



FOR IMMEDIATE RELEASE

16 November 2000

**TELEWEST COMMUNICATIONS plc  
3rd QUARTER RESULTS 2000**

- **Turnover up 41.2% to £814 million**
- **EBITDA up 9% to £180 million**
- **Business division revenues up 51% to £193 million**
- **2 October re-launch of Active Digital – sales to date of 315,000**
- **Bob Fuller appointed to lead cable division**
- **Mark Luiz appointed to Board**

		9 months ended 30 September 2000	9 months ended 30 September 1999	Change over 1999	
<b>Total Turnover</b>		<b>£814m</b>	<b>£576m</b>	<b>+41.2%</b>	
<b>EBITDA</b> (earnings before interest, tax, depreciation and amortisation)		<b>£180m</b>	<b>£165m</b>	<b>+9.1%</b>	
<b>Cable Division</b>					
Consumer Division	Revenues	<b>£547m</b>	<b>£448m</b>	<b>+22.0%</b>	
	Customers	<b>1.6m</b>	<b>1.4m</b>	<b>+161,000</b>	
	Household Penetration	<b>34.9%</b>	<b>35.1%</b>	<b>-0.2%</b>	<b>Pts</b>
	Monthly Revenue per Customer	<b>£37.49</b>	<b>£34.48</b>	<b>+8.7%</b>	
	Customer Churn*	<b>14.5%</b>	-	-	
Business Division	Revenues	<b>£193m</b>	<b>£128m</b>	<b>+50.5%</b>	
<b>Content Division</b>	Revenues ** - including share of joint ventures	<b>£74m</b>	-	-	

\* Excluding Cable London

\*\*Flextech, now our content division was acquired on 19 April 2000. Revenues are stated after elimination of intercompany trading.

**Commenting on the results, Adam Singer, group chief executive of Telewest Communications, said:**

“Telewest is back on track to reap the benefits of the digital age. Our current trading demonstrates that we are once again making rapid progress in all areas of our business.

In October we resumed marketing of our digital television product. Demand has been very strong and we have recorded a record month for sales. We are confident we will reach our revised target of 500,000 digital sales by the end of the first quarter of next year. Telewest is now positioned to deliver substantial subscriber growth going forward.

The quarter under review was affected by the set-top box shortage we described at our interim results. The summer months also traditionally see a seasonal dip in CATV sales. But during those three months we have made excellent progress in positioning the business to pick up momentum as we approach the year end and head into 2001.

We have not been standing still while we worked through the complex technical and service issues that have attended the transition to digital. We appointed a new ceo for the cable division: Bob Fuller joins next month from Orange, where he was chief operating officer. He brings outstanding skills and experience from the highly competitive and innovative mobile telephony market.

We have been dealing with the customer service issues that have historically been a weakness of the UK cable industry. We have now seen three straight months in a row in which customer complaint levels have declined month-on-month. Meanwhile, we have continued to roll out the next generation of broadband products that are our future revenue lifeblood.

Interactive shopping and services and TV e-mail are now available to all our digital subscribers. High-speed internet to the home is being rolled out region by region and demand is strong. Next year will see it strongly marketed nationwide, fuelling subscriber growth and becoming another important revenue stream.

Our business division has launched its affordable high-speed internet service for small and medium sized businesses and has signed an innovative joint venture with CobWeb, an ISP for SMEs, to provide high-value services via a portal named Blueyonder workwise.

We now have more than 200,000 consumer internet subscribers who are enjoying a service that is second to none among ISPs with, we believe, the lowest failure-to-connect rates in the industry. We are now the biggest internet service provider within our franchises and we make a good return from all these customers. Our content division has spawned a joint venture with Atomic Tangerine, whose parent the Stanford Research Institute, invented colour television and the computer mouse. The JV, Smashed Atom, will focus on interactive TV development projects for clients both inside and outside the group.

At the beginning of this month, we bought Eurobell, the last remaining independent cable operator of significance, from Deutsche Telekom. This is a valuable addition to our network, not least because it brings Gatwick Airport into franchise to add to our existing coverage of Heathrow. Our business division's management is gleeful about the opportunities that it brings, not least the prospect of enhancing our relationships with important customers such as BA and BAA. The Eurobell acquisition is also a signal that we and our major shareholders really believe in the value inherent in the UK cable business which is why we want as much of it as we can get.

Telewest is a company with a great legacy of superb engineering skills to which we have added, uniquely in this marketplace, a significant content operation that is not only a leader in pay-tv, but is driving the development of broadband content that will add value to our network.

On that front I am very pleased to welcome Mark Luiz, who heads up our content division, to the board. As one of the prime architects of Flextech's success, he brings sound judgement and penetrating analytical skills to our top table.

I am personally very excited about the prospects for this group and am totally committed to ensuring we deliver serious value for our customers, our employees and our shareholders."

## **BUSINESS REVIEW**

### **Financial Review**

Revenues for the nine months ended 30 September 2000 increased 41.2%, by £238m to £814m. This growth is attributable to the continuing strong revenue increases in residential telephony and our commercial services division, the acquisition of Flextech, £53m, and the acquisition of the remaining 50% interest in Cable London, £63m. On a pro forma basis, reflecting the Cable London and Flextech acquisitions, revenue growth was 14.8%.

Cable division product margins, which reflect revenues minus product costs, were 63.0%. Product margins were led by strong telephony margins of 66.8% and cable television (CATV) margins of 51.9%.

In the nine months, total selling, general and administrative expenses ("SG&A") rose to £308.6 million from £202.7 million reflecting, in part, the increased size of the group (following the addition of Cable London and Flextech), and costs of £16.3 million relating to our acquisition of Flextech and the subsequent restructuring of the group. In addition, we have incurred the significant expense required to launch our new digital and hi-speed internet product offerings. On a pro forma basis, reflecting the Cable London and Flextech acquisitions, and before exceptional items, SG&A was up 18.7%. EBITDA for the nine months was £180m with EBITDA margin at 22.7%.

### **Consumer Division**

The third quarter saw the disruption of digital sales due to a worldwide shortage of flash memory chips, which limited the supply of digital set-top boxes. Whilst we resolved this situation, in partnership with our supplier, we also successfully marketed our analogue service and added some 17,000 new cable television subscribers. On 2 October we initiated a national campaign to re-launch the Active Digital service and as at 14 November we have made 315,000 digital sales. As at 30 September, 2000 all of our Active Digital customers had TV e-mail and access to our TV Walled Garden which now has over 150 partners, including recent signings, Prudential, FTyourmoney, Marks & Spencer and Beeb.com.

Our household penetration was 34.9% at 30 September 2000, which represents approximately 1.6 million homes. Average monthly revenue per residential customer was up 9% at £37.49, predominantly because of strong telephony revenues and a slight increase in dual penetration (percentage of customers subscribing to CATV and telephony.)

Residential telephony revenue per customer has increased to £25.31 from £21.86 per month. Second line penetration has assisted this increase, growing from 10.2% to 11.2%,

but the primary drivers have been our "3-2-1 Free" price initiative combined with increased minutes of use by our telephony customers.

At 30 September 2000 we had over 200,000 internet subscribers, an increase of over 150,000 from last year. Our high-speed internet service, blueyonder, has approximately 2,300 subscribers at our new monthly subscription price of £33 per month. We will have coverage across all of our franchise areas by the end of the year and will have active marketing in January 2001.

### **Business Division**

Business Communications' revenues for the nine months ended 30 September 2000 totalled £193 million, up 51% on the corresponding period a year ago and up 39% on a pro forma basis. As at 30 September 2000, Telewest had over 62,500 business customer accounts, up 16% on last year, with over 320,000 business telephony lines.

Business Communications revenues include £62.2 million relating to Telewest's successful commercial services operation versus £13.1 million in the corresponding period last year. This division provides national network services to third parties selling managed data, duct fibre and wholesale capacity. Typical customers include One 2 One, Fibreway and 360 Networks. We have had a new contract win this quarter with Scottish and Southern.

On 15 October 2000 we announced the launch of affordable high speed internet access to the SME community, (small and medium sized companies) and the launch of blueyonder workwise, the UK's first broadband internet service, aimed specifically at SMEs. Blueyonder workwise is a joint venture with CobWeb Solutions, a business ISP. The venture is chaired by Peter Wood, Chairman of the Halifax's esure and founder of Direct Line. Blueyonder workwise will bring low-cost always-on high-speed access to SMEs through cable modem technology (10 times faster than existing dial-up connections). New web-enabled applications in communications, finance and purchasing will give Telewest's business customers a competitive edge, by allowing them to focus on their key operational issues. The product is initially being offered in Scotland, the North West and North East of England, followed by all other Telewest franchise areas.

### **Content Division (Flextech)**

Our merger with Flextech was completed on 19 April 2000 and accordingly the results of Flextech have been consolidated from that date contributing revenues, including its share of joint ventures' revenue, of £74 million.

Flextech's turnover, including its share of joint ventures' revenue, increased by 11.5% on a pro forma basis to £128.5 million for the period to 30 September 2000 compared with the corresponding period a year earlier. This growth has been driven by a 27% increase in the UK multi-channel market to 9 million homes at 30 September 2000, up from 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 £45 million in the period to 30 September 2000 from £35 million a year ago.

The joint venture with BBC Worldwide has turned EBITDA positive with an improvement to £5.1 million due to increased distribution and advertising revenues, particularly at the highly successful UK Gold channel.

Flextech's actual EBITDA in the period since acquisition was £2.7 million loss. Flextech's pro forma EBITDA (including the share of joint ventures) has improved by £0.7 million in the nine month period to 30 September 2000 to a loss of £6.1 million, after intercompany eliminations of £7.1 million.

### **Subsequent Events**

On 2 November 2000 we announced that we had bought Eurobell from Deutsche Telekom for a price of up to £230 million. Eurobell is the last significant independent cable operator in the UK and brings us 336,600 franchise homes and 171,000 and 10,500 residential and business customers, respectively.

Eurobell's franchises cover Crawley, West Kent and South Devon which fit perfectly with our existing network in Southern England, providing us with even more customers in some of the most affluent parts of the country.

On 23 October 2000 it was announced that Telewest was forming a joint venture with Atomic Tangerine, a subsidiary of the Stanford Research Institute, to build interactive TV services across all digital distribution channels for broadcasters, advertisers, retailers and government departments. The new venture, SmashedAtom, will be 60% owned by Telewest and will draw on experienced staff from within our Content Division.

### **Enquiries to**

### **Telewest Communications plc**

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and at

### **Brunswick**

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**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 Registration Statement on Form F-4 filed with the US Securities and Exchange Commission on 1 September 2000.

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

**Telewest Communications plc**  
Operating Statistics

<b>CONSUMER DIVISION</b>	Actual Net additions Q3 2000	Actual Net additions YTD 2000	Pro forma (1) Net additions Q3 1999	Pro forma (1) Net additions YTD 1999
Homes marketed	<b>69,571</b>	<b>80,809</b>	<b>15,592</b>	<b>56,898</b>
Customer homes added	<b>(5,863)</b>	<b>(6,424)</b>	<b>13,731</b>	<b>52,238</b>
Cable television subscribers	<b>16,957</b>	<b>(9,795)</b>	<b>22,700</b>	<b>77,561</b>
Telephony subscribers	<b>1,936</b>	<b>9,966</b>	<b>25,068</b>	<b>75,674</b>
Telephone lines	<b>(7,378)</b>	<b>924</b>	<b>43,281</b>	<b>134,500</b>
Internet subscribers	<b>68,675</b>	<b>145,084</b>	<b>12,486</b>	<b>23,974</b>
			As at 30 Sept. 2000 Actual	As at 30 Sept. 1999 Pro forma (1)
Homes marketed			<b>4,524,633</b>	<b>4,428,712</b>
Cable television and residential telephony subscribers*			<b>993,286</b>	<b>957,254</b>
Cable television only subscribers			<b>152,479</b>	<b>166,455</b>
Residential telephony only subscribers *			<b>433,377</b>	<b>429,043</b>
Total residential subscribers			<b>1,579,142</b>	<b>1,552,752</b>
* Includes subscribers also subscribing for internet services				
Household penetration			<b>34.9%</b>	<b>35.1%</b>
Percentage of dual subscribers			<b>62.9%</b>	<b>61.7%</b>
Customer churn (excluding Cable London) (2)			<b>14.5%</b>	<b>-</b>
Monthly revenue per subscriber			<b>£37.49</b>	<b>£34.83</b>
<b>CABLE TELEVISION</b>				
Homes passed			<b>4,642,000</b>	<b>4,664,715</b>
Homes passed and marketed			<b>4,523,537</b>	<b>4,428,712</b>
Cable television subscribers			<b>1,145,765</b>	<b>1,123,709</b>
Active Digital subscribers			<b>215,116</b>	<b>-</b>
Penetration rate (3)			<b>25.3%</b>	<b>25.4%</b>
Churn rate per subscriber (4)			<b>28.7%</b>	<b>27.1%</b>
Average monthly revenue per subscriber (5)			<b>£20.05</b>	<b>£21.18</b>
<b>RESIDENTIAL TELEPHONY</b>				
Homes passed			<b>4,643,000</b>	<b>4,486,237</b>
Homes passed and marketed			<b>4,524,633</b>	<b>4,416,209</b>
Residential telephony subscribers			<b>1,426,663</b>	<b>1,384,756</b>
Residential telephony penetration (6)			<b>31.5%</b>	<b>31.4%</b>
Residential telephone lines			<b>1,586,934</b>	<b>1,526,117</b>
Second line penetration			<b>11.2%</b>	<b>10.2%</b>
Average churn rate per line (7)			<b>22.0%</b>	<b>21.4%</b>
Average monthly revenue per line (8)			<b>£22.68</b>	<b>£20.76</b>
<b>INTERNET SUBSCRIBERS</b>				
Surf Unlimited			<b>79,943</b>	<b>-</b>
Pay As You Go			<b>123,153</b>	<b>46,295</b>
blueyonder			<b>2,294</b>	<b>-</b>
Total Internet subscribers			<b>205,390</b>	<b>46,295</b>

## Telewest Communications plc

### Operating Statistics

<b>BUSINESS DIVISION</b>	Actual	Actual	Pro forma (1)	Pro forma (1)
	Net additions Q3 2000	Net additions YTD 2000	Net additions Q3 1999	Net additions YTD 1999
Business customer accounts	<b>732</b>	<b>4,180</b>	<b>6,373</b>	<b>8,447</b>
Business telephony lines	<b>2,434</b>	<b>14,695</b>	<b>19,606</b>	<b>51,815</b>
			As at 30 Sept. 2000 Actual	As at 30 Sept. 1999 Pro forma (1)
Business customer accounts			<b>62,527</b>	<b>54,111</b>
Business telephony lines			<b>321,785</b>	<b>285,576</b>
Average business lines per customer account <sup>(9)</sup>			<b>5.1</b>	<b>5.3</b>
Average monthly revenue per business line <sup>(10)</sup>			<b>£48.69</b>	<b>£55.73</b>
Annualised revenue per customer account <sup>(11)</sup>			<b>£3,077</b>	<b>£3,573</b>
			As at 30 Sept. 2000 Actual	As at 30 Sept. 1999 Pro forma (1)
<b>CONTENT DIVISION</b>				
Multi channel subscribers			<b>8,961,359</b>	<b>7,048,479</b>
Share of basic viewing in multi-channel homes			<b>22.1%</b>	<b>21.6%</b>
Share of total TV advertising revenue <sup>(12)</sup>			<b>3.4%</b>	<b>2.6%</b>

#### Notes:

- (1) Operating statistics and financial data on a pro forma basis assume the Cable London and Flextech acquisitions had taken place on 1 January 1999.
- (2) Customer churn, which is being reported for the first time for the 12 months ended 30 September 2000, measures the rate at which customers disconnect from our services completely; eliminating double counting caused by customers moving between single and dual service levels. Comparative figures are not available for 1999.
- (3) Cable television penetration rate at a specified date represents (i) the total number of cable television subscribers at such date, divided by (ii) the total number of homes passed and marketed for cable television at such date.
- (4) Average cable television churn rate for the period represents (i) the total number of cable television subscribers who terminated basic service or whose service was terminated during such period, divided by (ii) the average number of cable television subscribers in such period.
- (5) Average monthly revenue per subscriber for each period represents (i) the average monthly cable television revenue for such period, divided by (ii) the average number of cable television subscribers in such period.
- (6) Residential telephony penetration rate at a specified date represents (i) the total number of residential cable telephony subscribers at such date, divided by (ii) the total number of homes passed and marketed for residential cable telephony at such date.
- (7) Average residential telephony churn rate per line for the period represents (i) the total number of residential cable telephony lines terminated by subscribers during such period, divided by (ii) the average number of residential cable telephony lines in such period.
- (8) 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.
- (9) Average number of business lines per customer account 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 customer accounts at such date.
- (10) 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.
- (11) Average annualised revenue per customer account for each period represents (i) the average monthly business services revenue for each period divided by (ii) the average number of business services customer accounts in such period, multiplied by twelve months.
- (12) Estimated share for Content Division sales house.

## 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 nine months ended 30 September:**

	Pro forma Combined Group (1)		Telewest *		Cable London		Flextech *	
	2000 £m	1999 £m	2000 £m	1999 £m	2000 £m	1999 £m	2000 £m	1999 £m
<b>Turnover</b>								
Consumer Division:								
Cable television	211.5	210.2	191.9	189.9	19.6	20.4	-	-
Telephony	325.5	272.9	295.4	245.6	30.1	27.3	-	-
Other	9.7	12.3	9.3	12.0	0.4	0.2	-	-
	546.7	495.4	496.6	447.5	50.1	47.9	-	-
Business Division	193.0	139.0	180.2	128.2	12.8	10.8	-	-
<b>Total Cable Division</b>	<b>739.7</b>	<b>634.4</b>	<b>676.8</b>	<b>575.7</b>	<b>62.9</b>	<b>58.7</b>	<b>-</b>	<b>-</b>
Content division:								
Core programming	74.3	74.3	-	-	-	-	74.3	74.3
Share of joint ventures' turnover (UKTV)	37.7	26.4	-	-	-	-	37.7	26.4
Transactional and interactive	16.5	14.6	-	-	-	-	16.5	14.6
<b>Total Content Division</b>	<b>128.5</b>	<b>115.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128.5</b>	<b>115.3</b>
<b>Total Turnover</b>	<b>868.2</b>	<b>749.7</b>	<b>676.8</b>	<b>575.7</b>	<b>62.9</b>	<b>58.7</b>	<b>128.5</b>	<b>115.3</b>
Less: share of joint ventures' turnover	(37.7)	(26.4)	-	-	-	-	(37.7)	(26.4)
<b>Group Turnover</b>	<b>830.5</b>	<b>723.3</b>	<b>676.8</b>	<b>575.7</b>	<b>62.9</b>	<b>58.7</b>	<b>90.8</b>	<b>88.9</b>
<b>Contribution</b>	<b>508.9</b>	<b>451.4</b>	<b>430.5</b>	<b>373.9</b>	<b>38.2</b>	<b>34.8</b>	<b>40.2</b>	<b>42.7</b>
<b>SG&amp;A</b>	<b>(314.1)</b>	<b>(264.6)</b>	<b>(246.1)</b>	<b>(202.6)</b>	<b>(16.6)</b>	<b>(16.5)</b>	<b>(51.4)</b>	<b>(45.5)</b>
<b>EBITDA before exceptional items</b>	<b>194.8</b>	<b>186.8</b>	<b>184.4</b>	<b>171.3</b>	<b>21.6</b>	<b>18.3</b>	<b>(11.2)</b>	<b>(2.8)</b>
<b>Share of joint ventures' EBITDA</b>	<b>5.1</b>	<b>(4.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.1</b>	<b>(4.0)</b>
<b>Total EBITDA before exceptional items</b>	<b>199.9</b>	<b>182.8</b>	<b>184.4</b>	<b>171.3</b>	<b>21.6</b>	<b>18.3</b>	<b>(6.1)</b>	<b>(6.8)</b>
<b>Loss for the period</b>	<b>(478.2)</b>	<b>(465.6)</b>	<b>(479.7)</b>	<b>(448.4)</b>	<b>10.7</b>	<b>(8.9)</b>	<b>(9.2)</b>	<b>(8.3)</b>
<b>Capital expenditure</b>	<b>488.9</b>	<b>324.8</b>	<b>478.6</b>	<b>305.4</b>	<b>6.6</b>	<b>16.5</b>	<b>3.7</b>	<b>2.9</b>

\* After elimination of inter-company trading of £7.1 million in 2000, (£6.6 million in 1999).

**Telewest Communications plc**  
**UK GAAP**  
**SUMMARISED UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER**

	9 months ended 30 Sept. 2000 £m	9 months ended 30 Sept. 1999 £m	Year ended 31 December 1999 £m <b>Audited</b>
<b>Turnover</b>			
Consumer Division			
Cable television	211.5	189.9	258.3
Telephony	325.5	245.6	333.7
Other	9.7	12.6	17.0
	<b>546.7</b>	<b>448.1</b>	<b>609.0</b>
Business Division	<b>193.0</b>	<b>128.2</b>	<b>183.5</b>
<b>Total Cable Division</b>	<b>739.7</b>	<b>576.3</b>	<b>792.5</b>
Content Division			
Core programming	41.5	-	-
Share of joint ventures' turnover (UKTV)	21.4	-	-
Transactional and interactive	11.2	-	-
<b>Total Content Division</b>	<b>74.1</b>	<b>-</b>	<b>-</b>
<b>Total Turnover</b>	<b>813.8</b>	<b>576.3</b>	<b>792.5</b>
Less: share of joint ventures' turnover	<b>(21.4)</b>	<b>-</b>	<b>-</b>
<b>Group Turnover</b>	<b>792.4</b>	<b>576.3</b>	<b>792.5</b>
<b>Operating expenses before depreciation and amortisation</b> (note 1)	<b>(612.3)</b>	<b>(411.2)</b>	<b>(570.7)</b>
<b>EBITDA</b>	<b>180.1</b>	<b>165.1</b>	<b>221.8</b>
<b>Depreciation of tangible fixed assets</b>	<b>(257.2)</b>	<b>(217.4)</b>	<b>(354.3)</b>
<b>Amortisation of goodwill and intangible assets</b>	<b>(98.6)</b>	<b>(35.0)</b>	<b>(48.6)</b>
<b>Group operating loss</b>	<b>(175.7)</b>	<b>(87.3)</b>	<b>(181.1)</b>
<small>(Includes £(124.1)m relating to continuing operations and £(51.6)m on acquisitions after goodwill amortisation of £(47.1)m)</small>			
<b>Share of operating profit of joint ventures</b>	<b>3.5</b>	<b>-</b>	<b>-</b>
<b>Share of operating profit/(loss) of associated undertakings</b>	<b>4.5</b>	<b>(0.6)</b>	<b>0.7</b>
<b>Other interest receivable and similar income</b>	<b>10.1</b>	<b>10.6</b>	<b>11.1</b>
<b>Interest payable and similar charges</b> (note 2)	<b>(317.7)</b>	<b>(279.4)</b>	<b>(360.6)</b>
<b>Loss on ordinary activities before tax</b>	<b>(475.3)</b>	<b>(356.7)</b>	<b>(529.9)</b>
<b>Tax benefit arising during the period</b>	<b>0.6</b>	<b>0.1</b>	<b>-</b>
<b>Loss on ordinary activities after tax</b>	<b>(474.7)</b>	<b>(356.6)</b>	<b>(529.9)</b>
<b>Minority interests</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>
<b>Loss for the period</b>	<b>(474.8)</b>	<b>(356.7)</b>	<b>(530.0)</b>
<b>Basic and diluted loss per equity share (pence)</b>	<b>(17.9)</b>	<b>(16.3)*</b>	<b>(24.1)</b>
<b>Add back amortisation of goodwill (pence)</b>	<b>3.7</b>	<b>1.6</b>	<b>2.2</b>
<b>Basic and diluted loss per equity share before amortisation (pence)</b>	<b>(14.2)</b>	<b>(14.7)</b>	<b>(21.9)</b>

\* restated for compliance with FRS 14

The consolidated financial information as set out on pages 10 to 13, 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 and for the year ended 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**  
**SUMMARISED UNAUDITED CONSOLIDATED BALANCE SHEETS**  
**AS AT 30 SEPTEMBER**

	30 Sept. 2000 £m	30 Sept. 1999 £m	31 December 1999 £m Audited
<b>Fixed assets</b>			
Intangible assets	3,473.1	886.4	1,304.4
Tangible assets	3,005.3	2,556.1	2,775.1
Investment in associated undertakings	54.0	29.2	4.0
Investments in joint ventures:			
Share of gross assets	40.5		
Share of gross liabilities	(142.1)		
Loans to joint ventures	<u>231.2</u>		
	129.6	-	-
Other investments	11.4	-	2.1
	<b>6,673.4</b>	3,471.7	4,085.6
<b>Current assets</b>			
Programming inventory	35.8	-	-
Stocks	1.2	0.2	0.2
Debtors	236.9	157.8	158.2
Secured cash deposit restricted for more than one year	12.0	12.0	12.0
Cash at bank and in hand	37.5	40.8	65.2
	<b>323.4</b>	210.8	235.6
<b>Creditors: amounts falling due within one year</b>	<b>(492.3)</b>	(342.4)	(505.8)
<b>Net current liabilities</b>	<b>(168.9)</b>	(131.6)	(270.2)
<b>Total assets less current liabilities</b>	<b>6,504.5</b>	3,340.1	3,815.4
<b>Creditors: amounts falling due after more than one year (including convertible debt)</b>	<b>(3,908.4)</b>	(2,827.2)	(3,061.0)
<b>Minority interests</b>	<b>1.5</b>	(0.4)	(0.5)
<b>Net assets</b>	<b>2,597.6</b>	512.5	753.9
<b>Shareholders' funds</b>	<b>2,597.6</b>	512.5	753.9

**Telewest Communications plc**  
**UK GAAP**  
**SUMMARISED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER**

	9 months ended 30 Sept. 2000 £m	9 months ended 30 Sept. 1999 £m	Year ended 31 December 1999 £m <b>Audited</b>
<b>Net cash inflow from operating activities</b> (note 3)	<b>157.8</b>	171.2	197.6
<b>Returns on investments and servicing of finance</b>			
Interest received	3.9	7.5	7.5
Interest paid	(107.9)	(95.0)	(123.8)
Interest element of finance lease payments	(5.7)	(11.8)	(12.9)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(109.7)</b>	(99.3)	(129.2)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	(428.6)	(310.4)	(468.1)
Sale of tangible fixed assets	1.5	7.8	4.7
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(427.1)</b>	(302.6)	(463.4)
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertakings	(27.9)	(1.7)	(395.3)
Cash acquired with subsidiaries	6.3	-	2.2
Investment in associated undertakings and other participating interests	0.9	(1.9)	(2.4)
<b>Net cash outflow from acquisitions and disposals</b>	<b>(20.7)</b>	(3.6)	(395.5)
<b>Management of liquid resources</b>			
Decrease/(increase) in fixed deposits (net)	51.5	(1.7)	(33.6)
<b>Financing</b>			
Cash paid for credit facility arrangement costs	(1.3)	(16.5)	(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	-	735.0	951.0
Net repayments/(draw downs) under existing facilities	(315.0)	-	-
Release of restricted cash deposits	-	175.4	175.4
Cash received from exercise of share options	3.6	10.6	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, 2005	330.2	-	-
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	(19.4)	(17.7)	(17.8)
Repayment of borrowings	(14.4)	(0.9)	(45.1)
Capital element of finance lease payments	(16.2)	(215.3)	(221.8)
<b>Net cash inflow from financing</b>	<b>372.0</b>	234.3	814.6
<b>Increase / (decrease) in cash</b>	<b>23.8</b>	(1.7)	(9.5)

**Telewest Communications plc**  
**UK GAAP**  
**NOTES TO THE SUMMARISED UNAUDITED CONSOLIDATED ACCOUNTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER**

	9 months ended 30 Sept. 2000 £m	9 months ended 30 Sept. 1999 £m	Year ended 31 December 1999 £m <b>Audited</b>
<b>1 Operating costs</b>			
<b>Operating expenses before depreciation and amortisation :</b>			
Consumer programming expenses	101.7	97.0	131.9
Business and consumer telephony expenses	172.2	111.5	158.0
Content Division cost of sales	29.8	-	-
Selling, general and administrative expenses (including £16.3m of acquisition and restructuring costs)	308.6	202.7	280.8
	<b>612.3</b>	411.2	570.7
<b>Depreciation and amortisation :</b>			
Depreciation of tangible fixed assets	257.2	217.4	354.3
Amortisation of goodwill and intangible assets	98.6	35.0	48.6
	<b>355.8</b>	252.4	402.9
<b>Total operating costs</b>	<b>968.1</b>	663.6	973.6
<b>2 Interest payable and similar charges</b>			
Share of interest of associated undertakings and joint ventures	3.9	5.0	6.9
On bank loans			
Wholly repayable within 5 years	-	28.7	25.9
Wholly or partly repayable in more than 5 years	60.5	35.5	55.9
Finance costs of Notes and Debentures	209.2	136.9	184.3
Finance charges payable in respect of finance leases and hire purchase contracts	7.1	6.6	9.4
Exchange loss on foreign currency translation, net	28.2	35.1	44.0
Sale and leaseback termination	-	8.9	8.9
Extinguishment of debt	-	15.7	15.7
Other	8.8	7.0	9.6
<b>Total interest payable and similar charges</b>	<b>317.7</b>	279.4	360.6
<b>3 Reconciliation of operating loss to net cash inflow from operating activities</b>			
Group operating loss	(175.7)	(87.4)	(181.1)
Depreciation of tangible fixed assets	257.2	217.4	354.3
Amortisation of goodwill and intangible assets	98.6	35.1	48.6
Decrease in stocks and programming inventory	7.7	0.2	0.1
(Increase) in debtors	(38.1)	(31.1)	(27.6)
Increase in creditors	8.1	37.0	3.3
<b>Net cash inflow from operating activities</b>	<b>157.8</b>	171.2	197.6

**Telewest Communications plc**  
**US GAAP**  
**SUMMARISED UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER**

	3 months ended 30 Sept. 2000 \$m	3 months Ended 30 Sept. 2000 £m	3 months ended 30 Sept. 1999 £m	9 months Ended 30 Sept. 2000 \$m	9 months ended 30 Sept. 2000 £m	9 months ended 30 Sept. 1999 £m
<b>Revenue</b>						
Cable television	99.5	67.3	61.2	312.7	211.5	189.9
Residential telephony	159.0	107.5	85.4	481.3	325.5	245.6
Business services	103.1	69.7	46.1	267.5	180.9	128.2
Broadcasting and interactive services	47.0	31.8	-	77.4	52.3	-
Other	5.3	3.6	3.4	14.3	9.7	12.6
<b>Total</b>	<b>413.9</b>	<b>279.9</b>	<b>196.1</b>	<b>1,153.2</b>	<b>779.9</b>	<b>576.3</b>
<b>Operating loss</b>	<b>(111.2)</b>	<b>(75.2)</b>	<b>(29.8)</b>	<b>(314.4)</b>	<b>(212.6)</b>	<b>(113.4)</b>
Interest income	2.1	1.4	(2.9)	9.8	6.6	6.8
Interest expense	(161.2)	(109.0)	(75.2)	(426.2)	(288.2)	(223.3)
Foreign exchange gain/(loss), net	3.3	2.2	7.2	(54.2)	(36.7)	(42.0)
Share of profits/(losses) of affiliates	7.5	5.1	(1.5)	3.4	2.3	(5.6)
Minority interest in profits of consolidated subsidiaries, net	-	-	-	(0.3)	(0.2)	(0.1)
Other, net	(0.9)	(0.6)	(2.6)	(2.1)	(1.4)	(0.7)
<b>Loss before income taxes</b>	<b>(260.4)</b>	<b>(176.1)</b>	<b>(104.8)</b>	<b>(784.0)</b>	<b>(530.2)</b>	<b>(378.3)</b>
Income tax benefit/(charge)	(3.3)	(2.2)	-	1.2	0.8	0.1
<b>Net loss before extraordinary item</b>	<b>(263.7)</b>	<b>(178.3)</b>	<b>(104.8)</b>	<b>(782.8)</b>	<b>(529.4)</b>	<b>(378.2)</b>
Extinguishment of debt	-	-	-	-	-	(20.1)
<b>Net loss after extraordinary item</b>	<b>(263.7)</b>	<b>(178.3)</b>	<b>(104.8)</b>	<b>(782.8)</b>	<b>(529.4)</b>	<b>(398.3)</b>
<b>Basic and diluted loss per ordinary share</b>						
Before extraordinary loss	\$(0.12)	£(0.08)	£(0.05)	\$(0.30)	£(0.20)	£(0.17)
After extraordinary loss	\$(0.12)	£(0.08)	£(0.05)*	\$(0.30)	£(0.20)	£(0.18)*
Add back amortisation of goodwill	\$0.02	£0.01	£0.01	\$0.06	£0.04	£0.02
Before amortisation of goodwill	\$(0.10)	£(0.07)	£(0.04)	\$(0.24)	£(0.16)	£(0.16)
* restated to reflect the dilutive effect of the 1999 rights issue						
<b>1 Earnings before interest, taxes, depreciation and amortisation ("EBITDA")</b>						
Operating loss	(111.2)	(75.2)	(29.8)	(314.4)	(212.6)	(113.4)
Add: depreciation and amortisation of goodwill	204.6	138.4	89.6	558.1	377.4	262.2
EBITDA (after non-cash share-based compensation costs)	93.4	63.2	59.8	243.7	164.8	148.8
Add back: non-cash share-based compensation costs/(benefits)	(0.6)	(0.4)	(1.6)	7.2	4.9	16.3
<b>EBITDA (before non-cash share-based compensation costs)</b>	<b>92.8</b>	<b>62.8</b>	<b>58.2</b>	<b>250.9</b>	<b>169.7</b>	<b>165.1</b>
<b>2 Operating costs and expenses</b>						
Programming	(46.9)	(31.7)	(30.4)	(150.4)	(101.7)	(97.0)
Telephony	(88.9)	(60.1)	(40.0)	(254.6)	(172.2)	(111.5)
Broadcasting and interactive services	(32.7)	(22.1)	-	(44.0)	(29.8)	-
Selling, general and administration	(152.0)	(102.8)	(65.9)	(460.5)	(311.4)	(219.0)
Depreciation	(140.3)	(94.9)	(74.6)	(410.5)	(277.6)	(217.4)
Amortisation of goodwill	(64.3)	(43.5)	(15.0)	(147.6)	(99.8)	(44.8)
<b>Total</b>	<b>(525.1)</b>	<b>(355.1)</b>	<b>(225.9)</b>	<b>(1,467.6)</b>	<b>(992.5)</b>	<b>(689.7)</b>

The consolidated financial information as set out on pages 14 to 16, 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 \$1.4787 per £1.00, the Noon Buying Rate of the Federal Reserve Bank of New York on Friday 29 September 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 SEPTEMBER**

	30 Sept. 2000 \$m	30 Sept. 2000 £m	31 December 1999 £m Audited
<b>Assets</b>			
Cash and cash equivalents	55.5	37.5	65.2
Secured cash deposit restricted for more than one year	17.7	12.0	12.0
Receivables and prepaid expenses	351.3	237.6	151.7
Investments	373.0	252.3	4.0
Property and equipment	4,540.1	3,070.3	2,818.1
Goodwill and other intangibles	4,760.7	3,219.5	1,474.4
Programming inventory	52.9	35.8	-
Other assets	76.6	51.8	42.1
<b>Total assets</b>	<b>10,227.8</b>	<b>6,916.8</b>	<b>4,567.5</b>
<b>Liabilities</b>			
Debt	5,717.1	3,866.3	3,130.6
Other liabilities	990.4	669.8	483.6
<b>Total liabilities</b>	<b>6,707.5</b>	<b>4,536.1</b>	<b>3,614.2</b>
<b>Minority interests</b>	<b>(2.2)</b>	<b>(1.5)</b>	<b>0.5</b>
<b>Shareholders' equity</b>	<b>3,522.5</b>	<b>2,382.2</b>	<b>952.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>10,227.8</b>	<b>6,916.8</b>	<b>4,567.5</b>

**Telewest Communications plc**  
**US GAAP**  
**SUMMARISED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**NINE MONTHS ENDED 30 SEPTEMBER**

	<b>9 months ended 30 Sept. 2000 \$m</b>	<b>9 months ended 30 Sept. 2000 £m</b>	<b>9 months ended 30 Sept. 1999 £m</b>
<b>Cash flows from operating activities</b>			
Net loss	(782.8)	(529.4)	(398.3)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	410.5	277.6	217.4
Amortisation of goodwill	147.6	99.8	44.8
Amortisation of deferred financing costs and issue discount on senior discount debentures	201.5	136.3	116.6
Unrealised loss on foreign currency translation	53.2	36.0	43.6
Non-cash accrued share-based compensation cost	7.2	4.9	16.3
Termination of sale and leaseback	-	-	20.7
Share of net (profits)/losses of affiliates	(3.4)	(2.3)	5.6
(Gain)/loss on disposals of assets	(0.3)	(0.2)	0.7
Minority interests in profits of consolidated subsidiaries, net	0.3	0.2	0.1
Changes in operating assets and liabilities, net of effect of acquisition of subsidiaries:			
Change in receivables	(56.8)	(38.4)	(48.6)
Change in prepaid expenses	(15.2)	(10.3)	8.6
Change in accounts payable	79.9	54.0	16.3
Change in other liabilities	20.1	13.6	28.0
Change in other assets	10.1	6.8	-
<b>Net cash provided by operating activities</b>	<b>71.9</b>	<b>48.6</b>	<b>71.8</b>
<b>Net cash used in investing activities</b>	<b>(662.1)</b>	<b>(447.8)</b>	<b>(306.2)</b>
<b>Net cash provided by financing activities</b>	<b>549.3</b>	<b>371.5</b>	<b>234.3</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(40.9)</b>	<b>(27.7)</b>	<b>(0.1)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>96.4</b>	<b>65.2</b>	<b>40.9</b>
<b>Cash and cash equivalents at end of period</b>	<b>55.5</b>	<b>37.5</b>	<b>40.8</b>