

August 14, 1998

Able Telcom obligated to prepay Senior Subordinated Notes.

Able Telcom Holding Corp. (NASDAQ Symbol: ABTE) (Price: \$8.00) has filed an amendment to its July 16th Form 8K to correct and modify its earlier disclosures concerning the MFS Network Technologies, Inc. ("NT") acquisition. Able Telcom has still not disclosed the size of NT's historical losses, the resignation of NT's top managers, the use of margin loans to fund the NT down payment, any fees paid to directors resulting from the NT acquisition or its current capitalization. However, the amended filing does disclose material, negative information that Able has failed to announce.

Based on our estimate of Able's current total debt we found that Able had violated its agreement with the 12% Senior Subordinated Note ("Notes") holders. This violation would constitute default unless Able obtains consent. Able never disclosed that the NT debt would violate the Notes agreement or that it had obtained consent. However, the amendment confirms that Able did in fact obtain consent, but as part of the consent, Able is now required to repay the entire \$10 million balance of the Notes on August 31, 1998. The Notes were scheduled to mature on January 6, 2004 and 2005. Now Able must pay an additional \$10 million on August 31st when it must also pay WorldCom, Inc. (NASDAQ Symbol: WCOM) an approximate \$66.4 million, assuming ABTE has made the \$20 million July 31st payment.

Able has already resorted to issuing a \$20 million bottomless convertible with 1,000,000 stock warrants to fund the NT down payment. This is a last-resort source of financing. NationsBanc Montgomery Securities LLC and CIBC Oppenheimer have been unable to place Able's senior notes debt. This is despite the fact that NationsBanc N.A. and CIBC, Inc. are Able's lead commercial banks and lenders. These failures to obtain funding are due to Able and NT's a long history of operating losses. Therefore, even if Able can obtain the funding by August 31st the terms will necessarily be highly damaging to Able's existing equity holders. However, if Able cannot obtain the required financing by August 31st the consequences are severe. Able will be in default and according to the Amended Form 8K, WorldCom will have the right to repossess the NT shares and retain all payments made by Able. In this event, Able will lose control of NT and \$35 million, yet under certain circumstances still is liable to WorldCom. Able would then be left with \$45 million of debt, \$20 million of the bottomless preferred and no pro forma earnings from continuing operations.

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.