

FOR IMMEDIATE RELEASE

16 MARCH 1999

TELEWEST COMMUNICATIONS PLC
4th QUARTER and FULL YEAR RESULTS 1998

1998 Financial Results
A Year of Excellent Growth

		Actual		Proforma
		<i>Including General Cable and 100% of Birmingham Cable from 1st September, 1998</i>		<i>Assuming General Cable merger & Birmingham Cable acquisition had taken place on 1st January 1997</i>
Revenue	£539.2m	+39.5%	£684.5m	+21.1%
EBITDA (earnings before interest, tax, depreciation and amortisation)	£146.0m	+194.4%	£181.0m	+126.9%
EBITDA Margin	27.0%	+14.2% points	26.4%	+12.3% points
CATV margin	49.0%	+7.4% points	48.7%	+7.0% points
Telephony margin	74.0%	-2.2% points	71.9%	-2.4% points
Household penetration	34.3%	+0.6% points	34.3%	+0.6% points

- **Strong penetration growth**
- **CATV churn down 5 percentage points**
- **Business revenues up 39% (proforma)**

Commenting, Tony Illsley, Chief Executive of Telewest Communications, said :

“These are good results, showing the increased momentum and potential of Telewest as we drive penetration and sales, cut television churn and leverage our investment in existing infrastructure.

“Our momentum has built-up during the year, resulting in the addition of close to 90,000 net cable television, telephone and business subscriptions in the fourth quarter. EBITDA increased by 127%, on a proforma basis, compared to the previous year.

“The results reflect our focus on customer sales, service and marketing, coupled with the success of our Millennium combined cable TV and telephony service. Despite the planned substantial reduction in network build and new homes marketed, we added over 112,000 cable TV customers, a 27% increase on the year before and increased TV penetration by 2 percentage points.

“Our Front Row pay-per-view service has continued its good progress and has signed contracts with two more major Hollywood Studios, MGM and Universal, in preparation for the launch of our 8 channel analogue pay-per-view service and our digital offering.

“The savings from the increased scale of our business in 1998 and the restructuring of the original Telewest operations in 1997 resulted in Selling, General and Administrative expenses decreasing by 6%; as a proportion of sales, they fell from 50% to 38%.

“Cable TV margins were up 7.0 percentage points to 48.7%, having benefited from our ability to negotiate new content and carriage terms as our customer base and revenues increase. Cable telephony margins slipped by 2.4 percentage points; however, on an adjusted basis (excluding

one-off interconnect credits), they remain strong as we continue to benefit from additional minutes carried on our national network.

“Benefiting from a network that already covers three-quarters of homes under franchise and having, in 1998, substantially reduced the pace of construction of our network, our capital expenditure fell from £616 million to £337 million on a proforma basis. Excluding launch costs for digital and high speed data services based on our current plans, we expect underlying capital expenditure to stabilise at around this level going forward.

“During 1999 we expect to benefit from completion of the integration of General Cable and exploitation of their expertise in business telephony, particularly in advanced data services, across the enlarged group. In 1998, average business revenue per customer in the General Cable franchises was 4.8 times the average in the pre-merger Telewest franchises. The business services division of the enlarged Telewest is now operating as one integrated division.

“Conversely, we also expect to benefit from Telewest’s relative strength in cable TV and residential telephony where our penetration at the year end was higher by 9.0 percentage points and 6.0 percentage points respectively than General Cable’s. In May, we intend to roll-out Millennium across the General Cable franchises.

“Our results to date have been achieved with only an analogue service. We believe the capabilities and capacity of cable will be better realised when we launch digital and are progressively able to develop differentiated services. Over time, we believe that the unique ability of cable to provide multi-media, interactive services, high speed data and e-commerce, through one connection, should fundamentally alter the way people live and work.

“We believe our results for 1998 have provided a solid foundation for the year ahead. We have made a good start to 1999 and are pursuing strategies to build upon this progress.

“We are also pleased to announce today the appointment of Graham Hollis and Stephen Boyd as Directors replacing Stephen Brett and David Van Valkenberg respectively as representatives of TINTA and MediaOne.

The enlarged Telewest group

On 1st 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 Limited (Birmingham Cable) from 27.47% to 72.42%. In October and November 1998 Telewest acquired an additional 27.58% of Birmingham Cable so that Birmingham Cable is now a wholly owned and operated subsidiary. Telewest’s actual financial results represent twelve months trading of Telewest including four month’s trading of General Cable and Birmingham Cable. Telewest’s proforma operating and financial data are also provided to show Telewest’s results, assuming the General Cable merger and Birmingham Cable acquisitions had taken place at the beginning of the relevant periods covered by that data.

Enquiries to

Telewest Communications plc

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Notes:

Unless otherwise indicated, all financial information herein is presented in accordance with UK GAAP.

The following is included in connection with legislation in the United States, 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, registration statements and other reports filed during 1998 and 1999 with the Securities and Exchange Commission.

The Annual General Meeting will take place on Friday, 14th May 1999 at 10.00am at Grocers' Hall, Princess Street, London EC2R 8AD.

Telewest Communications plc
Operating Statistics - Owned and operated

4th Quarter and YTD 1998 and 1997 Net Additions	Proforma		Proforma	
	Net additions Q4 1998	Net additions YTD 1998	Net additions Q4 1997	Net additions YTD 1997
<u>CABLE TELEVISION</u>				
Homes marketed	56,468	157,403	150,218	620,573
CATV customers	50,882	112,386	23,489	88,463
<u>RESIDENTIAL TELEPHONY</u>				
Homes marketed	64,732	169,225	165,014	680,973
Residential telephony customers	33,889	115,552	59,351	242,468
Residential telephony lines	46,734	164,395	64,418	261,646
<u>BUSINESS TELEPHONY</u>				
Business telephony customers	4,144	7,939	1,603	5,949
Business telephony lines	15,211	49,720	15,921	55,877
		As at 31 Dec. 1998		As at 31 Dec. 1997
		Proforma		Proforma
<u>CABLE TELEVISION</u>				
Homes marketed		3,993,972		3,836,569
CATV customers		952,175		839,789
CATV penetration		23.8%		21.9%
Quarterly churn rate (annualised)		25.0%		35.5%
Rolling 12 month churn rate		29.5%		34.5%
<u>RESIDENTIAL TELEPHONY</u>				
Homes marketed		3,975,462		3,806,237
Residential telephony customers		1,212,761		1,097,209
Residential telephony penetration		30.5%		28.8%
Residential telephony lines		1,287,414		1,123,019
Quarterly churn rate per line (annualised)		20.2%		21.0%
Rolling 12 month churn rate		21.1%		20.7%
<u>BUSINESS TELEPHONY</u>				
Business telephony customers		42,296		34,357
Business telephony lines		215,349		165,629
Average number of lines per customer		5.1		4.8
<u>INTERNET</u>				
Dial-up customers		24,185		16,713
Customers subscribing for both cable television and residential telephony	*	797,008		650,511
Cable television only customers		155,167		189,278
Residential telephony only customers	*	415,753		446,698
Internet only customers		1,869		3,951
TOTAL RESIDENTIAL CUSTOMERS		1,369,797		1,290,438

* Includes customers also subscribing for internet services.

Telewest Communications plc

Owned and Operated and Affiliated Franchises

As at 31 December 1998

	Telewest Franchises (1)		General Cable Franchises (2)		Birmingham Cable Franchises (3)(7)(8)		Telewest Owned and Operated Franchises (4)		Cable London Franchises (5)		Telewest Group Franchises on an Equity Basis(6)	
	31 December		31 December		31 December		31 December Proforma		31 December		31 December Proforma	
	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998
Number of Franchises	28	28	8	8	1	1	37	37	4	4	41	41
Residential Customers *	940,747	1,010,145	189,849	196,685	155,891	161,098	1,286,487	1,367,928	114,402	130,861	1,343,689	1,433,359
Residential Dual Customers	475,599	620,434	90,454	88,228	84,458	88,346	650,511	797,008	48,446	59,433	674,734	826,725
Percentage of Dual Customers	50.6%	61.4%	47.6%	44.9%	54.2%	54.8%	50.6%	58.3%	42.3%	45.4%	50.2%	57.7%
CABLE TELEVISION												
Homes Passed	2,970,168	3,062,829	689,598	718,930	444,069	437,341	4,103,835	4,219,100	392,810	393,947	4,300,240	4,416,074
Homes Passed and Marketed Customers	2,760,184	2,886,540	646,747	692,099	429,638	415,333	3,836,569	3,993,972	345,163	377,842	4,009,151	4,182,893
Penetration rate (8)	22.0%	25.1%	18.1%	15.9%	27.2%	28.4%	21.9%	23.8%	23.9%	24.9%	22.0%	23.9%
Average Monthly Rev/Cust (9)	£23.40	£22.93	£20.27	£20.89	£19.21	£21.56	£22.34	£22.49	£22.92	£23.01	£22.37	£22.51
Average Churn Rate (10)	34.0%	29.8%	37.1%	29.4%	34.0%	28.2%	34.5%	29.5%	36.6%	32.2%	34.6%	29.7%
RESIDENTIAL TELEPHONY												
Homes Passed	2,791,684	2,884,345	689,598	718,930	444,069	437,347	3,925,351	4,040,622	358,707	393,947	4,104,705	4,237,596
Homes Passed and Marketed Customers	2,725,154	2,868,030	651,445	692,099	429,638	415,333	3,806,237	3,975,462	345,163	377,842	3,978,819	4,164,383
Penetration rate (11)	29.7%	31.6%	25.1%	25.3%	28.7%	31.7%	28.8%	30.5%	23.2%	25.5%	28.6%	30.3%
Lines	836,168	973,487	163,497	177,026	123,354	136,901	1,123,019	1,287,414	84,289	104,203	1,165,164	1,339,516
Average Monthly Rev/Line (12)	£19.19	£19.17	£23.58	£23.74	£22.11	£21.53	£20.17	£20.07	£28.21	£27.82	£20.45	£20.37
Average Churn Rate/Line (13)	20.0%	21.5%	21.9%	22.2%	23.7%	16.8%	20.7%	21.1%	31.8%	29.4%	21.1%	21.4%
BUSINESS TELEPHONY												
Customers	25,475	29,186	5,134	8,236	3,748	4,874	34,357	42,296	2,961	3,368	35,838	43,980
Lines	100,989	131,085	45,261	60,799	19,379	23,465	165,629	215,349	12,713	18,412	171,986	224,555
Average Lines / Customer (14)	4.0	4.5	8.8	7.4	5.2	4.8	4.8	5.1	4.3	5.5	4.8	5.1
Average Monthly Rev/Line (15)	£43.62	£42.68	£100.11	£94.99	£56.54	£55.62	£60.77	£58.58	£61.23	£57.40	£60.78	£58.53

* Excluding Internet Only Customers

Telewest Communications plc

Owned and Operated and Affiliated Franchises

As at 31 December 1998

- (1) Consists of the 28 cable franchises owned and operated by the Telewest Group prior to the General Cable Merger and the Birmingham Cable 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 8 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 Cable 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 UK Cable Partners Limited).
- (6) Represents the Telewest Franchises, the General Cable Franchises, the Birmingham Cable Franchise and the Telewest Group's equity interest in the Cable London Franchises.
- (7) The number of homes passed and homes passed and marketed by Birmingham Cable for the year ended 31 December 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.
- (8) 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.
- (9) Average monthly revenue per customer for each period represents (I) one twelfth of the total cable television revenue for such period, divided by (ii) the average number of cable television customers in such period.
- (10) 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.
- (11) 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.
- (12) Average monthly revenue per residential line for each period represents (I) one-twelfth of the total residential cable telephony revenue for such period, divided by (ii) the average number of residential cable telephony lines in such period.
- (13) 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.
- (14) 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.

- (15) Average monthly revenue per business line for each period represents (i) one-twelfth of the total business cable telephony revenue for such period, divided by (ii) the average number of business cable telephony lines in such period.

Telewest Communications plc

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

This represents an aggregation of each company's data without making any consolidation adjustments and should be considered for illustrative purposes only.

	Proforma Combined Group		Telewest		General Cable		Birmingham Cable	
	Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December	
	1998 £000	1997 £000	1998 £000	1997 £000	1998 £000	1997 £000	1998 £000	1997 £000
Revenue total	684,509	565,385	467,308	386,498	139,460	111,848	77,741	67,039
Cable Television	241,092	214,580	182,550	159,918	27,928	27,569	30,614	27,093
Residential								
Telephony	285,617	238,468	203,545	166,645	48,478	41,340	33,594	30,483
Business								
Telephony	133,542	96,064	59,107	43,882	60,902	42,719	13,533	9,463
Other	24,258	16,273	22,106	16,053	2,152	220	-	-
Contribution *	443,125	359,110	310,840	242,912	84,732	77,974	47,553	38,224
SG&A	(262,171)	(279,371)	(186,857)	(193,335)	(48,286)	(58,019)	(27,028)	(28,017)
EBITDA	180,954	79,739	123,983	49,577	36,446	19,955	20,525	10,207
Net loss	(341,127)	(430,893)	(279,871)	(310,723)	(31,306)	(88,739)	(29,950)	(31,431)
Capital Expenditure	337,460	615,736	233,066	440,594	79,010	134,057	25,384	41,085

* Represents revenue less programming and telephony expenses.

Telewest Communications plc

UK GAAP

Summarised consolidated profit and loss accounts

	Note	Year ended 31 December 1998 £000	Year ended 31 December 1997 £000
Turnover			
Cable television		201,858	159,918
Telephony -- residential		232,514	166,645
Telephony -- business		84,233	43,882
Other (Internet, Ad Sales etc)		20,569	16,053
		<u>539,174 *</u>	<u>386,498</u>
* Includes £465,771K relating to continuing operations and £73,403k relating to acquisitions.			
Group Operating loss		(91,824) *	(127,764)
(*includes (£87,011) relating to continuing operations and (£4,813) relating to acquisitions.)			
Share of operating loss of associated undertakings		(6,480)	(11,126)
Other interest receivable and similar income (includes the group share of interest receivable in associated undertakings of £2,319k and £5,565k respectively)		19,096	14,662
Interest payable and similar charges	3	(234,354)	(185,681)
Loss on ordinary activities before tax		<u>(313,562)</u>	<u>(309,909)</u>
Tax on loss on ordinary activities		15	(521)
Loss on ordinary activities after tax		<u>(313,547)</u>	<u>(310,430)</u>
Minority interests		1,064	(293)
Loss for the financial year		<u>(312,483)</u>	<u>(310,723)</u>
Basic and diluted loss per equity share (pence)		(17.8)	(19.9)
- restated for compliance with FRS 14			
1 Earnings before interest, taxes, depreciation, and amortisation ("EBITDA")			
Operating loss		(91,824)	(127,764)
Add: Depreciation and amortisation		237,782	177,341
EBITDA		<u>145,958</u>	<u>49,577</u>
2 Operating costs			
Programming expenses		103,030	93,441
Telephony expenses		82,278	50,145
Selling, general, and administrative expenses		207,908	193,335
Depreciation		223,557	177,341
Amortisation of goodwill		14,225	-
		<u>630,998</u>	<u>514,262</u>
3 Interest payable and similar charges			
Share of interest of associated undertakings		14,587	15,751
On bank loans and overdrafts and other loans			
Wholly repayable within 5 years		100	16,941
Wholly or partly repayable in more than 5 years		71,414	14,741
Finance costs of Senior Discount Debentures		84,607	71,661
Finance costs of Senior Debentures		23,751	22,657
Finance costs of Senior Notes		6,587	
Finance charges payable in respect of finance			
Lease and hire purchase contracts		9,011	4,702
Exchange losses on foreign currency translation, net		6,867	30,954
Other		17,430	8,274
		<u>234,354</u>	<u>185,681</u>

The financial information set out on pages 9 to 14 does not constitute the company's statutory accounts for the years ended 31 December 1998 or 1997. The financial information for 1997 is derived from the statutory accounts for 1997 which have been delivered to the Registrar of Companies. The auditors have reported on the 1997 accounts; their report was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The statutory accounts for 1998 will be finalised based on the financial information presented by the directors in this preliminary announcement and will be delivered to the registrar of companies following the company's annual general meeting.

Telewest Communications plc
UK GAAP

Summarised consolidated balance sheets

	31 December 1998 £000	31 December 1997 £000
Fixed assets:		
Intangible assets	918,765	-
Tangible assets	2,457,061	1,705,520
Investment in associated undertakings	26,556	59,707
Other Investments	2,365	43,986
	<u>3,404,747</u>	<u>1,809,213</u>
Current assets		
Stocks	383	32
Debtors	124,683	70,457
Secured cash deposit restricted for more than one year	187,420	-
Cash at bank and in hand	40,887	29,582
	<u>353,373</u>	<u>100,071</u>
Creditors: amounts falling due Within one year	<u>(330,108)</u>	<u>(334,756)</u>
Net current assets / (liabilities)	<u>23,265</u>	<u>(234,685)</u>
Total assets less current liabilities	3,428,012	1,574,528
Creditors: amounts falling due after more than one year	(2,569,570)	(1,305,708)
Minority interests	<u>(412)</u>	<u>(640)</u>
Capital and reserves	<u>858,030</u>	<u>268,180</u>

Telewest Communications plc

UK GAAP

Summarised consolidated statements of cash flows

	Year ended 31 Dec 98	Year ended 31 Dec 97
	1998	1997
	£000	£000
Net cash inflow from operating activities	129,064	68,624
Returns on investments and servicing of finance		
Interest received	18,962	3,599
Interest paid	(119,362)	(63,479)
Interest element of finance lease payments	(8,264)	(4,702)
Net cash outflow from returns on investments and servicing of finance	(108,664)	(64,582)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(257,119)	(436,100)
Sale of tangible fixed assets	6,075	6,066
Net cash outflow from capital expenditure and financial investment	(251,044)	(430,034)
Acquisitions and disposals		
Purchase of subsidiary undertakings	(393,980)	-
Cash acquired with subsidiaries	16,893	-
Investment in associated undertakings and other participating interests	(5,732)	(9,633)
Net cash outflow from acquisitions and disposals	(382,819)	(9,633)
Management of liquid resources		
Decrease in fixed deposits (net)	3,535	53,288
Financing		
Cash paid for credit facility arrangement costs	(5,900)	-
Net proceeds from borrowing under credit facility	206,148	392,500
Release of restricted deposits	5,460	-
Cash received from exercise of share options	620	-
Cash received from pre-emptive issue	241,115	-
Share issue costs	(3,358)	-
Proceeds from bridge loan	136,604	-
Proceeds from issue of Senior Notes	210,338	-
Repayment of bridge loan	(138,522)	-
Senior Notes issue costs	(5,568)	-
Repayment of borrowings	(384)	(2,375)
Capital element of finance lease payments	(21,765)	(3,971)
Net cash inflow from financing	624,788	386,154
Increase in cash	14,860	3,817

Telewest Communications plc

UK GAAP

Reconciliation of movements in shareholders' equity .

	Ordinary shares	Preference shares	Share premium	Merger reserve	Other reserve	Profit and loss account	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	44		576				620
Shares issued in pre-emptive issue	26,067		215,049				241,116
Shares issued to acquire General Cable	45,476		615,121				660,597
Conversion of preference shares	49,607	(49,607)					-
Loss for the period						(312,483)	(312,483)
At 31 December 1998	213,950	-	839,933	534,257	270,237	(1,000,347)	858,030

Telewest Communications plc
US GAAP

Summarised consolidated statements of operations Including General Cable and 100% of Birmingham Cable from 1 Sept, 1998	Unaudited	Unaudited	Unaudited	Year	Year	Year
	3 months	3 months	3 months	Year	Year	Year
	Ended	Ended	Ended	Ended	Ended	Ended
	31 Dec. 1998	31 Dec. 1998	31 Dec. 1997	31 Dec. 1998	31 Dec. 1998	31 Dec. 1997
	\$000	£000	£000	\$000	£000	£000
Revenue						
Cable television	103,380	62,172	43,521	335,649	201,858	159,918
Telephony – residential	127,322	76,571	44,125	386,624	232,514	166,645
Telephony – business	57,616	34,650	11,813	140,063	84,233	43,882
Other	3,030	1,822	5,513	34,202	20,569	16,053
	291,348	175,215	104,972	896,538	539,174	386,498
Operating loss	(55,802)	(33,559)	(39,578)	(189,172)	(113,767)	(154,159)
Interest income	13,835	8,320	1,719	25,062	15,072	7,959
Interest expense	(119,752)	(72,018)	(41,009)	(342,655)	(206,071)	(141,721)
Foreign exchange gain/(losses), net	(38,214)	(22,982)	9,273	(19,729)	(11,865)	(23,544)
Share of losses of affiliates	(5,161)	(3,104)	(5,774)	(31,174)	(18,748)	(21,696)
Minority interest in losses / (profits) of consolidated subsidiaries, net	954	574	41	1,769	1,064	(293)
Gain on disposal of assets	841	506	413	2,604	1,566	1,139
Loss before income taxes	(203,299)	(122,263)	(74,915)	(553,295)	(332,749)	(332,315)
Income tax benefit/(expense)	547	329	28	25	15	(137)
Net loss	(202,752)	(121,934)	(74,887)	(553,270)	(332,734)	(332,452)
Basic and diluted loss per ordinary share (dollars/pounds) – restated to reflect the dilutive effect of the pre-emptive issue.	(0.09)	(0.06)	(0.08)	(0.40)	(0.24)	(0.33)
1 Earnings/(loss) before interest, taxes, depreciation and amortisation (“EBITDA”)						
Operating loss	(55,802)	(33,559)	(39,578)	(189,172)	(113,767)	(154,159)
Add: depreciation and amortisation of goodwill	150,249	90,359	56,956	431,871	259,725	203,736
EBITDA	94,447	56,800	17,378	242,699	145,958	49,577
2 Operating costs and expenses						
Programming	(45,955)	(27,637)	(24,399)	(171,318)	(103,030)	(93,441)
Telephony	(49,734)	(29,910)	(12,163)	(136,812)	(82,278)	(50,145)
Selling, general and administration	(101,211)	(60,868)	(51,032)	(345,709)	(207,908)	(193,335)
Depreciation	(125,726)	(75,611)	(50,366)	(371,731)	(223,557)	(177,341)
Amortisation of goodwill	(24,523)	(14,748)	(6,590)	(60,140)	(36,168)	(26,395)
	(347,149)	(208,774)	(144,550)	(1,085,710)	(652,941)	(540,657)

The consolidated financial statements as set out on pages 13 and 14 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 \$1.6628 per £1.00, the Noon Buying Rate of the Federal Reserve Bank of New York on Dec. 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.

Telewest Communications plc
US GAAP

Summarised consolidated balance sheets

Including General Cable and 100% of Birmingham Cable from 1 Sept, 1998

	31 Dec. 1998 \$000	31 Dec. 1998 £000	31 Dec. 1997 £000
Assets			
Cash and cash equivalents	67,987	40,887	29,582
Secured cash deposit restricted for more than one year	311,642	187,420	0
Receivables and prepaid expenses	208,219	125,223	70,459
Investments	44,157	26,556	85,373
Property and equipment	4,085,603	2,457,061	1,705,520
Goodwill	1,822,078	1,095,789	465,905
Other assets	74,379	44,731	56,513
Total assets	6,614,065	3,977,667	2,413,352
Liabilities			
Debt	3,867,152	2,325,687	1,373,054
Other liabilities	1,015,133	610,496	300,908
Total liabilities	4,882,285	2,936,183	1,673,962
Minority interests	685	412	640
Shareholders' equity	1,731,095	1,041,072	738,750
Total liabilities and shareholders' equity	6,614,065	3,977,667	2,413,352

Summarised consolidated statements of cash flows

	Year Ended 31 Dec. 1998 \$000	Year Ended 31 Dec. 1998 £000	Year Ended 31 Dec. 1997 £000
Cash flows from operating activities			
Net loss	(553,270)	(332,734)	(332,452)
Adjustments to reconcile net loss to net cash provided by/(used in) operating activities			
Depreciation	371,731	223,557	177,341
Amortisation of goodwill	60,140	36,168	26,395
Amortisation of deferred financing costs and issue discount on senior discount debentures	146,385	88,035	77,482
Unrealised loss on foreign currency translation	23,366	14,052	23,544
Share of losses of affiliates	31,174	18,748	21,696
Gain on disposals of assets	(2,604)	(1,566)	(1,139)
Minority interests in (loss)/profits of consolidated subsidiaries, net	(1,769)	(1,064)	293
Changes in operating assets and liabilities:			
Change in receivables	46,830	28,164	(4,268)
Change in prepaid expenses	(17,084)	(10,274)	(2,457)
Change in accounts payable	(10,580)	(6,363)	(7,091)
Change in other liabilities	(60,398)	(36,323)	23,635
Net cash provided by / (used) in operating activities	33,921	20,400	2,979
Net cash used in investing activities	(1,053,987)	(633,863)	(438,604)
Net cash provided by financing activities	1,038,897	624,788	386,154
Net increase / (decrease) in cash and cash equivalents	18,831	11,325	(49,471)
Effect of exchange rate changes on cash and cash equivalents	(33)	(20)	(63)
Cash and cash equivalents at beginning of year	49,189	29,582	79,116
Cash and cash equivalents at end of year	67,987	40,887	29,582

- Ends -