

WILLKIE FARR & GALLAGHER LLP
787 Seventh Avenue
New York, New York 10019-6099
(212) 728-8000
Paul V. Shalhoub
Anna C. Burns

Attorneys for Adelpia Communications Corporation, et al.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____)	
In re)	Chapter 11 Cases
)	
Adelpia Communications Corporation, <u>et al.</u> ,)	Case No. 02-41729 (REG)
)	
Reorganized Debtors.)	Jointly Administered
_____)	

NOTICE OF STATUS CONFERENCE

PLEASE TAKE NOTICE that a status conference (the “Conference”) was held before the Honorable Robert E. Gerber, United States Bankruptcy Judge, on October 4, 2010 at 9:45 a.m.

PLEASE TAKE FURTHER NOTICE that the Reorganized Debtors presented the attached materials at the Conference.

Dated: October 6, 2010

WILLKIE FARR & GALLAGHER LLP
Attorneys for the Reorganized Debtors

By: /s/ Paul V. Shalhoub
Paul V. Shalhoub
Anna C. Burns

787 Seventh Avenue
New York, New York 10019-6099
(212) 728-8000



Adelphia Communications

Status Conference

October 4, 2010



Sources & Uses of Pre-Effective Date Sale Proceeds

	Cash and stock at initial Deemed Value (\$ in Millions)	
<u>Sources</u>		
Proceeds from sale to Time Warner/Comcast (7/31/2006)	\$	17,417.8 ¹
Adelphia cash on hand at time of Sale		515.7
<u>Uses</u>		
Payment of DIP lenders		(986.3)
Payment of JV bank lenders		(1,625.0)
Payment of JV claims		(171.0)
Partial payment of government settlement		(199.9)
Net activity post sale date/pre-effective date		(200.5)
Balance as of 1/31/2007	\$	14,750.8

⁽¹⁾ Amounts include approximately \$12 billion in cash and \$5.4 billion in stock at Deemed Value.



Post-Effective Date Activity

	Activity through August 31, 2010 (\$ in Millions) ⁽¹⁾
Beginning Balance - January 31, 2007	\$ 14,750.8
Additions	185.2
Interest Income	93.3
Deemed Value Adjustment	112.6
Sale of TWC Reserved Shares	(7.2)
Plan Disbursements	(14,578.6)
Operating Costs	<u>(206.4)</u>
Ending Balance - August 31, 2010	<u><u>\$ 349.7</u></u>

⁽¹⁾Amounts include cash and stock at New Deemed Value.



Key Accomplishments

- Reviewed 22,966 total claims filed for \$3.982 trillion (excluding unliquidated amounts), filed by approximately 13,100 creditors.
- Post Effective Date distributions of approximately \$1.8 billion of cash and stock (at New Deemed Value) to parent company creditors. Recovery percentages increased to 77.6% from 51.95% for ACC unsecured creditors and to 99.8% from 66.8% for ACC Senior Noteholders from Effective Date percentages.
- Filed approximately 4,000 amended federal and state tax returns which, among other things, produced settlements of a \$378.7 million pre-petition tax reserve for payments of \$24.2 million and a \$458.7 million post-petition tax reserve for net payments of \$63.8 million.
- Settled approximately 1,800 disputed claims reserved in cash and stock of \$724.7 million for \$298.7 million, leaving 22 remaining disputed claims (excluding claims asserted by banks and section 510(b) claimants) for which \$24.1 million is still required to be reserved.
- Sold various unrelated estate assets, including the Brazilian cable operation, 90 parcels of real estate and a small retained cable business, for \$20.8 million.
- Migrated from legacy reporting systems to reduce operating and overhead costs.
- Reduced Adelphia debtor legal entities from 257 to 13 on August 31, 2010. Wind-down personnel reduced from approximately 140 to 16 individuals.
- Terminated medical, dental, vision, RX, disability, life, and EAP benefit plans as well as relocation, 401k match and service awards effective 12/2007.



Remaining & Contingent Cash Reserves

Item	Amount (\$ in millions) ⁽¹⁾	Status
Grid Interest	\$ 118.6	Awaiting trial date
Settlement Party Fee Claims	88.1	Pending
LIF Reserves	10.6	JV LIF claims pending before court
Bank Principal & Interest	74.9	Release subject to court approval of ART settlement
Estate Operations	30.3	Adequate for operations thru February 2012
D&O Dispute	22.8	Parties in settlement discussions
Tax Reserves	2.8	Reserves for open tax years
Other	1.6	Other
Total Cash and Stock Reserves	\$ 349.7	
<u>Deferred Assets</u>		
Liquidate Remaining 25% of Brazil Cable Operations	7.0	Amount reflects floor value of PUT in 18 months
Mutual Indemnity (Workers Comp 1995 and Prior)	0.8	Awaiting final clearance of workers compensation cases
Projected Postpetition Tax Refunds	3.8	Awaiting payments from various states
Tow Insurance Recovery	22.5	Proceeds due on last to die of named individuals
Total Cash, Stock & Deferred Assets	\$ 383.7	

⁽¹⁾ Amounts include cash and stock at New Deemed Value

- Resolve key open matters:
 - Grid interest case
 - Settlement party fee claims
 - Remaining claims
 - Bank's duplicative and 510(b) claims (724)
 - Non bank 510(b) Claims (51)
 - Remaining other claims (22)
 - Remaining Estate litigation (Rembrandt, Horizon Communications & Thomson)
 - Remaining 30 taxing authority examinations
 - Remaining environmental matters (Connecticut & Kentucky)
 - D&O dispute
- Support of Adelphia Recovery Trust litigation, SEC reporting, administrative and distribution activities through February 28, 2012
- Liquidate remaining assets
- Final distributions and wind-up