

Appendix A

Range Of Court's Findings

| Line | Item | [A] Recovery Trust Expert (DCF) | [1] FPL Expert (Comparable Companies) | [2] FPL Expert (Precedent Transactions) | [3] FPL Expert (Valuation Conclusion) | Range Of Court's Findings | |
|------|---|---------------------------------------|--|--|--|---------------------------|----------------------|
| | | | | | | High | Low |
| 1 | Starting TEV | \$2,538,254,000 | \$4,471,693,000 | \$4,844,770,000 | \$4,658,231,500 | \$4,471,693,000 | \$4,844,770,000 |
| | Add Control Premium | \$ 0 | \$376,370,000 | \$ 0 | \$188,185,000 | \$376,370,000 | \$ 0 |
| | Subtotal | \$2,538,254,000 | \$4,848,063,000 | \$4,844,770,000 | \$4,846,416,500 | \$4,848,063,000 | \$4,844,770,000 |
| | Add Cash | \$ 0 | \$156,074,000 | \$156,074,000 | \$156,074,000 | \$156,074,000 | \$156,074,000 |
| | Subtotal | \$2,538,254,000 | \$5,004,137,000 | \$5,000,844,000 | \$5,002,490,500 | \$5,004,137,000 | \$5,000,844,000 |
| 2 | Adjustments to [B] Starting TEV (All Additions): | | | | | | |
| 3 | (1) Verto Acquisition | \$ 0 | \$135,143,000 | \$135,143,000 | \$135,143,000 | \$135,143,000 | \$135,143,000 |
| 4 | (2) Olympus Partnership Interest | \$216,000,000 | \$318,000,000 | \$318,000,000 | \$318,000,000 | \$216,000,000 | \$216,000,000 |
| 5 | (3) Value of ABIZ | \$ 0 | \$642,078,000 | \$642,078,000 | \$642,078,000 | \$ 0 | \$ 0 |
| 6 | (4) Receivable from Olympus | \$ 0 | \$279,084,000 | \$279,084,000 | \$279,084,000 | \$279,084,000 | \$279,084,000 |
| 7 | (5) Receivable from Rigas Family Entities | \$ 0 | \$279,121,000 | \$279,121,000 | \$279,121,000 | \$ 0 | \$ 0 |
| 8 | (6) Value of Noncable Assets Other than ABIZ | \$90,880,000 | \$90,880,000 | \$90,880,000 | \$90,880,000 | \$90,880,000 | \$90,880,000 |
| 9 | Adjusted TEV (i.e., Assets) | \$2,845,134,000 | \$6,748,443,000 | \$6,745,150,000 | \$6,746,796,500 | \$5,725,244,000 | \$5,721,951,000 |
| 10 | Subtract Net | \$3,872,452,000 [C] | \$3,122,285,000 | \$3,122,285,000 | \$3,006,343,000 [4] | \$3,228,343,000 [i] | \$3,228,343,000 [ii] |

Appendix A

| 11 | Debt (i.e., Liabilities): Extent to Which Solvent or Insolvent (Parenthesis Indicates Insolvent) | \$ | | | | | |
|----|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | (1,027,318,000) | \$3,626,158,000 | \$3,622,865,000 | \$3,740,453,500 | \$2,496,901,000 | \$2,493,608,000 |
| 12 | Market Cap [D] | \$3,141,992,000 | \$3,141,992,000 | \$3,141,992,000 | \$3,141,992,000 | \$3,141,992,000 | \$3,141,992,000 |
| 13 | Premium Over (Under) Market Cap (\$) | \$ | | | | | |
| | | (4,169,310,000) | \$484,166,000 | \$480,873,000 | \$598,461,500 | \$(645,091,000) | \$(648,384,000) |
| 14 | Premium Over (Under) Market Cap (%) | | -133% | 15% | 15% | 19% | -21% |
| | | | | | | -21% | |

[A] Shaked Decl. 34 “Summary of Adelpia Equity Valuation”; *see also* Shaked Rept. ex. 9a. In mid-January 1999, Adelpia issued stock and received \$372 million in proceeds. Initially Shaked included the equity proceeds (less \$150 million in additional borrowings to finance the Stock Repurchase) as a positive adjustment to TEV. Shaked Rept. ¶¶ 213–14 & exh. 9a. Shaked reversed course in his Rebuttal Report, and instead excluded the \$372 million in equity proceeds (though maintaining the \$150 million in debt incurred to finance the Stock Repurchase). Shaked Rebuttal Rept. ¶ 53. Shaked also was inconsistent with respect to the inclusion of \$156.1 million in cash. While Tuliano always included it, Shaked initially did, but later decided to take it out. Shaked Decl. ¶ 101.

[B] This table shows six categories of adjustments to Starting TEV, while the Decision speaks of only five, by reason of my split conclusions with respect to one of those five, “Receivables”.

[C] This figure does not correspond with the \$3.722 billion of net debt cited by Shaked, *see* Shaked Decl. ¶¶ 100–101; Shaked Rept. ¶ 212, because I added to Shaked’s \$3.722 billion the \$150 million in debt to finance the Stock Repurchase. *See* note [A] above. I did so for ease of comparison between Shaked’s, Tuliano’s and my own valuations.

[D] I multiplied Adelpia’s 53.2 million shares outstanding by Adelpia’s market price of \$59.06, both as of January 28, 1999. *See* Shaked Decl. ¶ 120 & n.54.

[1] Tuliano Decl. exh. 1 at 2.

[2] Tuliano Decl. exh. 1 at 11.

[3] Tuliano Decl. exh. 1 at 1, 2, 11 & 13.

[4] Tuliano Decl. exh. 1 at 1, 13. Tuliano used the reported value of the debt, rather than the fair market value of the debt, for his valuation conclusion.

[i] I began with Tuliano's reported value of the net debt and added back the \$222 million in equity proceeds used to pay back Rigas and Olympus debt, the amount by which Tuliano had reduced Adelphia's net debt as a result of the equity offering. *See* Shaked Decl. ¶ 102, Tuliano Decl. ¶ 111. Because I believe that sooner or later Adelphia could satisfy its obligations in accordance with the obligations' terms, I believe the reported amount of the debt is more appropriate.

[ii] *Id.*