

TELEWEST COMMUNICATIONS plc
3rd QUARTER RESULTS 2001

HIGHLIGHTS

- Record quarterly EBITDA of £83m (Q2: £74m)
- Monthly revenue per household up to £40.29 for the quarter from £39.29
- 70,000 broadband internet subscribers with 71% growth in quarter
- Advertising revenues up 8% year-to-date

	9 months ended 30 September 2001	9 months ended 30 September 2000	Change Over 2000
Total Turnover	£973m	£813m	+20%
EBITDA*	£225m	£184m	+22%
Cable Division:			
Consumer Division: Revenues	£631m	£547m	+15%
Household customers	1.74m	1.58m	+10%
Monthly revenue per subscriber	£39.49	£37.49	+5%
Business Division: Revenues	£203m	£193m	+5%
Content Division: Revenues – including share of joint ventures**	£139m	£129m***	+8%

*EBITDA includes proportionate share of UKTV's EBITDA

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

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

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

"This Q3 result is Telewest's fifth straight quarter of progress . The strong take-up of our blueyonder broadband internet service is a good indication that the cyber triptych of television, telephone and internet - supplied from one network - is beginning to succeed.

We increased our hi-speed internet customer base by 71 per cent in the quarter. As of 14 November we had 70,000 subscribers, making Telewest the biggest provider of true, always-on, 512 kbps broadband connections in Britain. More than two-thirds of broadband internet customers also take digital television and telephony. We have a still-growing base of dial-up internet customers to migrate to hi-speed and high ARPU's.

The rollout of broadband internet illuminates Telewest's across-the-board improvement over the past year. CATV churn has fallen 10 percentage points year on year, despite a small increase in disconnects in the third quarter because of our July price increases. Our SG&A costs are down for the third quarter in a row and our capital expenditure requirements are falling. We have achieved record quarterly ebitda and average revenue per household now exceeds £40 a month. Flextech, our content business is the only major broadcaster to have seen its sales house grow advertising revenue this year.

All this has been achieved on the back of a relentless focus on getting the basics of the business right. Earlier this month, we took another step in the remoulding of Telewest into a coherent customer-obsessed business by bringing all our disparate franchise brands under one new, simple identity, Telewest Broadband."

Enquiries to

Telewest Communications plc

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For an audio visual interview with Telewest Group Finance Director, Charles Burdick, please visit www.cantoscomms.com or www.telewest.co.uk.

FINANCIAL REVIEW

Total turnover for the nine months ended 30 September 2001 increased 20%, by £160 million to £973 million. The Flextech and Eurobell acquisitions accounted for £117 million of the increase, with the balance coming from growth in the cable division.

Gross margin has improved to 63% for the nine months compared to 61% on a pro forma basis for the same period last year driven by improvements in CATV and telephony margins.

Selling, general and administrative expenses ("SG&A") for the quarter were £120 million, down for the third quarter in a row, demonstrating cost efficiencies that we are achieving across the group. For the nine months ended 30 September 2001, SG&A was £368 million, with the Flextech and Eurobell acquisitions together adding £35 million of the £60 million increase, compared to the corresponding period in 2000.

The combination of strong revenues, gross margin improvements and lower SG&A, delivered a record EBITDA for the quarter of £83 million, 12% up on the second quarter of 2001. This includes our £3 million proportionate share of EBITDA from UKTV, Telewest's joint venture with the BBC. EBITDA for the nine months increased by 22% to £225 million compared to the same period in 2000, including our £12 million proportionate share of EBITDA from UKTV. On a pro forma basis, year-to-date EBITDA growth was 20%. EBITDA margin for the quarter was 25.4% compared to 20.8% for the same quarter last year.

Net loss for the quarter was down £26 million from the second quarter to £181 million. This is Telewest's third straight quarter of declining net losses. Year-to-date net loss was £597 million compared to £475 million for the same period in 2000, impacted by the increase in depreciation and goodwill amortisation due to the larger size of the group and the goodwill associated with the purchase of Flextech. The group is undertaking a review of the carrying value of goodwill associated with its recent acquisitions. This is in compliance with FRS10 and could result in a non-cash goodwill impairment adjustment.

As at 30 September 2001, net debt stood at £4,909 million.

Capital expenditure for the first nine months of 2001 at £474 million was £63 million lower than pro forma expenditure in 2000, reflecting the substantial completion of our digital network upgrade.

BUSINESS REVIEW

Consumer Division

The value and quality of our bundled broadband services continue to drive multi-product uptake and higher average monthly revenues. The number of customers taking at least two services continues to increase and this percentage has now reached 68% at the quarter end, up 5 percentage points from the previous year. We added a further 10,000 household customers in the quarter and now have 1,745,000 residential subscribers.

Monthly revenue per subscriber also continues to rise quarter-on-quarter, to £40.29 in the third quarter and is now 9% higher than the same quarter in 2000 on a pro forma basis.

Internet

Our blueyonder hi-speed internet service continues to grow strongly, with 22,000 subscribers added in the quarter representing 71% growth. As at 14 November 2001, subscribers stood at 70,000. This service is also successfully attracting new customers to Telewest. 22% of our hi-speed internet subscribers are new customers to Telewest. In addition, 68% of hi-speed subscribers are also taking CATV and telephony.

The service was augmented at the end of the quarter, by the launch of our broadband internet website, exclusively available to blueyonder subscribers. Amongst the new broadband services on offer is a unique multi-player gaming service, allowing gamers to play others via our broadband network. This includes a subscription element, which offers exclusive gaming services and initial demand has been encouraging.

SurfUnlimited, our unmetered dial-up service, continues to grow as well, with subscribers up 11% in the quarter to 164,000. These subscribers, who are used to a reliable fixed-fee unmetered service, are an excellent base for migration to the hi-speed service. Currently, approximately half of our hi-speed subscribers have migrated from SurfUnlimited.

The speed and reliability of Telewest's internet services was recognised in September by "Internet" magazine which, following a survey of its readers, rated Telewest the top ISP. Two months later, in the November issue, Telewest's dial-up service was rated the best service following technical tests of 140 ISPs.

CATV

During the third quarter, we raised the prices of our basic CATV packages. Despite the expected short-term impact of these price increases, we added 5,400 subscribers in the quarter. The long-term trend remains positive as churn is down 10 percentage points on the previous year. As at 30 September 2001, we had 641,000 Active Digital subscribers. Excluding the Eurobell franchises, where we currently only offer analogue services, the number of digital subscribers has overtaken our analogue services with digital accounting for 51% of our CATV base.

The price rises and continued migration to digital grew average monthly CATV revenue for the nine months to £20.61. Encouragingly, the average revenue for the quarter was higher at £21.31, up 10% on Q3 2000 on a pro forma basis. CATV gross margin grew to 55% for the nine months to 30 September 2001 due to price rises and an improved mix between premium and basic packages.

Residential Telephony

We added 14,000 residential telephony subscribers in the quarter. Twelve month churn is at an all-time low at 16.7%.

Our new telephony product, Talk Unlimited, which is the only flat-rate unmetered residential voice service available for local and national calls in the UK, now accounts for around 5% of telephony subscribers. This service costs £25 including digital TV. The average monthly telephony revenue of a Talk Unlimited subscriber is approximately 20% higher than that of a traditional telephony subscriber, proving our ability to generate revenues from new, innovative products. It is also attracting new customers as 32% of new telephony customers in the quarter subscribed to the service.

Business Division

Business Division revenues for the nine months ended 30 September 2001 were £203 million, up 5% on the corresponding period a year ago. The revenues of the division, excluding those of Carrier Services, were £159 million, representing growth of 22% compared to the first nine months of 2000. Pro forma growth was 11%. Carrier Services revenues were down in the quarter due to timing issues around revenue recognition but are expected to improve in the fourth quarter.

The Business Division has recently signed a contract to provide West Midlands Police with a Wide Area Network and also to route all inbound calls using Number Translation Services. The contract is worth around £4.5 million over the next five years.

In the travel market, a two-year agreement has been signed with Airtours UK Leisure Group to provide IP viewdata services to all its retail outlets including Going Places and Travel World. The deal will see over 800 stores link into this Telewest viewdata service. An existing contract with First Choice has been extended to supply Endeavour, Telewest's travel extranet, to 55 shops by the end of the year.

Take up of our hi-speed broadband internet service for small businesses, "blueyonder workwise", has continued to increase with sales figures now in excess of 2,000. The introduction of the remote provision of Microsoft Outlook over blueyonder workwise in August this year has contributed to this significant uplift in connectivity sales, with over 1,000 licences having been applied for to date.

Content Division

Flextech's turnover, on a pro forma basis and before elimination of intercompany trading, increased by 8% to £147 million, compared with the nine months ended 30 September 2000. This was driven by multi-channel subscriber growth year-on-year of 15% to over 10.3 million homes at 30 September 2001 and also by improved advertising sales year-on-year.

Transactional revenues in the quarter were down £4 million on the previous quarter due to the closure of Flextech's Florida based "infomercial" business, HSNDI. This business sold consumer products via infomercials on US television.

In a difficult market, Flextech's advertising revenues (including 50% of UKTV's) are up 8% from the previous year. This is a significant achievement given a 12% decline in the overall TV advertising market year-on-year. Flextech is the only major British advertising sales house that has grown advertising revenues this year.

Subsequent Events

On 17 October, we announced that GE Capital had agreed to lend us £125 million as part of our £2.25 billion bank facility arrangement of which £2 billion had already been committed.

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 Q3 2001	Actual Net additions YTD 2001	Pro forma (1) Net additions Q3 2000	Pro forma (1) Net additions YTD 2000
Household customers	9,916	53,271	(1,067)	9,402
Cable Television subscribers	5,439	68,369	21,875	2,728
Telephony subscribers	13,840	53,526	6,504	25,283
Telephone lines	5,838	38,268	(1,966)	18,071
Blueyonder broadband internet subscribers	21,992	46,241	1,474	2,294
			As at 30 Sept 2001 Actual	As at 30 Sept 2000 Pro forma (1)
Homes passed			4,910,160	4,924,095
Homes passed and marketed			4,711,903	4,777,768
Dual or triple service subscribers (2)			1,182,335	1,038,212
Cable television only subscribers			144,598	157,012
Residential telephony only subscribers			411,582	463,093
Internet only subscribers			6,097	-
Total residential subscribers			1,744,612	1,658,317
Household penetration			37.0%	34.7%
Percentage of dual or triple service subscribers (2)			67.8%	62.6%
Monthly revenue per subscriber (3)			£39.49	£37.43
CABLE TELEVISION				
Cable television subscribers			1,317,979	1,195,224
Active Digital subscribers			641,494	215,116
Penetration rate (4)			28.0%	25.0%
Churn rate per subscriber (5)			18.7%	28.3%
Average monthly revenue per subscriber (6)			£20.61	£20.12
RESIDENTIAL TELEPHONY				
Residential telephony subscribers			1,591,666	1,501,305
Residential telephony penetration (7)			33.8%	31.4%
Residential telephone lines			1,744,427	1,664,868
Second line penetration			9.6%	10.9%
Average churn rate per subscriber (8)			16.7%	21.7%
Average monthly revenue per line (9)			£22.59	£22.69
Average monthly revenue per subscriber (10)			£24.93	£25.31
INTERNET SUBSCRIBERS				
Blueyonder SurfUnlimited			163,882	79,943
Blueyonder pay-as-you-go			127,162	148,325
Blueyonder broadband			53,134	2,294
Total Internet subscribers			344,178	230,562

Telewest Communications plc Operating Statistics – Unaudited (continued)

	As at 30 Sept 2001 Actual	As at 30 Sept 2000 Pro forma (1)
BUSINESS DIVISION		
Business customer accounts	70,753	66,419
Business telephony lines	430,974	353,726
Average business lines per customer account (11)	6.1	5.3
Average monthly revenue per business line (12)	£44.86	£47.88
Annualised revenue per customer account (13)	£3,184	£3,093

CONTENT DIVISION

Multi channel subscribers	10,325,092	8,961,359
Flextech share of basic viewing (14)	21.1%	22.1%
Share of total TV advertising revenues (15)	3.2%	2.6%
Unique users to Flextech interactive applications (16)	1,627,000	987,000

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) Dual or triple service subscribers are those subscribers who take any two or all of our cable television, residential telephony and high-speed internet services.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) 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.
- (11) 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.
- (12) 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.
- (13) 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.
- (14) Basic viewing over 24 hours.
- (15) Includes Flextech wholly owned channels and UKTV advertising revenues.
- (16) 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 nine months ended 30 September:	Combined Group		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	243	218	235	211	8	7	-	-	-	-
Telephony	362	348	334	326	28	22	-	-	-	-
Internet and other	26	10	26	10	-	-	-	-	-	-
	631	576	595	547	36	29	-	-	-	-
Business Division	203	205	187	193	16	12	-	-	-	-
Total Cable Division	834	781	782	740	52	41	-	-	-	-
Content Division:										
Programming, transactional and interactive revenues	93	91	-	-	-	-	101	98	(8)	(7)
Share of joint ventures' turnover (UKTV)	46	38	-	-	-	-	46	38	-	-
Total Content Division	139	129	-	-	-	-	147	136	(8)	(7)
Total Turnover	973	910	782	740	52	41	147	136	(8)	(7)
Less: share of joint ventures' turnover	(46)	(38)	-	-	-	-	(46)	(38)	-	-
Group Turnover	927	872	782	740	52	41	101	98	(8)	(7)
Contribution	581	531	510	462	28	22	43	47	-	-
SG&A	(368)	(349)	(304)	(279)	(25)	(31)	(39)	(39)	-	-
EBITDA	213	182	206	183	3	(9)	4	8	-	-
Share of UKTV's EBITDA	12	5	-	-	-	-	12	5	-	-
Total EBITDA	225	187	206	183	3	(9)	16	13	-	-
Capital Expenditure	474	537	443	471	28	62	3	4	-	-

* 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 NINE MONTHS ENDED 30 SEPTEMBER

	9 months ended 30 Sept 2001	9 months ended 30 Sept 2000	Year ended 31 Dec 2000 Audited £m
	£m	£m	
Turnover			
Consumer Division:			
Cable television	243	211	279
Telephony	362	326	445
Internet and other	26	10	16
	631	547	740
Business Division	203	193	271
Total Cable Division	834	740	1,011
Content Division:			
Programming, transactional and interactive revenues	93	52	82
Share of joint ventures' turnover (UKTV)	46	21	36
Total Content Division	139	73	118
Total Turnover	973	813	1,129
Less: share of joint ventures' turnover	(46)	(21)	(36)
Group Turnover (note 1)	927	792	1,093
Operating expenses before depreciation and amortisation (notes 1 & 2)	(714)	(612)	(846)
EBITDA (note 1)	213	180	247
Depreciation and amortisation (notes 1 & 2)	(464)	(356)	(541)
Group operating loss (note 1)	(251)	(176)	(294)
Loss on disposal of investments (net)	(4)	-	-
Share of operating profits/(losses) of joint ventures	8	4	(2)
Share of operating (losses)/profits of associated undertakings	(1)	4	3
Interest receivable and similar income	12	10	16
Interest payable and similar charges (note 3)	(357)	(318)	(424)
Loss on ordinary activities before taxation	(593)	(476)	(701)
Tax on loss on ordinary activities	(4)	-	(5)
Tax benefit arising during the period	-	1	-
Loss on ordinary activities after taxation, being loss for the period	(597)	(475)	(706)
Basic and diluted loss per ordinary share (pence)	(20.7)	(17.9)	(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 Annual Report. The audited consolidated financial information set out 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 SEPTEMBER

	30 Sept 2001	30 Sept 2000	31 Dec 2000 Audited £m
	£m	£m	
Fixed assets			
Intangible assets	2,775	3,473	2,878
Tangible assets	3,440	3,005	3,290
Investments in associated undertakings and participating interests	177	54	172
Investments in joint ventures:			
Share of gross assets	33	41	34
Goodwill	412	-	428
Share of gross liabilities	(138)	(142)	(142)
Loans to joint ventures	217	231	229
	524	130	549
Other investments	2	11	2
	6,918	6,673	6,891
Current assets			
Programming inventory	36	36	31
Stocks	45	1	38
Debtors	253	237	244
Secured cash deposits restricted for more than one year	20	12	12
Cash at bank and in hand	4	38	60
	358	324	385
Creditors: amounts falling due within one year	(681)	(492)	(1,343)
Net current liabilities	(323)	(168)	(958)
Total assets less current liabilities	6,595	6,505	5,933
Creditors: amounts falling due after more than one year (including convertible debt)	(4,828)	(3,908)	(3,580)
Minority interests	(1)	1	2
Net assets	1,766	2,598	2,355
Equity shareholders' funds	1,766	2,598	2,355

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

	9 months ended 30 Sept 2001	9 months ended 30 Sept 2000	Year ended 31 Dec 2000 Audited £m
	£m	£m	£m
Net cash inflow from operating activities (note 4)	247	158	194
Dividend received from associates	2	2	3
Returns on investments and servicing of finance			
Interest received	2	4	7
Interest paid	(224)	(108)	(164)
Interest element of finance lease payments	(12)	(6)	(14)
Issue costs of Notes and credit facility arrangement cost	(38)	(21)	(21)
Net cash outflow from returns on investments and servicing of finance	(272)	(131)	(192)
Capital expenditure			
Purchase of tangible fixed assets	(377)	(429)	(547)
Sale of tangible fixed assets	-	2	2
Net cash outflow for capital expenditure	(377)	(427)	(545)
Acquisition and disposals			
Purchase of subsidiary undertakings	(6)	(28)	(32)
Disposal of subsidiary undertakings	10	-	-
Cash acquired with subsidiaries	-	6	8
Cash disposed with subsidiaries	(2)	-	-
Investments in associated undertakings and other participating interests	(24)	(6)	(10)
Repayments of loans made to joint ventures (net)	23	5	14
Net cash inflow/(outflow) from acquisitions and disposals	1	(23)	(20)
Net cash outflow before use of liquid resources and financing	(399)	(421)	(560)
Management of liquid resources			
Net decrease in fixed and secured deposits	10	52	32
Financing			
Net repayment of borrowings under old credit facilities	(145)	(329)	(141)
Net proceeds/(repayments) from borrowings under new facilities	494	-	(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	330
Proceeds from issue of Senior Discount Notes and Senior Notes, 2010	-	544	544
Issue costs of Notes and share issue costs	-	(13)	(13)
Net proceeds from maturity of forward contracts	-	-	107
Cash received from exercise of share options	5	3	3
Capital element of finance lease payments	(33)	(16)	(35)
Net cash inflow from financing	351	393	555
(Decrease)/increase in cash in the period	(38)	24	27

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

	Cable 30 Sept 2001 £m	Content 30 Sept 2001 £m	Total 30 Sept 2001 £m	Cable 30 Sept 2000 £m	Content 30 Sept 2000 £m	Total 30 Sept 2000 £m
1 Segmental analysis						
Group Turnover	834	93	927	740	52	792
Operating expenses before depreciation and amortisation	(618)	(96)	(714)	(553)	(59)	(612)
EBITDA	216	(3)	213	187	(7)	180
Depreciation and amortisation	(370)	(94)	(464)	(307)	(49)	(356)
Group operating loss	(154)	(97)	(251)	(120)	(56)	(176)

	30 Sept 2001 £m	30 Sept 2000 £m	31 Dec 2000 Audited £m
2 Operating costs			
Operating expenses before depreciation and amortisation:			
Consumer programming expenses	110	102	132
Business and consumer telephony expenses	179	172	235
Content Division cost of sales	57	30	46
Selling, general and administrative expenses	368	308	433
	714	612	846
Depreciation and amortisation:			
Depreciation of tangible fixed assets	328	257	399
Amortisation of goodwill and intangible assets	136	99	142
	464	356	541
Total operating costs	1,178	968	1,387

3 Interest payable and similar charges			
Share of interest of associated undertakings and joint ventures	8	4	9
On bank loans	72	61	79
Finance costs of Notes and Debentures	246	209	289
Finance charges payable in respect of finance leases and hire purchases contracts	11	7	4
Exchange loss on foreign currency translation, net	6	28	17
Extinguishment of debt	-	-	15
Other	14	9	11
Total interest payable and similar charges	357	318	424

Telewest Communications plc
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NOTES TO THE SUMMARISED UNAUDITED CONSOLIDATED ACCOUNTS (continued)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER

	30 Sept 2001	30 Sept 2000	31 Dec 2000 Audited £m
	£m	£m	£m
4 Reconciliation of operating loss to net cash inflow from operating activities			
Group operating loss	(251)	(176)	(294)
Depreciation of tangible fixed assets	328	257	399
Amortisation of goodwill and intangible assets	136	99	142
(Increase)/decrease in stocks and programming inventory	(12)	8	(24)
(Increase) in debtors	(4)	(38)	(10)
Increase/(decrease) in creditors	50	8	(19)
Net cash inflow from operating activities	247	158	194
5 Net debt			
Net debt, other than short-term creditors and accruals			
Convertible Notes	896	624	846
Other Notes and Debentures	2,579	2,405	2,523
Bank facility	1,100	726	806
Other loans	52	44	30
Vendor financing and obligations under finance leases and hire purchase contracts	286	166	246
Total debt	4,913	3,965	4,451
Less cash at bank and in hand	4	38	60
Net debt	4,909	3,927	4,391

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 2001 \$m	3 months ended 30 Sept 2001 £m	3 months ended 30 Sept 2000 £m	9 months ended 30 Sept 2001 \$m	9 months ended 30 Sept 2001 £m	9 months ended 30 Sept 2000 £m
Revenue						
Cable television	125	85	67	357	243	211
Consumer telephony	178	121	108	532	362	326
Internet and other	14	10	3	38	26	10
Total Consumer Division	317	216	178	927	631	547
Business Services Division	97	66	70	297	202	181
Total Cable Division	414	282	248	1,224	833	728
Content Division	44	30	32	135	92	52
Total Revenue	458	312	280	1,359	925	780
Operating loss	(122)	(83)	(75)	(407)	(277)	(213)
Interest income	6	4	2	18	12	7
Interest expense	(182)	(124)	(109)	(507)	(345)	(288)
Foreign exchange gain/(loss), net	23	16	2	10	7	(37)
Share of net (losses)/gains of affiliates	(9)	(6)	5	(1)	(1)	2
Other, net	(1)	(1)	(1)	(10)	(7)	(1)
Loss before income taxes	(285)	(194)	(176)	(897)	(611)	(530)
Income tax benefit/(charge)	3	2	(2)	10	7	1
Net loss before extraordinary item	(282)	(192)	(178)	(887)	(604)	(529)
Extinguishment of debt	-	-	-	(22)	(15)	-
Net loss after extraordinary item	(282)	(192)	(178)	(909)	(619)	(529)
Basic and diluted loss per ordinary share						
Before extraordinary loss	\$ (0.10)	£ (0.07)	£ (0.06)	\$ (0.31)	£ (0.21)	£ (0.20)
After extraordinary loss	\$ (0.10)	£ (0.07)	£ (0.06)	\$ (0.32)	£ (0.22)	£ (0.20)
1 Earnings before interest, taxes, depreciation and goodwill ("EBITDA")						
Operating loss	(122)	(83)	(75)	(407)	(277)	(213)
Add: depreciation and amortisation of goodwill	238	162	138	709	483	378
EBITDA (after non-cash share-based compensation costs)	116	79	63	302	206	165
Add back: non-cash share-based compensation costs	-	-	-	1	1	5
EBITDA (before non-cash share-based compensation costs)	116	79	63	303	207	170
2 Operating costs and expenses						
Consumer programming expenses	(51)	(35)	(32)	(162)	(110)	(102)
Business and consumer telephony expenses	(84)	(57)	(60)	(262)	(178)	(172)
Content expenses	(28)	(19)	(22)	(84)	(57)	(30)
Selling, general and administrative	(179)	(122)	(103)	(549)	(374)	(311)
Depreciation	(170)	(116)	(95)	(508)	(346)	(278)
Amortisation of goodwill	(68)	(46)	(43)	(201)	(137)	(100)
Total	(580)	(395)	(355)	(1,766)	(1,202)	(993)

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 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 translation of certain Pounds Sterling amounts into US Dollars ("\$") at \$1.4691 per £1.00, the noon buying rate of the Federal Reserve Bank of New York on Friday 28th September 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 SEPTEMBER

	30 Sept 2001	30 Sept 2001	31 Dec 2000 Audited
	\$m	£m	£m
Assets			
Cash and cash equivalents	6	4	60
Secured cash deposits restricted for more than one year	29	20	12
Receivables and prepaid expenses	403	274	260
Investments	1,124	765	784
Property and equipment	5,026	3,421	3,289
Goodwill and other intangibles	3,965	2,699	2,803
Programming inventory	53	36	31
Inventory	66	45	38
Other assets	88	60	47
Total assets	10,760	7,324	7,324
Liabilities			
Debt	6,871	4,677	4,254
Other Liabilities	1,596	1,086	925
Total liabilities	8,467	5,763	5,179
Minority interest	1	1	(2)
Shareholders' equity	2,292	1,560	2,147
Total liabilities and shareholders' equity	10,760	7,324	7,324

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

	9 months ended 30 Sept 2001 \$m	9 months ended 30 Sept 2001 £m	9 months ended 30 Sept 2000 £m
Cash flows from operating activities			
Net loss	(909)	(619)	(529)
Adjustments to reconcile net loss to net cash (used in)/provided by operating activities:			
Depreciation	508	346	278
Amortisation of goodwill	201	137	100
Amortisation of deferred financing costs and issue discount on Senior Discount Debentures	110	75	136
Deferred tax credit	(10)	(7)	-
Unrealised (gain)/loss on foreign currency translation	(15)	(10)	36
Non-cash accrued share-based compensation costs	1	1	5
Extinguishment of debt	22	15	-
Share of net losses of affiliates	3	2	(2)
Loss on disposal of investments (net)	6	4	-
Changes in operating assets and liabilities, net of effect of acquisition of subsidiaries:			
Change in receivables	(1)	(1)	(39)
Change in prepaid expenses	(12)	(8)	(10)
Change in other assets	(76)	(52)	7
Change in accounts payable	44	30	54
Change in other liabilities	94	64	13
Net cash used in operating activities	(34)	(23)	49
Net cash used in investing activities	(552)	(376)	(448)
Net cash provided by financing activities	504	343	371
Net decrease in cash and cash equivalents	(82)	(56)	(28)
Cash and cash equivalents at beginning of period	88	60	65
Cash and cash equivalents at end of period	6	4	37