FOR IMMEDIATE REL EASE 22 March 2001

TELEWEST COMMUNICATIONS plc
4th QUARTER and FULL YEAR RESULTS 2000

- Turnover up 42% to £1,129 million
- EBITDA up 11% to £247 million
- Strong 4th quarter subscriber growth
- Significant decrease in churn over last quarter
- Achieved 500,000 digital sales target
- Successful debt syndication

			2000	1999	Change over 1999
Total Turnover*			£1,129m	£793m	+42.4%
EBITDA (earnings before interest, tax, depreciation and amortisation)**			£247m	£222m	+11.3%
Cable Division:					
	Consumer Division:	Revenues	£740m	£609m	+21.5%
		Customers	1.7m	1.6m	+106,000
		Monthly revenue per subscriber	£37.45	£34.92	+7.25%
	Business Division:	Revenues	£271m	£184m	+47.3%
Content Division:		Revenues – including share of joint ventures***	£118m	-	-

* Including Flextech (now our Content Division) from 19 April 2000 and Eurobell from 1 November 2000.

**Includes an EBITDA loss from Eurobell of £5 million.

*** Content Division revenues are stated after elimination of inter-company trading.

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

"Telewest has passed through that difficult initial stage of moving from an analogue to a digital business. We are gaining subscribers and revenue, churn is going down and we are bundling a wide range of products to our customers, giving us the highest revenue per household of any cable operation in Europe.

This transformation has been achieved in a year in which we rolled out our new digital television service and our unmetered dial-up internet service. We started to sell high-speed internet, acquired Flextech and Eurobell and underwent significant management changes. If Telewest were human, it would have been the equivalent of changing jobs, moving house, getting married and giving birth all in one year. It was a tough year but the results show that we made it.

Virtually all of our network is now digital-enabled and our business plan is fully funded. We are now focused on executing our plan and key performance indicators show that our operational performance is improving steadily.

We have already hit our target of 500,000 digital sales by the end of the first quarter of this year. The set-top box supply problems that caused us to pause our marketing last summer are history. We have solid lines of supply from Pace and have announced a second supplier, Scientific Atlanta.

The technical problems that plagued our service as we began to roll-out Active Digital are resolved. We can see that in fault and churn figures that have decreased significantly and continue to fall.

We have successfully launched our blueyonder hi-speed internet service and we have already installed 16,500 customers to date. We are selling this product steadily and carefully - trying to ensure that we iron out the inevitable technical issues as more and more customers connect.

SurfUnlimited, our unmetered internet access product, is now a real success, after a difficult launch. The service is among the best UK ISPs for reliability of connection in the industry. What's more, it is a good example of the incremental revenue we can gain from using the network capacity we have. In franchise we are now the biggest ISP with more than 287,000 customers, all of them Telewest telephone subscribers.

The success of SurfUnlimited and the hi-speed product and the strength of demand for our digital TV service convinced us that it was right for us to concentrate on increasing the penetration of these products within our franchises rather than entering the uncertainty of DSL supply over BT's unbundled local loop. We are still examining the possibilities of reselling DSL to increase our base of business customers.

Underpinning all our efforts in rolling-out these new products and services has been a renewed focus on customer service. The ending of the era of network building and cable industry consolidation has allowed us to begin raising levels of service to the point where customers will be happy to trust us as their communications provider of choice. Bob Fuller's arrival at the end of the year as chief executive of our cable division has intensified this drive. The skills and experience he brings from Orange UK, where he was chief operating officer, are precisely what are needed to help us gain the reputation for first-class customer service that the mobile phone industry enjoys.

Our business and commercial division, with revenues of £271 million, is now a substantial business in its own right. Its performance in 2000 was exceptional and it is well-placed to benefit from the escalating demand from businesses - particularly SMEs - for broadband services. During the year, we launched blueyonder workwise, a new hi-speed, always-on cable broadband and internet service for SMEs. It enables small and medium-size businesses to enjoy the power of low-cost broadband through a dedicated business portal, which is provided via a joint venture with Cobweb Solutions, the internet solutions provider.

Flextech, our content division, continues to consolidate its position as the largest supplier of basic pay-TV programming in Britain and it is particularly worth noting that UKTV, our joint venture with the BBC, turned EBITDA positive in 2000. This is a sterling example of the value we can create through alliances and through content aggregation. The content division is also making strong progress in developing the new broadband content that will add value to our network business in the future.

The uncertain economic climate, and the stock market turbulence that has particularly affected the telecoms sector, obscure the fact that Telewest is exceptionally well placed to benefit from the broadband revolution that is furthered every time we install a digital set-top box.

Moreover, our financial solidity has been underlined by the announcement at the beginning of this week that we have successfully refinanced our bank facilities at competitive rates in difficult market conditions.

Cable is in a unique position to deliver bundled services because of the reach and quality of our network. We still have a long way to go in improving products and service, but there is now a permission to believe we can do it. To be a great business we must be about more than delivering telephone and video. You can see the seeds of our future in the thousands of customers who spend over £65 per month with us for approximately 4 megabits of service in video, telephone and hi-speed internet.

We are only at the beginning of the broadband revolution; we are only starting to explore the potential products and services that customers will need, want and pay for in a world of high-speed, always-on connectivity. Many different types of device will be able to connect to our network, making broadband in a communications sense, the new electricity. I passionately believe that Telewest is the perfect place to generate this revolution."

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BUSINESS REVIEW

Financial Review

Total turnover for the year ended 31 December 2000 increased 42%, by £336 million to £1,129 million. This growth is attributable to the continuing strong revenue increases in residential telephony and our commercial services division, the merger with Flextech, £118 million, the acquisition of Eurobell, £10 million, and the acquisition of the remaining 50% interest in Cable London, £76 million. On a pro forma basis, assuming that the Cable London, Flextech and Eurobell acquisitions had taken place on 1 January 1999, revenue growth was 16%.

Cable division product margins, which reflect revenues minus product costs, were 64%. Product margins were led by strong telephony margins of 67% and cable television (CATV) margins of 53%. CATV margins benefited by the inter-company elimination of the programming costs of Flextech content by 3 percentage points.

Total selling, general and administrative expenses (SG&A) for the year rose to £433 million from £281 million in 1999. This reflected, in part, the increased size of the group (following the addition of Cable London, Flextech and Eurobell), and costs of £20 million relating to those acquisitions and the subsequent restructuring of the Group. In addition, we incurred the significant expense required to launch our new digital and high-speed internet product offerings. On a pro forma basis, reflecting the Cable London, Flextech and Eurobell acquisitions, and before exceptional items, SG&A was up 25%.

EBITDA for the year was £247 million, an increase of 11% over last year and EBITDA margin was 22%. EBITDA of £67 million for the fourth quarter benefited from a reclassification of certain leases in the Content Division, £11 million, for the period since acquisition of Flextech, offset by £5 million of losses at Eurobell which will be non-recurring.

Capital expenditure in the year stood at £611 million compared with £500 million in 1999. The increase is primarily a result of the increased size of the group, together with capacity upgrades for Active Digital, digital set-top box purchases and the launch of our high-speed internet service during the year.

Consumer Division

On 2 October we initiated a national campaign to re-launch the Active Digital service with new pricing and packaging. This competitive pricing and the compelling nature of our Active Digital service has driven customer and CATV growth and in the fourth quarter of 2000, including Eurobell, we added 33,000 residential customers. CATV customers grew by 54,000 and telephony subscribers were up 37,000. Our residential customer base now stands at 1.7 million homes.

We have achieved our first quarter 2001 digital sales target of 500,000. All of our Active Digital customers have free TV e-mail and free access to our TV Walled Garden which has now been accessed by 87% of our digital customers. The number of content partner brands available on the service continues to grow, now exceeding 150. Just under 20% of our digital households have set up a TV e-mail account with us.

With the re-launch of Digital and stability in our product offerings, the fourth quarter also saw a sharp reduction in the levels of churn at the individual product level. CATV churn fell by 2.7 percentage points during the quarter to 26.0% and residential telephony churn fell by 2.2 percentage points in the same period to 19.8%, the lowest rate recorded since quarter three, 1997. This improving position reflects the increased satisfaction of our customers with the quality and value of our bundled products.

The success of our multiple service approach was also reflected in the growth of average monthly revenues. These were up 7.25% at £37.45 for the year, predominantly because of strong telephony revenues and the growth in the proportion of our customers who take at least two services. This dual penetration has grown by 2.5 percentage points to 64.8% in the year. The growth in our blueyonder customers is also having an impact on average revenues as these customers are paying £33 per month for this service.

Average monthly residential telephony revenue per subscriber has increased to £25.55 per month from £22.23 per month last year. The primary drivers have been our “3-2-1 Free” price initiative, increased minutes of use by our telephony customers and price increases for second lines. Second line penetration remains strong at 10.9%.

The average monthly CATV revenues were down quarter on quarter at £18.17 from £19.50, reflecting primarily reduced prices of Active Digital which we introduced in October, and also the distribution of packages amongst our remaining analogue subscribers. Average monthly CATV revenue per digital subscriber, however, was an impressive £24.73 in the fourth quarter. At the year-end, excluding Eurobell which is not yet digitally enabled, 28% of our CATV customers were digital.

Our internet products continue to provide solid growth. At 31 December 2000 we had 287,000 internet subscribers, a pro forma increase of over 217,000 from last year and over 56,000 for the last quarter. Our hi-speed internet service, blueyonder, had approximately 7,000 subscribers at the year-end. At the start of 2001, we began active marketing of this exciting new service on a national basis and expect subscriber additions to accelerate this year.

Business Division

Business Division revenues for the year totalled £271 million, an increase of 47% on 1999 (up 35% on a pro forma basis). As at 31 December 2000, the group had over 66,500 business customer accounts, up 14% on last year, with over 365,000 business telephony lines.

Business Division revenues include £88 million relating to Telewest’s commercial services operation compared with £24 million last year, its first year of operation. This unit provides national network services to third parties selling managed data, duct fibre and wholesale capacity. These revenues were enhanced by our contract with 360 Networks, which contributed £36 million of revenues in 2000.

In the corporate arena, we won contracts to manage British Airways' entire UK internet service and to provide a national data solution for Scottish Life's 20 locations. Amongst activity in the public sector, we are providing all of Birmingham University's locations with a high-speed data network and at Bradford Health Trust we linked 128 of their sites, including hospitals and clinics, through our managed data network product – Enterprise Connect under a £3 million contract.

Eurobell will be formally integrated into Telewest's Cable Division during 2001, and we will be enhancing the product set to business customers in the Eurobell areas, which includes the valuable Gatwick Airport area. Eurobell also links our national network to the key transatlantic cable landing sites in Cornwall enabling further end-to-end wholesale products to be offered.

Blueyonder workwise, the UK's first broadband internet service aimed specifically at small and medium sized companies, was launched in the fourth quarter of 2000. This product will allow us to provide big business solutions to small businesses. New web-enabled applications in communications, financing and purchasing will give Telewest's business customers a competitive edge by allowing them to focus on their key operational issues.

Content Division (Flextech)

Our merger with Flextech was completed on 19 April 2000 and accordingly its results have been consolidated from that date contributing revenues, including its share of joint ventures' revenue, of £118 million, after inter-company eliminations of £7 million.

On a pro forma basis, Flextech's turnover, including its share of joint ventures' revenue, increased by 11% to £182 million for the year ended 31 December 2000 compared with 1999.

Subscription revenue (including share of joint ventures) increased by 11.4% during the year. This was driven by multi-channel subscriber growth of 25.5% to 9.6 million homes at 31 December 2000, partially offset by lower subscription rates from Sky Digital homes.

Advertising revenue earned by the Flextech portfolio (including 50% of UKTV) grew by 19% year-on-year to £62 million. This growth compares with growth in UK television national advertising revenue in 2000 of 6.9%, and growth in multi-channel advertising revenue of 13.9%.

The pay-TV market continues to grow with viewing share to basic channels in multi-channel homes having increased by 15% in 2000 to 29.6%. Within this, Flextech's share (including UKTV) of basic viewing has increased to 23.1% in 2000 from 21.8% in 1999. This result is even more impressive given the launch of 17 new basic channels into the UK pay-TV marketplace.

Flextech's actual EBITDA in the period since acquisition was a loss of £1 million before inter-company eliminations of £7 million.

The UKTV joint venture with BBC Worldwide has turned EBITDA positive in 2000. Flextech's share of EBITDA increased by £11.1m to £7.6m. The growth is driven by improved subscription and advertising revenues resulting from increased distribution and viewing share. UK Gold, the most established channel, delivered EBITDA growth of 51%.

Eurobell

Our acquisition of Eurobell was completed on 1 November 2000 and accordingly its results have been consolidated from that date, contributing revenues of £10 million and an EBITDA loss of £5 million. Eurobell's pro forma revenues for the year ended 31 December 2000 were £56 million compared with £35 million in 1999 and its pro forma EBITDA loss was £17 million compared with £4 million in 1999.

At 31 December 2000 Eurobell had 84,000 residential customers, 4,000 business customers and 116,000 Indirect Access Telephony subscribers. The 84,000 residential customers include 79,000 telephony subscribers and 55,000 CATV subscribers.

Eurobell was purchased for a basic consideration of £200 million, satisfied through the issue of Accreting Convertible Notes. The final turnover of Eurobell for the year ended 31 December 2000 was sufficient to trigger a price adjustment under the purchase agreement. Accordingly, a further issue of £3.5 million Accreting Convertible Notes is required to be issued to Deutsche Telekom, Eurobell's vendor.

Subsequent Events

On 20 February 2001, Telewest announced it intended to appoint Scientific-Atlanta, leaders in the development of broadband interactive services for cable networks, as an additional supplier of digital set-top boxes. The planned purchases from Scientific-Atlanta together with our existing supply agreement with Pace Micro Technology will give us not only an additional source of supply but also the ability to take advantage of the development of services unique to cable on both sides of the Atlantic.

On 5 March 2001, we announced that Telewest is going to invest £14.8 million into Sit-Up Limited. In return, Sit-Up will buy Screenshop's business for £10 million and Telewest will have a 38% stake in the enlarged Sit-Up business. Screenshop and Bid-Up.tv, Sit-Up's auction channel, will offer t-commerce across a range of platforms and both channels will be able to enjoy enhanced revenue streams and savings on costs.

On 16 March 2001, Telewest signed new senior secured credit facilities of up to £2.25 billion. These replace the separate £1,500 million Telewest facility and £200 million Flextech facility. £2 billion has been made available by a syndicate of 26 banks. There is also the ability under the terms of the loan agreement to raise a further £250 million from institutional investors.

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 - Unaudited

CONSUMER DIVISION	Pro forma (1) Net additions Q4 2000	Pro forma (1) Net additions YTD 2000	Pro forma (1) Net additions Q4 1999	Pro forma (1) Net additions YTD 1999
Homes marketed	11,683	138,325	31,927	138,127
Customer homes added	33,024	42,426	38,245	107,803
Cable television subscribers	54,386	57,114	35,486	123,536
Telephony subscribers	36,835	62,118	36,711	128,990
Telephone lines	41,291	59,362	64,695	216,423
Internet subscribers	56,701	217,008	18,102	47,934

	As at 31 Dec. 2000 Actual	As at 31 Dec. 1999 Pro forma (1)
Homes passed	4,922,191	4,917,689
Homes passed and marketed	4,789,451	4,651,126
Cable television and residential telephony subscribers*	1,096,409	1,020,664
Cable television only subscribers	153,201	171,832
Residential telephony only subscribers *	441,731	456,419
Total residential subscribers	1,691,341	1,648,915
* Includes subscribers also subscribing for internet services		
Household penetration	35.3%	35.5%
Percentage of dual subscribers	64.8%	61.9%
Monthly revenue per subscriber (2)	£37.45	£35.27
CABLE TELEVISION		
Cable television subscribers	1,249,610	1,192,496
Active Digital subscribers	339,195	23,456
Penetration rate (3)	26.1%	25.6%
Churn rate per subscriber (4)	26.0%	26.7%
Average monthly revenue per subscriber (5)	£19.50	£21.10
RESIDENTIAL TELEPHONY		
Residential telephony subscribers	1,538,140	1,476,022
Residential telephony penetration (6)	32.2%	31.8%
Residential telephone lines	1,706,159	1,646,797
Second line penetration	10.9%	11.6%
Average churn rate per line (7)	19.8%	20.5%
Average monthly revenue per line (8)	£22.92	£20.95
INTERNET SUBSCRIBERS		
Surf Unlimited	104,983	-
Pay As You Go	175,387	70,255
Blueyonder	6,893	-
Total Internet subscribers	287,263	70,255

Telewest Communications plc
Operating Statistics – Unaudited

BUSINESS DIVISION	Pro forma (1) Net additions Q4 2000	Pro forma (1) Net additions YTD 2000	Pro forma (1) Net additions Q4 1999	Pro forma (1) Net additions YTD1999
Business customer accounts	88	4,990	4,485	13,386
Business telephony lines	11,809	31,254	23,040	79,151

	As at 31 Dec. 2000 Actual	As at 31 Dec. 1999 Pro forma (1)
Business customer accounts	66,507	61,517
Business telephony lines	365,535	334,281
Average business lines per customer account (9)	5.5	5.4
Average monthly revenue per business line (10)	£48.08	£53.69
Annualised revenue per customer account (11)	£3,070	£3,524

CONTENT DIVISION	As at 31 Dec. 2000 Actual	As at 31 Dec. 1999 Pro forma (1)
Multi channel subscribers	9,565,325	7,619,161
Flextech share of basic viewing (12)	23.1%	21.8%
Share of total TV advertising revenues (13)	2.7%	2.2%
Unique users to Flextech interactive applications	1,666,000	761,000

Notes:

(1) Operating statistics and financial data on a pro forma basis assume the Cable London, Eurobell and Flextech acquisitions had taken place on 1 January 1999.

(2) Monthly revenue per subscriber (often referred to as "ARPU") represents (i) the average monthly revenue of residential customers for such period, divided by (ii) the average number of residential customers in such period.

(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 is calculated on a rolling 12 month basis and represents (i) the total number of cable television subscribers who terminated basic services or whose services were 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 is calculated on a rolling 12 month basis and 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) Basic viewing over 24 hours.

(13) Includes Flextech wholly owned portfolio and 50% of UKTV advertising revenue.

Telewest Communications plc

Financial performance on a pro forma basis (assumes the Cable London, Flextech and Eurobell acquisitions had taken place on 1 January 1999). This represents an aggregation of each company's data without making full consolidation adjustments. This table is unaudited and should be considered for illustrative purposes only.

For the year ended 31 December:	Pro forma Combined Group		Telewest		Eurobell		Flextech		Inter-company *	
	2000 £m	1999 £m	2000 £m	1999 £m	2000 £m	1999 £m	2000 £m	1999 £m	2000 £m	1999 £m
Turnover										
Consumer Division:										
Cable television	286	291	277	284	9	7	-	-		
Telephony	471	382	440	367	31	15	-	-		
Other	16	17	16	17	-	-	-	-		
	773	690	733	668	40	22	-	-		
Business Division	284	210	268	197	16	13	-	-		
Total Cable Division	1,057	900	1,001	865	56	35	-	-		
Content division:										
Programming, transactional and interactive revenues	119	119	-	-	-	-	130	127	(11)	(8)
Share of joint ventures' turnover (UKTV)	52	38	-	-	-	-	52	38	-	-
Total Content Division	171	157	-	-	-	-	182	165	(11)	(8)
Total Turnover	1,228	1,057	1,001	865	56	35	182	165	(11)	(8)
Less: share of joint ventures' turnover	(52)	(38)	-	-	-	-	(52)	(38)	-	-
Group Turnover	1,176	1,019	1,001	865	56	35	130	127	(11)	(8)
Contribution	725	630	630	545	31	21	64	64		
SG&A	(465)	(371)	(360)	(301)	(44)	(25)	(61)	(45)		
EBITDA before exceptional items	260	259	270	244	(13)	(4)	3	19		
Exceptional items – restructuring	(20)	-	(16)	-	(4)	-	-	-		
Share of joint ventures' EBITDA	7	(4)	-	-	-	-	7	(4)		
Total EBITDA	247	255	254	244	(17)	(4)	10	15		
Capital expenditure	677	595	591	502	78	87	8	6		

Note - Following the reclassification of leases in Flextech - referred to in note 5 on page 16 – EBITDA increased by £16 million in 2000 (1999 £16 million).

* Represents the inter-company trading between Cable Division and Content Division which is eliminated on consolidation.

Telewest Communications plc

UK GAAP

SUMMARISED AUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER

	2000 £m	1999 £m
Turnover		
Consumer Division		
Cable television	279	258
Telephony	445	334
Other	16	17
	740	609
Business Division	271	184
Total Cable Division (Year ended 31 December 2000 includes £10m relating to the Eurobell acquisition).	1,011	793
Content Division		
Programming, transactional and interactive revenues	82	-
Share of joint ventures' turnover (UKTV)	36	-
Total Content Division - acquisitions	118	-
Total Turnover	1,129	793
Less: share of joint ventures' turnover	(36)	-
Group Turnover – continuing operations	1,093	793
Operating expenses before depreciation and amortisation (note 1)	(846)	(571)
EBITDA (note 2)	247	222
Depreciation and amortisation (note 1)	(541)	(403)
Group operating loss (Year ended 31 December 2000 includes £(128)m relating to acquisitions, after goodwill amortisation of £(75)m.	(294)	(181)
Share of operating loss of joint ventures	(2)	-
Share of operating profits of associated undertakings	3	1
Interest receivable and similar income	16	11
Interest payable and similar charges (note 3)	(424)	(361)
Loss on ordinary activities before taxation	(701)	(530)
Tax on loss on ordinary activities	(5)	-
Loss on ordinary activities after taxation	(706)	(530)
Minority interests	-	-
Loss for the financial year	(706)	(530)
Basic and diluted loss per share (pence)	(26.1)	(24.1)

The financial information presented above reflects the continuing operations of the business. The consolidated financial information set out on pages 12 to 17, does not constitute the company's statutory accounts for the years ended 31 December 2000 or 1999 but is derived from those accounts. Statutory accounts for 1999 have been delivered to the Registrar of Companies and those for 2000 will be delivered following the company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

Telewest Communications plc
UK GAAP
SUMMARISED AUDITED CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER

		2000 £m	1999 £m
Fixed assets			
Intangible assets		2,878	1,304
Tangible assets		3,290	2,775
Investment in associated undertakings and participating interests		172	4
Investments in joint ventures:			
Share of gross assets	34		
Goodwill	428		
Share of gross liabilities	(142)		
Loans to joint ventures	229		
		549	-
Other investments		2	2
		6,891	4,085
Current assets			
Programming inventory		31	-
Stocks		38	-
Debtors		244	158
Secured cash deposit restricted for more than one year		12	12
Cash at bank and in hand		60	65
		385	235
Creditors: amounts falling due within one year		(1,343)	(505)
Net current liabilities		(958)	(270)
Total assets less current liabilities		5,933	3,815
Creditors: amounts falling due after more than one year (including convertible debt)		(3,580)	(3,061)
Minority interests		2	-
Net assets		2,355	754
Equity shareholders' funds		2,355	754

Telewest Communications plc
UK GAAP
SUMMARISED AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

	2000 £m	1999 £m
Net cash inflow from operating activities (note 4)	194	198
Dividends received from associates	3	-
Returns on investments and servicing of finance		
Interest received	7	8
Interest paid	(164)	(124)
Interest element of finance lease payments	(14)	(13)
Issue costs of Notes and credit facility arrangement costs	(21)	(34)
Net cash outflow from returns on investments and servicing of finance	(192)	(163)
Capital expenditure		
Purchase of tangible fixed assets	(547)	(468)
Sale of tangible fixed assets	2	5
Net cash outflow for capital expenditure	(545)	(463)
Acquisitions and disposals		
Purchase of subsidiary undertakings	(32)	(395)
Cash acquired with subsidiaries	8	2
Investment in associated undertakings and other participating interests	(10)	(3)
Repayments of loans made to joint ventures	14	-
Net cash outflow from acquisitions and disposals	(20)	(396)
Net cash outflow before use of liquid resources and financing	(560)	(824)
Management of liquid resources		
Decrease/(increase) in fixed deposits (net)	32	(34)
Financing		
Net repayment of borrowings under old credit facility	-	(538)
Repayment of borrowings under old facilities	(141)	(642)
Net (repayments)/ proceeds from borrowings under new facilities	(260)	951
Cash received from rights issue	-	416
Share issue costs	(13)	(2)
Proceeds from issue of Accreting Convertible Notes, 2003	20	-
Proceeds from issue of Senior Convertible Notes, 2005	330	-
Proceeds from issue of Senior Convertible Notes, 2007	-	300
Proceeds from issue of Senior Discount Notes, 2009	-	399
Proceeds from issue of Senior Discount Notes and Senior Notes, 2010	544	-
Net proceeds from maturity of forward contracts	107	-
Release of restricted cash deposits	-	175
Cash received from exercise of share options	3	12
Capital element of finance lease payments	(35)	(222)
Net cash inflow from financing	555	849
Increase / (decrease) in cash in the year	27	(9)

Telewest Communications plc
UK GAAP
NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER

	2000 £m	1999 £m
1 Operating costs		
Operating expenses before depreciation and amortisation :		
Consumer programming expenses (including £1m relating to acquisitions)	132	132
Business and consumer telephony expenses (including £3m relating to acquisitions)	235	158
Content Division cost of sales – acquisitions	46	-
Selling, general and administrative expenses (including £20m of restructuring costs and £57m relating to acquisitions)	433	281
	846	571
Depreciation and amortisation :		
Depreciation of tangible fixed assets (including £38m relating to acquisitions)	399	354
Amortisation of goodwill and intangible assets (including £75m relating to acquisitions)	142	49
	541	403
Total operating costs (including £220m relating to acquisitions)	1,387	974
2 EBITDA		
Cable Division (after inter-company elimination of £7m)	255	222
Content Division (after inter-company elimination of £7m)	(8)	-
Total EBITDA	247	222
3 Interest payable and similar charges		
Share of interest of associated undertakings and joint ventures	9	7
On bank loans	79	82
Finance costs of Notes and Debentures	289	184
Finance charges payable in respect of finance leases and hire purchase contracts	4	9
Exchange loss on foreign currency translation, net	17	44
Sale and leaseback termination	-	9
Extinguishment of debt	15	16
Other	11	10
Total interest payable and similar charges	424	361
4 Reconciliation of operating loss to net cash inflow from operating activities		
Group operating loss	(294)	(181)
Depreciation of tangible fixed assets	399	354
Amortisation of goodwill and intangible assets	142	49
(Increase)/decrease in stocks and programming inventory	(24)	1
(Increase) in debtors	(10)	(28)
Increase/(decrease) in creditors	(19)	3
Net cash inflow from operating activities	194	198

5 Acquisitions

On 19 April 2000, the group acquired Flextech plc. The results of Flextech from this date to 31 December 2000 have been consolidated within the group profit and loss account.

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

	£m
Net assets acquired at fair value	85
Goodwill	2,254
Consideration	2,339
Satisfied by:	
Equity	2,308
Acquisition costs	31
	2,339

Following the Flextech merger, the Group reclassified certain operating leases to finance leases due to the re-evaluation of useful economic lives of the equipment and residual values at the end of the lease terms. The impact of the reclassification was to increase EBITDA by £11 million in the post-acquisition period and increase depreciation and interest charges by £9 million and £5 million, respectively, in the same period.

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:

	£m
Total turnover	58
Less share of joint ventures	(16)
Group turnover	42
Operating loss	(3)
Profit before tax	1
Taxes	(1)
Minority interest	-
Profit after tax and minority interest	-

For the year ended 31 December 1999, Flextech made a profit after exceptional items, tax and minority interest of £13 million.

The acquired business contributed £6 million to the group's net operating cash flows, had a cash flow of £7 million from financing and utilised £8 million for capital expenditure.

On 1 November 2000, the group acquired Eurobell (Holdings) PLC. The results of Eurobell from this date to 31 December 2000 have been consolidated within the group profit and loss account.

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

	£m
Net assets acquired at fair value	76
Goodwill	1
Consideration for the equity	77
Satisfied by:	
Loan Notes	75
Cash	2
	77

5 Acquisitions (continued)

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

	£m
Total turnover	46
Operating loss	(31)
Loss before tax	(45)
Taxes	-
Minority interest	-
Loss after tax and minority interest	(45)

For the year ended 31 December 1999, Eurobell made a loss after tax and minority interest of £14 million.

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

The acquired business contributed £2 million to the group's net operating cash flows and utilised £7 million for capital expenditure.

6 Net debt

Net debt, other than short-term creditors and accruals, at 31 December was:

	2000 £m	1999 £m
Convertible Notes	846	293
Other Notes and Debentures	2,523	**1,705**
Bank facilities and other loans	836	**1,088**
Obligations under finance leases and hire purchase contracts	246	**138**
Total long-term debt	4,451	**3,224**
Less cash at bank and in hand	60	**65**
Net debt	4,391	**3,159**

Telewest Communications plc
US GAAP
SUMMARISED UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS AND YEAR ENDED 31 DECEMBER

	3 months ended 31 Dec. 2000 $m	3 months ended 31 Dec. 2000 £m	3 months ended 31 Dec. 1999 £m	Year ended 31 Dec. 2000 $m	Year ended 31 Dec. 2000 £m	Year ended 31 Dec. 1999 £m
Revenue						
Cable television	100	67	68	417	279	258
Residential telephony	178	119	97	665	445	334
Business services	101	67	43	371	248	177
Broadcasting and interactive services	43	29	-	121	81	-
Other	10	7	1	24	16	17
Total	432	289	209	1,598	1,069	786
Operating loss	(219)	(146)	(65)	(537)	(359)	(178)
Interest income	13	9	-	22	15	7
Interest expense	(145)	(97)	(70)	(576)	(385)	(293)
Foreign exchange gain/(loss), net	33	22	(7)	(22)	(15)	(49)
Share of losses of affiliates	(25)	(17)	(1)	(22)	(15)	(6)
Minority interest in (profits)/losses of consolidated subsidiaries, net	1	1	-	1	1	(1)
Other, net	(3)	(2)	-	(4)	(3)	(1)
Loss before income taxes	(345)	(230)	(143)	(1,138)	(761)	(521)
Income tax benefit	7	5	-	9	6	-
Net loss before extraordinary item	(338)	(225)	(143)	(1,129)	(755)	(521)
Extinguishment of debt	-	-	-	-	-	(20)
Net loss after extraordinary item	(338)	(225)	(143)	(1,129)	(755)	(541)
Basic and diluted loss per ordinary share						
Before extraordinary loss	$(0.12)	£(0.08)	£(0.06)	$(0.42)	£(0.28)	£(0.24)
After extraordinary loss	$(0.12)	£(0.08)	£(0.06)	$(0.42)	£(0.28)	£(0.25)

1 Earnings before interest, taxes, depreciation and amortisation ("EBITDA")

Operating loss	(219)	(146)	(65)	(537)	(359)	(178)
Add: depreciation and amortisation of goodwill	289	193	105	853	570	367
EBITDA (after non-cash share-based compensation costs)	70	47	40	316	211	189
Add back: non-cash share-based compensation costs/(benefits)	(1)	(1)	3	7	5	26
EBITDA (before non-cash share-based compensation costs)	69	46	43	323	216	215

2 Operating costs and expenses

Programming	(46)	(31)	(35)	(197)	(132)	(132)
Telephony	(93)	(62)	(46)	(351)	(235)	(158)
Broadcasting and interactive services	(24)	(16)	-	(69)	(46)	-
Selling, general and administration	(199)	(133)	(88)	(665)	(445)	(307)
Depreciation	(218)	(146)	(88)	(633)	(423)	(305)
Amortisation of goodwill	(71)	(47)	(17)	(220)	(147)	(62)
Total	(651)	(435)	(274)	(2,135)	(1,428)	(964)

The consolidated financial information as set out on pages 18 to 20, 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 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 $1.4955 per £1.00, the Noon Buying Rate of the Federal Reserve Bank of New York on Friday 29th December 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 31 DECEMBER

	2000	2000	1999
	$m	£m	£m
			Audited
Assets			
Cash and cash equivalents	90	60	65
Secured cash deposit restricted for more than one year	18	12	12
Receivables and prepaid expenses	389	260	152
Investments	1,174	785	4
Property and equipment	4,919	3,289	2,818
Goodwill and other intangibles	4,190	2,802	1,474
Programming inventory	46	31	-
Other assets	127	85	42
Total assets	10,953	7,324	4,567
Liabilities			
Debt	6,362	4,254	3,130
Other liabilities	1,385	926	484
Total liabilities	7,747	5,180	3,614
Minority interests	(3)	(2)	-
Shareholders' equity	3,209	2,146	953
Total liabilities and shareholders' equity	10,953	7,324	4,567

Telewest Communications plc

US GAAP

SUMMARISED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

	2000	2000	1999
	$m	£m	£m Audited
Cash flows from operating activities			
Net loss	(1,129)	(755)	(541)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	633	423	305
Amortisation of goodwill	220	147	62
Amortisation of deferred financing costs and issue discount on senior discount debentures	220	147	147
Unrealised loss on foreign currency translation	30	20	49
Non-cash accrued share-based compensation cost	7	5	26
Termination of sale and leaseback	-	-	9
Extinguishment of debt			20
Share of net losses of affiliates	22	15	6
Loss on disposals of assets	-	-	1
Minority interests in (losses)/profits of consolidated subsidiaries, net	(1)	(1)	-
Changes in operating assets and liabilities, net of effect of acquisition of subsidiaries:			
Change in receivables	(28)	(19)	(20)
Change in other assets	(69)	(46)	(55)
Change in prepaid expenses	(28)	(19)	11
Change in accounts payable	(3)	(2)	(22)
Change in other liabilities	105	70	35
Net cash (used in)/provided by operating activities	(21)	(15)	33
Net cash used in investing activities	(816)	(545)	(858)
Net cash provided by financing activities	830	555	849
Net increase/(decrease) in cash and cash equivalents	(7)	(5)	24
Cash and cash equivalents at beginning of year	97	65	41
Cash and cash equivalents at end of year	90	60	65