

A Message from Jim Kennedy and Jimmy Hayes

LOCAL ATTRACTIONS AHEAD

Cox Enterprises is one of the largest media and automotive services companies in the world, but the real attraction of our business resides in the local communities that we call home.



(pictured left to right)

Jimmy Hayes and Jim Kennedy on one of the many scenic greenway trails developed by the PATH Foundation based in Atlanta, Georgia. Cox is a PATH sponsor, and Jim has served on the organization's Board of Directors since its founding.

What single quality most ensures that great companies remain great? Ask 10 management experts, and you're likely to get 20 different opinions. Yet for those of us at Cox Enterprises, the answer is easy to pinpoint. Nothing is more essential to sustaining our growth and competitiveness than getting up close and personal with the customers we serve. This means understanding and responding to the unique needs of each individual community, wherever we operate in the U.S. and overseas. It also means driving decision-making to the front lines, across all of our businesses. This is where our talented staff and managers are best positioned to learn what our customers want and how we can serve them better.

“Getting Local” Gets Things Done

That guiding principle of our culture can be traced back to the earliest days of the company. In building a dynamic newspaper business that would rapidly expand to other media, our founder, Governor Cox, understood that the key to successful growth into new markets was to connect deeply with the interests and desires of each locality. This meant responding to market needs, becoming involved citizens, and devoting our time and talents to strengthening the communities we call home. Governor Cox also recognized, as we still do today, that the heart of innovation isn't found in directives from above, but rather, upward – from committed employees with an ear to the ground and with eyes sharpened to new opportunities. They are the foundation of our success. This year's annual report takes you on a tour of some of our business locations, featuring stories that embody a local approach to meeting customer needs, growing our business and serving our communities.

Cox Auto Trader Brings It All Together

This local approach, paired with consistent overall business decisions, has helped us become leaders in every industry that we serve. A very good example is our automotive-related businesses. Although we don't manufacture cars, it's a remarkable fact that fully a quarter of Cox Enterprises' revenue is now derived from services we provide to customers who sell, buy and repair vehicles. In 2006, we took important steps to become an even stronger player in this industry, as Cox Enterprises assumed control of Auto Trader Publishing, Auto Mart, and their related publications and Web sites. We have joined these entities with AutoTrader.com to form a new subsidiary: Cox Auto Trader. This powerful

array of assets – along with Manheim and our television, radio, cable and newspaper automobile advertising – offers an unmatched platform to create new synergies and expand products and sales in the years ahead.

Growth that Stands the Test of Time

Powerful business combinations, such as those we have assembled in the automotive arena, are critical to achieving growth and profitability. So is sound fiscal management, which has been especially critical this year as we continued to financially digest the buyback of Cox Communications from the public market. A year after the fact, we are more convinced than ever that this was an important strategic advance for the company overall, as we see our revenue mix shift toward high-growth businesses such as Cox Communications.

In addition to prudent financial management, we believe that good environmental stewardship is another serious responsibility for Cox. Today, this means finding ways to sustain growth that take into account opportunities to improve our environment. You will soon see a comprehensive environmental initiative that will involve employees at every Cox location.

While we look to an exciting future in every segment of our company, we are mindful that our ability to achieve success will rely on our ability to preserve a culture where the contributions of each individual are valued. Our friend, Alexander Netchvolodoff, who recently retired from leading the Cox public policy office in Washington, D.C., called Cox “a company with a soul.”

As we look to new and exciting opportunities for growth in 2007 and beyond, this description is a powerful reminder that it is the talent, creativity and commitment of 80,000 employees, deeply connected to the customers and communities they serve, that truly are the “soul” of Cox Enterprises. Thank you for another incredible year of growth and service.

Sincerely,



Jim Kennedy
Chairman and Chief Executive Officer



Jimmy Hayes
President and Chief Operating Officer