agreements.

If this letter of transmittal 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, such person should so indicate when signing, and proper evidence satisfactory to us of the authority of such person so to act must be submitted with this letter of transmittal.

4. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If options accepted for cancellation are to be made in the name of, and/or any options not tendered or not canceled are to be returned to, a person other than the person(s) signing this

letter of transmittal or if payment of the cash amount for tendered and/or any option agreements evidencing options not accepted for cancellation are to be mailed to someone other than the person(s) signing this letter of transmittal or to an address other than that shown above in the box captioned "Description of Options Tendered," then the boxes captioned "Special Payment Instructions" and/or "Special Delivery Instructions" on this letter of transmittal should be completed.

5. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Any questions or requests for assistance, as well as requests for additional copies of the offer to cancel or this letter of transmittal may be directed to Richard Putnam, our Director of Investor Relations, at the address and telephone number given on the front cover of this letter of transmittal. Copies will be furnished promptly at our expense.

6. IRREGULARITIES. All questions as to the cash amount payable, the form of documents and the validity, eligibility (including time of receipt) and acceptance of any tender of options will be determined by us, in our sole discretion, and our determination shall be final and binding on all parties. We reserve the absolute right to reject any or all tenders of options that we determine are not in proper form or the acceptance for cancellation of or cancellation of options that may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any of the conditions to the offer or any defect or irregularity in any tender of options and our interpretation of the terms and conditions of the offer (including these instructions) shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as we shall determine. Neither Franklin Covey nor any other person shall be under any duty to give notice of any defect or irregularity in tenders, nor shall we or any other person incur any liability for failure to give any such notice. Tenders will not be deemed to have been made until all defects and irregularities have been cured or waived.

7. LOST, STOLEN, DESTROYED OR MUTILATED OPTION AGREEMENTS EVIDENCING OPTIONS. If option agreements evidencing options to be tendered have been lost, stolen, destroyed or mutilated, you must complete the box captioned "Description of Options Tendered" on the letter of transmittal, indicating the number of options subject to the lost, stolen, destroyed or mutilated option agreement(s). You must then contact us to ascertain the steps that must be taken in order to replace the option agreements evidencing options. In order to avoid delay, you should contact us.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE COPY THEREOF) TOGETHER WITH ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY FRANKLIN COVEY, ON OR PRIOR TO 5:00 P.M., MOUNTAIN TIME, ON THE EXPIRATION DATE (AS DEFINED IN THE OFFER TO CANCEL).

8. IMPORTANT TAX INFORMATION. You should refer to Section 11 of the offer to cancel which contains important tax information.

NEWS BULLETIN

[Logo]

2200 West Parkway Boulevard  
Salt Lake City, Utah 84119-2331  
www.franklincovey.com

For Further Information:  
RICHARD R. PUTNAM  
Investor Relations  
(801) 975-1776

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FRANKLIN COVEY EXTENDS  
EXPIRATION DATE FOR OPTION TENDER OFFER

SALT LAKE CITY, UTAH (NYSE: FC) - April 13, 2000 -- Franklin Covey Co. today announced that it had extended the expiration date of its offer to cancel all outstanding options with an exercise price of \$12.25 or more, pursuant to the Offer to Cancel dated March 14, 2000. The offer was to have expired at 5:00 p.m., Salt Lake City time, on Wednesday, April 12, 2000. It will now be extended until 5:00 p.m., Salt Lake City time, on Monday, April 24, 2000.

Should you have any questions, please contact:

Richard Putnam  
Director of Investor Relations  
Telephone number: (801) 975-1776

Franklin Covey is the leading global professional services firm offering learning and performance solutions to assist professionals and organizations to increase their effectiveness in Productivity, Leadership, Communication and Sales. Organizational clients include 80 of the Fortune 100, more than three-quarters of the Fortune 500, thousands of smaller and mid-sized businesses as well as numerous government entities. Organizations and their professionals access Franklin Covey's products and services through professional consulting services, licensed client facilitators, public workshops, catalogs, retail stores and the Internet (franklincovey.com). More than 3,500 Franklin Covey associates provide professional services and products for nearly 18 million individuals through 44 offices in 33 countries in 32 languages. Franklin Covey trains in excess of 750,000 participants annually in training seminars teaching principles to help them achieve "WHAT MATTERS MOST."

NEWS BULLETIN

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For Further Information:  
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(801) 975-1776

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Should you have any questions, please contact:

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SUPPLEMENT TO THE  
OFFER TO CANCEL ALL OUTSTANDING OPTIONS  
WITH AN EXERCISE PRICE OF \$12.25 OR MORE  
FOR CASH  
BY  
FRANKLIN COVEY CO.

Franklin Covey Co. (the "Company") has decided to amend its offer to cancel all outstanding options with an exercise price of \$12.25 or more for cash (the "Offer to Cancel"). The Company will pay all of the cash amount promptly following the expiration date, whether or not the options have fully vested and whether or not the optionholder is currently employed by the Company. For purposes of determining the cash amount payable to an optionholder, the Company has treated options as separate classes based on differences in exercise price and expiration date. The cash amount that we will pay for each class of tendered options has been determined on the basis of six factors, the values for the first four of which are the same for all optionholders, regardless of class, and the values for the last two of which are the same for all optionholders within a class of options, but which vary among classes, as follows:

- the dividend rate applicable to our common stock, which in this case is not applicable since we do not pay dividends on our common stock;
- an assumed risk free rate of return of 6.5%;
- an assumed volatility rate of 55.77%, calculated based on the performance of our common stock since it began publicly trading;
- the average market price of our common stock during the 60-day period preceding commencement of the offer;
- the exercise price of the particular option; and
- the length of time to expiration of the particular option.

To provide optionholders with sufficient time to consider the Company's revised offer, the Company is extending the offer until 5:00 p.m., Mountain standard time, on Wednesday, May 3, 2000. In addition, any options previously tendered may be withdrawn until the new expiration date.

To the extent that any provision of the Offer to Cancel previously mailed to you is inconsistent with this Supplement, the provisions of the Offer to Cancel are hereby deemed amended .

The only modifications to the offer to cancel are those indicated above and all terms and conditions of the offer set forth in the Offer to Cancel and the accompanying Letter of Transmittal remain unamended and in full force and effect.

Delivery of the original Letter of Transmittal which accompanied the Offer to Cancel will satisfy the letter of transmittal delivery requirements for tendering options pursuant to this Supplement. HOLDERS WHO HAVE PREVIOUSLY VALIDLY TENDERED THEIR OPTIONS PURSUANT TO THE OFFER TO CANCEL ARE NOT REQUIRED TO TAKE ANY FURTHER ACTION.

The date of this Supplement is April 19, 2000