

**Cox Communications: Suggested Questions**

1. Why is CCI considering the purchase of Gannett's cable properties?
2. How much will CCI need to raise in external funds in 1999(full year) and 2000, if all of the acquisitions are made? How much will it need to raise in 2001-2003? (Note: Exhibits 8A-8D in the case contain full-year financial data. Base your analysis for the 1999-2003 period on full years. For ease of classroom discussion, you may want to consider Exhibit 8C as representing a "base case.")
3. What are the costs and benefits of meeting CCI's funding requirement exclusively through equity financing? Exclusively through debt financing?
4. What cash flows and legal rights do PRIDE holders receive? How are the PRIDES like debt? How are they like equity? Why do you think securities like PRIDES were invented?
5. As an investor, how much would you be willing to pay for a PRIDE? What investment strategies would you consider?
6. What should Dallas Clement recommend? Why?