

FOR IMMEDIATE RELEASE

11 November 1999

**TELEWEST COMMUNICATIONS plc**  
**3<sup>rd</sup> QUARTER RESULTS 1999**

- **EBITDA up 33.3% to £165 million**
- **Digital television services launched ahead of schedule**
- **Aggressive digital roll-out and broadband product development strategy**
- **Cable London acquisition on schedule for completion this month**

		<b>9 Months ended 30 September 1999</b>	<b>Pro-forma* change over 1998</b>	
Revenue		<b>£576m</b>	<b>+14.7%</b>	
EBITDA (earnings before interest, tax, depreciation and amortisation)		<b>£165m</b>	<b>+33.3%</b>	
EBITDA margin (EBITDA as a percentage of revenue)		<b>28.6%</b>	<b>+4.0%</b>	<b>points</b>
Household	Customers	<b>1.4m</b>	<b>+75,000</b>	
	Penetration	<b>35.1%</b>	<b>+1.0%</b>	<b>points</b>
	Monthly Revenue	<b>£34.48</b>	<b>+4.8%</b>	
Residential television	Penetration	<b>25.4%</b>	<b>+2.5%</b>	<b>points</b>
	Churn	<b>26.2%</b>	<b>-6.0%</b>	<b>Points</b>
Residential telephony	Penetration	<b>31.8%</b>	<b>+1.7%</b>	<b>Points</b>
	Churn	<b>20.6%</b>	<b>-0.7%</b>	<b>Points</b>
Business Services Revenue		<b>£124m</b>	<b>+24.6%</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:**

"Telewest is benefiting from its single-minded focus on improving its product offerings, sales, service and marketing and from exploiting the unique potential of broadband cable. With the launch, ahead of schedule, of our digital services Telewest is clearly setting the pace for UK digital cable. We have an aggressive roll-out plan and an accelerated timetable for introducing cable unique products, which will increasingly differentiate Telewest from satellite and terrestrial competitors. The advertising and promotional spend we have committed to our digital launch positions us well in our franchise areas.

Business services revenues are also growing rapidly, up 25% to £124 million in the first nine months, making us a significant force in this market. We plan to further strengthen our value added services and take full advantage of the opportunities in the small to medium sized enterprise sector.

We are looking forward to completing the Cable London acquisition later this month and integrating that franchise into the existing Telewest business."

## **BUSINESS REVIEW**

### **Financial**

Revenues for the nine months ended 30 September 1999 were up 14.7%, on a proforma basis, to £576 million. Operating costs, before depreciation and amortisation, by contrast, increased by only 8.7% to £411 million, including a 3.8% increase in selling, general and administrative expenses to £203 million. This resulted in an overall EBITDA growth of 33.3% to £165 million and an EBITDA margin of 28.6%, up 4 percentage points on the corresponding period a year ago.

Cable television margins continue to be strong at 49%. While programming cost increases from BSkyB have only partially been passed on to our customers, television margins are benefiting from continued increases in the proportion of total subscribers who take basic only programming packages, electing not to subscribe to premium services. These now total 56% of all television subscribers up from 46% a year ago.

Telephony margins in Residential Services and Business Services continue to be impacted by the shift to lower margin terminating operators, primarily internet service providers and mobile phone operators. This change in mix is only partially offset by increased minutes of use. Telephony margins for the nine months ended 30 September 1999 are 70%, down from 72% a year ago. We expect this trend to continue.

### **Residential Services**

Telewest has now connected over 35% of the households it has marketed. Our total customer base of 1.4 million homes connected, or some 3.5 million consumers, at 30 September 1999 has grown by 75,000 homes during the last 12 months. Monthly revenue per household is £34.48 compared to £32.89 a year earlier. This reflects the increased proportion of total homes which subscribe to both television and telephony services, up to 63% from 55% a year earlier.

Television product penetration continues to increase, up to 25.4%, representing over one million subscribers. This has been achieved despite the highly competitive market and has been accompanied by a further reduction in television product churn to 26.2%, reflecting our focus on improved marketing and customer service.

Residential telephony product penetration increased to 31.8%, up 1.7 percentage points, with second line penetration now reaching 10.2%. This represents a total of 1.4 million residential telephony lines. Once again, telephony product churn has dropped, down to 20.6%, despite heavy competition.

On 21 October 1999 Telewest digital television services were launched under the new 'Telewest Active Digital' branding. Initially, there are 150 digital television and radio channels, including 50 channels of first run movies starting every 15 minutes. The service allows greater customer choice and introduces the UK's first 'a la carte' channel selection, which allows our customers to add individual channels to any chosen package including our £13 per month entry package, which combines digital television and telephony services. We expect the service to be available to 50% of our homes passed by the end of the year and 90% of these homes by June 2000. The digital launch is being supported by a multi-million pound marketing campaign and 840 new jobs are being created to support the roll-out and the anticipated increased demand that should follow.

The launch of Telewest Active Digital is only the first step to developing cable unique broadband services. In the first quarter of next year, Telewest expects to launch the UK's largest ever trial of true Video-On-Demand to 20,000 homes as well as launching sophisticated interactive, Internet and e-mail services to the television and personal computer.

## **Business Services**

Telewest's Business Services division delivered further strong revenue growth, to £124 million, up 25%. Investment continues in data related products and e-commerce to exploit the rapid growth in demand for these higher value added services and to offset the continued impact of an adverse shift in call patterns and margins. For example, during the third quarter we launched Enterprise Connect, a fully managed data service which offers a quick and easy route to networking for organisations who need to transfer data between geographically dispersed sites.

The opportunities in the business market, supported by our growing scale and product and service portfolio continue to be significant.

## **Summary**

Telewest is pursuing an aggressive roll-out strategy for digital television services and the development of broadband services. We believe that this is the correct strategy to drive customer growth, build cable differentiated products and increase customer value in an increasingly competitive market. This strategy increases operating investment and thereby results in a slowing down of EBITDA growth. We believe, however, that in the longer term this strategy will enable us to accelerate the delivery of broadband cable's full potential and thereby maximise return on investment and increase shareholder value.

## **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 the General Cable merger and the 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.

**Cable London Acquisition**

Telewest is in the process of acquiring the 50% of Cable London that it does not already own from NTL (Bermuda) Limited, a subsidiary of NTL Communications Corporation. In connection with the Cable London acquisition, Telewest is raising approximately £410 million (net of expenses) through a rights issue on the basis of 1 new Telewest Ordinary Share for every 11 Ordinary Shares held by shareholders on the register at the close of business on 15 October 1999. Telewest expects to complete the rights issue and the acquisition by the end of November 1999.

**Year 2000 Compliance**

Since 1997, dedicated project teams have been working to achieve Year 2000 compliance in all Telewest Franchises with the objective to ensure full compliance in advance of 1 January, 2000. Of 3,542 date dependant items identified, 99% are now confirmed as compliant and 1% as non-compliant. We estimate that the aggregate cost of achieving Year 2000 compliance will be approximately £4.1 million, of which we had spent approximately £3.6 million up until 30 September, 1999. We believe that our relatively modern systems and system upgrades, incorporating external package solutions that are Year 2000 compliant, that are planned for the rest of 1999 should help us to achieve full compliance by 1 January, 2000.

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-3 filed with the US Securities and Exchange Commission on 4 October 1999.

Unless otherwise specified, all references to financial information are on a UK GAAP basis.

**Telewest Communications plc**  
Operating Statistics - Owned and operated

<b>RESIDENTIAL SERVICES</b>	Actual		Proforma	
	Net additions Q3 1999	Net additions YTD 1999	Net additions Q3 1998	Net additions YTD 1998
Homes marketed	<b>13,676</b>	<b>49,407</b>	<b>23,780</b>	<b>100,935</b>
Customer homes added	<b>14,418</b>	<b>48,365</b>	<b>27,599</b>	<b>52,396</b>
Cable television subscribers	<b>22,515</b>	<b>73,705</b>	<b>32,136</b>	<b>61,504</b>
Telephony subscribers	<b>24,445</b>	<b>70,517</b>	<b>28,999</b>	<b>81,663</b>
Telephone lines	<b>41,949</b>	<b>126,928</b>	<b>48,269</b>	<b>117,661</b>
		As at 30 Sept. 1999 Actual		As at 30 Sept. 1998 Proforma
Cable television and residential telephony subscribers*		<b>892,681</b>		<b>739,163</b>
Cable television only subscribers		<b>133,199</b>		<b>162,130</b>
Residential telephony only subscribers *		<b>390,597</b>		<b>439,709</b>
Internet only subscribers		<b>1,541</b>		<b>1,892</b>
Total residential customers		<b>1,418,018</b>		<b>1,342,894</b>
* Includes subscribers also subscribing for Internet services.				
Homes marketed		<b>4,043,379</b>		<b>3,937,504</b>
Household penetration		<b>35.1%</b>		<b>34.1%</b>
Cable television subscribers		<b>1,025,880</b>		<b>901,293</b>
Cable television penetration		<b>25.4%</b>		<b>22.9%</b>
Churn rate – proforma		<b>26.2%</b>		<b>32.2%</b>
Residential telephony subscribers		<b>1,283,278</b>		<b>1,178,872</b>
Residential telephony penetration		<b>31.8%</b>		<b>30.1%</b>
Residential telephone lines		<b>1,414,342</b>		<b>1,240,680</b>
Second line penetration		<b>10.2%</b>		<b>5.2%</b>
Churn rate – proforma		<b>20.6%</b>		<b>21.3%</b>
Dial-up Internet subscribers		<b>46,295</b>		<b>22,159</b>
<b>BUSINESS SERVICES</b>	Actual		Proforma	
	Net additions Q3 1999	Net additions YTD 1999	Net additions Q3 1998	Net additions YTD 1998
Business services customers	<b>6,155</b>	<b>8,037</b>	<b>1,109</b>	<b>3,795</b>
Business telephony lines	<b>17,162</b>	<b>46,458</b>	<b>10,348</b>	<b>34,509</b>
		As at 30 Sept. 1999 Actual		As at 30 Sept. 1998 Proforma
Business services customers		<b>50,333</b>		<b>38,152</b>
Business telephony lines		<b>261,807</b>		<b>200,138</b>
Average number of lines per customer		<b>5.2</b>		<b>5.2</b>
Annualised revenue per customer		<b>£3,528</b>		<b>£3,644</b>

**Telewest Communications plc**  
Owned and Operated and Affiliated Franchises  
As at 30 September 1999

	Telewest Franchises (1)(7)		General Cable Franchises (2)(7)		Birmingham Cable Franchises (3)(7)		Telewest Owned and Operated Franchises (4)(7) Proforma 30 September		Cable London Franchises (5)(7)		Telewest Group Franchises on an Equity Basis(6)(7) Proforma 30 September	
	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	984,785	1,063,039	195,577	195,921	160,640	157,517	1,341,002	1,416,477	126,107	134,734	1,404,056	1,483,844
Residential dual customers	566,406	705,414	86,150	100,045	86,607	87,222	739,163	892,681	55,228	64,573	766,777	924,968
Percentage of dual customers	57.5%	66.4%	44.0%	51.1%	53.9%	55.4%	55.1%	63.0%	43.8%	47.9%	54.6%	62.3%
Monthly revenue per customer	£32.81	£34.50	£33.16	£33.79	£33.04	£35.21	£32.89	£34.48	£37.57	£39.43	£33.03	£34.66
<b>CABLE TELEVISION</b>												
Homes passed	3,036,324	3,103,497	713,264	722,056	437,346	437,727	4,186,934	4,263,280	386,143	401,435	4,380,006	4,463,998
Homes passed and marketed	2,847,885	2,933,626	674,286	692,195	415,333	417,558	3,937,504	4,043,379	370,027	385,333	4,122,518	4,236,046
Subscribers	674,910	792,032	109,415	119,382	116,968	114,466	901,293	1,025,880	89,714	97,829	946,150	1,074,795
Penetration rate (8)	23.7%	27.0%	16.2%	17.2%	28.2%	27.4%	22.9%	25.4%	24.2%	25.4%	23.0%	25.4%
Average monthly rev/sub (9)	£23.24	£21.01	£20.91	£20.00	£21.58	£21.61	£22.71	£20.97	£23.14	£23.39	£22.73	£21.08
Average churn rate (10)	32.7%	24.8%	31.2%	29.3%	30.9%	31.9%	32.2%	26.2%	32.6%	35.8%	32.3%	26.6%
<b>RESIDENTIAL TELEPHONY</b>												
Homes passed	2,857,840	2,925,013	713,264	722,056	437,346	437,733	4,008,450	4,084,802	386,143	401,435	4,201,522	4,285,520
Homes passed and marketed	2,823,037	2,921,123	672,360	692,195	415,333	417,558	3,910,730	4,030,876	370,027	385,333	4,095,744	4,223,543
Subscribers	876,281	976,421	172,312	176,584	130,279	130,273	1,178,872	1,283,278	91,621	101,478	1,224,683	1,334,017
Penetration rate (11)	31.0%	33.4%	25.6%	25.5%	31.4%	31.2%	30.1%	31.8%	24.8%	26.3%	29.9%	31.6%
Lines	930,850	1,090,124	174,167	183,590	135,663	140,628	1,240,680	1,414,342	98,334	111,775	1,289,847	1,470,230
Average monthly rev/line (12)	£19.07	£19.15	£23.48	£24.36	£21.23	£22.47	£19.93	£20.19	£27.57	£27.78	£20.22	£20.48
Average churn rate/line (13)	21.6%	19.4%	22.2%	24.1%	18.2%	24.5%	21.3%	20.6%	29.9%	31.3%	21.6%	21.0%
<b>BUSINESS SERVICES</b>												
Customers	28,289	33,696	5,156	10,888	4,707	5,749	38,152	50,333	3,249	3,778	39,777	52,222
Lines	122,952	150,020	55,112	78,422	22,074	33,365	200,138	261,807	17,491	23,769	208,884	273,692
Average lines / customer (14)	4.3	4.5	10.7	7.2	4.7	5.8	5.2	5.2	5.4	6.3	5.3	5.2
Average monthly rev/line (15)	£43.36	£45.80	£100.29	£77.39	£57.22	£49.92	£60.62	£55.47	£57.17	£58.67	£60.47	£55.61
Average annualised rev/cust (16)	£2,178	£2,531	£11,472	£7,314	£3,139	£3,029	£3,644	£3,528	£3,460	£4,153	£3,636	£3,552

**Telewest Communications plc**  
Owned and Operated and Affiliated Franchises  
As at 30 September 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. Those franchises (collectively, the "Telewest Franchises") comprise the London South and South East Regional Franchise Area, the Midlands and South West portions of the Midlands, South West and Birmingham 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. Those 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."). That franchise was 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 and now comprises the Birmingham portion of the Midlands, South West and 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 Franchises").
- (5) Consists of the four cable franchises owned and operated by Cable London (collectively, the "Cable London Franchises") Those franchises are owned approximately 50% by Telewest and approximately 50% by NTL.
- (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 nine months ended 30 September 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.

(16) Average annualised revenue per customer for each period represents (i) the average monthly business services revenue for each period divided by (ii) the average number of business services customers in such period, multiplied by twelve months.

## 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 nine months ended 30, September.

	Proforma Combined Group		Telewest		General Cable		Birmingham Cable	
	1999*	1998	1999*	1998	1999*	1998	1999*	1998
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Revenue</b>								
Cable Television	<b>189,842</b>	178,727	<b>147,004</b>	134,912	<b>20,310</b>	21,062	<b>22,528</b>	22,753
Residential Telephony	<b>245,612</b>	211,063	<b>177,965</b>	151,062	<b>39,481</b>	35,579	<b>28,166</b>	24,422
Business Services	<b>124,225</b>	99,713	<b>57,883</b>	43,969	<b>54,377</b>	45,725	<b>11,965</b>	10,019
Other	<b>16,588</b>	12,712	<b>16,460</b>	12,522	<b>0</b>	0	<b>128</b>	190
<b>Total</b>	<b>576,267</b>	502,215	<b>399,312</b>	342,465	<b>114,168</b>	102,366	<b>62,787</b>	57,384
		319,074	<b>257,552</b>					
<b>Contribution</b>	<b>367,774</b>			221,695	<b>71,255</b>	62,400	<b>38,967</b>	34,979
<b>SG&amp;A</b>	<b>(202,686)</b>	(195,224)	<b>(151,667)</b>	(136,905)	<b>(30,867)</b>	(37,035)	<b>(20,152)</b>	(21,284)
<b>EBITDA</b>	<b>165,088</b>	123,850	<b>105,885</b>	84,790	<b>40,388</b>	25,365	<b>18,815</b>	13,695
<b>Net profit/(loss)</b>	<b>(356,652)</b>	(271,180)	<b>(321,429)</b>	(220,179)	<b>(24,096)</b>	(25,988)	<b>(11,127)</b>	(25,013)
	<b>305,400</b>							
<b>Capital Expenditure</b>		226,800	<b>250,100</b>	162,900	<b>41,800</b>	49,900	<b>13,500</b>	14,000

\* Actual

**Telewest Communications plc**  
**UK GAAP**  
**UNAUDITED SUMMARISED CONSOLIDATED PROFIT AND LOSS ACCOUNTS**

	9 months ended 30 Sept. 1999 £000 Unaudited	9 months ended 30 Sept. 1998 £000 Unaudited	Year ended 31 Dec. 1998 £000 Audited
<b>Turnover</b>			
Cable television	<b>189,842</b>	139,686	201,858
Residential telephony	<b>245,612</b>	155,943	232,514
Business services	<b>124,225</b>	49,583	84,233
Other (Internet, ad sales etc)	<b>16,588</b>	18,747	20,569
<b>Total</b>	<b>576,267</b>	363,959	539,174 *
<small>* Includes £465,771 relating to continuing operations and £73,403 relating to acquisitions.</small>			
<b>Group Operating Loss</b>	<b>(87,359)</b>	(61,282)	(91,824) *
<small>*Includes £(87,011) relating to continuing operations and £(4,813) relating to acquisitions</small>			
<b>Share of operating loss of associated undertakings</b>	<b>(569)</b>	(5,355)	(6,480)
<b>Other interest receivable and similar income</b> (includes the group share of interest receivable in associated undertakings of £Nil, £2,320 and £2,319 respectively)	<b>10,655</b>	10,132	19,096
<b>Interest payable and similar charges</b>	<b>(279,412)</b>	(143,663)	(234,354)
<b>Loss on ordinary activities before tax</b>	<b>(356,685)</b>	(200,168)	(313,562)
<b>Tax on loss on ordinary activities</b>	<b>83</b>	(22)	15
<b>Loss on ordinary activities after tax</b>	<b>(356,602)</b>	(200,190)	(313,547)
<b>Minority interests</b>	<b>(50)</b>	490	1,064
<b>Loss for the period</b>	<b>(356,652)</b>	(199,700)	(312,483)
<b>Basic and diluted loss per equity share (pence) *</b>	<b>(16.6)</b>	(12.3)	(17.8)

\* restated for compliance with FRS 14

The consolidated financial statements as set out on pages 9, 10, 11, and 12 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 have been 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**  
**NOTES TO THE UNAUDITED SUMMARISED CONSOLIDATED PROFIT AND LOSS**  
**ACCOUNTS**

	9 months Ended 30 Sept. 1999 £000	9 months ended 30 Sept. 1998 £000	Year ended 31 Dec. 1998 £000
<b>1 EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTISATION ("EBITDA")</b>			
Operating loss	<b>(87,359)</b>	(61,282)	(91,824)
Add: Depreciation and amortisation	<b>252,447</b>	150,420	237,782
<b>EBITDA</b>	<b>165,088</b>	89,138	145,958

**2 OPERATING COSTS**

Programming expenses	<b>96,987</b>	75,393	103,030
Telephony expenses	<b>111,506</b>	52,368	82,278
Selling, general, and administrative expenses	<b>202,686</b>	147,060	207,908
Depreciation	<b>217,403</b>	147,431	223,557
Amortisation of goodwill	<b>35,044</b>	2,989	14,225
<b>Total</b>	<b>663,626</b>	425,241	630,998

**3 INTEREST PAYABLE AND SIMILAR CHARGES**

Share of interest of associated undertakings	<b>5,015</b>	12,609	14,587
On bank loans and overdrafts and other loans			
Wholly repayable within 5 years	<b>28,668</b>	4,882	100
Wholly or partly repayable in more than 5 years	<b>20,696</b>	39,788	71,414
Finance costs of Senior Discount Debentures	<b>73,343</b>	62,120	84,607
Finance costs of Senior Debentures	<b>16,128</b>	17,054	23,751
Finance costs of Senior Notes	<b>18,686</b>	-	6,587
Finance costs of Senior Convertible Notes	<b>10,740</b>	-	-
Finance costs of Senior Discount Notes	<b>18,027</b>	-	-
Swap interest	<b>14,848</b>	8,610	2,456
Finance charges payable in respect of finance lease and hire purchase contracts	<b>6,619</b>	4,412	9,011
Exchange (gain)/loss on foreign currency translation, net	<b>35,144</b>	(10,394)	6,867
Other	<b>31,498</b>	4,582	14,974
<b>Total</b>	<b>279,412</b>	143,663	234,354

**Telewest Communications plc**  
**UK GAAP**  
**UNAUDITED SUMMARISED CONSOLIDATED BALANCE SHEETS**

	30 Sept. 1999 £000 Unaudited	30 Sept. 1998 £000 Unaudited	31 Dec. 1998 £000 Audited
<b>Fixed assets</b>			
Intangible assets	886,421	795,791	918,765
Tangible assets	2,556,137	2,454,649	2,457,061
Investment in associated undertakings	29,221	28,489	26,556
Other Investments	-	4,115	2,365
	<b>3,471,779</b>	3,283,044	3,404,747
<b>Current assets</b>			
Stocks	180	238	383
Debtors	157,825	132,102	124,683
Secured cash deposit restricted for more than one year	12,000	196,861	187,420
Cash at bank and in hand	40,837	71,099	40,887
	<b>210,842</b>	400,300	353,373
<b>Creditors: amounts falling due within one year</b>	<b>(342,455)</b>	(381,348)	(330,108)
<b>Net current assets / (liabilities)</b>	<b>(131,613)</b>	18,952	23,265
<b>Total assets less current liabilities</b>	<b>3,340,166</b>	3,301,996	3,428,012
<b>Creditors: amounts falling due after more than one year</b>	<b>(2,827,223)</b>	(2,314,664)	(2,569,570)
<b>Minority interests</b>	<b>(457)</b>	(13,268)	(412)
<b>Capital and reserves</b>	<b>512,486</b>	974,064	858,030

**Telewest Communications plc**  
**UK GAAP**  
**UNAUDITED SUMMARISED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	9 months ended		Year ended
	30 Sept.		31 Dec.
	1999	1998	1998
	£000	£000	£000
<b>Net cash inflow from operating activities</b>	<b>171,241</b>	89,833	129,064
<b>Returns on investments and servicing of finance</b>			
Interest received	7,476	9,719	18,962
Interest paid	(95,035)	(61,579)	(119,362)
Interest element of finance lease payments	(11,854)	(4,553)	(8,264)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(99,413)</b>	(56,413)	(108,664)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	(310,463)	(165,988)	(257,119)
Sale of tangible fixed assets	7,804	3,719	6,075
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(302,659)</b>	(162,269)	(251,044)
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertakings	(1,650)	(248,811)	(393,980)
Cash acquired with subsidiaries	-	6,893	16,893
Investment in associated undertakings and other participating interests	(1,944)	(4,547)	(5,732)
<b>Net cash outflow from acquisitions and disposals</b>	<b>(3,594)</b>	(246,465)	(382,819)
<b>Management of liquid resources</b>			
(Increase) / decrease in fixed deposits (net)	(1,674)	(11,220)	3,535
<b>Financing</b>			
Proceeds from issue of Senior Convertible Notes	300,000	-	-
Senior Convertible Notes issue costs	(8,198)	-	-
Proceeds from issue of Senior Discount Notes	399,241	-	-
Senior Discount Notes issue costs	(9,530)	-	-
Capital element of finance lease payments	(215,316)	(4,852)	(21,765)
Release of restricted deposits	175,420	-	5,460
Placement of restricted deposits	-	(3,980)	-
Repayment of borrowings under credit facility	(538,500)	-	-
Drawdowns under new facilities	735,000	-	-
Repayment of borrowings under old facilities	(597,000)	-	-
Cash paid for credit facility arrangement costs	(16,511)	(5,900)	(5,900)
Proceeds from borrowings under credit facilities	-	179,949	206,148
Cash received from pre-emptive issue	-	241,115	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)
Cash received from exercise of share options	10,608	521	620
Repayment of borrowings	(1,406)	(10)	(384)
Overdraft	564	-	-
<b>Net cash inflow from financing</b>	<b>234,372</b>	406,843	624,788
<b>Increase/(decrease) in cash</b>	<b>(1,727)</b>	20,309	14,860

**Telewest Communications plc**  
**US GAAP**  
**UNAUDITED SUMMARISED CONSOLIDATED STATEMENTS OF OPERATIONS**

	3 months ended 30 Sept. 1999 \$000 Unaudited	3 months ended 30 Sept. 1999 £000 Unaudited	3 months ended 30 Sept. 1998 £000 Unaudited	9 months ended 30 Sept. 1999 \$000 Unaudited	9 months ended 30 Sept. 1999 £000 Unaudited	9 months ended 30 Sept. 1998 £000 Unaudited
<b>Revenue</b>						
Cable television	100,714	61,198	50,928	312,423	189,842	139,686
Residential telephony	140,595	85,432	57,025	404,204	245,612	155,943
Business services	69,310	42,116	21,477	204,437	124,225	49,583
Other	12,090	7,346	8,652	27,299	16,588	18,747
<b>Total</b>	<b>322,709</b>	<b>196,092</b>	<b>138,082</b>	<b>948,363</b>	<b>576,267</b>	<b>363,959</b>
<b>Operating loss</b>	(49,048)	(29,804)	(27,192)	(186,632)	(113,406)	(80,208)
Interest income	(4,733)	(2,876)	4,685	11,115	6,754	6,752
Interest expense	(123,826)	(75,242)	(51,665)	(367,503)	(223,311)	(134,053)
Foreign exchange gain/(loss), net	11,850	7,201	12,528	(69,087)	(41,980)	11,117
Share of losses of affiliates	(2,511)	(1,526)	(4,570)	(9,190)	(5,584)	(15,644)
Minority interest in losses / (profits) of consolidated subsidiaries, net	(20)	(12)	558	(82)	(50)	490
Other, net	(4,279)	(2,600)	263	(1,157)	(703)	1,060
<b>Loss before income taxes</b>	(172,567)	(104,859)	(65,393)	(622,536)	(378,280)	(210,486)
Income tax (expense) / benefit	56	34	(317)	137	83	(314)
<b>Net loss before extraordinary loss</b>	(172,511)	(104,825)	(65,710)	(622,399)	(378,197)	(210,800)
Extraordinary loss						
Extinction of debt	-	-	-	(33,084)	(20,103)	-
<b>Net loss after extraordinary loss</b>	(172,511)	(104,825)	(65,710)	(655,483)	(398,300)	(210,800)
<b>Loss per ordinary share (dollars/pounds) *</b>						
<b>before extraordinary loss</b>	\$(0.08)	£(0.05)	£(0.05)	\$(0.29)	£(0.18)	£(0.18)
<b>after extraordinary loss</b>	\$(0.08)	£(0.05)	£(0.05)	\$(0.31)	£(0.19)	£(0.18)

\* restated to reflect the dilutive effect of the pre-emptive issue.

**1 EARNINGS/(LOSS) BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION ("EBITDA")**

Operating loss	(49,048)	(29,804)	(27,192)	(186,632)	(113,406)	(80,208)
Add: depreciation and amortisation of goodwill	147,418	89,578	62,087	431,543	262,225	169,366
EBITDA (after non-cash share-based compensation costs)	98,370	59,774	34,895	244,911	148,819	89,158
Add back : non-cash share-based compensation costs	(2,613)	(1,588)	-	26,774	16,269	-
<b>EBITDA (before non-cash share-based compensation costs)</b>	<b>95,757</b>	<b>58,186</b>	<b>34,895</b>	<b>271,685</b>	<b>165,088</b>	<b>89,158</b>

**2 OPERATING COSTS AND EXPENSES**

Programming	(50,051)	(30,413)	(27,470)	(159,611)	(96,987)	(75,393)
Telephony	(65,767)	(39,963)	(21,053)	(183,505)	(111,506)	(52,368)
Selling, general and administration	(108,521)	(65,942)	(54,664)	(360,336)	(218,955)	(147,040)
Depreciation	(122,782)	(74,608)	(53,867)	(357,780)	(217,403)	(147,946)
Amortisation of goodwill	(24,636)	(14,970)	(8,220)	(73,763)	(44,822)	(21,420)
<b>Total</b>	<b>(371,757)</b>	<b>(225,896)</b>	<b>(165,274)</b>	<b>(1,134,995)</b>	<b>(689,673)</b>	<b>(444,167)</b>

The consolidated financial statements as set out on pages 13, 14 and 15 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 \$1.6457 per £1.00, the Noon Buying Rate of the Federal Reserve Bank of New York on 30 September 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**  
**UNAUDITED SUMMARISED CONSOLIDATED BALANCE SHEETS**

	30 Sept. 1999 \$000 Unaudited	30 Sept. 1999 £000 Unaudited	31 Dec. 1998 £000 Audited
<b>Assets</b>			
Cash and cash equivalents	67,206	40,837	40,887
Secured cash deposit restricted for more than one year	19,748	12,000	187,420
Receivables and prepaid expenses	260,681	158,401	125,223
Investments	44,197	26,856	26,556
Property and equipment	4,206,635	2,556,137	2,457,061
Goodwill	1,734,015	1,053,664	1,095,789
Other assets	70,685	42,952	44,731
<b>Total assets</b>	<b>6,403,167</b>	<b>3,890,847</b>	<b>3,977,667</b>
<b>Liabilities</b>			
Debt	4,541,262	2,759,471	2,325,687
Other liabilities	758,289	460,770	610,496
<b>Total liabilities</b>	<b>5,299,551</b>	<b>3,220,241</b>	<b>2,936,183</b>
<b>Minority interests</b>	<b>752</b>	<b>457</b>	<b>412</b>
<b>Shareholders' equity</b>	<b>1,102,864</b>	<b>670,149</b>	<b>1,041,072</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,403,167</b>	<b>3,890,847</b>	<b>3,977,667</b>

**Telewest Communications plc**  
**US GAAP**  
**UNAUDITED SUMMARISED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	9 months Ended 30 Sept. 1999 \$000 Unaudited	9 months ended 30 Sept. 1999 £000 Unaudited	9 months ended 30 Sept. 1998 £000 Unaudited
<b>Cash flows from operating activities</b>			
Net loss	(655,483)	(398,300)	(210,800)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	357,780	217,403	147,946
Amortisation of goodwill	73,763	44,822	21,420
Amortisation of deferred financing costs and issue discount on senior discount debentures	191,872	116,590	63,418
Unrealised loss / (gain) on foreign currency translation	71,776	43,614	(9,795)
Non-cash share based compensation cost	26,774	16,269	-
Termination of sale and leaseback	34,099	20,720	-
Share of losses of affiliates	9,190	5,584	15,644
Loss/(gain) on disposals of assets	1,157	703	(955)
Minority interests in profits of consolidated subsidiaries, net	82	50	(490)
Changes in operating assets and liabilities:			
Change in receivables	(80,042)	(48,637)	10,797
Change in prepaid expenses	14,189	8,622	102
Change in accounts payable	26,845	16,312	11,221
Change in other liabilities	46,215	28,082	(15,112)
<b>Net cash provided by operating activities</b>	118,217	71,834	33,396
<b>Net cash used in investing activities</b>	(504,000)		
		(306,253)	(398,734)
<b>Net cash provided by financing activities</b>	385,706	234,372	406,843
<b>Net increase (decrease) in cash and cash equivalents</b>	(77)	(47)	41,505
Effect of exchange rate changes on cash and cash equivalents	(5)	(3)	12
<b>Cash and cash equivalents at beginning of period</b>	67,288	40,887	29,582
<b>Cash and cash equivalents at end of period</b>	67,206	40,837	71,099

- Ends -