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Able Telcom's stock rises after analyst issues false report.

Last week Kaufman Bros., L. P. issued a report claiming that Able Telcom Holding Corp.'s (NASD: ABTE) (Price: $8.50) MFS Network Technologies, Inc.'s ("NT") subsidiary has fiber assets in The State of New York that are worth almost as much as the company's entire market capitalization, which on the date of the report was approximately $180 million. There is no fact or reasonable analysis that can remotely support this estimate. First, Able Telcom does not have fiber assets. It only has two empty conduits for sale. Second, the so-called "fiber assets" are worth far less. In fact, Able Telcom is attempting to sell all its remaining conduits to The Williams Companies ("Williams"). Able Telcom must install fiber in the conduits and obtain approval from New York State Thruway Authority ("NYSTA") before it can close a sale, which is likely to take over one year. Regardless, Able Telcom's net share of any cash generated from the proposed Williams transaction is estimated by industry experts to be less than $12 million, which is insufficient to cure its cash flow and default problems. This sale would include all of Able Telcom's so-called "fiber assets".

The conduit being sold was co-developed as part of NYSTA's electronic toll system, which was designed and constructed by NT's former management not Able Telcom. The conduit is located in NYSTA's right of way along the New York State Thruway from 60 Hudson Street in Manhattan to Buffalo. NT and the NYSTA share equally in the sale of this conduit. NT also has conduit along interstate highways from Buffalo through Pennsylvania to Cleveland, Ohio. The Williams sale would include NT's entire route and is no surprise. In fact, the conduit sale, fiber installation and maintenance are contemplated in Able Telcom's agreement with MCI/Worldcom (NASD: WCOM). To claim that MCI/Worldcom did not know the value of this asset, or that it was not disclosed to other bidders, or that its value is greater than previously anticipated is absurd.

The report also claims that NT had $60 million of "fiber assets" on its balance sheet when Able Telcom made the purchase and that Able Telcom wrote the asset down by $40 million. This is not true. A Form 8-K/A-2 filed on October 2, 1998 containing a complete audited financial statement for NT as of July 2, 1998 shows NT did not have any such asset. NT expensed the entire cost of the NYSTA project and carried the conduit at no cost. The asset had a zero basis. It could not be written down further.

NT is a project construction company in a capital intensive, highly fragmented, low margin business. It has no telecommunication assets or common carrier businesses. Kaufman's claim that NT's off-balance sheet, "fiber assets" included in Able Telcom's estimated $64 million acquisition could be worth $180 million is baseless. MCI/WorldCom solicited bids for over a year and found no other buyer. Able Telcom has been seeking to finance the purchase since April, 1998 and failed, forcing MCI/Worldcom to take back receivables, contingent payments, a note and to guarantee performance bonds and debt. Able Telcom has lost all of NT's senior management and has operating difficulties. There is no factual or reasonable basis to claim NT's assets or operations are worth any more than their estimated $64 million cost, much less over $244 million (acquisition cost plus Kaufman's estimated "fiber asset" value).

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.