



FUTURE

READY

Adelphia

ANNUAL REPORT 1999

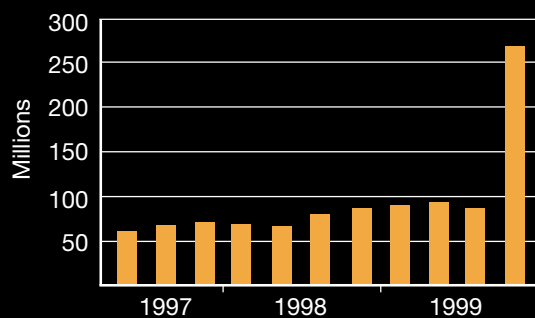


Adelphia enters the new millennium as a premier telecommunications provider, well positioned to share the benefits with our customers, our employees and our investors.

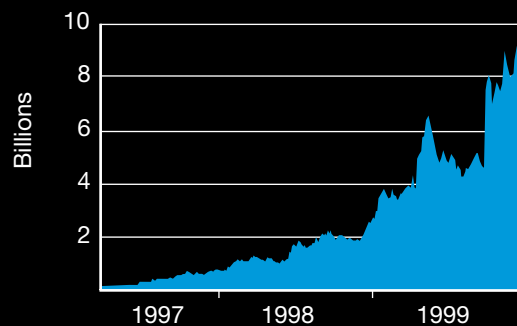
INCREDIBLE

OWTTH

Quarterly EBITDA



Equity Market Capitalization



To our customers, employees, partners and shareholders:

Adelphia has certainly come a long way. It's hard to believe that the company that became Adelphia first entered the business by providing two fuzzy Community Antenna channels to the people of rural Pennsylvania. From state-of-the-art digital cable to high-speed Internet access, Adelphia has become a nationally recognized telecommunications provider, enjoying a period of extraordinary growth and opportunity.

Through the years, we have grown substantially and experienced significant changes, but we have always held true to our mission of delivering quality service through

advanced technology and superior customer care. These values remain the framework for our company as we further develop our business plan to become our customers' "link for everything."

As we move into a new millennium, we can proudly say that Adelphia is poised to usher our investors, customers and employees into an exciting and prosperous future, with advanced technology and reliable services for homes and businesses.

Nineteen ninety-nine was an important year in our company's history, highlighted by three major acquisitions and a series of other strategic alliances. These business developments clearly established Adelphia as one of the elite communications providers in the industry. We acquired Century Communications, FrontierVision Partners and Harron Communications this year, effectively doubling our customer base to more than



5 million and extending our reach to more than 30 states.

This was a defining moment for Adelphia. In an era of consolidation and

product expansion, Adelphia emerged not only as a survivor, but as a leader committed to strengthening its long-term presence in the communications industry. Other business developments have reinforced our position, most notably, the pending system swap with Comcast Corp. Representing more than 440,000 customers, this trade will enable Adelphia to strengthen two of our largest clusters, Los Angeles and Southern Florida, by exchanging systems of less strategic value to our company.

We handled our rapid growth well, which is a testament to the talents and commitment of our employees. Recognizing the great opportunity that lies before us, our employees continually exceed expectations to ensure Adelphia delivers on its promise to become a full-service communications provider.

While Cable Entertainment remains the foundation of our service, Adelphia Digital Cable



From left:

James Rigas
Executive Vice President for
Strategic Planning

Michael Rigas
Executive Vice President for
Operations

John Rigas
Chairman and CEO

Timothy Rigas
Executive Vice President for Finance
and CFO

has rapidly penetrated many of our service areas and brings our customers expanded viewing choices. Adelfia Power Link, our high-speed Internet access service, steadily gains popularity, as individuals and business users recognize its speed, convenience and affordability. Aggressive and innovative marketing activities also have boosted penetration of Adelfia Long Distance and Adelfia PageTime. Telephony, currently being deployed at an accelerated pace to business customers through our subsidiary, Adelfia Business Solutions, will be introduced to our residential customers in 2000. Residential telephony holds great promise for Adelfia, with an earnings opportunity that we firmly believe will enhance the value of our company.

An ambitious cable system upgrade and rebuild initiative continues across the nation, as Adelfia invests millions of dollars to complete the work necessary to bring all of its customers the full array of Adelfia services. These plans have laid the groundwork for



wide-scale deployment of Digital Cable, Power Link and residential telephone service.

In October 1999, we took a major step toward establishing a national presence by changing the name of

our business telephony subsidiary from Hyperion Telecommunications to Adelfia Business Solutions. This alignment is part of an intensive plan to establish a highly recognizable brand identity in major markets throughout the nation and combine the unique strengths of the residential and business sides of our company. Adelfia Business Solutions has rapidly evolved from a leading regional competitive local exchange carrier to a national provider of a full line of integrated business communication services. Adelfia Business Solutions' sophisticated fiber optic network with switching facilities will soon extend from coast to coast.

A major benefit of our acquisitions and restructuring has been a wealth of new talent



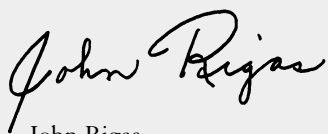
that has come to Adelpia, which is reflected in our Board of Directors and our expanded workforce. Capable employees from our acquisitions have brought us fresh ideas, a wealth of experience and, most importantly, strong relationships with new Adelpia customers and their communities.

Adelpia also has devoted additional resources to the recruitment of employees who can help our company fulfill its mandate for success. The Adelpia team is poised to insure that investors and employees share in the benefits of this incredible growth and expansion.

Looking ahead, Adelpia will continue to seek opportunities to strengthen our clusters and expand the penetration of our products and services. We also will continue to bundle our offerings and strengthen ties between Adelpia Communications and Adelpia Business Solutions. This will enable us to reach many more potential customers with a widening variety of services. These enhancements in Adelpia's processes and product lines will result in tremendous opportunities for revenue growth.

Quality service and technological innovation will remain the cornerstone of our company's mission, as we work to provide our customers increasing value.

In 1999, Adelpia made the strategic moves necessary to strengthen our position as an industry leader. The ideas that we talked about and dreamed about years ago are now coming true. Adelpia is prepared to meet the challenges of competition. And now, more than ever, we are ready for the future.



John Rigas
Chairman & CEO



1999 was a year of incredible expansion and exciting progress for Adelphia.

As the communications industry continues to experience unprecedented consolidation, Adelphia remains focused on strengthening its position as a key player. Accordingly, we closed on three significant acquisitions that increased our base of cable customers, enhanced our overall market position and expanded our geographic coverage. Our

ability to deliver a full portfolio of products within dense, strategic clusters will increase brand awareness, new product offerings and operating efficiencies—important factors as the industry continues to evolve.



During 1999, Adelphia embarked on a series of strategic acquisitions, which served to reinforce our regional clustering strategy and secure valuable network assets in locations that complement our existing customer base. On October 1, 1999, Adelphia purchased Century Communications Corp., adding more than 1.6 million customers and anchoring Adelphia in Los Angeles, a market with outstanding potential for revenue growth. The Century acquisition also provided Adelphia with 100,000-plus customer operations in Colorado Springs and Puerto Rico.

To complement our existing systems in New England and Virginia, Adelphia acquired FrontierVision Partners, which added more than 700,000 cable subscribers. During this same time period, Adelphia also acquired Harron Communications Corp., which added another 300,000 customers and provided an excellent strategic fit with Adelphia's existing operations in Pennsylvania and New England. Together, these strategic initiatives increased Adelphia's customer base to more than 5 million and strengthened our presence in several key regions throughout the nation.

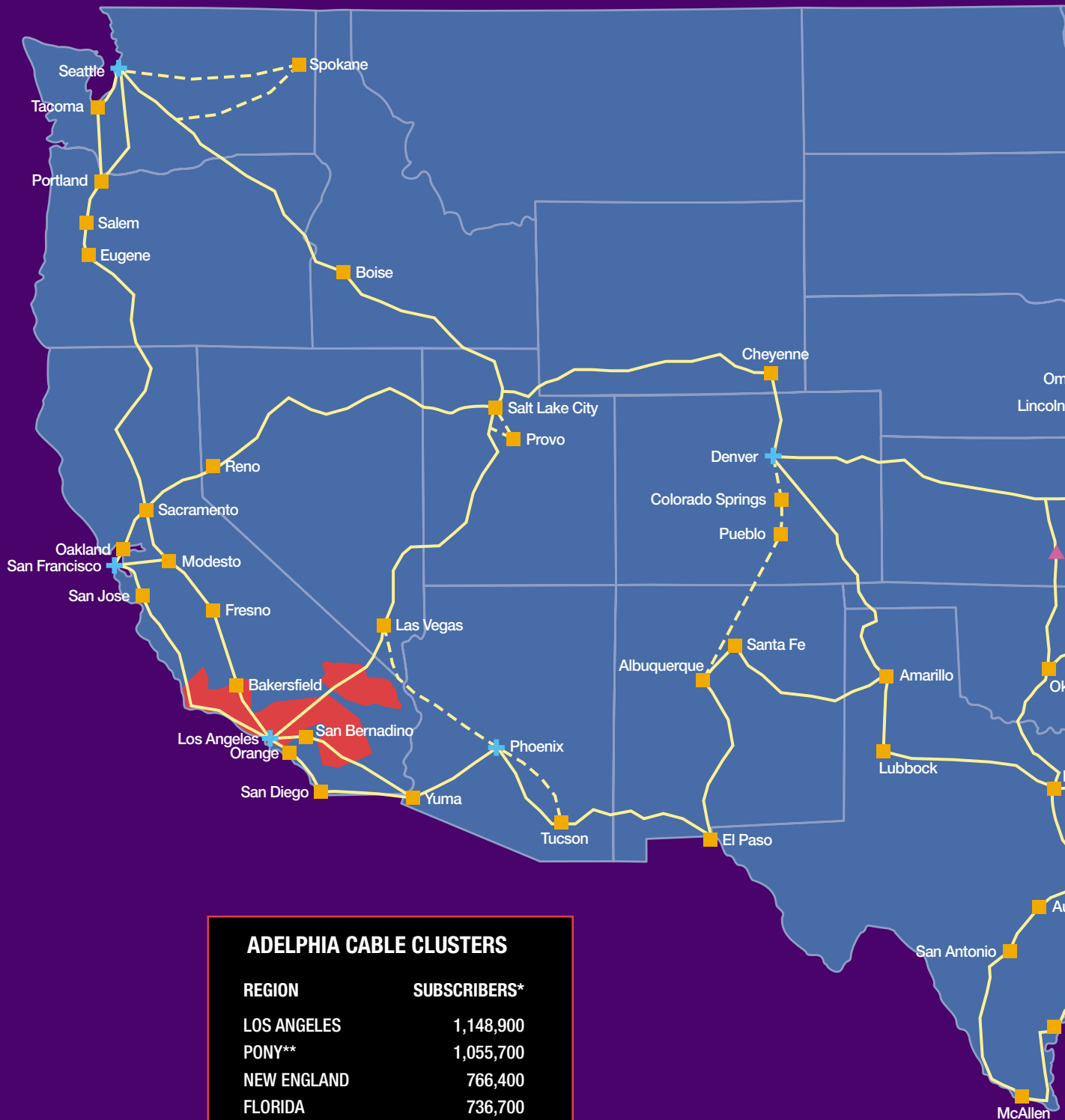
Once the acquisitions were finalized in October 1999, we immediately began integrating the new teams and facilities. By year-end, we efficiently transitioned the corporate operations of the acquired entities into Adelphia's corporate structure. We diligently worked to retain all field personnel to ensure that customers were not adversely affected by the transition. In addition, we began consolidating headends and customer service centers to optimize the performance of our newly acquired operations. Although these efforts have proven to be a significant operational challenge, Adelphia has continued to demonstrate its focus on customers and its ability to integrate and capitalize on strategic acquisitions.

ACQUISITIONS



FUTURE
READY

Adelphia is well positioned as a nationwide, full-service communications provider to deliver more services to more customers over our vast broadband network.



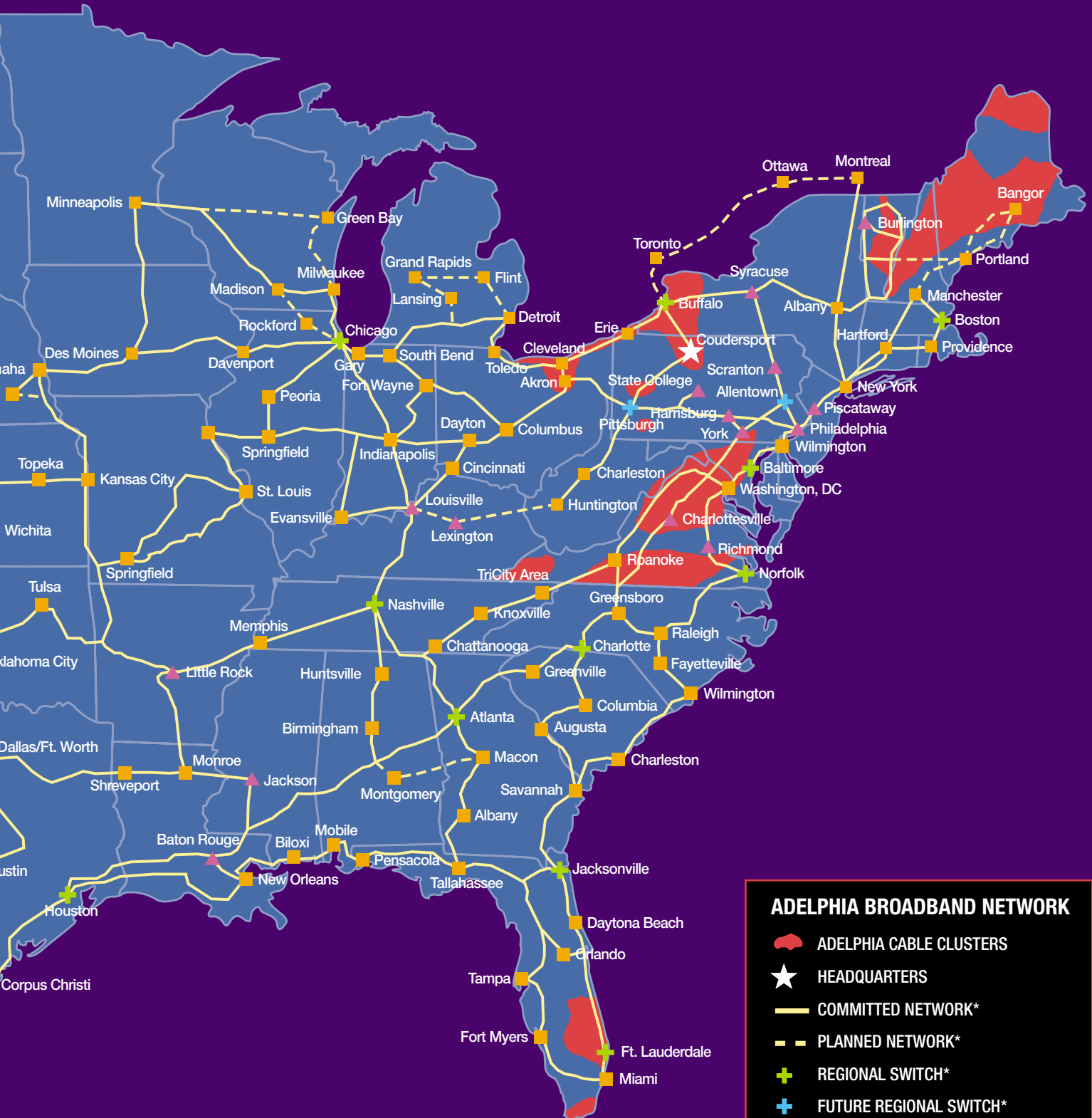
ADELPHIA CABLE CLUSTERS

REGION	SUBSCRIBERS*
LOS ANGELES	1,148,900
PONY**	1,055,700
NEW ENGLAND	766,400
FLORIDA	736,700
VIRGINIA	710,000
OTHER	1,153,400
TOTAL	5,571,100

* Pro forma for all completed and announced but not yet completed transactions.

** PONY Cluster includes subscribers in Cleveland, Ohio, Western New York, and Western Pennsylvania.

Adelphia Broadband Network



ADELPHIA BROADBAND NETWORK

- ADELPHIA CABLE CLUSTERS
- HEADQUARTERS
- COMMITTED NETWORK*
- PLANNED NETWORK*
- REGIONAL SWITCH*
- FUTURE REGIONAL SWITCH*
- MARKET SERVED*
- SWITCH*

*Adelphia Business Solutions' Network Components

PRODUCTS

READY FUTURE

Adelphia will be among the first to offer customers new and innovative services. Initiatives to fine-tune our existing processes will enhance product development and quickness to market.

As a broadband provider of communications services, Adelphia has never been more excited about the growth opportunities before us.

Continually improving fiber optic technologies, the development of a standard digital platform, and a wide array of newly emerging digital applications will enable us to impress our customers with value-added, state-of-the-art entertainment products. These new digital services not only will increase customer satisfaction and loyalty, but will ultimately boost the profitability of our company.

As Adelphia's cable plant is upgraded with fiber optic technology, our customers will receive the full complement of Adelphia digital products in a highly reliable fashion. In the meantime, during the cable plant upgrade process, we are using digital compression technology to expand our video service offerings to ensure that our customers are receiving quality service.

During 1999, Adelphia began an aggressive strategy to deploy digital video and data equipment in the homes of our customers.

This equipment provides expanded video programming options and improves the viewing experience for our customers with an interactive navigation guide. In addition, this high-tech equipment enables Adelphia to offer high-speed Internet access, using a service we call Adelphia Power Link.

As future digital applications are developed and deployed, this equipment will support new applications, such as video-on-demand, time-shifted video, high-speed Internet and e-mail delivery through the television, and more. Adelphia currently is working to provide all of these applications to customers during 2000. In the years that follow, we expect to continue to explore new applications—leveraging our broadband network, its two-way transmission capability and our state-of-the-art digital platform.

Cable Entertainment

Cable Entertainment remains the core of Adelphia's product offerings. With an expansive offering of video content and a strong focus on customer care, Adelphia continues to deliver quality service to its growing customer base.

Adelphia Digital Cable

Adelphia Digital Cable customers enjoy expanded entertainment features, including sports and movie packages, expanded pay-per-view offerings, music channels and an interactive programming guide—all with digital quality picture and sound. During 1999, we increased our digital customer base from 42,000 to 234,000, and in 2000, we announced contracts with digital equipment suppliers sufficient to continue this expansion of our digital customer base through 2002.



Adelphia is using the latest in digital compression technology and is aggressively upgrading systems with fiber optic cable to bring Adelphia Digital Cable to more and more customers. Our digital platform not only allows us to deliver a wider variety of advanced products but also increases quality and reliability of the service.

Adelphia Power Link

As more customers use the Internet for entertainment, education and communication, the demand for high-speed Internet access service has dramatically increased. Adelphia has embarked on an ambitious marketing cam-

paign to spotlight the speed and convenience of its own brand of high-speed Internet access, Adelphia Power Link.

Adelphia Power Link uses DOCSIS technology (Data Over Cable System Interface Specification), the most advanced, versatile and reliable platform for cable modem Internet access. High-speed cable modems support a “two-way” connection to the Internet through cable lines.

At the end of 1999, Adelphia had over 37,000 Power Link customers. We expect penetration levels for this service to expand dramatically during 2000 and beyond.

Residential Telephony

The addition of residential telephony to our portfolio will position Adelphia as our customers’ true “link for everything.” In 1999, Adelphia laid the groundwork to become a leading provider of residential telephone service and capitalize on this significant market opportunity.

Adelphia, through its 60-percent-owned business telephone subsidiary, is already one of the largest Competitive Local Exchange Carriers (CLEC) in the United States.

Adelphia chose to focus on the intensely competitive business telecommunications market when we began building telephone networks in 1992. Since then, Adelphia Business Solutions has aggressively expanded its fiber-optic footprint. Once network construction is complete, Adelphia’s switching platform will address 200 of the top U.S. markets with access to an estimated 65 percent of the overall business telecommunications market.

With the business telecommunications market strategy well underway, Adelphia will begin to emphasize residential deployment of telephony services. Local residential telephone service ultimately will be available to most or all of our existing customers through Voice Over Internet Protocol (VOIP) technology, which makes it possible to transfer voice data over the Internet. Unlike traditional telephone technology, VOIP breaks a





phone conversation down into packets, each containing a part of the conversation, to move communications traffic over the network more efficiently.

A customer does not need a computer to use an IP phone service. In fact, all of the hardware inside the house—from the actual telephone to the internal wiring—will not need to be modified to use Adelfia's telephony service. A box is mounted on the outside of the customer's home and connects to the cable line.

Because the call is digital, the quality of Adelfia's phone service will rival any competitor. The technology also allows Adelfia to offer IP phone service at a competitive rate, especially when bundled with other services, such as Digital Cable and Power Link.

Adelfia Long Distance and Adelfia PageTime

Adelfia Long Distance, a full-service long distance product, and Adelfia PageTime, a personal messaging service, are offered to virtually all of our cable customers. Through bundling these products with our other offerings, Adelfia provides our customers with an expansive offering of communications services—strengthening relationships, while establishing Adelfia as “Your link for everything.”

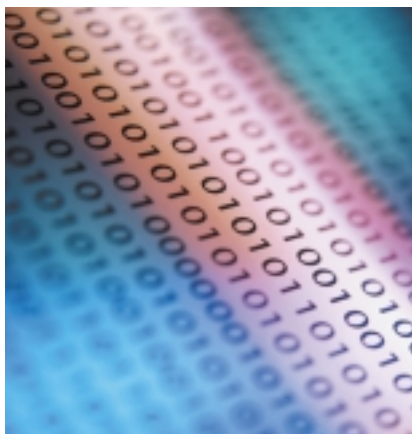


TECHNOLOGY

FUTURE READY

Adelphia's broadband cable infrastructure provides the company with a solid platform for future technological advancements.

Adelphia was founded on the belief that technology can revolutionize the way people communicate and improve their quality of life. Through the years, the company has utilized new technologies to offer customers leading-edge communication services.



Adelphia has initiated an ambitious plan to upgrade the cable plant in all of its systems, which will allow us to offer all of our customers a wide variety of advanced products. This increase in bandwidth will support a two-way active network—enabling us to offer digital cable, high-speed Internet access and local telephony to all of our customers.

Furthermore, Adelphia will be able to deepen penetration of its advanced products in some areas by utilizing the national broadband network developed by Adelphia Business Solutions. Through a “fiber ring” service system, Adelphia will use the fiber optic backbone to employ a regional headend strategy. As part of the service system, the headend sends a compressed digital signal to other Adelphia systems along the fiber ring. This allows the company to deploy advanced services more efficiently and bring our products to customers more quickly.

In 1999, Adelphia made several technological enhancements that reflect the company’s increased focus on state-of-the-art data services. A Data Control Center has been instituted to monitor and support Adelphia’s cable modems, Power Link service and residential telephony routers. The center contains data equipment that enhances Adelphia’s reliable, versatile high-speed backbone for voice and data services.

Adelphia also began implementing DOCSIS cable modems in 1999. These modems provide a more reliable and durable platform for Power Link high-speed Internet service, as well as the interoperability of equipment from multiple cable modem vendors. Both

video-on-demand and local telephone service will be available through our hybrid fiber coaxial network thanks to DOCSIS technology.

Adelphia has always been committed to delivering the latest technology to its customers. As the company continues to grow, our broadband cable infrastructure will be the platform from which significant technological advancements will be made.

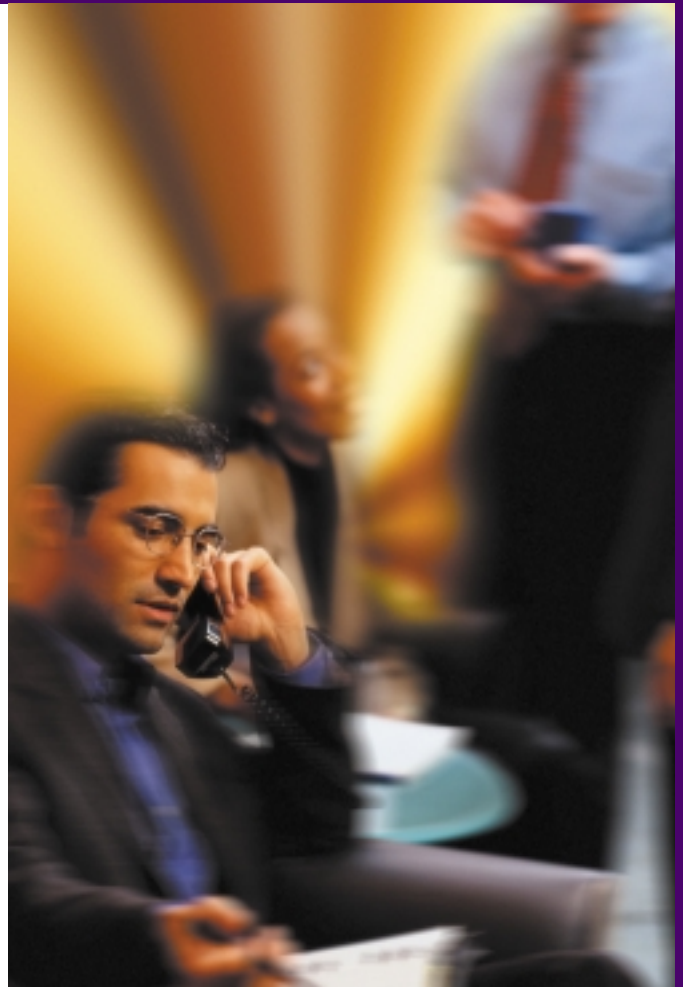


Adelphia Business Solutions

Not only is Adelphia a leader in the cable industry, but through our subsidiary, Adelphia Business Solutions, we have established ourselves as one of the premier communications providers to the business community.

The core of Adelphia Business Solutions is its advanced fiber optic network. In September 1999, the company made the bold decision to extend its network throughout the western half of the United States and establish itself as a national provider. This expansion plan significantly extends Adelphia Business Solutions' fiber footprint to 30,000 route miles and will increase its addressable market to 65 percent of the business access lines in the United States. This fully redundant network will enable Business Solutions to serve approximately 200 metropolitan areas by the end of 2001.

Adelphia Business Solutions delivers a wide range of services including local voice, long distance, enhanced data, Internet access and messaging services. In 1999, the company added enhanced data services to its portfolio. These sophisticated services allow Adelphia Business Solutions to meet the needs of its business customers more completely and enhance its position as a single-source communications provider. The evolution of our product portfolio and our extensive network expansion enables Adelphia Business Solutions to deliver more services to a larger base of customers throughout the country.



The growth of Adelphia Business Solutions has been remarkable. Consolidated operating revenues were a record \$154.6 million—290 percent higher than the previous year. In addition, more than 14,000 businesses became Adelphia Business Solutions customers during 1999, and we added 221,000 local access lines, ending the year with more than 331,000 business access lines installed. This is more than triple the sales and installs from the end of 1998. In addition to local access lines, Adelphia Business Solutions also installed more than 53,000 long distance lines in 1999. The growth of new services is an exciting development and will continue to be a primary focus in 2000.

FUTURE
READY

Adelphia is well equipped to handle the sophisticated communication needs of businesses today—and well into the future.



Adelphia Media Services

Adelphia Media Services, the company's advertising sales division, experienced unprecedented growth in 1999 due in large part to Adelphia's acquisition of three large cable companies along with the implementation of new technology to make the advertising insertion process more efficient.

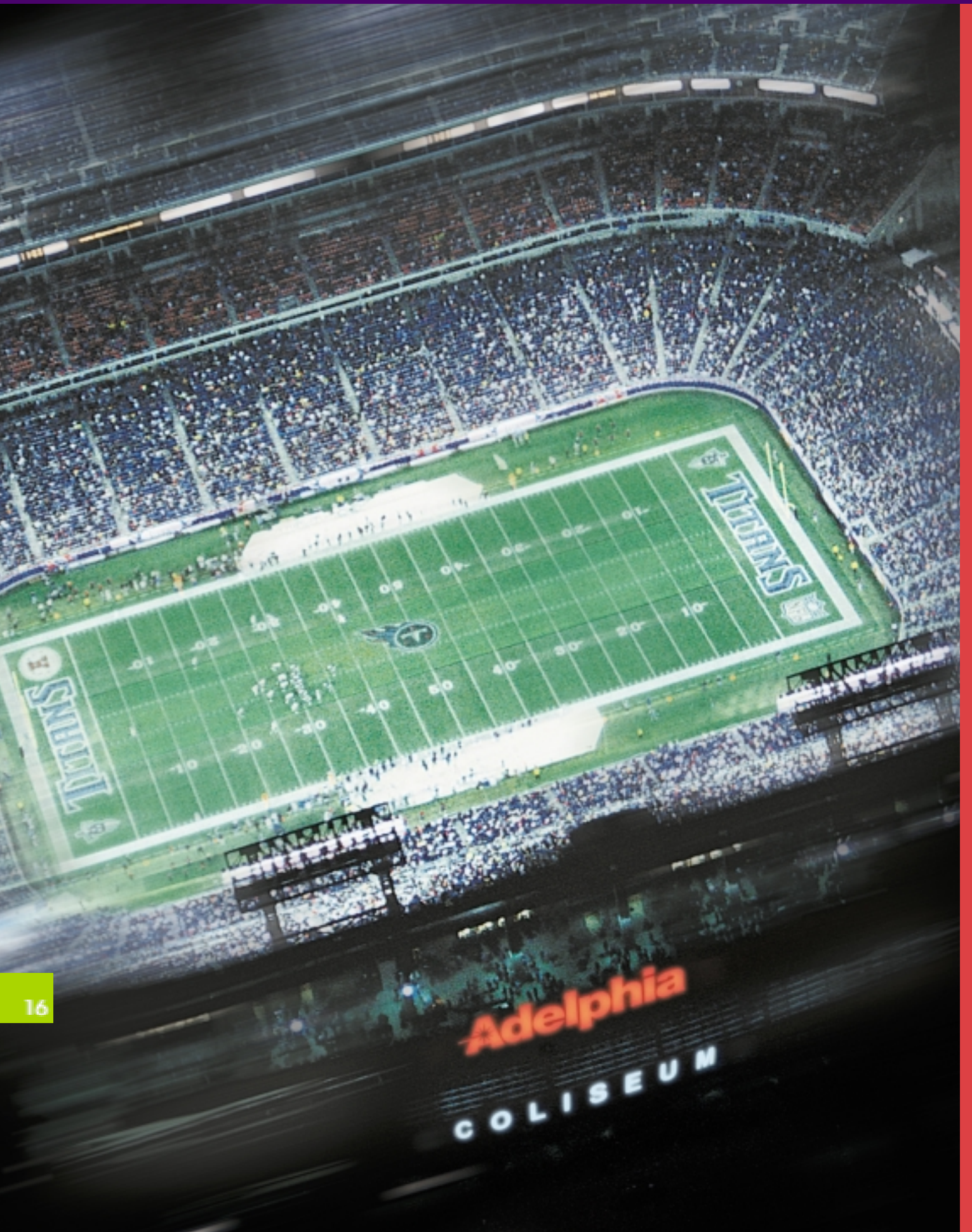
Cable has become the advertising medium of choice at all levels—national, regional and local. In addition to selling to national accounts on more than 20 major networks, Adelphia Media Services is able to sell customized segments of the television markets to smaller businesses with limited advertising budgets.

During 1999, Adelphia Media Services made significant investments in infrastructure upgrades that produced immediate benefits to both the company and its clients. Upgraded commercial insertion equipment, which operates on a state-of-the-art digital platform, was installed in headends across the company. This offers Adelphia Media Services clients increased on-air quality, while enhancing the overall performance, reliability and efficiency of advertising sales operations.

With the 1999 acquisitions and strategic alliances, Adelphia Media Services further consolidated its position in existing markets and has gained entry—and dominance—in many new markets across the country. In Los Angeles, the second largest television market in the United States, Adelphia Media Services is now the dominant provider of cable advertising.

Adelphia Media Services also has partnered with Across Media Networks and Electrografix New Media to begin an aggressive launch of the Adelphia Community Network and its corresponding Cityhits.com web site. This will allow Adelphia Media Services to establish both Internet advertising and e-commerce products for its clients in all major markets.

Continuing investment in the new digital platform will allow Adelphia Media Services to provide advertising services in many new markets and dramatically increase the number of households reached.





Adelpia is much more than the name of our company. While other companies struggle to create a recognizable identity, the Adelpia brand is well respected and firmly established in the marketplace. In 1999, we took aggressive steps to strengthen and promote this brand.

A new logo was introduced that represents us as a single, powerful company and creates consistency in branding throughout the entire Adelpia organization. As we continue to grow and diversify, the Adelpia logo will remain the identifiable symbol that connects the many facets of our company.

In July 1999, Adelpia took a giant step toward promoting its new logo and national stature by securing the naming rights to Adelpia Coliseum in Nashville. Home of the Tennessee Titans, Adelpia Coliseum gives our company valuable exposure and enhances Adelpia's reputation as a true leader in the communications industry.

FUTURE
READY

The name "Adelpia" will represent a communications leader well into the future.

BRANDING

Our mission is to earn our customers' trust by making sure that every customer is satisfied with the outcome of every contact he or she has with our people and the service we provide. We have not completed our job until we meet this goal 100 percent of the time.

Over the past few years, Adelphia has evolved to provide a wide range of communications services to a growing base of customers. Through it all, one factor has remained constant—a strong commitment to providing prompt, professional customer care. This has been one of the main elements in the successful integration of nearly 3 million new customers during 1999.

The past decade brought many changes to the industry, as traditional cable providers such as Adelphia branched out to provide more advanced services. Our emphasis on



customer service has become even more crucial to the company's success in this new competitive landscape. Because customers trust Adelphia, they are more receptive to the new products and services we introduce.

This commitment to customer care was validated when J.D. Power and Associates released its annual Cable/Satellite TV Customer Satisfaction Study for 1999. The survey showed that Adelphia exceeded the industry average for 1999, ranking second among all cable providers surveyed.

When service interruptions occur, Adelphia technicians respond 24 hours a day, seven days a week. In nearly all of our systems, customers are able to contact a professionally trained representative at any time to report a problem or ask a question.

Adelphia's dedication to customer care is perceptible at all levels within the organization, and we remain committed to meeting or exceeding aggressive performance standards. Although we are now one of the nation's largest communications providers, our customers will never lose the "personal touch" they have come to expect from Adelphia.



COMMUNITY

FUTURE READY

Adelphia's reputation as a responsible corporate citizen will continue. This commitment to each of our markets guides our actions and decisions, and allows us to positively affect the economies and vitality of each community we serve.



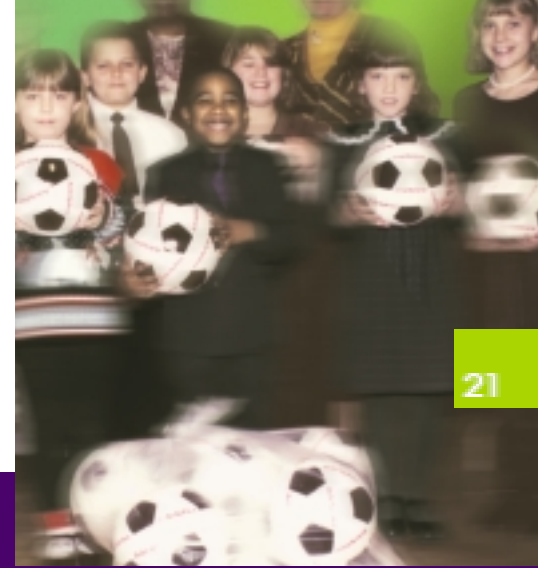
Share a
Little
Warmth

Adelphia

Good corporate citizenship is much more than supporting charities; it is a heartfelt commitment to the customers and communities we serve. Adelphia strongly believes that being part of a community includes responsibility to improve the quality of life for the people who live there.

Nowhere is Adelphia's commitment more evident than in our support of education. We are fast approaching our goal of providing every school in each of our service areas with a free high-speed connection to the Internet, helping thousands of students take advantage of this valuable educational tool. Additionally, Adelphia is a charter member and ongoing supporter of the *Cable in the Classroom* program. For more than a decade, we have helped teachers effectively use educational television programming by providing free cable programming and teacher guides to schools in the communities that we serve.

In 1999, Adelphia expanded our community involvement even more by placing a greater emphasis on our *Because We're Concerned* program, a company-wide network of volunteer committees across the nation. These community-minded Adelphia employees coordinate financial support and volunteer involvement to make a positive impact upon their individual communities. Organizations dedicated to environmental, community, medical and educational causes are among the beneficiaries.



Here's just a sampling:

- American Cancer Society
- American Heart Association
- Big Brothers/Big Sisters
- Boys and Girls Clubs
- Children's Miracle Network
- Community Reforestation
- Girl Scouts/Boy Scouts
- Habitat for Humanity
- Leukemia Society of America
- Lupus Foundation of America
- March of Dimes
- Meals on Wheels
- Ronald McDonald House
- Toys for Tots
- Trout Unlimited
- United Cerebral Palsy Association
- United Way
- Visiting Nurses Association
- YWCA & YMCA



FINANCIALS

INDEPENDENT AUDITORS' REPORT

Adelphia Communications Corporation:

We have audited the consolidated balance sheets of Adelphia Communications Corporation and subsidiaries as of December 31, 1998 and 1999, and the related consolidated statements of operations, of convertible preferred stock, common stock and other stockholders' equity (deficiency), and of cash flows for the year ended March 31, 1998, the nine months ended December 31, 1998 and the year ended December 31, 1999. Such consolidated financial statements and our report thereon dated March 29, 2000, expressing an unqualified opinion (which are not included herein), are included in Appendix A to the proxy statement for the 2000 annual meeting of stockholders. The accompanying condensed consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on such condensed consolidated financial statements in relation to the complete consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated balance sheets as of December 31, 1998 and 1999, and the related condensed consolidated statements of operations and of cash flows for the year ended March 31, 1998, the nine months ended December 31, 1998 and the year ended December 31, 1999 is fairly stated in all material respects in relation to the basic consolidated financial statements from which it has been derived.

Deloitte & Touche LLP

Pittsburgh, Pennsylvania
March 29, 2000

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share amounts)

	December 31,	
	1998	1999
<u>ASSETS:</u>		
Property, plant and equipment—net	\$ 1,207,655	\$ 3,972,329
Intangible assets—net	1,029,159	12,095,873
Cash and cash equivalents	398,644	186,874
U.S. government securities—pledged	58,054	29,899
Investments	196,893	280,874
Subscriber receivables—net	53,911	194,399
Prepaid expenses and other assets—net	114,625	328,675
Investment in and amounts due from Olympus	191,408	—
Related party receivables—net	44,108	178,577
Total	\$ 3,294,457	\$ 17,267,500
<u>LIABILITIES, PREFERRED STOCK, COMMON STOCK AND OTHER STOCKHOLDERS' EQUITY (DEFICIENCY):</u>		
Subsidiary debt	\$ 1,717,240	\$ 6,513,813
Parent debt	1,810,212	2,777,919
Accounts payable	96,985	442,561
Subscriber advance payments and deposits	19,377	57,651
Accrued interest and other liabilities	137,131	495,564
Deferred income taxes	109,609	2,113,097
Total liabilities	3,890,554	12,400,605
Minority interests	48,784	736,497
Adelphia Business Solutions redeemable exchangeable preferred stock	228,674	260,848
13% Series B cumulative redeemable exchangeable preferred stock	148,191	148,363
Convertible preferred stock, common stock and other stockholders' equity (deficiency):		
8 1/8% Series C convertible preferred stock (\$100,000 liquidation preference)	1	1
5 1/2% Series D convertible preferred stock (\$575,000 liquidation preference)	—	29
Class A common stock, \$.01 par value, 200,000,000 and 1,200,000,000 shares authorized, 31,258,843 and 113,051,118 shares outstanding, respectively	313	1,131
Class B common stock, \$.01 par value, 25,000,000 and 300,000,000 shares authorized, respectively, 10,834,476 shares outstanding	108	108
Additional paid-in capital	738,102	5,863,633
Accumulated other comprehensive income	—	3,239
Accumulated deficit	(1,760,270)	(1,997,553)
Treasury stock, at cost, 1,091,524 shares of Class A common stock and 20,000 shares of 8 1/8% Series C convertible preferred stock	—	(149,401)
Convertible preferred stock, common stock and other stockholders' equity (deficiency)	(1,021,746)	3,721,187
Total	\$ 3,294,457	\$ 17,267,500

These condensed consolidated financial statements should be read in conjunction with the complete consolidated financial statements included in appendix A to Adelphia Communications Corporation's proxy statement for the 2000 annual meeting of stockholders.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)

	Year Ended March 31, 1998	Nine Months Ended December 31, 1998	Year Ended December 31, 1999
Revenues	<u>\$ 524,889</u>	<u>\$ 496,014</u>	<u>\$ 1,287,968</u>
Operating expenses:			
Direct operating and programming	167,288	167,963	432,612
Selling, general and administrative	95,731	107,249	340,579
Depreciation and amortization	145,041	140,823	370,836
Merger and integration costs	—	—	4,736
Total	<u>408,060</u>	<u>416,035</u>	<u>1,148,763</u>
Operating income	<u>116,829</u>	<u>79,979</u>	<u>139,205</u>
Other income (expense):			
Priority investment income from Olympus	47,765	36,000	36,000
Interest expense—net	(243,554)	(180,452)	(359,585)
Equity in loss of Olympus and other joint ventures	(66,089)	(48,891)	(60,618)
Equity in loss of Adelpia Business Solutions joint ventures	(12,967)	(9,580)	(7,758)
Minority interest in net losses of subsidiaries	—	25,772	38,699
Adelpia Business Solutions preferred stock dividends	(12,682)	(21,536)	(32,173)
Other	2,538	1,113	1,865
Total	<u>(284,989)</u>	<u>(197,574)</u>	<u>(383,570)</u>
Loss before income taxes and extraordinary loss	(168,160)	(117,595)	(244,365)
Income tax benefit	<u>5,606</u>	<u>6,802</u>	<u>14,493</u>
Loss before extraordinary loss	(162,554)	(110,793)	(229,872)
Extraordinary loss on early retirement of debt (net of income taxes of \$7,200 in 1999)	<u>(11,325)</u>	<u>(4,337)</u>	<u>(10,658)</u>
Net loss	(173,879)	(115,130)	(240,530)
Dividend requirements applicable to preferred stock	<u>(18,850)</u>	<u>(20,718)</u>	<u>(41,963)</u>
Net loss applicable to common stockholders	(192,729)	(135,848)	(282,493)
Other comprehensive income—unrealized gain on available-for-sale securities (net of income taxes of \$2,237)	<u>—</u>	<u>—</u>	<u>3,239</u>
Comprehensive income	<u>\$ (192,729)</u>	<u>\$ (135,848)</u>	<u>\$ (279,254)</u>
Basic and diluted loss per weighted average share of common stock before extraordinary loss	<u>\$ (6.07)</u>	<u>\$ (3.63)</u>	<u>\$ (3.73)</u>
Basic and diluted extraordinary loss on early retirement of debt per weighted average share of common stock	<u>(0.38)</u>	<u>(0.12)</u>	<u>(0.15)</u>
Basic and diluted net loss per weighted average share of common stock	<u>\$ (6.45)</u>	<u>\$ (3.75)</u>	<u>\$ (3.88)</u>
Weighted average shares of common stock outstanding (in thousands)	<u>29,875</u>	<u>36,226</u>	<u>72,824</u>

These condensed consolidated financial statements should be read in conjunction with the complete consolidated financial statements included in appendix A to Adelpia Communications Corporation's proxy statement for the 2000 annual meeting of stockholders.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Year Ended March 31, 1998	Nine Months Ended December 31, 1998	Year Ended December 31, 1999
Cash flows from operating activities:			
Net loss	\$ (173,879)	\$ (115,130)	\$ (240,530)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	145,041	140,823	370,836
Noncash interest expense	37,430	23,663	52,068
Noncash dividends	12,682	21,536	32,173
Equity in loss of Olympus and other joint ventures	66,089	48,891	60,618
Equity in loss of Adelphia Business Solutions joint ventures	12,967	9,580	7,758
Gain on sale of investments	(2,538)	—	(2,354)
Minority interest in losses of subsidiaries	—	(25,772)	(38,699)
Extraordinary loss on early retirement of debt—net of income tax benefit	11,325	4,337	10,658
Decrease in deferred taxes, net of effects of acquisitions	(6,305)	(6,510)	(18,179)
Changes in operating assets and liabilities, net of effects of acquisitions:			
Subscriber receivables	(4,351)	(19,874)	(70,110)
Prepaid expenses and other	(23,437)	(6,942)	210,381
Accounts payable	4,282	31,029	232,991
Subscriber advance payments and deposits	658	1,678	(14,594)
Accrued interest and other	(13,694)	31,051	(260,878)
Net cash provided by operating activities	<u>66,270</u>	<u>138,360</u>	<u>332,139</u>
Cash flows used for investing activities:			
Acquisitions, net of cash acquired	(146,546)	(403,851)	(2,178,037)
Expenditures for property, plant and equipment	(183,586)	(255,797)	(819,197)
Investments in Adelphia Business Solutions joint ventures	(64,260)	(69,018)	(24,496)
Investments in other joint ventures	(22,591)	(12,540)	(31,869)
Purchase of minority interest in Adelphia Business Solutions	—	(15,580)	—
Investment in U.S. government securities—pledged	(83,400)	—	—
Sale of U.S. government securities—pledged	15,653	15,312	30,626
Amounts invested in and advanced to Olympus and related parties	(91,468)	(274,216)	(521,649)
Proceeds from sale of investments	12,678	—	—
Other	—	—	22,400
Net cash used for investing activities	<u>(563,520)</u>	<u>(1,015,690)</u>	<u>(3,522,222)</u>
Cash flows from financing activities:			
Proceeds from debt	1,298,137	836,176	3,184,579
Repayments of debt	(977,591)	(269,778)	(1,971,534)
Costs associated with debt financings	(20,498)	(7,125)	(35,562)
Premium paid on early retirement of debt	(12,153)	(3,634)	(13,566)
Issuance of Adelphia Business Solutions Class A common stock	—	205,599	262,413
Issuance of Class A common stock	—	275,880	1,215,999
Costs associated with issuances of common stock	—	(22,196)	(30,366)
Issuance of redeemable exchangeable preferred stock	147,976	—	—
Issuance of convertible preferred stock	97,000	—	557,649
Issuance of Adelphia Business Solutions redeemable exchangeable preferred stock	194,522	—	—
Payments to acquire treasury stock	—	—	(149,401)
Preferred stock dividends paid	(14,787)	(15,843)	(41,898)
Net cash provided by financing activities	<u>712,606</u>	<u>999,079</u>	<u>2,978,313</u>
Increase (decrease) in cash and cash equivalents	215,356	121,749	(211,770)
Cash and cash equivalents, beginning of period	<u>61,539</u>	<u>276,895</u>	<u>398,644</u>
Cash and cash equivalents, end of period	<u>\$ 276,895</u>	<u>\$ 398,644</u>	<u>\$ 186,874</u>
Supplemental disclosure of cash flow activity—cash payments for interest	<u>\$ 220,888</u>	<u>\$ 162,113</u>	<u>\$ 331,427</u>

These condensed consolidated financial statements should be read in conjunction with the complete consolidated financial statements included in appendix A to Adelphia Communications Corporation's proxy statement for the 2000 annual meeting of stockholders.

EXECUTIVE OFFICERS & BOARD OF DIRECTORS

John J. Rigas

Chairman, President and Chief Executive Officer,
Adelphia Communications Corporation;
Chairman, Adelphia Business Solutions, Inc.

Michael J. Rigas

Corporate Secretary and Executive Vice President, Operations,
Adelphia Communications Corporation;
Vice Chairman, Adelphia Business Solutions, Inc.

Timothy J. Rigas

Executive Vice President, Chief Financial Officer and Treasurer,
Adelphia Communications Corporation;
Vice Chairman, Chief Financial Officer and Treasurer,
Adelphia Business Solutions, Inc.

James P. Rigas

Executive Vice President, Strategic Planning,
Adelphia Communications Corporation;
Vice Chairman, President and Chief Executive Officer
Adelphia Business Solutions, Inc.

Dennis P. Coyle *

General Counsel and Secretary,
FPL Group, Inc. and Florida Power & Light Company

Leslie J. Gelber *

President and Chief Executive Officer,
Caithness Corporation

James L. Gray +

Erland E. Kailbourne *

President and Chairman,
John R. Oishei Foundation

Edward Mancini +

President and Chief Executive Officer,
Artistic Stitches, Inc.

Pete J. Metros

Managing Director of Mannesmann Dematic Rapistan Systems

Perry S. Patterson *°

Peter L. Venetis

*Adelphia Communications Corporation, Director only

+Adelphia Business Solutions, Inc., Director only

°Deceased, May 2000

STOCKHOLDER INFORMATION/FORWARD LOOKING STATEMENTS DISCLAIMER

Annual Meeting of Stockholders

For the year ended December 31, 1999, the annual meeting of stockholders of Adelphia Communications Corporation will be held at 10:00 a.m. on July 31, 2000, at the Coudersport Theatre, Main Street, Coudersport, Pennsylvania.

Common Stock Information

Adelphia's Class A Common Stock is listed for trading on the National Association of Securities Dealers Automated Quotations System National Market System (NASDAQ-NMS). Adelphia's NASDAQ-NMS symbol is "ADLAC."

The following table sets forth the range of high and low closing bid prices of the Class A Common Stock on NASDAQ-NMS. Such bid prices represent inter-dealer quotations, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

CLASS A COMMON STOCK		
Quarter Ended	High	Low
June 30, 1998	\$ 37 1/8	\$ 21 1/2
September 30, 1998	\$ 44	\$ 30 7/16
December 31, 1998	\$ 48 1/8	\$ 29 1/8
March 31, 1999	\$ 64 3/8	\$ 44 7/8
June 30, 1999	\$ 87	\$ 55 1/8
September 30, 1999	\$ 69 1/4	\$ 54
December 31, 1999	\$ 67	\$ 47 1/4

As of June 20, 2000, there were approximately 723 holders of record of Adelphia's Class A Common Stock, of which five record holders were registered clearing agencies holding Class A Common Stock on behalf of participants in such clearing agencies.

No established public trading market exists for Adelphia's Class B Common Stock. As of December 31, 1999, the Class B Common Stock was held of record by seven persons, principally members of the Rigas family, including a Pennsylvania general partnership, all of whose partners are members of the Rigas family. As of March 28, 2000, the Rigas family owned 100% of the outstanding Class B Common Stock. The Class B Common Stock is convertible into shares of Class A Common Stock on a one-to-one basis.

Dividend Policy

Adelphia has never paid a cash dividend on its common stock and anticipates that for the foreseeable future any earnings will be retained for use in its business. The ability of Adelphia to pay cash dividends on its common stock is limited by the provisions of its indentures.

Securities Exchange Act Registration

Adelphia Communications Corporation's Class A Common Stock is registered pursuant to Section 12(g) of the Securities Exchange Act of 1934.

Independent Auditors

Deloitte & Touche LLP
2500 One PPG Place
Pittsburgh, Pennsylvania 15222-5401

Adelphia Executive Offices

One North Main Street
Coudersport, Pennsylvania 16915

Adelphia Investor Relations

E-mail: adlacir@adelphia.net
Internet: www.adelphia.net
Toll Free: 1-877-496-6704

Registrar and Transfer Agent

The registrar and transfer agent for Adelphia is American Stock Transfer & Trust Company. All correspondence concerning stock transfers should be directed to them at 40 Wall Street, New York, New York 10005-2392.

Annual Report on Form 10-K and Exhibits

Copies of Adelphia's Annual Report on Form 10-K (excluding exhibits) for the year ended December 31, 1999, as filed with the Securities and Exchange Commission, will be furnished free of charge, upon written request, to stockholders who have not previously received a copy from Adelphia. In addition, Adelphia will furnish any exhibit to its Annual Report on Form 10-K upon payment of a fee limited to Adelphia's reasonable expenses in furnishing such exhibit upon written request. Written requests may be directed to the Secretary, Adelphia Communications Corporation, One North Main Street, Coudersport, Pennsylvania 16915.

FORWARD-LOOKING STATEMENTS

Throughout this report, we make numerous forward-looking statements regarding business strategies, marketing potential, future financial performance, product launches and other matters that involve many risks and uncertainties which could cause actual results to differ materially from such forward-looking statements. These forward-looking statements are based on the beliefs of management as well as assumptions made by and information currently available to management. Generally, potential risks and uncertainties include, but are not limited to, such factors as the continued health of the telecommunications industry and the overall economy; the ability of vendors to deliver required equipment and services; changes in law and regulations; changes in strategic relationships; competitive responses; access to capital resources; increases in external costs; and the overall market acceptance of Adelphia's proposed products and services. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. The company does not intend to update these forward-looking statements.



Adelphia