



FOR IMMEDIATE RELEASE

2 August 2001

TELEWEST COMMUNICATIONS plc INTERIM RESULTS 2001

- Record quarterly EBITDA of £74m
- Turnover up 24% to £648m
- Revenue per household up to £39.29 for the quarter
- Churn down for the third quarter running
- Launch of Microsoft services over blueyonder workwise

	Half-year 2001	Half-year 2000	Change over 2000
Total Turnover	£648m	£522m	+24%
EBITDA*	£142m	£122m	+16%
Cable Division:			
Consumer Division: Revenues	£415m	£368m	+13%
Household customers	1.73m	1.59m	+9%
Monthly revenue per subscriber	£39.07	£37.67	+4%
Business Division: Revenues	£138m	£124m	+11%
Content Division: Revenues – including share of joint ventures**	£95m	£84m***	+13%

*EBITDA includes proportionate share of UKTV's EBITDA

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

*** Pro forma for the six months ended 30 June 2000, Flextech was actually acquired 19 April 2000.

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

"This is Telewest's fourth straight quarter in a row of subscriber growth, rising average revenues and falling churn, delivering strong ebitda margins of 22% and growing ebitda. This provides evidence that we are in the execution phase of our business plan, with financing securely in place.

In our addressable market of 4.7 million homes, we have added 75,000 households, 139,000 catv subscribers and 83,000 telephony customers over the past four quarters.

Our blueyonder hi-speed internet service gained 13,000 subscribers in the second quarter and today our subscribers stand at 38,000. We have also begun a national campaign with ntl to market cable broadband to 9 million homes.

We have focused on getting the basics right: pricing, marketing and delivering a quality product, while improving customer service.

The result of these efforts can be seen in these numbers and the trends remain positive: good subscriber growth combined with lower churn. We will continue to deliver the goods, as we have done for the past four quarters.

Enquiries to

Telewest Communications plc

Adam Singer	Chief Executive	020 7299 5000
Charles Burdick	Group Finance Director	020 7299 5000
Simon Dettmer	Director, Corporate Affairs	020 7299 5064
John Murray	Director, Policy and Communications	020 7299 5128

And at

Brunswick

Stuart Bruseth	020 7404 5959
John Sunnucks	020 7404 5959

For an audio visual interview with Telewest chief executive Adam Singer, and finance director Charles Burdick, please visit www.cantoscomms.com or www.telewest.co.uk.

BUSINESS REVIEW

Financial Review

Total turnover for the six months ended 30 June 2001 increased 24%, by £126 million to £648 million. The acquisitions of Flextech and Eurobell accounted for £99 million of the increase, with growth in both our consumer and business divisions contributing to the balance.

Selling, general and administrative expenses ("SG&A") for the quarter ended 30 June 2001 were £124 million, flat on the first quarter of 2001, demonstrating the early impact of cost efficiency initiatives that are underway across the group. For the six months ended 30 June 2001, SG&A was £248 million, with the Flextech and Eurobell acquisitions together adding £27 million of the £44 million increase, compared to the corresponding period in 2000. The remainder reflects the expense associated with the launch of our digital and hi-speed internet products.

The combination of revenue increases, together with gross margin improvements and flat SG&A, delivered a record EBITDA for the quarter of £74 million, 9% up on the first quarter of 2001. This includes our £4 million proportionate EBITDA share of UKTV, Telewest's joint venture with the BBC. EBITDA for the first half increased by 16% to £142 million compared to the same period in 2000, including our £9 million proportionate share of EBITDA from UKTV.

As a result of the acquisitions of Flextech and Eurobell, amortisation of goodwill increased by £37 million. Depreciation increased by £48 million compared with the first half of 2000 due to these acquisitions and also the investment in our network. These increases, together with an increase in net interest payable of £48 million reflecting the increased size of the group and borrowings, contributed to the £122 million increase in net loss for the six months to £416 million. As at 30 June 2001, net debt stood at £4,794 million.

On a pro forma basis, capital expenditure for the first half of 2001 of £319 million was £45 million lower than the same period in 2000 reflecting the substantial completion of our digital network upgrade.

Consumer Division

Telewest added a further 21,000 household customers in the quarter and now has 1,735,000 customers. CATV subscribers grew by 24,000 and telephony subscribers were up 22,000 in the quarter. As at 30 June, our 564,000 Active Digital subscribers represent 43% of our total CATV subscriber base of 1,313,000.

The value and quality of our bundled broadband service continues to drive increased multi-product uptake, higher average monthly revenues and lower churn. The number of customers taking at least two services continues to increase. This dual penetration has grown by 0.7 percentage points quarter-on-quarter and by 5.8 percentage points to 66.9% at 30 June 2001 from 61.1% at 30 June 2000.

Monthly revenue per subscriber continues to rise quarter-on-quarter, to £39.29 in the second quarter, driven by the higher dual penetration, increased CATV and telephony

monthly revenues and increased internet take up. The average for the half year is also up 4% to £39.07 from £37.67 for the same period last year.

CATV revenue per subscriber has increased quarter-on-quarter, primarily driven by the migration of our customers from analogue to digital, and averaged £20.23 for the first six months of 2001. Telephony revenue per subscriber has also increased quarter-on-quarter and closed the six months to 30 June 2001 at £25.06. Gross margins remained strong with CATV margin growing in the quarter to 52.4% and telephony margin likewise growing to 68.3%. We believe, our progress of improved margins and cashflow is set to continue following price rises across our basic packages from 1 July 2001. Our entry package, which includes digital TV, telephone line rental, interactive services and TV e-mail increased from £9 to £9.60 while other TV basic packages increased on average by £2 each. Our bundled offering of digital TV and telephone basic packages still remains significantly less expensive than those offered by other operators.

The growth in our Blueyonder hi-speed internet product continues to gain momentum with 31,000 customers at the end of June 2001. Significantly, 65% of these customers also take CATV and telephony and revenues from these triple-play customers average approximately £66 per month. Including our dial-up internet subscribers, the total internet base has more than doubled since 30 June 2000 to 298,000 subscribers at the quarter end.

CATV churn on a rolling 12 month basis stands at 21.8%, a quarter-on-quarter decrease of 1.9 percentage points and 4.5 percentage points lower than in the first six months of last year. Telephony churn at 18.2% has fallen 1.6 percentage points quarter-on-quarter and by 3.1 percentage points from the corresponding six months of 2000. For the last three months on an annualised basis, churn for both products was even lower with CATV churn at 18.4% and Telephony churn at 16.5%.

Business Division

Business Division revenues for the six months ended 30 June 2001 were £138 million, up 11% on the corresponding period a year ago and up 3% quarter-on-quarter. The revenues of £105 million for the Business Division, excluding carrier services, generated growth of 13% on a pro forma basis compared to the first half of 2000. Our carrier services wholesale operation generated £33 million of revenue in the first half of 2001, an increase quarter-on-quarter although the half year to 30 June 2001 was down 15% from the corresponding period in 2000.

New business contract wins within the quarter include Guardian IT, Bristol & West, Cardnet and Hallmark Cards and a 3 year contract to provide the Sage Group all their outgoing voice services and part of their Internet and Data requirements. Within the Government sector the South Gloucestershire Council contract has been extended for a further 3 years, now supplying 3,800 lines to the council with a package of service enhancements.

On 1 August we announced a business first, the launch of the remote provision of Microsoft Outlook over blueyonder workwise, our high speed broadband internet service for SMEs. Through a Microsoft Exchange server hosted by blueyonder workwise we will remotely manage applications such as e-mail, diaries, contacts and calendars thereby eliminating expensive server and IT management costs for businesses. The inclusion of seamless automatic software upgrades will mean users have the very latest software versions without any compatibility, hardware or licensing problems.

Content Division (Flextech)

On a pro forma basis, Flextech's turnover, including its share of joint ventures revenue, increased by 12% to £100 million, before elimination of intercompany trading, compared with the six months ended 30 June 2000. This was partly driven by improved advertising sales and multi-channel subscriber growth year-on-year of 19% to over 10 million homes at 30 June 2001.

Advertising revenues for the Flextech portfolio (including 50% of UKTV) performed strongly, growing by 10% year-on-year. This is a significant achievement given a 10% decline in the overall TV advertising market year-on-year. As a result, Flextech and UKTV increased their share of UK television advertising revenues from 2.5% to 3.2%.

Proportionate EBITDA has increased by 44%, to £13 million before intercompany eliminations, driven by significant growth in subscription and advertising revenues for the UKTV portfolio, offset marginally by investment in broadband and interactive applications.

Subsequent Events

Neil Holloway, a Microsoft Corporation nominated non-executive director has resigned and is replaced by Dennis Durkin as Microsoft's third nominated non-executive director. Both changes are effective from today.

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 29 June 2001.

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

Telewest Communications plc
Operating Statistics - Unaudited

CONSUMER DIVISION	Actual Net additions Q2 2001	Actual Net additions YTD 2001	Pro forma (1) Net additions Q2 2000	Pro forma (1) Net additions YTD 2000
Household customers	20,622	43,355	(2,260)	10,469
Cable television subscribers	24,036	62,930	(6,070)	(19,147)
Telephony subscribers	21,489	39,686	(3,263)	18,779
Telephone lines	17,526	32,430	(7,824)	20,037
Blueyonder broadband internet subscribers	12,526	24,249	820	820
			As at 30 June 2001 Actual	As at 30 June 2000 Pro forma (1)
Homes passed			4,924,830	4,978,088
Homes passed and marketed			4,730,355	4,697,792
Cable television and residential telephony subscribers*			1,160,362	1,008,766
Cable television only subscribers			152,178	164,583
Residential telephony only subscribers *			417,464	486,035
Internet only subscribers			4,692	-
Total residential subscribers			1,734,696	1,659,384
* Includes subscribers also subscribing for internet services				
Household penetration			36.7%	35.3%
Percentage of dual subscribers			66.9%	60.8%
Monthly revenue per subscriber (2)			£39.07	£37.58
CABLE TELEVISION				
Cable television subscribers			1,312,540	1,173,349
Active Digital subscribers			564,433	167,088
Penetration rate (3)			27.7%	25.0%
Churn rate per subscriber (4)			21.8%	26.2%
Average monthly revenue per subscriber (5)			£20.23	£20.52
RESIDENTIAL TELEPHONY				
Residential telephony subscribers			1,577,826	1,494,801
Residential telephony penetration (6)			33.5%	31.8%
Residential telephone lines			1,738,589	1,666,834
Second line penetration			10.2%	11.5%
Average churn rate per subscriber (7)			18.2%	20.9%
Average monthly revenue per line (8)			£22.66	£22.70
Average monthly revenue per subscriber (9)			£25.06	£25.38
INTERNET SUBSCRIBERS				
Blueyonder SurfUnlimited			147,262	47,015
Blueyonder Pay As You Go			120,035	110,210
Blueyonder broadband			31,142	820
Total Internet subscribers			298,439	158,045

Telewest Communications plc

Operating Statistics – Unaudited

	As at 30 June 2001 Actual	As at 30 June 2000 Pro forma (1)
BUSINESS DIVISION		
Business customer accounts	69,282	65,532
Business telephony lines	413,808	349,931
Average business lines per customer account ⁽¹⁰⁾	6.0	5.3
Average monthly revenue per business line ⁽¹¹⁾	£45.72	£48.01
Annualised revenue per customer account ⁽¹²⁾	£3,165	£3,176
CONTENT DIVISION		
Multi channel subscribers	10,225,126	8,519,776
Flextech share of basic viewing ⁽¹³⁾	22.1%	23.6%
Share of total TV advertising revenues ⁽¹⁴⁾	3.2%	2.5%
Unique users to Flextech interactive applications ⁽¹⁵⁾	1,165,000	988,000

Notes:

- (1) Operating statistics and financial data on a pro forma basis assume the Eurobell and Flextech acquisitions had taken place on 1 January 2000.
- (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 cable television 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 subscriber for the period is calculated on a rolling 12 month basis and represents (i) the total number of residential cable telephony subscribers who terminated telephony services or whose services were terminated during such period, divided by (ii) the average number of residential cable telephony subscribers in such period.
- (8) Average monthly revenue per residential telephony 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 monthly revenue per residential telephony subscriber 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 subscribers in such period.
- (10) 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.
- (11) 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.
- (12) 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.
- (13) Basic viewing over 24 hours.
- (14) Includes Flextech wholly owned channels and UKTV advertising revenues.
- (15) Unique visitors to Flextech interactive applications on internet, interactive TV and WAP phones

Telewest Communications plc

Financial performance on a pro forma basis (assumes the Flextech and Eurobell acquisitions had taken place on 1 January 2000). 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 six months ended 30 June:	Pro forma Combined Group (1)		Telewest		Eurobell		Flextech		Inter-company *	
	2001 £m	2000 £m	2001 £m	2000 £m	2001 £m	2000 £m	2001 £m	2000 £m	2001 £m	2000 £m
Turnover										
Consumer Division:										
Cable television	158	149	152	144	6	5	-	-		
Telephony	241	231	223	218	18	13	-	-		
Internet and other	16	6	16	6	-	-	-	-		
	415	386	391	368	24	18	-	-		
Business Division	138	132	128	124	10	8	-	-		
Total Cable Division	553	518	519	492	34	26	-	-		
Content division:										
Programming, transactional and interactive revenues	63	59	-	-	-	-	68	64	(5)	(5)
Share of joint ventures' turnover (UKTV)	32	25	-	-	-	-	32	25	-	-
Total Content Division	95	84	-	-	-	-	100	89	(5)	(5)
Total Turnover	648	602	519	492	34	26	100	89	(5)	(5)
Less: share of joint ventures' turnover	(32)	(25)	-	-	-	-	(32)	(25)	-	-
Group Turnover	616	577	519	492	34	26	68	64	(5)	(5)
Contribution	381	354	332	308	19	14	30	32		
SG&A	(248)	(235)	(205)	(188)	(17)	(21)	(26)	(26)		
EBITDA	133	119	127	120	2	(7)	4	6		
Share of UKTV' s EBITDA	9	3	-	-	-	-	9	3		
Total EBITDA	142	122	127	120	2	(7)	13	9		
Capital expenditure	319	364	297	322	20	42	2	-		

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

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

	30 June 2001 £m	30 June 2000 £m	31 Dec 2000 Audited £m
Turnover			
Consumer Division			
Cable television	158	144	279
Telephony	241	218	445
Internet and other	16	6	16
	415	368	740
Business Division	138	124	271
Total Cable Division	553	492	1,011
Content Division			
Programming, transactional and interactive revenues	63	21	82
Share of joint ventures' turnover (UKTV)	32	9	36
Total Content Division	95	30	118
Total Turnover	648	522	1,129
Less: share of joint ventures' turnover	(32)	(9)	(36)
Group Turnover (note 1)	616	513	1,093
Operating expenses before depreciation and amortisation (notes 1 & 2)	(483)	(394)	(846)
EBITDA (note 1)	133	119	247
Depreciation and amortisation (notes 1 & 2)	(307)	(222)	(541)
Group operating loss (note 1)	(174)	(103)	(294)
Loss on disposal of investments (net)	(4)	-	-
Share of operating profits/(losses) of joint ventures	8	1	(2)
Share of operating profits of associated undertakings	1	2	3
Interest receivable and similar income	8	5	16
Interest payable and similar charges (note 3)	(252)	(201)	(424)
Loss on ordinary activities before taxation	(413)	(296)	(701)
Tax on loss on ordinary activities	(3)	-	(5)
Tax benefit arising during the period	-	2	-
Loss on ordinary activities after taxation, being loss for the period	(416)	(294)	(706)
Basic and diluted loss per share (pence)	(14.4)	(11.6)	(26.1)

The financial information presented above reflects the continuing operations of the business. The financial information set out on pages 9 to 13, which is unaudited has been prepared on the basis of the accounting policies set out in Telewest's 2000 Annual Report. The audited consolidated financial information set out on pages 9 to 13, does not constitute the company's statutory accounts for the year ended 31 December 2000 but is derived from those accounts. Statutory accounts for 2000 were delivered to the Registrar of Companies following the company's annual general meeting on 21 June 2001. The auditors have reported on those accounts; their report was unqualified and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

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

	30 June 2001	30 June 2000	31 Dec 2000
	£m	£m	Audited £m
Fixed assets			
Intangible assets	2,806	3,521	2,878
Tangible assets	3,394	2,942	3,290
Investment in associated undertakings and participating Interests	186	53	172
Investments in joint ventures:			
Share of gross assets	34	38	34
Goodwill	417	-	428
Share of gross liabilities	(141)	(139)	(142)
Loans to joint ventures	211	229	229
	521	128	549
Other investments	2	8	2
	6,909	6,652	6,891
Current assets			
Programming inventory	38	36	31
Stocks	45	1	38
Debtors	270	251	244
Secured cash deposit restricted for more than one year	12	12	12
Cash at bank and in hand	12	176	60
	377	476	385
Creditors: amounts falling due within one year	(571)	(503)	(1,343)
Net current liabilities	(194)	(27)	(958)
Total assets less current liabilities	6,715	6,625	5,933
Creditors: amounts falling due after more than one year (including convertible debt)	(4,768)	(3,849)	(3,580)
Minority interests	(1)	1	2
Net assets	1,946	2,777	2,355
Equity shareholders' funds	1,946	2,777	2,355

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

	30 June 2001 £m	30 June 2000 £m	31 Dec 2000 Audited £m
Net cash inflow from operating activities <small>(note 4)</small>	140	85	194
Dividends received from associates	2	-	3
Returns on investments and servicing of finance			
Interest received	1	3	7
Interest paid	(167)	(66)	(164)
Interest element of finance lease payments	(8)	(4)	(14)
Issue costs of Notes and credit facility arrangement costs	(38)	-	(21)
Net cash outflow from returns on investments and servicing of finance	(212)	(67)	(192)
Capital expenditure			
Purchase of tangible fixed assets	(272)	(283)	(547)
Sale of tangible fixed assets	-	-	2
Net cash outflow for capital expenditure	(272)	(283)	(545)
Acquisitions and disposals			
Purchase of subsidiary undertakings	-	(9)	(32)
Disposal of subsidiary undertakings	10	-	-
Cash acquired with subsidiaries	-	6	8
Cash disposed with subsidiaries	(2)	-	-
Investment in associated undertakings and other participating interests	(22)	2	(10)
Repayments of loans made to joint ventures	25	-	14
Net cash inflow/(outflow) from acquisitions and disposals	11	(1)	(20)
Net cash outflow before use of liquid resources and financing	(331)	(266)	(560)
Management of liquid resources			
Decrease/(increase) in fixed deposits (net)	18	(68)	32
Financing			
Net repayment of borrowings under old credit facilities	(136)	(7)	(141)
Net proceeds/ (repayments) from borrowings under new facilities	410	-	(260)
Repayment of Cable London facility	-	(126)	-
Proceeds from issue of Accreting Convertible Notes, 2003	30	-	20
Proceeds from issue of Senior Convertible Notes, 2005	-	-	330
Proceeds from issue of Senior Discount Notes and Senior Notes, 2010	-	544	544
Issue costs of Notes and share issue costs	-	(25)	(13)
Net proceeds from maturity of forward contracts	-	-	107
Cash received from exercise of share options	5	2	3
Capital element of finance lease payments	(26)	(12)	(35)
Net cash inflow from financing	283	376	555
(Decrease)/increase in cash in the period	(30)	42	27

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

1 Segmental analysis	Cable	Content	Total	Cable	Content	Total
	30 June	30 June	30 June	30 June	30 June	30 June
	2001	2001	2001	2000	2000	2000
	£m	£m	£m	£m	£m	£m
Group Turnover	553	63	616	492	21	513
Operating expenses before depreciation and amortisation	(419)	(64)	(483)	(370)	(24)	(394)
EBITDA	134	(1)	133	122	(3)	119
Depreciation and amortisation	(299)	(8)	(307)	(221)	(1)	(222)
Group operating loss	(165)	(9)	(174)	(99)	(4)	(103)

	30 June	30 June	31 Dec
	2001	2000	2000
	£m	£m	Audited
	£m	£m	£m
2 Operating costs			
Operating expenses before depreciation and amortisation :			
Consumer programming expenses	75	70	132
Business and consumer telephony expenses	122	112	235
Content Division cost of sales	38	8	46
Selling, general and administrative expenses	248	204	433
	483	394	846
Depreciation and amortisation :			
Depreciation of tangible fixed assets	217	169	399
Amortisation of goodwill and intangible assets	90	53	142
	307	222	541
Total operating costs	790	616	1,387

3 Interest payable and similar charges			
Share of interest of associated undertakings and joint ventures	5	1	9
On bank loans	45	38	79
Finance costs of Notes and Debentures	163	133	289
Finance charges payable in respect of finance leases and hire purchase contracts	8	4	4
Exchange loss on foreign currency translation, net	22	20	17
Extinguishment of debt	-	-	15
Other	9	5	11
Total interest payable and similar charges	252	201	424

Telewest Communications plc

UK GAAP

**NOTES TO THE SUMMARISED UNAUDITED CONSOLIDATED ACCOUNTS
FOR THE SIX MONTHS ENDED 30 JUNE**

	30 June 2001	30 June 2000	31 Dec 2000 Audited
	£m	£m	£m
4 Reconciliation of operating loss to net cash inflow from operating activities			
Group operating loss	(174)	(103)	(294)
Depreciation of tangible fixed assets	217	169	399
Amortisation of goodwill and intangible assets	90	53	142
(Increase)/Decrease in stocks and programming inventory	(16)	7	(24)
(Increase) in debtors	(17)	(50)	(10)
Increase/(decrease) in creditors	40	9	(19)
Net cash inflow from operating activities	140	85	194

5 Net debt

Net debt, other than short-term creditors and accruals

Convertible Notes	906	294	846
Other Notes and Debentures	2,572	2,355	2,523
Bank facility	1,064	1,046	806
Other loans	23	46	30
Obligations under finance leases and hire purchase contracts	241	160	246
Total long-term debt	4,806	3,901	4,451
Less cash at bank and in hand	12	176	60
Net debt	4,794	3,725	4,391

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 9 to 13 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 2001.

KPMG Audit Plc
Chartered Accountants
London, England

2 August 2001

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 2001 \$m	3 months ended 30 June 2001 £m	3 months ended 30 June 2000 £m	6 months ended 30 June 2001 \$m	6 months ended 30 June 2001 £m	6 months ended 30 June 2000 £m
Revenue						
Cable television	113	80	70	222	158	144
Consumer telephony	170	121	112	339	241	218
Business services	104	74	58	192	136	111
Internet and other	13	9	3	23	16	6
Total Cable Division	400	284	243	776	551	479
Content	44	31	21	87	62	21
Total	444	315	264	863	613	500
Operating loss	(122)	(87)	(61)	(273)	(194)	(137)
Interest income	4	3	4	11	8	5
Interest expense	(155)	(110)	(91)	(311)	(221)	(179)
Foreign exchange (loss)/gain, net	17	12	(14)	(13)	(9)	(39)
Share of net (losses)/gains of affiliates	(1)	(1)	(3)	7	5	(3)
Other, net	(7)	(5)	(1)	(8)	(6)	(1)
Loss before income taxes	(264)	(188)	(166)	(587)	(417)	(354)
Income tax benefit	4	3	3	7	5	3
Net loss before extraordinary item	(260)	(185)	(163)	(580)	(412)	(351)
Extinguishment of debt	-	-	-	(21)	(15)	-
Net loss after extraordinary item	(260)	(185)	(163)	(601)	(427)	(351)
Basic and diluted loss per ordinary share						
Before extraordinary loss	\$(0.08)	£(0.06)	£(0.06)	\$(0.20)	£(0.14)	£(0.14)
After extraordinary loss	\$(0.08)	£(0.06)	£(0.06)	\$(0.21)	£(0.15)	£(0.14)
1 Earnings before interest, taxes, depreciation and amortisation ("EBITDA")						
Operating loss	(122)	(87)	(61)	(273)	(194)	(137)
Add: depreciation and amortisation of goodwill	227	161	129	452	321	239
EBITDA (after non-cash share-based compensation costs)	105	74	68	179	127	102
Add back: non-cash share-based compensation costs)	-	-	(16)	1	1	5
EBITDA (before non-cash share-based compensation costs)	105	74	52	180	128	107
2 Operating costs and expenses						
Consumer programming expenses	(53)	(38)	(33)	(106)	(75)	(70)
Business and consumer telephony expenses	(84)	(60)	(59)	(170)	(121)	(112)
Content expenses	(27)	(19)	(8)	(53)	(38)	(8)
Selling, general and administrative	(175)	(124)	(96)	(355)	(252)	(208)
Depreciation	(162)	(115)	(93)	(324)	(230)	(183)
Amortisation of goodwill	(65)	(46)	(36)	(128)	(91)	(56)
Total	(566)	(402)	(325)	(1,136)	(807)	(637)

The consolidated financial information as set out on pages 15 to 17, which is unaudited, has been prepared on the basis of the accounting policies set out in Telewest's 2000 Annual Report, other than where changes are necessary to implement new accounting standards.

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 \$1.4077 per £1.00, the Noon Buying Rate of the Federal Reserve Bank of New York on Friday 29th June 2001. 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 2001 \$m	30 June 2001 £m	31 Dec 2000 £m Audited
Assets			
Cash and cash equivalents	17	12	60
Secured cash deposit restricted for more than one year	17	12	12
Receivables and prepaid expenses	432	307	260
Investments	1,090	774	784
Property and equipment	4,759	3,381	3,289
Goodwill and other intangibles	3,843	2,730	2,803
Programming inventory	54	38	31
Inventory	63	45	38
Other assets	90	64	47
Total assets	10,365	7,363	7,324
Liabilities			
Debt	6,443	4,577	4,254
Other liabilities	1,419	1,008	925
Total liabilities	7,862	5,585	5,179
Minority interests	-	-	(2)
Shareholders' equity	2,503	1,778	2,147
Total liabilities and shareholders' equity	10,365	7,363	7,324

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

	30 June 2001 \$m	30 June 2001 £m	30 June 2000 £m
Cash flows from operating activities			
Net loss	(601)	(427)	(351)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	324	230	183
Amortisation of goodwill	128	91	56
Amortisation of deferred financing costs and issue discount on senior Discount debentures	64	45	87
Deferred tax credit	(7)	(5)	-
Unrealised loss on foreign currency translation	7	5	38
Non-cash accrued share-based compensation cost	1	1	5
Extinguishment of debt	21	15	-
Share of net gains of affiliates	(7)	(5)	3
Loss on disposals of assets	-	-	1
Loss on disposal of investments (net)	6	4	-
Changes in operating assets and liabilities, net of effect of acquisition of subsidiaries:			
Change in receivables	(6)	(4)	(55)
Change in prepaid expenses	(18)	(13)	(9)
Change in accounts payable	42	30	42
Change in other liabilities	23	17	11
Change in other assets	(76)	(54)	7
Net cash (used in)/provided by operating activities	(99)	(70)	18
Net cash used in investing activities	(367)	(261)	(283)
Net cash provided by financing activities	398	283	375
Net (decrease)/increase in cash and cash equivalents	(68)	(48)	110
Cash and cash equivalents at beginning of period	85	60	65
Cash and cash equivalents at end of period	17	12	175

