

For Immediate Release

7th May 1998

TELEWEST COMMUNICATIONS PLC
1st QUARTER RESULTS 1998

EBITDA	£25.8m	+254%
Revenue	£110.4m	+22.2%
CATV margin	42.8%	+3.7% points
Telephony margin	77.1%	+6.5% points
Household penetration	34.5%	+0.7% points

Quarter ending	Mar. '98	Mar. '97	Dec. '97
Television			
Customers	617,877	541,728 (+14.1%)	605,988 (+2.0%)
Penetration	22.1%	22.2% (-0.1% points)	22.0% (+0.1% points)
Churn	34.8%	32.6% (+2.2% points)	34.0% (+0.8% points)
Av. Rev. per cust	£23.72	£23.57 (+0.6%)	£23.40 (+1.4%)
Residential telephony			
Customers	831,585	669,577 (+24.2%)	810,358 (+2.6%)
Penetration	30.1%	28.2% (+1.9% points)	29.7% (+0.4% points)
Churn	20.5%	19.5% (+1.0% point)	20.0% (+0.5% points)
Av. Rev. per line	£19.10	£20.31 (-6.0%)	£19.19 (-0.5%)
Business telephony			
Lines	110,015	74,540 (+47.6%)	100,989 (+8.9%)
Av. Lines per cust.	4.1	3.5 (+17.1%)	4.0 (+2.5%)
Av. Rev. per line	£42.81	£43.68 (-2.0%)	£43.62 (-1.9%)
Av. Rev. per cust.	£173.40	£145.73 (+19.0%)	£158.05 (+9.7%)
Internet			
Dial-up customers	17,059	4,895 (+248.5%)	16,713 (+2.1%)

Telewest today announced its 1st quarter results.

Commenting on the results Charles Burdick, Group Finance Director, said:

“The financial results for the first quarter of 1998 reflect substantial progress following the restructuring of the business towards the end of last year and underscore the strategic rationale of our proposed merger with General Cable. Turnover has increased by 22.2% to £110.4m with all revenue streams contributing to the growth. EBITDA of £25.8m has been achieved through growth

in customer numbers, margin improvements and continued emphasis on the control of operating costs evidenced by declining SG&A in the face of substantial growth in customer volumes and revenues.

“Telephony margins increased 6.5% to 77.1% as a result of the increased volume of traffic carried solely on our own networks and continued favourable terms in interconnect provision. Second line penetration is 3.9% up from 1.5% reflecting growth in the use of the Internet. The programming strategy we have employed with our Millennium packages is creating a more favourable distribution of services amongst our customer base. The change in product distribution, coupled with revised contract arrangements with programme suppliers, contributed to an increase of 3.7% in CATV margins to 42.8%. The recently announced ITC proposal on programme ‘bundling’ is designed to promote consumer choice and is welcomed by the company.

“The company ended Q1, 1998 with £1.42 billion of debt split between £0.55 billion of Senior Bank debt and £0.87 billion of bond debt. The company remains fully funded and is operating comfortably within its recently restructured bank facilities. We are looking at financing options in regard to the exercise of our pre-emption rights resulting from the Comcast / NTL merger and the possible purchase of the Birmingham Cable and Cable London shares held by Comcast.

David Van Valkenburg, Interim Chief Executive of Telewest, continued:

“1998 is off to a promising start. With the restructuring of the business now behind us we have been able to concentrate on our core products. We now have 1,106,169 customers serviced by our owned and operated and affiliated franchises.

"Cable Television penetration is at 22.1% up 0.1% points on the previous quarter while residential telephony penetration reached 30.1%, up 0.4% points on Q4 1997. An increase in churn over the previous quarter for both television (up 0.8% points) and telephone (up 0.5% points) was due in part to service related issues flowing from our restructuring and the price increases of November 1. We are focussing the efforts of the company towards reducing this number.

“Sales of the Millennium packages, launched in February, have exceeded expectations. The majority of new subscribers are in re-market areas which demonstrates the new audience created for our service offerings. This is evidenced by total sales relative to the number of fresh homes available to market. Despite a reduction in the number of fresh homes released to market, gross sales for the quarter compare favourably to the corresponding period in 1997.

“Excellent results were achieved in our business services division. Customers increased to 26,532, a rise of 4.1% for the quarter and lines increased by 8.9% to 110,015. Our business customers for the quarter averaged 8.5 lines and in total now average 4.1 lines each, a slight increase on the previous quarter and a continuation of the upward trend.

“On 15th April 1998 we announced that Telewest and General Cable had agreed terms of a proposed merger to be achieved by way of a recommended offer by Telewest for General Cable shares. Documents are expected to be posted to shareholders in June / July 1998. We have already started the planning process for the integration of our two companies and expect this to progress smoothly.

“With the strong results of the first quarter and the inclusion of General Cable into an enlarged group we have an excellent platform for continued growth and are positioned to assume market leadership.”

Note:

The following is included in connection with legislation in the United States of America, the Safe Harbour Statement under the US Private Securities Litigation Reform Act of 1995. The foregoing includes certain forward looking statements that involve various risks and uncertainties which could lead to actual results significantly different than those anticipated by Telewest. For a discussion of certain of these risks and uncertainties see the Company’s 1997 Annual Report.

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Telewest Communications plc

Operating Statistics - Owned and operated on an equity basis

1st Quarter 1998 Net Additions		
	Net additions Q1 1998	Net additions Q1 1997
<u>CABLE TELEVISION</u>		
Homes marketed	34,652	103,424
CATV customers	11,889	13,586
<u>RESIDENTIAL TELEPHONY</u>		
Homes marketed	35,672	122,777
Residential telephony customers	21,227	49,200
Residential telephony lines	28,157	52,886
<u>BUSINESS TELEPHONY</u>		
Business telephony customers	1,057	623
Business telephony lines	9,026	6,717
	As at 31 March 1998	As at 31 March 1997
<u>CABLE TELEVISION</u>		
Homes marketed	2,794,836	2,439,377
CATV customers	617,877	541,728
CATV penetration	22.1%	22.2%
Quarterly churn rate (annualised)	37.2%	34.3%
Rolling 12 month churn rate	34.8%	32.6%
<u>RESIDENTIAL TELEPHONY</u>		
Homes marketed	2,760,826	2,377,511
Residential telephony customers	831,585	669,577
Residential telephony penetration	30.1%	28.2%
Residential telephony lines	864,325	679,895
Quarterly churn rate per line (annualised)	21.7%	19.8%
Rolling 12 month churn rate	20.5%	19.5%
<u>BUSINESS TELEPHONY</u>		
Business telephony customers	26,532	21,505
Business telephony lines	110,015	74,540
Average number of lines per customer	4.1	3.5
<u>INTERNET</u>		
Dial-up customers	17,059	4,895
Cable television and residential telephony customers	490,875	397,738
Cable television only customers	127,002	143,990
Residential telephony only customers	340,710	271,839
Internet only customers	1,769	2,228

Telewest Communications plc

Operating Statistics - Owned and operated and affiliated franchises

* On an equity basis

1st Quarter 1998 Net Additions		
	Net additions Q1 1998	Net additions Q1 1997
<u>CABLE TELEVISION</u>		
Homes marketed	35,686	118,268
CATV customers	13,247	17,409
<u>RESIDENTIAL TELEPHONY</u>		
Homes marketed	36,350	137,681
Residential telephony customers	24,791	53,812
Residential telephony lines	32,211	57,706
<u>BUSINESS TELEPHONY</u>		
Business telephony customers	1,189	744
Business telephony lines	10,133	7,547
	As at 31 March 1998	As at 31 March 1997
<u>CABLE TELEVISION</u>		
Homes marketed	3,132,268	2,745,103
CATV customers	700,599	617,007
<u>RESIDENTIAL TELEPHONY</u>		
Homes marketed	3,098,677	2,680,722
Residential telephony customers	919,473	739,913
Residential telephony lines	954,752	751,227
<u>BUSINESS TELEPHONY</u>		
Business telephony customers	29,520	24,042
Business telephony lines	126,806	86,116
Average number of lines per customer	4.3	3.6

Note:

* The affiliated franchises include Telewest's interests in Cable London plc (50.0% interest), Birmingham Cable Corporation (27.5% interest) and The Cable Corporation (16.5% interest).

Telewest Communications plc

Owned and Operated Franchises

As at 31 March 1998

	London and South East	Midlands and South West	Scotland and North East	North West	Total
<u>Cable Television</u>					
Homes marketed	618,356	832,637	747,995	595,848	2,794,836
CATV customers	144,142	177,814	169,704	126,217	617,877
CATV penetration	23.3%	21.4%	22.7%	21.2%	22.1%
<u>Residential Telephony</u>					
Homes marketed	612,226	832,757	720,818	595,025	2,760,826
Residential telephony customers	154,609	272,739	222,641	181,596	831,585
Residential telephony penetration	25.3%	32.8%	30.9%	30.5%	30.1%
Residential telephony lines	164,540	282,089	229,903	187,793	864,325
<u>Business Telephony</u>					
Business telephony customers	6,429	8,740	6,121	5,242	26,532
Business telephony lines	30,617	39,863	19,227	20,308	110,015
Average number of lines per Customer	4.8	4.6	3.1	3.9	4.1

Telewest Communications plc

Owned and Operated Franchises

As at 31 March 1998

	London South	South West	North East	Scotlan d	South East	North West	Midland s	Total
<u>Cable Television</u>								
Homes marketed	364,744	380,508	224,624	523,371	253,612	595,848	452,129	2,794,836
CATV customers	79,706	80,973	53,451	116,253	64,436	126,217	96,841	617,877
CATV penetration	21.9%	21.3%	23.8%	22.2%	25.4%	21.2%	21.4%	22.1%
<u>Residential Telephony</u>								
Homes marketed	358,595	380,628	221,401	499,417	253,631	595,025	452,129	2,760,826
Residential telephony customers	73,833	117,656	74,548	148,093	80,776	181,596	155,083	831,585
Residential telephony penetration	20.6%	30.9%	33.7%	29.7%	31.8%	30.5%	34.3%	30.1%
Residential telephony lines	79,750	123,575	75,981	153,922	84,790	187,793	158,514	864,325
<u>Business Telephony</u>								
Business telephony customers	4,938	5,124	1,708	4,413	1,491	5,242	3,616	26,532
Business telephony lines	24,829	21,734	4,655	14,572	5,788	20,308	18,129	110,015
Average number of lines per Customer	5.0	4.2	2.7	3.3	3.9	3.9	5.0	4.1

Telewest Communications plc

Affiliated Franchises

As at 31 March 1998

	Cable London	Birmingham	Cable	The Cable	Corporation	Total	Affiliates	
	Actual	Equity	Actual	Equity	Actual	Equity	Actual	Equity
Cable Television								
Homes marketed	354,004	177,002	414,744	114,055	281,065	46,376	1,049,813	337,433
CATV customers	85,726	42,863	117,653	32,355	45,482	7,505	248,861	82,723
CATV penetration	24.2%	24.2%	28.4%	28.4%	16.2%	16.2%	23.7%	24.5%
Residential Telephony								
Homes marketed	354,004	177,002	414,744	114,055	283,602	46,794	1,052,350	337,851
Residential telephony customers	85,006	42,503	126,559	34,804	64,130	10,581	275,695	87,888
Residential telephony penetration	24.0%	24.0%	30.5%	30.5%	22.6%	22.6%	26.2%	26.0%
Residential telephony lines	90,083	45,042	126,559	34,804	64,130	10,581	280,772	90,427
Business Telephony								
Business telephony customers	3,044	1,522	4,052	1,114	2,129	351	9,225	2,987
Business telephony lines	15,313	7,657	18,130	4,986	25,143	4,149	58,586	16,792
Average number of lines per Customer	5.0	5.0	4.5	4.5	11.8	11.8	6.4	5.6

Telewest Communications plc
UK GAAP

Unaudited summarised consolidated profit and loss account for the three months ended 31 March 1998

	Note	3 months Ended 31 March 1998 £000	3 months ended 31 March 1997 £000	Year Ended 31 December 1997 £000
Turnover				
Cable television		44,180	38,101	159,918
Telephony – residential		48,436	39,674	166,645
Telephony – business		13,502	9,287	43,882
Other (Internet, Ad Sales etc)		4,306	3,328	16,053
		<u>110,424</u>	<u>90,390</u>	<u>386,498</u>
Operating loss				
Share of results of associated undertakings		(6,704)	(4,978)	(21,312)
Other interest receivable and similar income		1,637	2,483	9,097
Interest payable and similar charges	3	(44,213)	(36,878)	(169,930)
Loss on ordinary activities before tax		(70,245)	(69,545)	(309,909)
Tax on loss on ordinary activities		20	(64)	(521)
Loss on ordinary activities after tax		(70,225)	(69,609)	(310,430)
Minority interests		(26)	(117)	(293)
Loss for the financial period		(70,251)	(69,726)	(310,723)
Loss per equity share		(4.9)	(4.9)	(21.8)
1 Earnings/ (loss) before interest, taxes, depreciation, and amortisation (“EBITDA”)				
Operating loss		(20,965)	(30,172)	(127,764)
Add: Depreciation		46,724	37,456	177,341
EBITDA		<u>25,759</u>	<u>7,284</u>	<u>49,577</u>
2 Operating costs				
Programming expenses		25,257	23,198	93,441
Telephony expenses		14,201	14,379	50,145
Selling, general, and administrative expenses		45,207	45,529	193,335
Depreciation		46,724	37,456	177,341
		<u>131,389</u>	<u>120,562</u>	<u>514,262</u>
3 Interest payable and similar charges				
On bank loans and overdrafts and other loans				
Wholly repayable within 5 years		1,064	3,320	16,941
Wholly or partly repayable in more than 5 years		9,846	539	14,741
Finance costs of Senior Discount Debentures		19,854	16,815	71,661
Finance costs of Senior Debentures		5,686	5,657	22,657
Finance charges payable in respect of finance lease and hire purchase contracts		1,243	1,109	4,702
Exchange losses on foreign currency translation, net		1,316	7,517	30,954
Other		5,204	1,921	8,274
		<u>44,213</u>	<u>36,878</u>	<u>169,930</u>

The consolidated financial statements as set out on pages 9 and 10 which are unaudited, have been prepared on the basis of the accounting policies set out in the Group's 1997 Annual Report. The balance sheet, profit and loss account and cash flow statement at 31 December 1997 is derived from the statutory accounts for 1997 which will be delivered to the Registrar of Companies following the Company's annual general meeting. The auditors have reported on those accounts: their report was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

Telewest Communications plc
UK GAAP

Unaudited summarised consolidated balance sheet at 31 March 1998

	31 March 1998 £000	31 March 1997 £000	31 December 1997 £000
Fixed assets	1,785,383	1,657,750	1,809,213
Current assets			
Stocks	96	62	32
Debtors	81,741	79,821	70,457
Cash at bank and in hand	43,875	106,802	29,582
	<u>125,712</u>	<u>186,685</u>	<u>100,071</u>
Creditors: amounts falling due within one year	(228,100)	(220,425)	(334,756)
	<u>(102,388)</u>	<u>(33,740)</u>	<u>(234,685)</u>
Net current liabilities			
	1,682,995	1,624,010	1,574,528
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	(1,484,400)	(1,113,359)	(1,305,708)
Minority interests	(666)	(464)	(640)
Capital and reserves	<u>197,929</u>	<u>510,187</u>	<u>268,180</u>

Telewest Communications plc

UK GAAP

Unaudited summarised consolidated statements of cash flows

	3 Months ended March 31		Y/ending 31 Dec 97
	1998 £'000	1997 £'000	1997 £'000
Net cash inflow from operating activities	9,101	(18,706)	68,624
Returns on investments and servicing of finance			
Interest received	1,194	1,045	3,599
Interest paid	(13,090)	(3,421)	(63,479)
Interest element of finance lease payments	(1,243)	(151)	(4,702)
Net cash outflow from returns on investments and servicing of finance	(13,139)	(2,527)	(64,582)
Capital Expenditure and Financial Investment			
Purchase of tangible fixed assets	(49,345)	(92,619)	(436,100)
Sale of tangible fixed assets	3,188	999	6,066
Net cash outflow from capital expenditure and financial investment	(46,157)	(91,620)	(430,034)
Acquisitions and disposals			
Investment in associated undertakings and other participating interests	(2,202)	(8,505)	(9,633)
Net cash outflow from acquisitions and disposals	(2,202)	(8,505)	(9,633)
Management of liquid resources			
(Increase) / Decrease in fixed deposits (net)	(10,574)	(16,052)	53,288
Financing			
Cash paid for credit facility arrangement costs	(5,900)	0	0
Proceeds from borrowings	75,000	150,000	392,500
Repayment of borrowings	(10)	0	(2,375)
Capital element of finance lease payments	(2,400)	(1,020)	(3,971)
Net cash inflow from financing	66,690	148,980	386,154
Increase in cash	3,719	11,570	3,817

Telewest Communications plc
US GAAP

Unaudited summarised consolidated statements of operations	3 months	3 months	3 months
	Ended	ended	Ended
	31 March 1998 \$000	31 March 1998 £000	31 March 1997 £000
Revenue			
Cable television	74,068	44,180	38,101
Telephony - residential	81,203	48,436	39,674
Telephony - business	22,636	13,502	9,287
Other	7,219	4,306	3,328
	<u>185,126</u>	<u>110,424</u>	<u>90,390</u>
Operating loss	(46,211)	(27,564)	(36,766)
Interest income	1,829	1,091	2,362
Interest expense	(71,622)	(42,721)	(30,314)
Foreign exchange gain/(losses), net	11,115	6,630	(24,127)
Share of losses of affiliates	(11,239)	(6,704)	(4,978)
Minority interest in profits of consolidated subsidiaries, net	(44)	(26)	(117)
Other, net	916	546	121
	<u>(115,256)</u>	<u>(68,748)</u>	<u>(93,819)</u>
Loss before income taxes			
Income tax expense	34	20	(64)
	<u>(115,222)</u>	<u>(68,728)</u>	<u>(93,883)</u>
Net loss			
	<u>\$(0.12)</u>	<u>£(0.07)</u>	<u>£(0.10)</u>
Loss per ordinary share (dollars/pounds)			
	<u>\$(0.12)</u>	<u>£(0.07)</u>	<u>£(0.10)</u>
1 Earnings/(loss) before interest, taxes, depreciation and amortisation ("EBITDA")			
Operating loss	(46,211)	(27,564)	(36,766)
Add: depreciation and amortisation of goodwill	89,396	53,323	44,050
	<u>43,185</u>	<u>25,759</u>	<u>7,284</u>
EBITDA			
	<u>43,185</u>	<u>25,759</u>	<u>7,284</u>
2 Operating costs and expenses			
Programming	42,343	25,257	23,198
Telephony	23,808	14,201	14,379
Selling, general and administration	75,790	45,207	45,529
Depreciation	78,333	46,724	37,456
Amortisation of goodwill	11,063	6,599	6,594
	<u>231,337</u>	<u>137,988</u>	<u>127,156</u>

The consolidated financial statements as set out on pages 12 and 13 which are unaudited, have been prepared on the basis of the accounting policies set out in the Group's 1997 Annual Report. The balance sheet, profit and loss account and cash flow statement at 31 December 1997 is derived from the statutory accounts for 1997 which will be delivered to the Registrar of Companies following the Company's annual general meeting. The auditors have reported on those accounts: their report was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

The economic environment in which the Company operates is the United Kingdom ("UK") and hence its reporting currency is Pounds Sterling ("£"). Merely for convenience, the financial statements contain translations of certain Pounds Sterling amounts into US Dollars at \$1.6765 per £1.00, the Noon Buying Rate of the Federal Reserve Bank of New York on March 31, 1998. The presentation of the US Dollar amounts should not be construed as a representation that the Pounds Sterling amounts could be so converted into US Dollars at the rate indicated or at any other rate.

Unaudited summarised consolidated balance sheets

	31 March 1998 \$000	31 March 1998 £000	31 December 1997 £000
Assets			
Cash and cash equivalents	73,556	43,875	29,582
Receivables and prepaid expenses	134,824	80,420	70,459
Investments	130,755	77,993	85,373
Property and equipment	2,858,277	1,704,907	1,705,520
Goodwill	770,035	459,311	465,905
Other assets	81,827	48,808	56,513
Total assets	4,049,274	2,415,314	2,413,352
Liabilities			
Debt	2,428,947	1,448,820	1,373,054
Other liabilities	495,918	295,806	300,908
Total liabilities	2,924,865	1,744,626	1,673,962
Minority interests	1,117	666	640
Shareholders' equity	1,123,292	670,022	738,750
Total liabilities and shareholders' equity	4,049,274	2,415,314	2,413,352

Unaudited summarised consolidated statements of cash flows

	3 months ended 31 March 1998 \$000	3 months ended 31 March 1998 £000	3 months ended 31 March 1997 £000
Cash flows from operating activities			
Net loss	(115,222)	(68,728)	(93,883)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation	78,333	46,724	37,456
Amortisation of goodwill	11,055	6,594	6,594
Amortisation of deferred financing costs and issue discount on senior discount debentures	40,145	23,946	18,276
Unrealised (gains)/loss on foreign currency translation	(11,107)	(6,625)	23,794
Share of losses of affiliates	11,239	6,704	4,978
Gain on disposals of assets	(857)	(511)	(121)
Minority interests in profits of consolidated subsidiaries, net	44	26	117
Changes in operating assets and liabilities			
Change in receivables	(7,754)	(4,625)	(11,553)
Change in prepaid expenses	(4,230)	(2,523)	167
Change in accounts payable	9,710	5,792	(15,034)
Change in other liabilities	(18,125)	(10,811)	7,976
Net cash used in operating activities	(6,769)	(4,037)	(21,233)
Net cash used in investing activities	(81,073)	(48,359)	(100,125)
Net cash provided by financing activities	111,804	66,689	148,980
Net decrease in cash and cash equivalents	23,962	14,293	27,622
Effect of exchange rate changes on cash and cash equivalents	0	0	64
Cash and cash equivalents at beginning of period	49,594	29,582	79,116
Cash and cash equivalents at end of period	73,556	43,875	106,802

- Ends -