

MicroStrategy Incorporated: PIPE: Suggested Questions

1. What has been MicroStrategy's strategy to date for financing the company? How does strategy.com fit within MicroStrategy's other businesses?
2. How critical are additional funds to MicroStrategy's future? If Saylor believes that additional funds are necessary, what alternatives does he have if he decides not to issue the PIPE?
3. How does a floating convertible bond compare to a fixed-rate convertible bond? What circumstances would favor the issuance of a floating-rate convertible over a fixed-rate convertible?
4. What combinations of options (puts, calls) are contained within a fixed-rate convertible? A floating-rate convertible?
5. What is the value of the proposed PIPE offer?
6. Assess the advisability of the alternatives Saylor is considering: (1) accept the Promethean offer as proposed; (2) renegotiate the terms with Promethean or new investors (what terms would you change?); or (3) cut back on MicroStrategy's plans.
7. What should Saylor do in June 2000?