

news release

12 November 1998

TELEWEST COMMUNICATIONS PLC

3rd QUARTER RESULTS 1998

*EBITDA £89.1m +176.9%

*EBITDA Margin 24.5% +13.1% points

*Revenue £364.0m +29.3%

*CATV margin 46.0% +5.3% points

*Telephony margin 74.5% - 0.9% points

Household penetration 34.2% +0.5% points

Telewest owned and operated Telewest owned and operated

Pre General Cable merger **post General Cable merger
(proforma)

Quarter ending	Sept. '98 '97	Sept.	Sept. '98	Sept. '97
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Cable television

Customers	674,910 (+15.8%)	582,965	901,293 (+10.4%)	816,300
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Penetration	23.7% (+1.7% points)	22.0% points)	22.9% (+0.8%	22.1%
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Churn	32.7% (+0.6% points)	32.1% points)	32.2% (-0.4%	32.6%
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Average Revenue per
customer per month

	£23.24 (+0.3%)	£23.18	£22.71 (+3.5%)	£21.95
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Residential telephony

Customers	876,281 (+14.7%)	764,306	1,178,872 (+13.6%)	1,037,858
Penetration	31.0% (+1.7% points)	29.3% points)	30.1% (+1.6%	28.5%
Churn	21.6% (+2.2% points)	19.4% points)	21.3% (+0.9%	20.4%

Average revenue per line per month	£19.07 (-1.0%)	£19.26	£19.93 (-1.9%)	£20.32
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Business Telephony

Customers	28,289 (+16.8%)	24,221	38,152 (+16.5%)	32,754
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Lines	122,952 (+31.7%)	93,350	200,138 (+33.7%)	149,708
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Average lines per customer	4.3 (+10.3%)	3.9	5.2 (+13.0%)	4.6
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Average revenue per customer per month	£181.48 (+13.6%)	£159.69	£303.63 (+17.3%)	£258.79
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Average revenue per line per month	£43.36 (-4.3%)	£45.31	£60.62 (-1.6%)	£61.60
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Internet

Dial-up customers	22,159 (+71.1%)	12,949	22,159 (+71.1%)	12,949
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* Including General Cable and 100% of Birmingham Cable from 1 September 1998.

**Assumes merger with General Cable and Birmingham Cable had taken place 1 January 1997.

The enlarged Telewest group

On 1 September 1998, Telewest Communications plc (Telewest) completed its merger with General Cable plc (General Cable). At that time, through the General Cable merger, Telewest increased its ownership of Birmingham Cable Corporation Ltd (Birmingham Cable) from 27.47% to 72.42%. On 28 October 1998, Telewest acquired an additional 27.47% of Birmingham Cable, so that Birmingham Cable is now a wholly owned and operated subsidiary. The third quarter financial results represent nine months trading of Telewest including one month's trading of General Cable and Birmingham Cable.

Pro-forma operating and financial data is also provided to show Telewest's position had the merger taken place throughout the period covered by that data.

Commenting on the operating results Tony Illsley, Chief Executive, said :

"Following the merger, the enlarged Telewest covers approximately 5.9 million equity franchise homes and 400,000 businesses. This is some 32% of all UK cable franchise homes and approximately 38% of all UK cable homes subscribing to one or more services. This represents a substantial market.

"The enlarged Telewest enjoys the benefits of the most fully built cable network in the UK, now over 76% completed; the largest cable customer base in the UK with almost 1.4 million residential customers; our 3,000 km SDH national trunk network connecting all our franchises; and substantial revenues, cash flow and earnings before interest, tax, depreciation and amortisation (EBITDA) up significantly from the prior period.

"Looking ahead, we have large marketplaces for both our residential and business services and both have shown strong growth in underlying demand particularly for bandwidth hungry applications. We expect our broadband network will deliver data and multi-media services to the home, including digital, high speed internet access and interactive services. In parallel, we believe our combination of local access, national network and broadband capacity positions us well to meet the rapidly growing demand for business services, especially the higher margin products, and to become a significant supplier of wholesale capacity.

"My focus now is on developing unique products and backing them up with superb execution. This will take time, but is my primary objective."

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

"Revenues are up 29% to £364 million and, had the merger taken place on 1 January, 1998, the group's proforma total sales would have been £502 million for the nine months.

"Operating costs have continued to fall as a proportion of revenues, as we leverage our increasingly fixed cost base. Cable TV margins are up by 5.3 percentage points, reflecting a redistribution of services as a result of the introduction of Millennium and the improved content and carriage contracts we negotiated last year. Telecom margins are broadly maintained, reflecting an increase in on-network calls and lower interconnect costs offsetting the anticipated continuing price competition. Selling, general and administrative expenses now account for 40% of sales on a proforma

basis, compared to 50% for the whole of 1997.

"Consequently, EBITDA has increased sharply, up by 177% to £89 million, almost 80% more than for the whole of 1997. EBITDA margin is now 24.5% compared to 11.4% for the same period last year and 12.8% for the whole of 1997. On a proforma basis the Group's EBITDA would have been £124 million for the nine months.

"Capital expenditure was £163 million, less than half the level for the same period last year. On a proforma basis, capital expenditure was £227 million.

"The enlarged group ended the period with £2.0 billion of debt, split between £1.1 billion of senior bank debt and £0.9 billion of bond debt. In addition on November 8, 1998 we successfully closed an offering of \$350 million of Telewest 11.25% Senior Notes to 2008.

Notes:

All references to financial information above are UK GAAP. All references to proforma assume that the merger with General Cable had occurred throughout the period.

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 and registration statements filed in September 1998 with the Securities and Exchange Commission.

Operating Statistics

Owned and operated

3rd Quarter and year to date (YTD) 1998 and 1997

	Proforma		Proforma	
	Net	Net	Net	Net
	additions	additions	additions	additions
	Q3 1998	YTD 1998	Q3 1997	YTD 1997
Cable television				
Homes marketed	23,780	100,935	152,434	470,355
CATV customers	32,136	61,504	29,652	64,974

Residential telephony				
Homes marketed	26,383	104,493	162,093	515,959
Residential telephony customers	28,999	81,663	57,026	183,117
Residential telephony lines	48,269	117,661	62,100	197,228

Business telephony				
Business telephony customers	1,109	3,795	1,380	4,346
Business telephony lines	10,348	34,509	15,869	39,956

	As at 30 Sept. 1998 Proforma	As at 30 Sept. 1997 Proforma
Cable television		
Homes marketed	3,937,504	3,686,351
CATV customers	901,293	816,300
CATV penetration	22.9%	22.1%
Quarterly churn rate (annualised) – proforma	28.8%	33.0%
Rolling 12 month churn rate - proforma	32.2%	32.6%
Residential telephony		
Homes marketed	3,910,730	3,641,223
Residential telephony customers	1,178,872	1,037,858
Residential telephony penetration	30.1%	28.5%
Residential telephony lines	1,240,680	1,058,601
Quarterly churn rate per line (annualised) – proforma	21.4%	21.3%
Rolling 12 month churn rate – proforma	21.3%	20.4%
Business telephony		
Business telephony customers	38,152	32,754
Business telephony lines	200,138	149,708
Average number of lines per customer	5.2	4.6
Internet		
Dial-up customers	22,159	12,949

Cable television and Residential telephony customers*	739,163	618,578	
Cable television only customers	162,130	197,722	
Residential telephony only customers*	439,709	419,280	
Internet only customers	1,892	3,149	
TOTAL CUSTOMERS	1,342,894	1,238,729	

Includes customers also subscribing for internet services.

Owned and operated and Cable London (on an equity basis)

3rd Quarter and YTD 1998 and 1997	Proforma		Proforma	
	Net additions Q3 1998	Net additions YTD 1998	Net additions Q3 1997	Net additions YTD 1997
Cable television				
Homes marketed	55,636	139,458	160,268	490,152
CATV customers	33,191	65,034	30,660	69,632
Residential telephony				
Homes marketed	32,148	116,925	169,792	535,621
Residential telephony customers	30,763	87,377	59,121	190,937
Residential telephony lines	50,381	124,684	63,596	204,893
Business telephony				
Business telephony customers	1,133	3,939	1,428	4,488
Business telephony lines	10,810	36,898	16,317	41,284

	As at 30 Sept. 1998 Proforma	As at 30 Sept. 1997 Proforma
Cable television		
Homes marketed	4,122,518	3,854,666
CATV customers	946,150	854,630
Residential telephony		
Homes marketed	4,095,744	3,809,403
Residential telephony	1,224,683	1,074,368

customers		
Residential telephony lines	1,289,847	1,096,617
Business telephony		
Business telephony customers	39,777	34,173
Business telephony lines	208,884	155,656
Average number of lines per customer	5.3	4.6

*The affiliated franchise consists of Telewest's approximately 50% interest in Cable London plc– see page 8 for details.

Owned and Operated Regional Franchise Areas as at 30 September 1998

	London South East	Avon, South and Midlands	Scotland and East	North West	General Cable	Birmingham Cable	Total
Cable television							
Homes marketed	640,248	842,438	767,887	597,312	674,286	415,333	3,937,504
CATV customers	156,934	192,913	191,324	133,739	109,415	116,968	901,293
CATV penetration	24.5%	22.9%	24.9%	22.4%	16.2%	28.2%	22.9%
Residential telephony							
Homes marketed	634,748	842,687	749,013	596,589	672,360	415,333	3,910,730
Residential telephony customers	166,493	284,384	239,537	185,867	172,312	130,279	1,178,872
Residential telephony penetration	26.2%	33.7%	32.0%	31.2%	25.6%	31.4%	30.1%

Residential telephony lines	188,170	297,936	249,261	195,483	174,167	135,663
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Business Telephony

Business telephony customers	6,712	9,431	6,686	5,460	5,156	4,707
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Business telephony lines	33,362	44,307	22,094	23,189	55,112	22,074
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Average number of lines per Customer	5.0	4.7	3.3	4.2	10.7	4.7	5.2
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Owned and Operated Franchises as at 30 September 1998

	London	South	North	Scotland	South	North	Midlands	General
General	Birmingham	Total		East	West		Cable	Cable
	South	West	East			North	South	Cable

Cable television

Homes marketed	365,147	383,797	226,170	541,717	275,101	597,312	458,641
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CATV customers	83,129	88,702	59,456	131,868	73,805	133,739	104,211
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CATV penetration	22.8%	23.1%	26.3%	24.3%	26.8%	22.4%	22.7%
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Residential telephony

Homes marketed	359,623	384,046	225,196	523,817	275,125	596,589	458,641		
	399,810	272,550	415,333	3,910,730					

Residential
telephony

customers	78,672	125,081	79,500	160,037	87,821	185,867	159,303	106,787	
	65,525	130,279	1,178,872						

Residential
telephony

penetration	21.9%	32.6%	35.3%	30.6%	31.9%	31.2%	34.7%	26.7%	
	24.0%	31.4%	30.1%						

Residential	91,230	133,008	81,673	167,588	96,940	195,483	164,928	108,346	
telephony lines	65,821	135,663	1,240,680						

Business
Telephony

Business
telephony

customers	5,120	5,325	1,889	4,797	1,592	5,460	4,106	3,370	1,786
	4,707	38,152							

Business	26,563	24,004	5,374	16,720	6,799	23,189	20,303	27,320	
telephony lines	27,792	22,074	200,138						

Average number of	5.2	4.5	2.8	3.5	4.3	4.2	4.9	8.1	15.6	4.7
lines per										

Customer

Affiliated Franchise as at 30 September 1998

Cable London

Actual	Equity
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Cable television

Homes marketed	370,027	185,014
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CATV customers	89,714	44,857
CATV penetration	24.2%	24.2%

Residential telephony

Homes marketed	370,027	185,014
Residential telephony customers	91,621	45,811
Residential telephony penetration	24.8%	24.8%
Residential telephony lines	98,334	49,167

Business Telephony

Business telephony customers	3,249	1,625
Business telephony lines	17,491	8,746
Average number of lines per Customer	5.4	5.4

Owned and Operated and Affiliated Franchises as at 30 September 1998

London	Telewest		Birmingham		Telewest Owned and Cable		Telewest Owned and Cable					
	Telewest Group	Franchises (1)	General Cable	Cable Franchises (2)	Franchises (3)	Operated Franchises (4)	Franchises (5)	Franchises (6)	Franchises (7)	Franchises (8)		
Franchises on an Equity Basis(6)	September 30, 1997	September 30, 1998	September 30, 1997	September 30, 1998	September 30, 1997	September 30, 1998	September 30, 1997	September 30, 1998	September 30, 1997	September 30, 1998		
	1997	1998 (7)	1997	1998	1997	1998	1997	1998 (7)	1997	1998		
Number of Residential Franchises	28	28	8	8	1	1	37	37	4	4	41	41

Customers	897,909	984,785	182,250	195,577	155,421	160,640	1,235,580		
	1,341,002	1,056,161	126,107	1,288,388	1,404,056				
Residential									
Dual Customers	449,362	566,406	87,430	86,150	81,786	86,607	618,578	739,163	
	43,972	55,228	640,564	766,777					
Percentage of									
Dual Customers	50.0%	57.5%	48.0%	44.0%	52.6%	53.9%	50.1%	55.1%	
	41.6%	43.8%	49.7%	54.6%					
Cable television									
Homes Passed	2,893,288	3,036,324	658,595	713,264	431,745	437,346	3,983,628		
	4,186,934	3,495,533	386,143	4,158,395	4,380,006				
Homes Passed and Marketed									
	2,646,579	2,847,885	606,859	674,286	432,913	415,333	3,686,351		
	3,937,504	3,366,630	370,027	3,854,666	4,122,518				
Customers	582,965	674,910	115,990	109,415	117,345	116,968	816,300	901,293	
	76,659	89,714	854,630	946,150					
Penetration rate (9)									
	22.0%	23.7%	19.1%	16.2%	27.1%	28.2%	22.1%	22.9%	22.8%
	24.2%	22.2%	23.0%						
Average Monthly Rev/Cust (10)									
	£23.18	£23.24	£19.75	£20.91	£18.15	£21.58	£21.95	£22.71	
	£22.62	£23.14	£21.98	£22.73					
Average Churn Rate (11)									
	32.1%	32.7%	38.5%	31.2%	29.8%	30.9%	32.6%	32.2%	
	36.4%	32.6%	32.7%	32.3%					
Residential telephony									
Homes Passed	2,714,804	2,857,840	658,595	713,264	431,745	437,346	3,805,144		
	4,008,450	3,495,533	386,143	3,979,911	4,201,522				
Homes Passed and Marketed									
	2,609,400	2,823,037	608,051	672,360	423,772	415,333	3,641,223		
	3,910,730	3,366,630	370,027	3,809,403	4,095,744				
Customers	764,306	876,281	153,690	172,312	119,862	130,279	1,037,858		
	1,178,872	73,019	91,621	1,074,368	1,224,683				
Penetration rate (12)									
	29.3%	31.0%	25.3%	25.6%	28.3%	31.4%	28.5%	30.1%	21.7%
	24.8%	28.2%	29.9%						
Lines	785,049	930,850	153,690	174,167	119,862	135,663	1,058,601		
	1,240,680	76,032	98,334	1,096,617	1,289,847				
Average Monthly Rev/Line (13)									
	£19.26	£19.07	£23.58	£23.48	£22.91	£21.23	£20.32	£19.93	
	£28.26	£27.57	£20.59	£20.22					
Average Churn Rate/Line (14)									
	19.4%	21.6%	23.4%	22.2%	23.2%	18.2%	20.4%	21.3%	
	31.4%	29.9%	20.8%	21.6%					

Business

telephony

Customers	24,221	28,289	4,956	5,156	3,577	4,707	32,754	38,152	2,838	3,249	34,173	39,777
Lines	93,350	122,952	41,387	55,112	14,971	22,074	149,708	200,138	11,896	17,491	155,656	208,884
Average												
Lines/Customer	3.9	4.3	8.4	10.7	4.2	4.7	4.6	5.2	4.2	5.4	4.6	5.3

(15)

Average Monthly

Rev/Line (16)	£45.31	£43.36	£98.53	£100.29	£58.15	£57.22	£61.60	£60.62	£62.77	£57.17	£61.64	£60.47
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Notes

1. Consists of the 28 cable franchises owned and operated by the Telewest Group prior to the General Cable Merger and the Birmingham Acquisition (such franchises (collectively, the "Telewest Franchises") comprise the London South and South East Regional Franchise Area, the Avon, Cotswolds and Midlands Regional Franchise Area, the Scotland and North East Regional Franchise Area, and the North West Regional Franchise Area).
2. Consists of the eight cable franchises owned and operated by the General Cable Group prior to the General Cable Merger (such franchises (collectively, the "General Cable Franchises") comprised General Cable's Western London franchise area (historically owned 83.5% by the General Cable Group and 16.5% by the Telewest Group) and Yorkshire franchise area (historically owned 100% by General Cable)) which now comprise the Yorkshire and Western London Regional Franchise Area.
3. Consists of the one cable franchise owned and operated by Birmingham Cable (the "Birmingham Cable Franchise") Historically owned 27.47%, 27.47% and 44.95% by the Telewest Group, Comcast and the General Cable Group, respectively, and 0.11% by certain individuals).
4. Represents the 37 cable franchises owned and operated by the Telewest Group following the General Cable Merger and the Birmingham Acquisition (collectively the "Owned and Operated Franchises").
5. Consists of the four cable franchises owned and operated by Cable London (collectively, the "Cable London Franchises") (historically owned approximately 50% by Telewest and approximately 50% by Comcast).
6. Represents the Telewest Franchises, the general Cable Franchises, the Birmingham Cable Franchise (without adjustment for the 0.11% interest owned by certain individuals) and the Telewest Group's equity interest in the Cable London Franchises.
7. Information relating to 1998 data is for the nine months ended September 30, 1998, except for churn rates, which due to their seasonal nature, are for the 12 months then ended.

8. The number of homes passed and homes passed and marketed by Birmingham Cable for the nine months ended September 30, 1998 reflect a decrease following completion of a post-construction audit which resulted in the identification of a small number of homes which required additional construction.

9. Cable television penetration rate at a specified date represents (i) the total number of Cable television customers at such date, divided by (ii) the total number of homes passed and marketed for Cable television at such date.

10. Average monthly revenue per customer for each period represents (i) one twelfth (or one-ninth with respect to the 1998 period) of the total Cable television revenue for such period, divided by (ii) the average number of Cable television customers in such period.

11. Average Cable television churn rate for the period represents (i) the total number of Cable television customers who terminated basic service or whose was terminated during such period, divided by (ii) the average number of Cable television customers in such period.

12. Residential telephony penetration rate at a specified date represents (i) the total number of residential cable telephony customers at such date, divided by (ii) the total number of homes passed and marketed for residential cable telephony at such date.

13. Average monthly revenue per residential line for each period represents (i) one-twelfth (or one-ninth with respect to the 1998 period) of the total residential cable telephony revenue for such period, divided by (ii) the average number of residential cable telephony lines in such period.

14. Average Residential telephony churn rate per line for the period represents (i) the total number of residential cable telephony lines terminated by customers of the company providing the lines during such period, divided by (ii) the average number of residential cable telephony lines in such period.

15. Average number of business lines per customer at a specified date represents (i) the number of business cable telephony lines at such date, divided by (ii) the number of business cable telephony customers at such date.

16. Average monthly revenue per business line for each period represents (i) one-twelfth or one-ninth with respect to the 1998 period) of the total business cable telephony revenue for such period, divided by (ii) the average number of business cable telephony lines in such period.

Financial performance

On a proforma basis (assumes the General Cable merger and the Birmingham Cable acquisition had taken place on 1st January 1997)

For the nine months ended 30 September, 1998.

	Proforma Combined Group		Telewest		General Cable		
Birmingham Cable	1997	1998	1997	1998	1997	1998	1997
1998	£000	£000	£000	£000	£000	£000	£000
Revenue total	412,207	502,215	281,526	342,466	81,651	102,366	
49,030	57,385						
Cable	155,023	176,135	116,397	132,320	19,960	21,062	
18,666	22,753						
television							
Residential	175,699	211,062	122,520	151,062	29,983	35,579	
23,196	24,422						
telephony							
Business	70,510	99,712	32,069	43,969	31,708	45,725	6,733
10,019							
Telephony							
Other	10,975	15,306	10,540	15,116	0	0	435
191							
Contribution	252,422	319,074	174,502	221,695	50,691	62,400	
27,229	34,979						
SG&A	(206,477)	(195,224)	(142,303)	(136,905)	(43,680)	(37,035)	
(20,494)	(21,284)						
EBITDA	45,945	123,850	32,199	84,790	7,011	25,365	6,735
13,695							
Net loss	(284,161)	(235,829)	(225,484)	(184,828)	(36,336)	(25,988)	
(22,341)	(25,013)						
Capital	476,719	226,800	341,000	162,900	100,700	49,900	
35,019	14,000						
Expenditure							

UK GAAP

Unaudited summarised consolidated profit and loss accounts

	Note	9 months	9 months	Year
	Ended	ended	ended	ended
	30 Sept.	30 Sept.	31 December	
	1998	1997	1997	
	£000	£000	£000	
Turnover				
Cable television		139,686	116,397	159,918
Telephony – residential		155,943	122,520	166,645
Telephony – business		49,583	32,069	43,882
Other (Internet, Ad Sales etc)		18,747	10,540	16,053
		363,959	281,526	386,498
Operating loss		(61,282)	(94,776)	(127,764)

Share of results of associated undertakings	(5,355)	(8,729)	(11,126)
Other interest receivable and similar income (includes the group share of interest receivable in associated undertakings of £2,320k, £678k and £5,565k respectively)	10,132	7,644	14,662
Interest payable and similar charges	3 (143,663)	(129,124)	(185,681)
Loss on ordinary activities before tax	(200,168)	(224,985)	(309,909)
Tax on loss on ordinary activities	(22)	(165)	(521)
Loss on ordinary activities after tax	(200,190)	(225,150)	(310,430)
Minority interests	490	(334)	(293)
Loss for the financial period	(199,700)	(225,484)	(310,723)
Loss per equity share (pence)	(12.3)	(14.4)	(19.9)
- restated for compliance with FRS 14			

1 Earnings before interest, taxes, depreciation, and amortisation ("EBITDA")

Operating loss	(61,282)	(94,776)	(127,764)
Add: Depreciation and amortisation	150,420	126,975	177,341
EBITDA	89,138	32,199	49,577

2 Operating costs

Programming expenses	75,393	69,042	93,441
Telephony expenses	52,368	37,982	50,145
Selling, general, and administrative expenses	147,060	142,303	193,335
Depreciation	147,431	126,975	177,341
Amortisation of goodwill	2,989	-	-
	425,241	376,302	514,262

3 Interest payable and similar charges

Share of interest of associated undertakings	12,609	7,871	15,751
On bank loans and overdrafts and other loans wholly repayable within 5 years	4,882	11,738	16,941
	39,788	7,478	14,741
Wholly or partly repayable in more than 5 years			
Finance costs of Senior Discount Debentures	62,120	52,615	71,661
Finance costs of Senior Debentures	17,054	16,984	22,657
Finance charges payable in respect of finance lease and hire purchase contracts	4,412	3,643	4,702

Exchange (gains) / losses on foreign currency translation, net	(10,394)	22,740	30,954
Other	13,192	6,055	8,274
	143,663	129,124	185,681

The consolidated financial statements as set out on pages 13, 14, 15 and 16 which are unaudited, have been prepared on the basis of the accounting policies set out in the Group's 1997 Annual Report other than where changes are necessary to implement new accounting standards. The balance sheet, profit and loss account and cash flow information at 31 December 1997 is derived from the statutory accounts for 1997 which have been delivered to the Registrar of Companies. 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.

UK GAAP

Unaudited summarised consolidated balance sheets

	30 Sept. 1998 £000	30 Sept. 1997 £000	31 December 1997 £000
Fixed assets	3,283,044	1,789,836	1,809,213
Current assets			
Stocks	238	73	32
Debtors	132,102	70,961	70,457
Secured Cash Deposit	196,861	0	0
restricted for more than one year			
Cash at bank and in hand	71,099	25,688	29,582
	400,300	96,722	100,071
Creditors: amounts falling due within one year	(381,348)	(201,716)	(334,756)
Net current liabilities	18,952	(104,994)	(234,685)
Total assets less current liabilities	3,301,996	1,684,842	1,574,528

Creditors: amounts falling due after more than one year	(2,314,664)	(1,330,742)	(1,305,708)
Minority interests	(13,268)	(681)	(640)
Capital and reserves	974,064	353,419	268,180

UK GAAP

Unaudited summarised consolidated statements of cash flows	9 months ended 30		Year ended	
	Sept.		31 Dec	
	1998	1997	1997	
	£'000	£'000	£'000	
Net cash inflow from operating activities		89,833	18,152	68,624
Returns on investments and servicing of finance				
Interest received	9,719	4,483	3,599	
Interest paid	(61,579)	(35,149)	(63,479)	
Interest element of finance lease payments	(4,553)	(4,122)	(4,702)	
Net cash outflow from returns on investments and servicing of finance		(56,413)	(34,788)	(64,582)
Capital Expenditure and Financial Investment				
Purchase of tangible fixed assets	(165,988)	(328,496)	(436,100)	
Sale of tangible fixed assets	3,719	2,350	6,066	
Net cash outflow from capital expenditure and financial investment		(162,269)	(326,146)	(430,034)
Acquisitions and disposals				
Purchase of subsidiary undertakings	(248,811)	-	-	
Cash acquired with subsidiaries	6,893	-	-	
Investment in associated undertakings and other participating interests	(4,547)	(9,113)	(9,633)	
Net cash outflow from acquisitions and disposals		(246,465)	(9,113)	(9,633)
Management of liquid resources				
Decrease in fixed deposits (net)	(11,220)	58,201	53,288	
Financing				
Cash paid for credit facility	(5,900)	-	-	

arrangement costs			
Proceeds from borrowing	179,949	302,500	392,500
Placement of restricted cash deposits	(3,981)	-	-
Cash received from exercise of share options	521	-	-
Cash received from pre-emptive issue	241,116	-	-
Repayment of borrowings	(10)	-	(2,375)
Capital element of finance lease	(4,852)	(3,971)	(3,971)
payments			
Net cash inflow from financing	406,843	298,529	386,154
Increase in cash	20,309	4,835	3,817

UK GAAP

Unaudited reconciliation of movements in shareholders' equity.

	Ordinary shares	Preference shares	Share premium	Merger reserve	Other reserve	Profit and loss	Total
At 1 January 1998	92,756	49,607	9,187	534,257	270,237	(687,864)	268,180
Shares issued on exercise of options	35	-	486	-	-	521	
Shares issued in pre-emptive issue	26,067	-	215,049	-	-	241,116	
Shares issued to acquire General Cable	45,476	-	618,471	-	-	663,947	
Conversion of preference shares	49,607	(49,607)	-	-	-	-	
Loss for the period	-	-	-	-	(199,700)	(199,700)	

At 30 September 1998 213,941 - 843,193 534,257 270,237 (887,564) 974,064

US GAAP

Unaudited summarised consolidated statements of operations

Including General Cable and 100% of

Birmingham Cable from 1 Sept, 1998

	ended	Ended	Ended	ended	ended	ended
	30 Sept.	30 Sept.	30 Sept.	30 Sept.	30 Sept.	30 Sept.
	1998	1998	1997	1998	1998	1997
	\$000	£000	£000	\$000	£000	£000

Revenue

Cable television 86,552 50,928 39,552 237,396 139,686 116,397

Telephony - residential 96,914 57,025 44,671 265,025 155,943 122,520

Telephony - business 36,500 21,477 12,168 84,266 49,583 32,069

Other 14,704 8,652 3,693 31,861 18,747 10,540

234,670 138,082 100,084 618,548 363,959 281,526

Operating loss (46,213) (27,192) (41,394) (136,313) (80,208) (114,581)

Interest income 7,962 4,685 2,130 11,475 6,752 6,240

Interest expense (87,804) (51,665) (37,478) (227,823) (134,053) (100,712)

Foreign exchange 21,291 12,528 (8,518) 18,893 11,117 (32,817)

gain/(losses),
net

Share of losses (7,767) (4,570) (5,599) (26,587) (15,644) (15,922)
of affiliates

Minority 948 558 (124) 833 490 (334)
interest in
losses /
(profits) of
consolidated
subsidiaries,
net

Other, net 448 263 253 1,801 1,060 726

Loss before (111,135) (65,393) (90,730) (357,721) (210,486) (257,400)
income taxes

Income tax (539) (317) (50) (534) (314) (165)
expense

Net loss (111,674) (65,710) (90,780) (358,255) (210,800) (257,565)

Loss per (0.08) (0.05) (0.09) (0.31) (0.18) (0.25)
ordinary share
(dollars/pounds)
– restated to
reflect the
dilutive effect
of the
pre-emptive
issue.

1 Earnings/(loss)
before interest,
taxes,
depreciation and
amortisation
("EBITDA")

Operating loss (46,213) (27,192) (41,394) (136,313) (80,208) (114,581)

Add: 105,517 62,087 57,220 287,838 169,366 146,780

depreciation and
amortisation of
goodwill

EBITDA	59,304	34,895	15,826	151,524	89,158	32,199
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2 Operating costs
and expenses

Programming	(46,685)	(27,470)	(22,416)	(128,130)	(75,393)	(69,042)
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Telephony	(35,780)	(21,053)	(10,542)	(88,999)	(52,368)	(37,982)
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Selling, general and administration	(92,901)	(54,664)	(51,300)	(249,895)	(147,040)	(142,303)
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Depreciation	(91,547)	(53,867)	(50,617)	(251,434)	(147,946)	(126,975)
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Amortisation of goodwill	(13,970)	(8,220)	(6,603)	(36,403)	(21,420)	(19,805)
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	(280,883)	(165,274)	(141,478)	(754,861)	(444,167)	(396,107)
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The consolidated financial statements as set out on pages 17 and 18 which are unaudited, have been prepared on the basis of the accounting policies set out in the Group's 1997 Annual Report.

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 \$1.6995 per £1.00, the Noon Buying Rate of the Federal Reserve Bank of New York on Sept. 30, 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.

US GAAP

Unaudited summarised consolidated
balance sheets

Including General Cable and 100% of	30 Sept.	30 Sept.	31
	December		

Birmingham Cable from 1 Sept, 1998	1998	1998	1997
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	\$000	£000	£000
	Unaudited	Unaudited	Audited
Assets			
Cash and cash equivalents	120,833	71,099	29,582
Secured cash deposit restricted for more than one year	334,565	196,861	0
Receivables and prepaid expenses	224,771	132,257	70,459
Investments	51,085	30,059	85,373
Property and equipment	4,279,781	2,518,259	1,705,520
Goodwill	1,557,582	916,494	465,905
Other assets	65,113	38,313	56,513
Total assets	6,633,730	3,903,342	2,413,352
Liabilities			
Debt	3,414,397	2,009,060	1,373,054
Other liabilities	1,214,154	714,418	300,908
Total liabilities	4,628,551	2,723,478	1,673,962
Minority interests	22,549	13,268	640
Shareholders' equity	1,982,630	1,166,596	738,750
Total liabilities and shareholders' equity	6,633,730	3,903,342	2,413,352

Unaudited summarised consolidated statements of cash flows

9 months	9 months	9 months
Ended	Ended	Ended

	30 Sept. 1998 \$000 Unaudited	30 Sept. 1998 £000 Unaudited	30 Sept. 1997 £000 Audited
Cash flows from operating activities			
Net loss	(358,255)	(210,800)	(257,565)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation	251,434	147,946	126,975
Amortisation of goodwill	36,403	21,420	19,805
Amortisation of deferred financing costs and issue discount on senior discount debentures	107,779	63,418	56,887
Unrealised (gains)/loss on foreign currency translation	(16,646)	(9,795)	32,817
Share of losses of affiliates	26,587	15,644	15,922
Gain on disposals of assets	(1,623)	(955)	(726)
Minority interests in profits of consolidated subsidiaries, net	(833)	(490)	334
Changes in operating assets and liabilities:			
Change in receivables	18,350	10,797	(4,845)
Change in prepaid expenses	173	102	54
Change in accounts payable	19,070	11,221	(6,524)
Change in other liabilities	(25,683)	(15,112)	230

Net cash provided by / (used) in operating activities	56,756	33,396	(16,636)
Net cash used in investing activities	(677,648)	(398,734)	(335,259)
Net cash provided by financing activities	691,430	406,843	298,529
Net decrease in cash and cash equivalents	70,538	41,505	(53,366)
Effect of exchange rate changes on cash and cash equivalents	20	12	(62)
Cash and cash equivalents at beginning of period	50,275	29,582	79,116
Cash and cash equivalents at end of period	120,833	71,099	25,688

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