

FOR IMMEDIATE RELEASE

3 August 2000

TELEWEST COMMUNICATIONS Plc
INTERIM RESULTS 2000

- Monthly Revenue per residential customer up 9% to £37.67
- Revenues up 35% to £514 million
- EBITDA up 12% to £119 million
- Telewest Active Digital sales to date of 223,000
- Strong Business Division results led by Commercial Services

	Half- Year 2000	Half- Year 1999	Change over 1999
Revenue	£514 m	£380 m	+35.1%
EBITDA (earnings before interest, tax, depreciation and amortisation)	£119 m	£107 m	+11.5%
Cable Division			
Consumer Division			
Revenue	£368 m	£298 m	+23.5%
Customers	1.6 m	1.4 m	+181,000
Household Penetration	35.6%	34.8%	+0.8% pts
Monthly Revenue per Customer	£37.67	£34.66	+8.7%
Customer Churn**	14.5%	-	-
Business Division Revenues	£124 m	£82 m	+51.0%
Content Division Revenues * - including share of joint ventures	£85 m	£77 m	+10.0%

* Proforma as if Flextech was acquired 1 January 1999. Flextech was actually acquired on 19 April 2000

** Excluding Cable London

Commenting on the half-year results, Adam Singer, Chief Executive of Telewest Communications, said:

"Our performance for the half year was on target and reflected a company migrating its customer base from analogue to digital and from narrowband to broadband.

We have been connecting digital TV subscribers as fast as we can get the boxes. Demand has been strong. As a result we have 223,000 sales to date. There have been the inevitable glitches as we have rolled out new digital products. Some of them - such as the set-top box shortage that slowed our digital TV rollout - have been outside our control. According to the current schedule from Pace, our supplier, we expect that our original target of 500,000 by the year-end will now be achieved in the first quarter of next year - a delay of three months at most.

We also launched our blueyonder high speed internet product at the end of March. We have so far restricted its availability while we fixed some technical teething problems. The service

will be aggressively marketed with new, lower price points. We expect strong consumer demand. Our walled garden has more content provider brands - 120 - than any competitor. More than 90 per cent of users connected to the walled garden accessed it in June.

Surf Unlimited is a good example of Telewest's ability to resolve problems associated with the launch of new hi-tech products. We underestimated the demand and faced the same issues that are now plaguing other providers of unmetered internet access. We fixed them, quickly, and we now have 155,000 subscribers and very high customer satisfaction ratings by any measure. By way of specific example: We average 225,000 dial-ups a day currently. Of those, 300 will fail to connect first time because of a busy signal. That represents a 0.13% failure rate and compares with 13% busy signals in March. Overall customer inquiries with technical problems were 25 per cent lower in June versus May. 99% of calls are answered by our technical help desk (which incidentally is at a local rate call, unlike most other ISPs).

These are tales from the front line of cable's transition from analogue to digital and from being purveyors of plain old voice and video to providers of high-value broadband products and services.

The priorities for our business remain very simple:

We need to connect as many consumers - business and residential - to our network as possible.

We need to keep them connected for as much of the time as possible by whatever device is convenient, be it television, PC or mobile.

We need to feed them as many high-margin broadband products as we can.

We believe we are on course to realise this vision, by progressing our digital roll-out, by exploring other ways of getting and staying connected to consumers and by developing in our unique content division the next generation of killer broadband applications.

In the meantime, we are focused on delivering the three things to customers that will give us competitive advantage: the speed of our network, simplified and inexpensive product offerings and quality of service."

BUSINESS REVIEW

Financial Review

Revenues increased 35.1% to £514m for the six months ended 30 June 2000, from £380m for the same period in 1999. On a proforma basis, this growth was 15.3% as £30 million is attributable to the acquisition of Flextech on 19th April 2000 and £42 million to the acquisition of the remaining 50% interest in Cable London on 23 November 1999. There was strong growth in our commercial services operations with £39m of revenue recorded in the first half of 2000 and a solid increase in monthly revenue per residential customer at

£37.67, up almost 9% from last year. The revenue per residential customer increase is predominantly the result of increased minutes of use by our telephony customers.

Operating margins, which are based on revenues minus product costs, were strong at 63.0%. Product margins were led by telephony with a gross margin of 67.2% and cable television (CATV) at 51.5%. Telephony margins have benefited from our new '3-2-1 Free' price plan, which is partially offset by continuing distribution changes in call patterns to lower margin "access" and mobile calls. CATV margins benefited from the elimination of programming fees paid for Flextech content on consolidation (1.3%) and continuing favourable trends in distribution.

Total selling, general and administrative expenses ("SG&A") rose to £204.5m from £135.2m reflecting the increased size of the group, (following the addition of Cable London and Flextech), and £10m of exceptional costs relating to our acquisition of Flextech. In addition, we have incurred the significant expense required to launch digital and hi-speed internet. On a proforma basis, this increase was 17.2% before exceptional charges.

EBITDA increased to £61.6m in the second quarter and to £119.2 million for the half-year. EBITDA margins at 23.2% versus 28.1% reflect the addition of Flextech revenues and slightly negative Flextech EBITDA, as well as the increased SG&A costs to launch our broadband services.

Consumer Division

In the first half of 2000, Telewest has focused on launching and rolling out our Active Digital cable television service. As of 2 August, we have made 223,000 digital sales and demand for the service has been extremely strong.

Telewest has recently experienced some temporary problems supplying demand for digital television because of a short-term supply problem with set top boxes. This has resulted from the worldwide shortage of flash memory chips and we are working closely with our supplier to rectify the situation. We still have a limited supply of set top boxes available and are continuing to migrate existing analogue customers to digital. We expect to resume full digital sales across all franchises by October of this year. In the meantime, we are offering analogue services with a digital upgrade.

As at 30 June 2000, Telewest's television product penetration was 25.3%, a 0.4 percentage point increase on 30 June 1999. Total cable television subscribers numbers fell by 10,000 during the second quarter to approximately 1.1 million as we continued to migrate our analogue base to digital. Active Digital sales to 2 August totalled 223,000, of which 80% or 179,000 had been installed. As we predicted, 90% of our passed homes have been upgraded to receive digital.

Telewest's household penetration was up 0.8 percentage points to 35.6% at 30 June 2000 from 34.8% at 30 June 1999, which represents approximately 1.6 million homes.

We have now signed 120 content partner brands to our Interactive TV Walled Garden service making our platform the world's largest operational service. We have recently added names like AXA Insurance, the RAC and P&O to the list of household names that already include WH Smith, Woolworths, Abbey National and Ladbrokes. We continue to develop the range and depth of our service and are well on target to reach a list of 150 partners by the end of this year. We will upgrade our marketing activity as the service becomes available to all Telewest customers by the end of the year. The walled garden is currently available to 35,000 of our digital customers, and in June 92% accessed the service.

Residential telephony product penetration increased to 32.0% from 31.3% this time last year. Second line penetration is currently 12%, and we now have 1.6m residential telephone lines as at 30 June 2000.

Blueyonder, Telewest's hi-speed internet service for home personal computers, was launched in March 2000. Consumer interest has been extremely positive so far. Following the merger with Flextech, responsibility for the blueyonder broadband portal has been passed to the content division. We have not been actively marketing the product while we fixed some technical teething problems and continued to develop the broadband portal. We have approximately 1,000 blueyonder subscribers. The high speed internet access service will be aggressively marketed this autumn. The broadband portal is expected to be launched early in 2001.

Telewest is one of 14 triallists for Option 2 ADSL trials starting in January 2001. Telewest expects to make a final decision later this year on a full business and residential ADSL offering.

Telewest continues the largest commercial trial of VOD services with 27,500 homes in the South East. We are continuing to evaluate technical results and customer satisfaction and expect a full commercial launch in early 2001.

Business Division

Business services revenues for the half-year ended 30 June 2000 totalled £124m, up 51% on the corresponding period a year ago. Proforma for Cable London, revenue growth was 39%. As at 30 June 2000, Telewest had over 61,000 business customer accounts and approximately 320,000 business telephony lines.

Business services revenues include £39m of revenues for the first half 2000 relating to Telewest's commercial services unit which provides national network services to third parties. The unit successfully leverages our fixed network investment, provides new revenues at high margins and also gives us the opportunity to extend our network at low cost.

Telewest is on track to deliver its hi-speed internet service specifically tailored to meet the needs of the small and medium sized enterprise in the fourth quarter 2000. This service leverages Telewest's investment in its broadband network and will provide a platform for web enabled applications.

Content Division (Flextech)

Our merger with Flextech was completed on 19 April 2000 and accordingly the results for Flextech have been consolidated from that date.

Flextech's turnover, including its share of joint ventures' revenue, increased by 10% to £85m for the half year compared with the corresponding period a year earlier. This growth has been driven by a 27% increase in the UK multi-channel market to 8.5 million homes at 30 June 2000 up from 6.7 million homes a year earlier, offset in part by lower unit revenues from Sky Digital homes.

Advertising revenues (including Flextech's share of joint ventures' advertising revenue) increased 27% to £31m in the first half 2000, from £24m a year ago. Flextech interactive revenues increased 25% to £0.9m in the first half 2000. Flextech's EBITDA loss increased to £2.2 million in the six months ended 30 June 2000 from £0.2 million in the six months ended 30 June 1999 primarily as a result of operating investment in interactive and transactional services.

Scene One TV was launched on Telewest Active Digital on 6 July of this year and currently can be accessed via the internet, Open TV, Telewest Active Digital and Orange WAP phones.

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	and at	
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	Alison Hogan	020 7404 5959

Notes:

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 Annual Report on Form 20-F filed with the US Securities and Exchange Commission on 30 June 2000.

Unless otherwise specified all financial information is prepared under UK generally accepted accounting principles ("UK GAAP").

Telewest Communications plc
Operating Statistics

CONSUMER DIVISION	Actual	Actual	Pro forma (1)	Pro forma (1)
	Net additions Q2 2000	Net additions YTD 2000	Net additions Q2 1999	Net additions YTD 1999
Homes marketed	7,468	11,238	19,837	47,254
Customer homes added	(7,352)	(561)	12,931	38,507
Cable television subscribers	(10,286)	(26,752)	23,470	54,861
Telephony subscribers	(8,332)	8,030	22,364	50,606
Telephone lines	(13,312)	8,302	40,392	91,219
Internet subscribers	4,480	75,589	6,034	11,488
			As at 30 June 2000 Actual	As at 30 June 1999 Pro forma (1)
Homes marketed			4,455,062	4,413,120
Cable television and residential telephony subscribers*			968,530	923,232
Cable television only subscribers			160,278	177,777
Residential telephony only subscribers *			456,197	438,012
Total residential subscribers			1,585,005	1,539,021
* Includes subscribers also subscribing for internet services				
Household penetration			35.6%	34.9%
Percentage of dual subscribers			61.1%	60.0%
Customer churn (excluding Cable London)			14.5%	-
Monthly revenue per subscriber			£37.67	£34.96
CABLE TELEVISION				
Homes passed			4,708,695	4,644,215
Homes passed and marketed			4,455,062	4,413,120
Cable television subscribers			1,128,808	1,101,009
Active Digital subscribers			167,088	-
Penetration rate			25.3%	24.9%
Churn rate per subscriber			26.3%	27.3%
Average monthly revenue per subscriber			£20.47	£21.70
RESIDENTIAL TELEPHONY				
Homes passed			4,530,211	4,465,737
Homes passed and marketed			4,453,201	4,400,558
Residential telephony subscribers			1,424,727	1,359,688
Residential telephony penetration			32.0%	30.9%
Residential telephone lines			1,594,312	1,482,836
Second line penetration			11.9%	9.1%
Average churn rate per line			20.6%	21.5%
Average monthly revenue per line			£22.71	£20.81
TOTAL INTERNET SUBSCRIBERS			136,715	33,809

Telewest Communications plc
Operating Statistics

BUSINESS DIVISION	Actual	Actual	Pro forma (1)	Pro forma (1)
	Net additions Q2 2000	Net additions YTD 2000	Net additions Q2 1999	Net additions YTD 1999
Business customer accounts	577	3,448	601	2,704
Business telephony lines	14,184	12,261	11,417	32,209
			As at 30 June 2000 Actual	As at 30 June 1999 Pro forma (1)
Business customer accounts			61,795	47,738
Business telephony lines			319,351	265,970
Average business lines per customer account			5.2	5.6
Average monthly revenue per business line			£48.97	£57.03
Annualised revenue per customer account			£3,223	£3,659
			As at 30 June 2000 Actual	As at 30 June 1999 Pro forma (1)
CONTENT DIVISION				
Multi channel subscribers			8,519,776	6,683,994
Share of basic viewing in multi-channel homes			26.3%	25.3%
Share of total TV advertising revenue			3.2%	2.8%

Telewest Communications plc

Financial performance on a pro forma basis (assumes the Cable London and Flextech acquisitions had taken place on 1 January 1999).

This represents an aggregation of each company's data before exceptional items and without making full consolidation adjustments. The table should be considered for illustrative purposes only.

For the six months ended 30 June:

	Proforma Combined Group (1)		Telewest		Cable London		Flextech *	
	2000 £m	1999 £m	2000 £m	1999 £m	2000 £m	1999 £m	2000 £m	1999 £m
Turnover								
Consumer Division								
Cable television	144.2	142.1	130.7	128.6	13.5	13.5	-	-
Telephony	218.0	178.2	197.9	160.2	20.1	18.0	-	-
Other	6.1	9.4	6.0	9.2	0.1	0.2	-	-
	368.3	329.7	334.6	298.0	33.7	31.7	-	-
Business Division	124.0	89.0	115.6	82.1	8.4	6.9	-	-
Total Cable Division	492.3	418.7	450.2	380.1	42.1	38.6	-	-
Content division								
Core programming	49.4	47.9	-	-	-	-	49.4	47.9
Share of joint ventures' turnover (UKTV)	25.1	17.2	-	-	-	-	25.1	17.2
Transactional and interactive	10.0	11.7	-	-	-	-	10.0	11.7
Total Content Division	84.5	76.8	-	-	-	-	84.5	76.8
Total Turnover	576.8	495.5	450.2	380.1	42.1	38.6	84.5	76.8
Less: share of joint ventures' turnover	(25.1)	(17.2)	-	-	-	-	(25.1)	(17.2)
Group Turnover	551.7	478.3	450.2	380.1	42.1	38.6	59.4	59.6
Contribution	340.2	299.1	282.7	242.1	25.6	22.5	31.9	34.5
SG & A	(212.2)	(181.1)	(166.3)	(135.2)	(11.8)	(11.2)	(34.1)	(34.7)
EBITDA before exceptional items	128.0	118.0	116.4	106.9	13.8	11.3	(2.2)	(0.2)
Loss for the period	(332.9)	(339.9)	(327.1)	(332.3)	(4.9)	(6.7)	(0.9)	(0.9)
Capitalexpenditure	322.5	205.3	316.4	194.7	5.9	9.1	0.2	1.5

* After elimination of inter-company trading

Telewest Communications plc
 UK GAAP
 SUMMARISED UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNTS
 FOR THE SIX MONTHS ENDED 30 JUNE

	6 months ended 30 June 2000 £m	6 months ended 30 June 1999 £m	Year ended 31 December 1999 £m Audited
Turnover			
Consumer Division			
Cable television	144.2	128.6	258.3
Telephony	218.0	160.2	333.7
Other	6.1	9.3	17.0
	368.3	298.1	609.0
Business Division	124.0	82.1	183.5
Total Cable Division	492.3	380.2	792.5
Content Division			
Core programming	16.5	-	-
Share of joint ventures' turnover (UKTV)	8.8	-	-
Transactional and interactive	4.7	-	-
Total Content Division	30.0	-	-
Total Turnover	522.3	380.2	792.5
Less: share of joint ventures' turnover	(8.8)	-	-
Group Turnover	513.5	380.2	792.5
Operating expenses before charging depreciation and amortisation	(394.3)	(273.3)	(570.7)
EBITDA	119.2	106.9	221.8
Depreciation of tangible fixed assets	(169.6)	(142.8)	(354.3)
Amortisation of goodwill and intangible assets	(53.0)	(23.3)	(48.6)
Group operating loss	(103.4)	(59.2)	(181.1)
Share of operating profit of joint ventures	1.0	-	-
Share of operating profit/(loss) of associated undertakings	2.4	(0.7)	0.7
Other interest receivable and similar income	5.3	11.5	11.1
Interest payable and similar charges	(200.9)	(215.4)	(360.6)
Loss on ordinary activities before tax	(295.6)	(263.8)	(529.9)
Tax benefit arising during the period	1.8	-	-
Loss on ordinary activities after tax	(293.8)	(263.8)	(529.9)
Minority interests	(0.2)	-	(0.1)
Loss for the period	(294.0)	(263.8)	(530.0)
Basic and diluted loss per equity share (pence)	(11.6)	(12.0)*	(24.1)
Add back amortisation of goodwill (pence)	2.1	1.0	2.2
Basic and diluted loss per equity share before amortisation (pence)	(9.5)	(11.0)	(21.9)

The consolidated financial information as set out on pages 10 to 14, which is unaudited, has been prepared on the basis of the accounting policies set out in Telewest's 1999 Annual Report other than where changes are necessary to implement new accounting standards. This consolidated financial information does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The balance sheet, profit and loss account and cash flow information at 31 December 1999 is derived from the statutory accounts for 1999 which have been delivered to the Registrar of Companies. The auditors have reported on those accounts: their report was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

Telewest Communications plc
 UK GAAP
 NOTES TO THE SUMMARISED UNAUDITED CONSOLIDATED ACCOUNTS
 FOR THE SIX MONTHS ENDED 30 JUNE

	6 months ended 30 June 2000 £m	6 months ended 30 June 1999 £m	Year ended 31 December 1999 £m Audited
1 Operating costs			
Operating expenses before charging depreciation and amortisation :			
Consumer programming expenses	70.0	66.6	131.9
Business and consumer telephony expenses	112.1	71.5	158.0
Content Division expenses	7.7	-	-
Selling, general and administrative expenses	194.5	135.2	280.8
Exceptional launch and integration costs	10.0	-	-
	394.3	273.3	570.7
Depreciation and amortisation :			
Depreciation of tangible fixed assets	169.6	142.8	354.3
Amortisation of goodwill and intangible assets	53.0	23.3	48.6
	222.6	166.1	402.9
Total operating costs	616.9	439.4	973.6

2 Interest payable and similar charges

Share of interest of associated undertakings and joint ventures	1.5	3.4	6.9
On bank loans			
Wholly repayable within 5 years	-	27.8	25.9
Wholly or partly repayable in more than 5 years	37.7	9.1	55.9
Finance costs of Notes and Debentures	133.0	85.3	184.3
Finance charges payable in respect of finance leases and hire purchase contracts	4.1	6.6	9.4
Exchange loss on foreign currency translation, net	19.8	46.5	44.0
Sale and leaseback termination	-	7.1	8.9
Extinguishment of debt	-	15.7	15.7
Other	4.8	13.9	9.6
Total interest payable and similar charges	200.9	215.4	360.6

Telewest Communications plc
 UK GAAP
 NOTES TO THE SUMMARISED UNAUDITED CONSOLIDATED ACCOUNTS
 FOR THE SIX MONTHS ENDED 30 JUNE

3 Acquisition

On 19 April 2000, the group acquired Flextech plc. The results of Flextech from this date to 30 June 2000 have been consolidated within the Group profit and loss account.

The acquisition has been accounted for using the acquisition method of accounting.

The provisional fair value of the assets and liabilities of Flextech at the date of acquisition was as follows:

	£ m
Net assets acquired at provisional fair value	98.3
Goodwill	2,269.8
Consideration	2,368.1
Satisfied by:	
Equity	2,327.8
Acquisition costs paid	9.3
Accrued acquisition costs	31.0
	2,368.1

The provisional fair value adjustments bring the accounting policies for Flextech into line with those of Telewest.

The summarised profit and loss account of Flextech from 1 January 2000, the beginning of its financial year, to the date of acquisition was as follows:

Total turnover	58.1
Less share of joint ventures	(16.3)
Group turnover	41.8
Operating loss	(2.9)
Profit before tax	1.1
Taxes	(3.9)
Minority interest	(0.1)
Loss after tax and minority interest	(2.9)

For the year ended 31 December 1999 Flextech made a profit after exceptional items, tax and minority interest of £12.9 million.

There were no recognised gains or losses in Flextech other than those included in the profit and loss account.

Telewest Communications plc
 UK GAAP
 SUMMARISED UNAUDITED CONSOLIDATED BALANCE SHEETS
 AS AT 30 JUNE

	30 June 2000 £m	30 June 1999 £m	31 December 1999 £m Audited
Fixed assets			
Intangible assets	3,521.3	898.1	1,304.4
Tangible assets	2,942.2	2,508.7	2,775.1
Investment in associated undertakings	52.5	34.4	4.0
Investments in joint ventures:			
Share of gross assets	37.5		
Share of gross liabilities	(138.8)		
Loans to joint ventures	<u>229.4</u>		
	128.1	-	-
Other investments	7.8	-	2.1
	<u>6,651.9</u>	<u>3,441.2</u>	<u>4,085.6</u>
Current assets			
Programming inventory	36.3	-	-
Stocks	1.3	0.4	0.2
Debtors	250.8	156.6	158.2
Secured cash deposit restricted for more than one year	12.0	12.0	12.0
Cash at bank and in hand	175.3	43.9	65.2
	475.7	212.9	235.6
Creditors: amounts falling due within one year	(503.1)	(363.6)	(505.8)
Net current liabilities	<u>(27.4)</u>	<u>(150.7)</u>	<u>(270.2)</u>
Total assets less current liabilities	6,624.5	3,290.5	3,815.4
Creditors: amounts falling due after more than one year (including convertible debt)	(3,848.5)	(2,685.4)	(3,061.0)
Minority interests	1.4	(0.5)	(0.5)
Net assets	<u>2,777.4</u>	<u>604.6</u>	<u>753.9</u>
Shareholders' funds	<u>2,777.4</u>	<u>604.6</u>	<u>753.9</u>

Telewest Communications plc
 UK GAAP
 SUMMARISED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE SIX MONTHS ENDED 30 JUNE

	6 months ended 30 June 2000 £m	6 months ended 30 June 1999 £m	Year ended 31 December 1999 £m Audited
Net cash inflow from operating activities	85.0	90.8	197.6
Returns on investments and servicing of finance			
Interest received	2.6	2.1	7.5
Interest paid	(66.4)	(54.8)	(123.8)
Interest element of finance lease payments	(3.7)	(6.6)	(12.9)
Net cash outflow from returns on investments and servicing of finance	(67.5)	(59.3)	(129.2)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(282.3)	(183.5)	(468.1)
Sale of tangible fixed assets	(0.7)	3.1	4.7
Net cash outflow from capital expenditure and financial investment	(283.0)	(180.4)	(463.4)
Acquisitions and disposals			
Purchase of subsidiary undertakings	(9.3)	(1.7)	(395.3)
Cash acquired with subsidiaries	6.3	-	2.2
Investment in associated undertakings and other participating interests	2.5	(1.9)	
Net cash outflow from acquisitions and disposals	(0.5)	(3.6)	(395.5)
Management of liquid resources			
Increase in fixed deposits (net)	(68.5)	(6.6)	(33.6)
Financing			
Cash paid for credit facility arrangement costs	(1.3)	(15.7)	(16.3)
Net repayment of borrowings under old credit facility	-	(538.5)	(538.5)
Repayment of borrowings under old facilities	-	(597.0)	(597.0)
Net proceeds from borrowings under new facilities	-	650.0	951.0
Net repayments under existing facilities	10.0	-	-
Release of restricted cash deposits	-	175.4	175.4
Cash received from exercise of share options	2.7	9.9	12.5
Cash received from rights issue	-	-	415.5
Share issue costs	(13.0)	-	(2.5)
Repayment of Cable London facility	(126.0)	-	-
Proceeds from issue of Senior Convertible Notes, 2007	-	300.0	300.0
Proceeds from issue of Senior Discount Notes, 2009	-	399.2	399.2
Proceeds from issue of Senior Discount Notes and Senior Notes, 2010	543.5	-	-
Issue costs of Notes	(10.6)	(17.4)	(17.8)
Repayment of borrowings	(17.2)	(0.9)	(45.1)
Capital element of finance lease payments	(12.0)	(209.5)	(221.8)
Net cash inflow from financing	376.1	155.5	814.6
Increase / (decrease) in cash	41.6	(3.6)	(9.5)

Telewest Communications plc

Independent review report by KPMG Audit Plc to Telewest Communications plc

Introduction

We have been instructed by the Company to review the financial information set out on pages 10 to 14 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The Listing Rules of the Financial Services Authority require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where they are to be changed in the next annual accounts in which case any changes, and the reasons for them, are to be disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4: Review of interim financial information issued by the Auditing Practices Board. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2000.

KPMG Audit Plc

Chartered Accountants
London, England

3 August 2000

Telewest Communications plc
US GAAP
SUMMARISED UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE

	3 months ended 30 June 2000 \$ m	3 months ended 30 June 2000 £ m	3 months ended 30 June 1999 £ m	6 months ended 30 June 2000 \$ m	6 months ended 30 June 2000 £ m	6 months ended 30 June 1999 £ m
Revenue						
Cable television	107.0	70.7	64.2	218.2	144.2	128.7
Residential telephony	169.6	112.1	81.3	329.8	218.0	160.2
Business services	87.7	58.0	42.4	168.2	111.2	82.1
Broadcasting and interactive services	31.1	20.5	-	31.1	20.5	-
Other	4.5	3.0	4.7	9.2	6.1	9.2
Total	399.9	264.3	192.6	756.5	500.0	380.2
Operating loss	(92.6)	(61.2)	(34.0)	(207.9)	(137.4)	(83.6)
Interest income	6.2	4.1	0.9	7.9	5.2	9.6
Interest expense	(138.4)	(91.5)	(67.5)	(271.1)	(179.2)	(148.1)
Foreign exchange loss, net	(20.4)	(13.5)	(18.7)	(58.9)	(38.9)	(49.2)
Share of losses of affiliates	(4.2)	(2.8)	(1.9)	(4.2)	(2.8)	(4.0)
Minority interest in profits of consolidated subsidiaries, net	(0.2)	(0.1)	-	(0.3)	(0.2)	-
Other, net	(1.4)	(0.9)	1.6	(1.2)	(0.8)	1.9
Loss before income taxes	(251.0)	(165.9)	(119.6)	(535.7)	(354.1)	(273.4)
Income tax benefit	4.5	3.0	-	4.5	3.0	-
Net loss before extraordinary item	(246.5)	(162.9)	(119.6)	(531.2)	(351.1)	(273.4)
Extinguishment of debt	-	-	(20.1)	-	-	(20.1)
Net loss after extraordinary item	(246.5)	(162.9)	(139.7)	(531.2)	(351.1)	(293.5)
Basic and diluted loss per ordinary share						
Before extraordinary loss	\$(0.09)	£(0.06)	£(0.06)	\$(0.21)	£(0.14)	£(0.13)
After extraordinary loss	\$(0.09)	£(0.06)	£(0.07)*	\$(0.21)	£(0.14)	£(0.14)*
Add back amortisation of goodwill	\$0.02	£0.01	£0.01	\$0.03	£0.02	£0.02
Before amortisation of goodwill	\$(0.07)	£(0.05)	£(0.06)	\$(0.18)	£(0.12)	£(0.12)
1 Earnings before interest, taxes, depreciation and amortisation ("EBITDA")						
Operating loss	(92.6)	(61.2)	(34.0)	(207.9)	(137.4)	(83.6)
Add: depreciation and amortisation of goodwill	195.5	129.2	86.1	361.6	239.0	172.6
EBITDA (after non-cash share-based compensation costs)	102.9	68.0	52.1	153.7	101.6	89.0
Add back: non-cash share-based compensation costs/(benefits)	(23.6)	(15.6)	4.4	8.0	5.3	17.9
EBITDA (before non-cash share-based compensation costs)	79.3	52.4	56.5	161.7	106.9	106.9
2 Operating costs and expenses						
Programming	(50.5)	(33.4)	(30.7)	(105.9)	(70.0)	(66.6)
Telephony	(89.9)	(59.4)	(39.5)	(169.6)	(112.1)	(71.5)
Broadcasting and interactive services	(11.7)	(7.7)	-	(11.7)	(7.7)	-
Selling, general and administration	(144.9)	(95.8)	(70.3)	(315.6)	(208.6)	(153.0)
Depreciation	(141.2)	(93.3)	(71.2)	(276.4)	(182.7)	(142.8)
Amortisation of goodwill	(54.3)	(35.9)	(14.9)	(85.2)	(56.3)	(29.9)
Total	(492.5)	(325.5)	(226.6)	(964.4)	(637.4)	(463.8)

The consolidated financial information as set out on pages 16 to 18, which is unaudited, has been prepared on the basis of the accounting policies set out in Telewest's 1999 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 \$1.5130 per £1.00, the Noon Buying Rate of the Federal Reserve Bank of New York on 30 June 2000. 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 UNAUDITED CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE

	30 June 2000 \$ m	30 June 2000 £ m	31 December 1999 £ m Audited
Assets			
Cash and cash equivalents	265.2	175.3	65.2
Secured cash deposit restricted for more than one year	18.2	12.0	12.0
Receivables and prepaid expenses	379.7	250.9	151.7
Investments	375.4	248.1	4.0
Property and equipment	4,560.9	3,014.5	2,818.1
Goodwill and other intangibles	4,940.9	3,265.6	1,474.4
Programming inventory	54.9	36.3	-
Other assets	75.5	49.9	42.1
Total assets	10,670.7	7,052.6	4,567.5
Liabilities			
Debt	5,765.4	3,810.6	3,130.6
Other liabilities	1,034.9	683.9	483.6
Total liabilities	6,800.3	4,494.5	3,614.2
Minority interests	(2.1)	(1.4)	0.5
Shareholders' equity	3,872.5	2,559.5	952.8
Total liabilities and shareholders' equity	10,670.7	7,052.6	4,567.5

Telewest Communications plc
US GAAP
SUMMARISED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED 30 JUNE

	6 months ended 30 June 2000 \$ m	6 months ended 30 June 2000 £ m	6 months ended 30 June 1999 £ m
Cash flows from operating activities			
Net loss	(531.2)	(351.1)	(293.5)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	276.4	182.7	142.8
Amortisation of goodwill	85.2	56.3	29.9
Amortisation of deferred financing costs and issue discount on senior discount debentures	132.2	87.4	78.8
Unrealised loss on foreign currency translation	58.1	38.3	48.7
Non-cash accrued share-based compensation cost	8.0	5.3	17.9
Termination of sale and leaseback	-	-	7.1
Share of net losses of affiliates	4.2	2.8	4.0
Loss/(gain) on disposals of assets	1.2	0.8	(1.9)
Changes in operating assets and liabilities, net of effect of acquisition of subsidiaries:			
Change in receivables	(83.5)	(55.2)	(25.9)
Change in prepaid expenses	(13.8)	(9.1)	(6.7)
Change in accounts payable	62.8	41.5	13.5
Change in other liabilities	17.1	11.3	16.8
Change in other assets	10.9	7.2	-
Net cash provided by operating activities	27.6	18.2	31.5
Net cash used in investing activities	(428.9)	(283.5)	(184.0)
Net cash provided by financing activities	567.9	375.4	155.5
Net increase in cash and cash equivalents	166.6	110.1	3.0
Cash and cash equivalents at beginning of period	98.6	65.2	40.9
Cash and cash equivalents at end of period	265.2	175.3	43.9