

FOR IMMEDIATE RELEASE

13 May 1999

**TELEWEST COMMUNICATIONS PLC**  
**1<sup>st</sup> QUARTER RESULTS 1999**

- **Continued strong momentum across all fronts**
- **Household penetration grows to 34.7%**
- **Churn declines on TV and Telephony**
- **EBITDA up 35.0% to £ 50.4m**

	<b>Q1 1999</b>	<b>Pro-forma*</b>
<b>Revenue</b>	<b>£187.6m</b>	<b>+16.4%</b>
<b>EBITDA (earnings before interest, tax, depreciation and amortisation)</b>	<b>£50.4m</b>	<b>+35.0%</b>
<b>EBITDA margin (EBITDA as a percentage of revenue)</b>	<b>26.9%</b>	<b>+3.7% points</b>
<b>Television penetration</b>	<b>24.4%</b>	<b>+2.5% points</b>
<b>churn</b>	<b>27.1%</b>	<b>-7.5% points</b>
<b>Telephony penetration</b>	<b>30.9%</b>	<b>+1.6% points</b>
<b>churn</b>	<b>20.6%</b>	<b>-0.4% points</b>

\*On a proforma basis assuming the General Cable merger and Birmingham Cable acquisitions had taken place on 1<sup>st</sup> January 1998

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

“These results show strong momentum in Telewest’s business in the first quarter despite this traditionally being the quietest period.

“Television penetration is up 2.5% points to 24.4% with churn down 7.5% points to 27.1% compared to the same period a year ago, with both showing significant continued improvement since our year end figures. The same picture is true of our residential telephony business, where penetration is up and churn down despite extensive competitive activity. Second telephone line penetration continues to climb at 7.8%, up from 6.2% at the year-end and 2.9% a year ago.

“Overall, we added nearly 29,000 net new television customers and over 24,000 net new residential telephony customers in the quarter. Our household penetration is now 34.7% giving us a customer base of 1.4 million households. These results reflect our focus on high value products, more effective marketing and improving customer service.

“Looking ahead, we expect to benefit from the launch this month of our expanded 8 channel pay-per-view service and from the introduction of our Millennium product in the old General Cable and Birmingham Cable franchises. Television and residential telephony penetration are 10.1% points and 6.9% points, respectively, higher in the pre-merger Telewest franchises than in the General Cable franchises.

“In business telecoms we are already beginning to see the benefits of our new integrated Business Services Division and the opportunities to leverage General Cable’s expertise in advanced data services. Sales this quarter were up by over 30% to almost £40 million, compared to the first quarter in 1998, and we added a further 1,400 net business customers and 19,000 lines in the quarter giving us a customer base of almost 44,000 companies and over 230,000 lines.

“As we continue to reap the benefits of scale and leverage our fixed cost base, EBITDA increased in this first quarter by 35% to more than £50 million compared to the same period a year ago, and our EBITDA margin grew 3.7% points to 26.9. Within this, sales, general and administrative expenses fell as a proportion of sales from 40.0% to 36.9%.

“Telephony margins for the quarter held at 73.0%, compared to the same period in 1998. Our programme of least cost routing across our local and national networks continued to offset changing call distribution patterns. CATV margins for the quarter, at 44.4%, reflect the current Sky rate card. Discussions between the OFT and Sky continue regarding a new rate card.

“Capital expenditure for the period was £81 million. Looking forward, we would expect the rate of capital expenditure to build, in line with forecasts, as we move towards our launch of digital services in the fourth quarter.

“Our first quarter results reinforce our confidence. We look forward to continuing to grow penetration, reduce churn and drive up EBITDA. Our digital plans are well on track, and our digital launch will give us the platform from which we can progressively develop truly unique cable services”

**Enquiries to**

**Telewest Communications plc**

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**Notes:**

On 1<sup>st</sup> September 1998, Telewest completed its merger with General Cable. At that time, through the General Cable merger, Telewest increased its ownership of 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. Proforma operating and financial data are provided to show Telewest’s results, assuming both General Cable merger and Birmingham Cable acquisitions had taken place on 1<sup>st</sup> January 1998. The commentary above includes proforma information intended to provide more meaningful comparisons.

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 Registration Statement on form F-4 filed with the US Securities and Exchange Commission on 8 April 1999.

## Telewest Communications plc

Operating Statistics - Owned and operated

1st Quarter 1999 and 1998 Net Additions	Actual Net additions Q1 1999	Proforma Net additions Q1 1998
<b><u>CABLE TELEVISION</u></b>		
Homes marketed	19,326	39,829
CATV customers	28,869	8,937
<b><u>RESIDENTIAL TELEPHONY</u></b>		
Homes marketed	23,426	38,688
Residential telephony customers	24,366	28,612
Residential telephony lines	45,811	35,542
<b><u>BUSINESS TELEPHONY</u></b>		
Business telephony customers	1,405	1,443
Business telephony lines	19,105	11,057
	As at 31 March 1999 Actual	As at 31 March 1998 Proforma
<b><u>CABLE TELEVISION</u></b>		
Homes marketed	4,013,298	3,876,398
CATV customers	981,044	848,726
CATV penetration	24.4%	21.9%
Quarterly churn rate (annualised) –	26.1%	36.2%
Rolling 12 month churn rate - proforma	27.1%	34.6%
<b><u>RESIDENTIAL TELEPHONY</u></b>		
Homes marketed	3,998,888	3,844,925
Residential telephony customers	1,237,127	1,125,821
Residential telephony penetration	30.9%	29.3%
Residential telephony lines	1,333,225	1,158,561
Quarterly churn rate per line	19.8%	21.6%
Rolling 12 month churn rate – proforma	20.6%	21.0%
<b><u>BUSINESS TELEPHONY</u></b>		
Business telephony customers	43,701	35,800
Business telephony lines	234,454	176,686
Average number of lines per customer	5.4	4.9
<b><u>INTERNET</u></b>		
Dial-up customers	27,775	17,059
Cable television and residential telephony customers *	828,434	667,267
Cable television only customers	152,610	181,459
Residential telephony only customers *	408,693	458,554
Internet only customers	1,795	1,769
<b>TOTAL RESIDENTIAL CUSTOMERS</b>	<b>1,391,532</b>	<b>1,309,049</b>

\* Includes customers also subscribing for internet services.

## Telewest Communications plc

Owned and Operated and Affiliated Franchises

As at 31 March 1999

	Telewest Franchises (1)(7)		General Cable Franchises (2)(7)		Birmingham Cable Franchises (3)(7)		Telewest Owned and Operated Franchises (4)(7)		Cable London Franchises (5)(7)		Telewest Group Franchises on an Equity Basis(6)(7)	
	31 March		31 March		31 March		31 March Proforma		31 March		31 March Proforma	
	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999
Number of franchises	28	28	8	8	1	1	37	37	4	4	41	41
Residential customers	958,587	1,029,515	190,261	197,207	158,432	163,015	1,307,280	1,389,737	119,057	134,701	1,366,809	1,457,088
Residential dual customers	490,875	653,185	90,612	86,604	85,780	88,645	667,267	828,434	51,675	61,991	693,105	859,430
Percentage of dual customers	51.2%	63.4%	47.6%	43.9%	54.1%	54.4%	51.0%	59.6%	43.4%	46.0%	50.7%	59.0%
<b>CABLE TELEVISION</b>												
Homes passed	2,988,116	3,065,764	704,801	718,930	436,354	437,727	4,129,271	4,222,421	366,547	397,455	4,312,545	4,421,149
Homes passed and marketed	2,794,836	2,905,236	666,818	692,103	414,744	415,959	3,876,398	4,013,298	354,004	381,833	4,053,400	4,204,215
Customers	617,877	753,347	113,196	109,655	117,653	118,042	848,726	981,044	85,726	96,495	891,589	1,029,292
Penetration rate (8)	22.1%	25.9%	17.0%	15.8%	28.4%	28.4%	21.9%	24.4%	24.2%	25.3%	22.0%	24.5%
Average monthly rev/cust (9)	£23.72	£21.89	£21.03	£21.05	£22.28	£22.67	£23.15	£21.89	£23.53	£23.36	£23.17	£21.96
Average churn rate (10)	34.8%	27.0%	33.9%	26.9%	34.4%	28.1%	34.6%	27.1%	36.7%	31.9%	34.7%	27.3%
<b>RESIDENTIAL TELEPHONY</b>												
Homes passed	2,809,632	2,887,280	704,801	718,930	436,354	437,733	3,950,787	4,043,943	366,547	397,455	4,134,061	4,242,671
Homes passed and marketed	2,760,826	2,890,826	669,355	692,103	414,744	415,959	3,844,925	3,998,888	354,004	381,833	4,021,927	4,189,805
Customers	831,585	929,353	167,677	174,156	126,559	133,618	1,125,821	1,237,127	85,006	100,197	1,168,324	1,287,226
Penetration rate (11)	30.1%	32.1%	25.1%	25.2%	30.5%	32.1%	29.3%	30.9%	24.0%	26.2%	29.0%	30.7%
Lines	864,325	1,013,281	167,677	179,721	126,559	140,223	1,158,561	1,333,225	90,083	109,219	1,203,603	1,387,835
Average monthly rev/line (12)	£19.10	£19.31	£23.52	£24.18	£20.96	£22.39	£19.95	£20.30	£27.95	£27.92	£20.24	£20.60
Average churn rate/line (13)	20.5%	20.8%	22.0%	21.7%	22.9%	17.7%	21.0%	20.6%	31.7%	28.9%	21.4%	20.9%
<b>BUSINESS TELEPHONY</b>												
Customers	26,532	30,251	5,216	8,236	4,052	5,214	35,800	43,701	3,044	3,436	37,322	45,419
Lines	110,015	140,016	48,541	69,866	18,130	24,572	176,686	234,454	15,313	20,099	184,343	244,504
Average lines / customer (14)	4.1	4.6	9.3	8.5	4.5	4.7	4.9	5.4	5.0	5.8	4.9	5.4
Average monthly rev/line (15)	£42.81	£47.07	£92.26	£88.51	£55.89	£53.40	£57.81	£59.49	£62.64	£57.56	£58.00	£59.41

## Telewest Communications plc

Owned and Operated and Affiliated Franchises

As at 31 March 1999

- (1) Consists of the 28 cable franchises owned and operated by the Telewest Group prior to the General Cable merger and the Birmingham acquisitions (such franchises (collectively, the "Telewest Franchises") comprise the London South and South East Regional Franchise Area, the Midlands and South West 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) which now comprises the Birmingham Regional Franchise Area.
- (4) Represents the 37 cable franchises owned and operated by the Telewest Group following the General Cable merger and the Birmingham acquisitions (collectively the "Owned and Operated").
- (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 and the Telewest Group's equity interest in the Cable London Franchises.
- (7) Information relating to 1999 data is for the three months ended 31 March 1999, except for churn rates which, due to their seasonal nature, are for the 12 months then ended.
- (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) the average monthly 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) the average monthly 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) the average monthly 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 acquisitions had taken place on 1<sup>st</sup> January 1998)  
This represents an aggregation of each company's data without making any consolidation adjustments and should be considered for illustrative purposes only.

For the three months ended 31, March.

	Proforma Combined Group		Telewest		General Cable		Birmingham Cable	
	1999 £000	1998 £000	1999 £000	1998 £000	1999 £000	1998 £000	1999 £000	1998 £000
<b>Revenue</b>								
Cable Television	64,447	58,453	49,500	44,180	6,934	6,426	8,013	7,847
Residential								
Telephony	78,920	68,015	56,706	48,436	12,918	11,715	9,296	7,864
Business								
Telephony	39,711	30,318	17,551	13,502	18,302	13,768	3,858	3,048
Other	4,504	4,404	4,504	4,306	-	78	-	20
<b>Total</b>	187,582	161,190	128,261	110,424	38,154	31,987	21,167	18,779
<b>Contribution</b>	119,732	101,778	82,958	70,966	23,639	19,548	13,135	11,264
<b>SG&amp;A</b>	(69,288)	(64,422)	(49,415)	(45,207)	(12,328)	(12,148)	(7,545)	(7,067)
<b>EBITDA</b>	50,444	37,356	33,543	25,759	11,311	7,400	5,590	4,197
<b>Net loss</b>	(135,048)	(87,824)	(112,327)	(70,251)	(17,417)	(5,240)	(5,304)	(12,333)
<b>Capital</b>								
<b>Expenditure</b>	81,054	71,557	64,099	48,861	12,943	16,318	4,011	6,378

**Telewest Communications plc**  
**UK GAAP**

**Unaudited summarised consolidated profit and loss accounts**

	3 months ended 31 March 1999 £000	3 months ended 31 March 1998 £000	Year ended 31 December 1998 £000
	Unaudited	Unaudited	Audited
<b>Turnover</b>			
Cable television	64,447	44,180	201,858
Telephony -- residential	78,920	48,436	232,514
Telephony -- business	39,711	13,502	84,233
Other (Internet, ad sales etc)	4,504	4,306	20,569
	<u>187,582</u>	<u>110,424</u>	<u>539,174</u>
* Includes £465,771 relating to continuing operations and £73,403 relating to acquisitions.			
<b>Group Operating loss</b>	(32,846)	(20,965)	(91,824)
*includes £(87,011) relating to continuing operations and £(4,813) relating to acquisitions.			
<b>Share of operating loss of associated undertakings</b>	(439)	(2,133)	(6,480)
<b>Other interest receivable and similar income</b> (includes the group share of interest receivable in associated undertakings of £Nil,	8,988	1,637	19,096
<b>Interest payable and similar charges</b>	(110,780)	(48,784)	(234,354)
<b>Loss on ordinary activities before tax</b>	(135,077)	(70,245)	(313,562)
<b>Tax on loss on ordinary activities</b>	57	20	15
<b>Loss on ordinary activities after tax</b>	(135,020)	(70,225)	(313,547)
<b>Minority interests</b>	(28)	(26)	1,064
<b>Loss for the period</b>	(135,048)	(70,251)	(312,483)
<b>Basic and diluted loss per equity share (pence)</b>	(6.3)	(4.5)	(17.8)
- restated for compliance with FRS 14			
<b>1 Earnings before interest, taxes, depreciation, and amortisation ("EBITDA")</b>			
<b>Operating loss</b>	(32,846)	(20,965)	(91,824)
<b>Add: Depreciation and amortisation</b>	83,290	46,724	237,782
<b>EBITDA</b>	<u>50,444</u>	<u>25,759</u>	<u>145,958</u>
<b>2 Operating costs</b>			
<b>Programming expenses</b>	35,843	25,257	103,030
<b>Telephony expenses</b>	32,007	14,201	82,278
<b>Selling, general, and administrative expenses</b>	69,288	45,207	207,908
<b>Depreciation</b>	71,623	46,724	223,557
<b>Amortisation of goodwill</b>	11,667	-	14,225
	<u>220,428</u>	<u>131,389</u>	<u>630,998</u>
<b>3 Interest payable and similar charges</b>			
<b>Share of interest of associated undertakings</b>	1,739	4,571	14,587
<b>On bank loans and overdrafts and other loans</b>			
Wholly repayable within 5 years	492	1,064	100
Wholly or partly repayable in more than 5 years	23,938	9,846	71,414
<b>Finance costs of Senior Discount Debentures</b>	23,440	19,854	84,607
<b>Finance costs of Senior Debentures</b>	5,703	5,686	23,751
<b>Finance costs of Senior Notes</b>	6,219	-	6,587
<b>Finance costs of Convertible Bonds</b>	2,030	-	
<b>Finance charges payable in respect of finance</b>			
Lease and hire purchase contracts	4,085	1,243	9,011
<b>Exchange losses on foreign currency translation, net</b>	27,619	1,316	6,867
<b>Other</b>	15,515	5,204	17,430
	<u>110,780</u>	<u>48,784</u>	<u>234,354</u>

The consolidated financial statements as set out on pages 8, 9, 10, and 11 which are unaudited, have been prepared on the basis of the accounting policies set out in Telewest's 1998 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 1998 is derived from the statutory accounts for 1998 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 sheets**

	<b>31 March 1999 £000 Unaudited</b>	<b>31 March 1998 £000 Unaudited</b>	<b>31 December 1998 £000 Audited</b>
<b>Fixed assets</b>			
Intangible assets	907,097	-	918,765
Tangible assets	2,467,602	1,704,907	2,457,061
Investment in associated undertakings	29,546	52,327	26,556
Other Investments	2,365	28,149	2,365
	<u>3,406,610</u>	<u>1,785,383</u>	<u>3,404,747</u>
<b>Current assets</b>			
Stocks	271	96	383
Debtors	184,360	81,741	124,683
Secured cash deposit restricted for more than one year	-	-	187,420
Cash at bank and in hand	60,145	43,875	40,887
	<u>244,776</u>	<u>125,712</u>	<u>353,373</u>
<b>Creditors: amounts falling due Within one year</b>	<u>(363,617)</u>	<u>(228,100)</u>	<u>(330,108)</u>
<b>Net current assets / (liabilities)</b>	<u>(118,842)</u>	<u>(102,388)</u>	<u>23,265</u>
<b>Total assets less current liabilities</b>	3,287,768	1,682,995	3,428,012
<b>Creditors: amounts falling due after more than one year</b>	(2,558,526)	(1,484,400)	(2,569,570)
<b>Minority interests</b>	<u>(440)</u>	<u>(666)</u>	<u>(412)</u>
<b>Capital and reserves</b>	<u>728,803</u>	<u>197,929</u>	<u>858,030</u>

**Telewest Communications plc**  
UK GAAP

**Unaudited summarised consolidated statements of cash flows**

	3 months ended 31 March		Year ended 31 Dec 98
	Unaudited	Unaudited	Audited
	1999	1998	1998
	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	42,922	9,101	129,064
<b>Returns on investments and servicing of finance</b>			
Interest received	4,477	1,194	18,962
Interest paid	(7,953)	(13,090)	(119,362)
Interest element of finance lease payments	(4,085)	(1,243)	(8,264)
<b>Net cash outflow from returns on investments and servicing of finance</b>	(7,561)	(13,139)	(108,664)
<b>Capital Expenditure and Financial Investment</b>			
Purchase of tangible fixed assets	(76,600)	(49,345)	(257,119)
Sale of tangible fixed assets	286	3,188	6,075
<b>Net cash outflow from capital expenditure and financial investment</b>	(76,314)	(46,157)	(251,044)
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertakings	-	-	(393,980)
Cash acquired with subsidiaries	-	-	16,893
Investment in associated undertakings and other participating interests	(621)	(2,202)	(5,732)
<b>Net cash outflow from acquisitions and disposals</b>	(621)	(2,202)	(382,819)
<b>Management of liquid resources</b>			
(Increase) / Decrease in fixed deposits (net)	(16,501)	(10,574)	3,535
<b>Financing</b>			
Cash paid for credit facility arrangement costs	-	(5,900)	(5,900)
Net (repayments) / proceeds from borrowing under credit facility	(187,000)	75,000	206,148
Release of restricted deposits	187,420	-	5,460
Cash received from exercise of share options	5,821	-	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
Senior Notes issue costs	-	-	(5,568)
Repayment of bridge loan	-	-	(138,522)
Proceeds from issue of Senior Convertible Notes	300,000	-	-
Senior Convertible Notes issue costs	(7,500)	-	-
Repayment of borrowings	(778)	(10)	(384)
Capital element of finance lease payments	(237,105)	(2,400)	(21,765)
<b>Net cash inflow from financing</b>	60,858	66,690	624,788
<b>Increase in cash</b>	2,783	3,719	14,860

## Telewest Communications plc

UK GAAP

Unaudited reconciliation of movements in shareholders' equity.

	Ordinary shares	Share premium	Merger reserve	Other reserve	Profit and loss account	Total
At 31 December 1998	213,950	839,933	534,257	270,237	(1,000,347)	858,030
Shares issued on exercise of options	407	5,414	-	-	-	5,821
Loss for the period	-	-	-	-	(135,048)	(135,048)
At 31 March 1999	214,357	845,347	534,257	270,237	(1,135,395)	728,803

**Telewest Communications plc**  
US GAAP

**Unaudited summarised consolidated statements of operations**

	3 months ended 31 March 1999 \$000 Unaudited	3 months ended 31 March 1999 £000 Unaudited	3 months ended 31 March 1998 £000 Unaudited
<b>Revenue</b>			
Cable television	104,017	64,447	44,180
Telephony – residential	127,377	78,920	48,436
Telephony – business	64,094	39,711	13,502
Other	7,269	4,504	4,306
	302,757	187,582	110,424
<b>Operating loss</b>	(80,021)	(49,579)	(27,564)
Interest income	14,127	8,753	1,091
Interest expense	(130,082)	(80,596)	(42,721)
Foreign exchange gain/(losses), net	(49,141)	(30,447)	6,630
Share of losses of affiliates	(3,515)	(2,178)	(6,704)
Minority interest in profits of consolidated subsidiaries, net	(45)	(28)	(26)
Gain on disposal of assets	379	235	546
	(248,298)	(153,840)	(68,748)
<b>Loss before income taxes</b>			
Income tax benefit/(expense)	92	57	20
	(248,206)	(153,783)	(68,728)
<b>Net loss</b>			
<b>Basic and diluted loss per ordinary share (dollars/pounds) restated to reflect the dilutive effect of the pre-emptive issue.</b>	\$(0.12)	£(0.07)	£(0.07)
<b>1 Earnings/(loss) before interest, taxes, depreciation and amortisation (“EBITDA”)</b>			
Operating loss	(80,021)	(49,579)	(27,564)
Add: depreciation and amortisation of goodwill	139,693	86,551	53,323
	59,672	36,972	25,759
<b>EBITDA (after non-cash share-based compensation costs)</b>			
Add back : non-cash share-based compensation costs	21,744	13,472	-
	81,416	50,444	25,759
<b>EBITDA (before non-cash share-based compensation costs)</b>			
<b>2 Operating costs and expenses</b>			
Programming	57,851	35,843	25,257
Telephony	51,659	32,007	14,201
Selling, general and administration	133,575	* 82,760	45,207
Depreciation	115,600	71,623	46,724
Amortisation of goodwill	24,094	14,928	6,599
	382,778	237,161	137,988
* includes £13,472 accrued share-based compensation costs.			

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 Telewest's 1998 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 \$1.6140 per £1.00, the Noon Buying Rate of the Federal Reserve Bank of New York on 31 March 1999. 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

<b>Unaudited summarised consolidated balance sheets</b>			
	<b>31 March 1999 \$000 Unaudited</b>	<b>31 March 1999 £000 Unaudited</b>	<b>31 December 1998 £000 Audited</b>
<b>Assets</b>			
Cash and cash equivalent	97,074	60,145	40,887
Secured cash deposit restricted for more than one year	-	-	187,420
Receivables and prepaid expenses	298,388	184,875	125,223
Investments	47,687	29,546	26,556
Property and equipment	3,982,710	2,467,602	2,457,061
Goodwill	1,744,503	1,080,857	1,095,789
Other assets	76,192	47,207	44,731
<b>Total assets</b>	<b>6,246,554</b>	<b>3,870,232</b>	<b>3,977,667</b>
<b>Liabilities</b>			
Debt	4,035,236	2,500,146	2,325,687
Other liabilities	747,385	463,064	610,496
<b>Total liabilities</b>	<b>4,782,621</b>	<b>2,963,210</b>	<b>2,936,183</b>
<b>Minority interests</b>	<b>710</b>	<b>440</b>	<b>412</b>
<b>Shareholders' equity</b>	<b>1,463,223</b>	<b>906,582</b>	<b>1,041,072</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,246,544</b>	<b>3,870,232</b>	<b>3,977,667</b>
<b>Unaudited summarised consolidated statements of cash flows</b>			
	<b>3 months ended 31 March 1999 \$000 Unaudited</b>	<b>3 months ended 31 March 1999 £000 Unaudited</b>	<b>3 months ended 31 March 1998 £000 Unaudited</b>
<b>Cash flows from operating activities</b>			
Net loss	(248,206)	(153,783)	(68,728)
Adjustments to reconcile net loss to net cash provided by operating activities			
Depreciation	115,600	71,623	46,724
Amortisation of goodwill	24,094	14,928	6,594
Amortisation of deferred financing costs and issue discount on senior discount debentures	39,927	24,738	23,946
Unrealised loss / (gain) on foreign currency translation	50,465	31,267	(6,625)
Non-cash share based compensation cost	21,744	13,472	-
Termination of sale and leaseback	11,414	7,072	-
Share of losses of affiliates	3,515	2,178	6,704
Gain on disposals of assets	(379)	(235)	(511)
Minority interests in profits of consolidated subsidiaries, net	45	28	26
Changes in operating assets and liabilities:			
Change in receivables	(23,847)	(14,775)	(4,625)
Change in prepaid expenses	(7,571)	(4,691)	(2,523)
Change in accounts payable	2,976	1,844	5,792
Change in other liabilities	67,296	41,695	(10,811)
<b>Net cash provided by operating activities</b>	<b>57,073</b>	<b>35,361</b>	<b>4,037</b>
<b>Net cash used in investing activities</b>	<b>(124,173)</b>	<b>(76,935)</b>	<b>(48,359)</b>
<b>Net cash provided by financing activities</b>	<b>98,225</b>	<b>60,858</b>	<b>66,689</b>
<b>Net increase in cash and cash equivalents</b>	<b>31,124</b>	<b>19,284</b>	<b>14,293</b>
Effect of exchange rate changes on cash and cash equivalents	(42)	(26)	-
Cash and cash equivalents at beginning of period	65,992	40,887	29,582
<b>Cash and cash equivalents at end of period</b>	<b>97,074</b>	<b>60,145</b>	<b>43,875</b>

- Ends -