

TELEWEST COMMUNICATIONS plc
4th QUARTER and FULL YEAR RESULTS 2001

HIGHLIGHTS

- Record quarterly EBITDA of £94m (Q3: £83m) £319m for the year
- Monthly revenue per household up to £41.67 for the quarter
- 107,000 broadband internet subscribers today with 60% growth in quarter
- TV and telephony churn at all time lows
- Exceptional non-cash charge of £1,130 million for goodwill impairment

	2001	2000	Change Over 2000
Total Turnover	£1,323m	£1,129m	+17%
EBITDA (including our proportionate share of UKTV's EBITDA)	£319m	£253m	+26%
Cable Division:			
Consumer Division: Revenues	£857m	£740m	+16%
Household customers	1.77m	1.69m	+5%
Monthly revenue per household	£40.03	£37.45	+7%
Business Division: Revenues	£274m	£271m	+1%
Content Division: Revenues – including share of joint ventures*	£192m	£171m**	+12%

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

** Pro forma for the year ended 31 December 2000, Flextech was actually acquired 19 April 2000.

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

"This is our sixth quarter in a row of growth. 2001 was about operational performance - every single person in Telewest strove to improve service and revenues and their efforts are in the numbers.

Revenue up, EBITDA up, churn down, capital expenditure down and SG&A flat on a pro forma basis. All the raw indicators of performance are heading in the right direction, but the best number is the excellent growth in high-speed internet connections. As of 28 February, we had 107,000 installed subscribers to our blueyonder broadband service. Growth in 2001 was 1,135 per cent, proving there is a need for speed. We shall compete not only on price, but will use our better network to go for speed.

70 per cent of our broadband customers take three services, clearly demonstrating that our bundle of television, telephone and internet wins. This time last year, we were selling 380 broadband connections a day on average. Today we are averaging 900 sales a day.

This is Telewest's advantage, our multichannel TV competitors don't provide phone and fast internet, and our telephone competitors don't provide television. As the consumer is bombarded with ever more, they want it ever more simplified and available from one supplier.

Telewest's progress has taken place against a grim economic backdrop. We have not let the daily vicissitudes of the market affect our need to improve operations. The fact that we are now in good fundamental shape, with a digital fault rate in single figures and falling churn, means we have choices on capital expenditure. Consequently, this year capex is expected to fall faster than previously indicated.

Going forward? Operational execution is good and we have seen strong subscriber growth in the first two months of this year; we are continuing to grow. These results show that we are weathering winter in Cyberia and that Telewest is well placed for Spring."

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

Sarah Tovey	020 7404 5959
John Sunnucks	020 7404 5959

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

FINANCIAL REVIEW

Total turnover for the year ended 31 December 2001 increased 17%, by £194 million to £1,323 million. The Flextech and Eurobell acquisitions accounted for £132 million of the increase. Pro forma for these acquisitions, total turnover growth was 8%.

Gross margin has improved to 63% for the year compared to 62% on a pro forma basis for last year driven by improvements in CATV and telephony margins. Gross margin has continued to improve during the year and in the fourth quarter reached 65%. Gross margin is stated having taken into account cost of sales, before depreciation.

Selling, general and administrative expense ("SG&A") for the quarter was £122 million, down £3 million from the fourth quarter in 2000, demonstrating cost efficiencies across the Group. For the year ended 31 December 2001, SG&A was £491 million, up 13% on an actual basis from last year but only up 1% on a pro forma basis.

As a result of the improvements in revenue, gross margin and cost control, EBITDA in the fourth quarter was a record £94 million, up 13% on the third quarter. This includes our £1 million share of UKTV's EBITDA. EBITDA for the year, including our £13 million share of UKTV's EBITDA grew by 26% and on a pro forma basis, by 29%. EBITDA margin for the fourth quarter was 28%, again including UKTV's proportionate share.

This is our fourth straight quarter of declining losses before the impairment charge discussed below, and net loss was down £23 million from the fourth quarter of 2000. Net loss for the year, before exceptional items, was £801 million compared to £706 million for 2000, reflecting higher interest payable and increases in depreciation and goodwill amortisation due to the larger size of the Group.

Following the requirements of UK Accounting Standards, the Group has performed a post acquisition impairment test on its Content business goodwill. Flextech was acquired in April 2000 in exchange for shares in Telewest, issued at a share price of £3.84. The impairment test has resulted in an exceptional non-cash charge of £1,130 million. The review also encompassed the Group's cable assets. On the basis of the results of this review, no impairment was required in the carrying value of the cable assets. Following the exceptional charge, net loss for the year, after impairment, was £1,935 million.

Capital expenditure in 2001 of £653 million was £24 million lower than pro forma expenditure in 2000. As at 31 December 2001, net debt stood at £5,118 million comprising £3,502 million of Notes and Debentures, £261 million of leasing and vendor financing, £45 million of other loans and £1,324 million drawn down on our £2.25 billion bank facility.

BUSINESS REVIEW

Consumer Division

With the continuing success of our broadband products, the Consumer Division added a further 21,000 households in the quarter and now has 1,766,000 in total, up 4% year-on-year. Multi-product uptake also continued to improve with 69% of customers taking at least two services at the year end, up 1 percentage point from the previous quarter and 4 percentage points from the previous year. Our number of "triple-play" customers, being those customers who subscribe to broadband internet, TV and telephony, also continues to grow. As at 28 February 2002, we had 75,000 "triple-play" customers with an average monthly revenue in excess of £65.

Multi-product uptake has contributed to the continuing strong growth in average revenues. Monthly revenue per household has risen by 3% quarter-on-quarter to £41.67 in the fourth quarter and is now 10% higher than in the fourth quarter in 2000. We believe that Telewest has the highest average revenues of any cable or pay-TV company in the world.

Following price rises by our competitors, we intend to introduce price rises across our TV, telephony and internet product range in April 2002. For example, the “starter” digital TV pack, which includes a telephone line, will rise by £2 to £11.49. Other digital basic TV packages will rise by £1.50 and the monthly price of our unmetered dial-up internet service, SurfUnlimited, will rise by £2 to £12. Importantly, our broadband internet service, blueyonder, will remain at £25 per month. Our bundled offerings will still remain significantly cheaper than those offered by other operators.

Internet

Growth of our broadband internet service, blueyonder, has accelerated in the fourth quarter and a record 32,000 subscribers were added, representing 60% growth to 85,000 at the year end. As at 28 February 2002, subscribers stood at 107,000 with 75,000 of these also taking TV and telephony.

Our internet sales are also supported by the continued success of our unmetered dial-up service, SurfUnlimited. Subscribers were up 12% in the quarter to 184,000. We are having considerable success in upselling SurfUnlimited subscribers to broadband as SurfUnlimited introduces them to a reliable fixed-fee unmetered service and they are then attracted by the always-on, hi-speed service that only broadband can offer.

CATV

Net CATV additions in the quarter were 24,000 representing solid growth following a slower third quarter which saw the introduction of price increases. As at 31 December 2001, we had 724,000 broadband digital TV customers. Excluding the Eurobell franchises, where we currently only offer analogue services, the number of digital subscribers now accounts for 57% of our base. We will begin rolling out digital to the Eurobell franchises in the third quarter of 2002. This business is now operationally integrated within Telewest’s Cable Division and, as a result, we have seen its pro forma annual revenues rise by 25%.

Average monthly CATV revenue for the year was £20.75, up from £19.48 in 2000 due to digital migration and price increases. The average revenue for the quarter was even higher at £21.19, up 17% on the same quarter last year. Price increases and a changed mix between premium and basic packages helped CATV gross margin for the year grow to 57% from 53% in 2000.

Continued focus on customer service and the increased attractiveness of broadband digital TV has seen churn continue its downward momentum. Churn for the year is at a record low of 18.7%, over 7 percentage points lower than in 2000.

Residential Telephony

The success of our telephony product Talk Unlimited during the quarter has contributed to higher customer growth, higher average revenues and lower churn. This is the only 24-hour flat-rate unmetered residential voice service available for local and national calls in the UK and now accounts for around 10% of all our telephony subscribers.

The fourth quarter's 24,000 net additions was the strongest of the year. Average monthly revenue grew by 4% in the quarter to £25.57, and churn reached an all-time low of 16.5%. Year-on-year, average monthly revenue fell slightly due to lower second line penetration as a consequence of dial-up internet subscribers migrating to broadband.

Business Division

Business Division revenues for the year totalled £274 million. Excluding Carrier Services, the Division's revenues have increased by 16% year-on-year to £213m. On a pro forma basis and excluding Carrier Services, growth was 9%. Consistent with other network operators and our expectations, actual revenues from Carrier Services declined from £88 million to £61 million in 2001. This revenue is derived from a small number of contracts and can fluctuate from year to year. The fourth quarter saw a significant increase in this revenue to £18 million.

The number of business customer accounts has grown by 10% during the year to 73,000, the number of business lines has increased by 22% to 445,000 and the average annualised revenue per customer account has also risen to £3,137. Solid performance in our regional SME business was driven by improved product offers in telephony, data and internet services.

The Business Division which has recently been rebranded as "Telewest Business" has recently received the highest ranking in terms of overall business customer satisfaction in the Communications Management Association's 2001 annual report. As well as being ranked joint first for overall customer satisfaction, Telewest achieved first and joint first place in a number of service areas, including service reliability, availability of account managers and running costs.

Telewest Business has focused on long term sustainable relationships with existing and new clients and has continued expansion in the large enterprise sector including many Local Authorities. Notable wins during the year include the provision of services to West Midlands Police with a £4.5 million contract and signings with Wolverhampton, Liverpool and Medway Councils. In addition, we are providing Bristol City Council with high bandwidth broadband internet solutions for the city's schools. We also won a large contract with Genesys Conferencing to provide circuits and lines for their growing conference call business.

During the year, we launched the first hosted Microsoft Exchange service by any network operator in Europe, consistent with our strategy of delivering relevant remote applications to the SME market. This service, available through the blueyonder workwise business portal, has already attracted 3,500 licences. New customers generated by this product include the Everton and Sheffield United Football Clubs, The Touchstone Group, VIS Interactive and the Federation of Small Businesses.

Content Division

In a market where other broadcasters have seen advertising revenue fall and where we have seen the multi-channel market continue to fragment, our advertising revenue (including 50% of UKTV) is up 6% from the previous year. This is a significant achievement given a 10% decline in the overall TV advertising market year-on-year, and an increasingly competitive multi-channel market where the number of basic TV channels increased from 96 in 2000 to 115 in 2001.

The UKTV business continued to grow successfully, with our share of revenues increasing 21% to £63 million in 2001 on a pro forma basis. On 5th November 2001, UKTV launched a

new channel, UK Food, a channel dedicated to celebrating the finest food and the nation's favourite chefs. Initial audiences have been very encouraging.

The Content Division's turnover, on a pro forma basis, increased by 12% to £192 million, year-on-year, driven by UK multi-channel subscriber growth of 10% to 10.5 million homes at the year-end, and also by improved advertising sales.

Notes:

1. Non-statutory information provided in the document is defined as follows:

EBITDA, which we consider is a standard measure commonly reported and widely used by analysts, investors and other interested parties in the cable television and telecommunications industry, represents group operating profit before deducting depreciation of fixed assets and amortisation of goodwill.

Gross margin is defined as Group turnover less cost of sales before deducting depreciation.

Pro forma information is included for the prior year as a consequence of our acquisitions of Flextech and Eurobell in 2000. Pro forma statistics and financial data assume these acquisitions took place on 1 January 2000 instead of their actual acquisition dates.

All commentary in this document is based on the Group's UK GAAP financial results unless otherwise specified.

2. 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.

Telewest Communications plc
Operating Statistics – Unaudited

CONSUMER DIVISION	Actual Net additions Q4 2001	Actual Net additions YTD 2001	Pro forma (1) Net additions Q4 2000	Pro forma (1) Net additions YTD 2000
Household customers	21,007	74,278	33,024	42,426
Cable Television subscribers	23,805	92,174	54,386	57,114
Telephony subscribers	24,143	77,669	36,835	62,118
Telephone lines	17,885	56,153	41,291	59,362
Blueyonder broadband internet subscribers	31,988	78,229	4,599	6,893
			As at 31 Dec 2001 Actual	As at 31 Dec 2000 Pro forma (1)
Homes passed			4,914,155	4,922,191
Homes passed and marketed			4,713,937	4,789,451
Dual or triple service subscribers (2)			1,218,294	1,096,409
Cable television only subscribers			138,053	153,201
Residential telephony only subscribers			401,286	441,731
Internet only subscribers			7,986	-
Total residential subscribers			1,765,619	1,691,341
Household penetration			37.5%	35.3%
Percentage of dual or triple service subscribers (2)			69.0%	64.8%
Monthly revenue per subscriber (3)			£40.03	£37.50
CABLE TELEVISION				
Cable television subscribers			1,341,784	1,249,610
Active Digital subscribers			723,826	339,195
Penetration rate (4)			28.5%	26.1%
Average subscriber churn rate (5)			18.7%	26.0%
Average monthly revenue per subscriber (6)			£20.75	£19.48
RESIDENTIAL TELEPHONY				
Residential telephony subscribers			1,615,809	1,538,140
Residential telephony penetration (7)			34.3%	32.2%
Residential telephone lines			1,762,312	1,706,159
Second line penetration			9.1%	10.9%
Average subscriber churn rate (8)			16.5%	19.8%
Average monthly revenue per line (9)			£22.79	£22.93
Average monthly revenue per subscriber (10)			£25.09	£25.55
INTERNET SUBSCRIBERS				
Blueyonder SurfUnlimited			184,034	104,983
Blueyonder pay-as-you-go			119,295	175,387
Blueyonder broadband			85,122	6,893
Total Internet subscribers			388,451	287,263
BLUEYONDER BROADBAND				
Average monthly revenue per subscriber (11)			£25.21	N/A
Average subscriber churn rate (12)			7.5%	N/A

Telewest Communications plc Operating Statistics – Unaudited (continued)

	As at 31 Dec 2001 Actual	As at 31 Dec 2000 Pro forma (1)
BUSINESS DIVISION		
Business customer accounts	72,934	66,507
Business telephony lines	444,998	365,535
Average business lines per customer account (13)	6.1	5.5
Average monthly revenue per business line (14)	£44.12	£48.44
Annualised revenue per customer account (15)	£3,137	£3,093
CONTENT DIVISION		
Multi channel subscribers	10,504,118	9,565,325
Flextech share of basic viewing (16)	20.4%	23.1%
Share of total TV advertising revenues (17)	3.0%	2.7%
Unique users to Flextech interactive applications (18)	2,618,000	1,666,000

- (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 subscriber 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 subscriber churn rate 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 monthly revenue per blueyonder broadband subscriber for each period represents (i) the average monthly blueyonder broadband revenue for such period, divided by (ii) the average number of blueyonder broadband subscribers in such period.
- (12) Average blueyonder broadband subscriber churn rate for the period is calculated on a rolling 12 month basis and represents (i) the total number of blueyonder broadband subscribers who terminated their services or whose services were terminated during such period, divided by (ii) the average number of blueyonder broadband subscribers in such period.
- (13) 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.
- (14) 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.
- (15) 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.
- (16) Basic viewing over 24 hours.
- (17) Includes Flextech wholly owned channels and UKTV advertising revenues.
- (18) Unique visitors to Flextech interactive applications on internet, and interactive TV.

Telewest Communications plc

Financial performance on a pro forma basis, prepared under UK GAAP, 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 year ended 31 December:	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	329	286	317	277	12	9	-	-	-	-
Telephony	488	471	451	440	37	31	-	-	-	-
Internet and other	40	16	40	16	-	-	-	-	-	-
	857	773	808	733	49	40	-	-	-	-
Business Division	274	284	253	268	21	16	-	-	-	-
Total Cable Division	1,131	1,057	1,061	1,001	70	56	-	-	-	-
Content Division:										
Programming, transactional and interactive revenues	129	119	-	-	-	-	143	130	(14)	(11)
Share of joint ventures' turnover (UKTV)	63	52	-	-	-	-	63	52	-	-
Total Content Division	192	171	-	-	-	-	206	182	(14)	(11)
Total Turnover	1,323	1,228	1,061	1,001	70	56	206	182	(14)	(11)
Less: share of joint ventures' turnover	(63)	(52)	-	-	-	-	(63)	(52)	-	-
Group Turnover	1,260	1,176	1,061	1,001	70	56	143	130	(14)	(11)
Contribution	797	725	702	630	38	31	60	64	(3)	-
SG&A	(491)	(485)	(409)	(376)	(33)	(48)	(52)	(61)	3	-
EBITDA	306	240	293	254	5	(17)	8	3	-	-
Share of UKTV's EBITDA	13	7	-	-	-	-	13	7	-	-
Total EBITDA	319	247	293	254	5	(17)	21	10	-	-
Capital Expenditure	653	677	606	591	43	78	4	8	-	-

* 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

	2001 Before exceptional items £m	2001 Exceptional items (note 4) £m	2001 Total £m	2000 Total £m
Turnover				
Consumer Division:				
Cable television	329	-	329	279
Telephony	488	-	488	445
Internet and other	40	-	40	16
	857	-	857	740
Business Division	274	-	274	271
Total Cable Division	1,131	-	1,131	1,011
Content Division:				
Programming, transactional and interactive revenues	129	-	129	82
Share of joint ventures' turnover (UKTV)	63	-	63	36
Total Content Division	192	-	192	118
Total Turnover	1,323	-	1,323	1,129
Less: share of joint ventures' turnover	(63)	-	(63)	(36)
Group Turnover (note 1)	1,260	-	1,260	1,093
Total Operating Costs (note 2)	(1,580)	(992)	(2,572)	(1,387)
Group operating loss (note 1)	(320)	(992)	(1,312)	(294)
Group Turnover	1,260	-	1,260	1,093
Operating expenses before depreciation and amortisation	(954)	-	(954)	(846)
EBITDA (note 1)	306	-	306	247
Depreciation and amortisation	(626)	(992)	(1,618)	(541)
Group operating loss	(320)	(992)	(1,312)	(294)
Loss on disposal of investments	-	(4)	(4)	-
Share of operating profits/(losses) of joint ventures	9	-	9	(2)
Share of operating (losses)/profits of associated undertakings	(7)	-	(7)	3
Interest receivable and similar income	15	-	15	16
Amounts written off investments	-	(138)	(138)	-
Interest payable and similar charges (note 3)	(494)	-	(494)	(424)
Loss on ordinary activities before taxation	(797)	(1,134)	(1,931)	(701)
Tax on loss on ordinary activities	(5)	-	(5)	(5)
Loss on ordinary activities after taxation	(802)	(1,134)	(1,936)	(706)
Minority interests	1	-	1	-
Loss for the financial year	(801)	(1,134)	(1,935)	(706)
Basic and diluted loss per ordinary share (pence)	(27.8)	(39.4)	(67.2)	(26.1)

The financial information presented above reflects the continuing operations of the business. The consolidated financial information set out on pages 10 to 14, 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 10 to 14, does not constitute the Company's statutory accounts for the years ended 31 December 2001 or 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 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 AUDITED CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER

	2001 £m	2001 £m	2000 £m	2000 £m
Fixed assets				
Intangible assets		1,743		2,878
Tangible assets		3,498		3,290
Investments in associated undertakings and participating interests		107		172
Investments in joint ventures:				
Share of gross assets	30		34	
Goodwill	330		428	
Share of gross liabilities	(138)		(142)	
Loans to joint ventures	218		229	
		440		549
Other investments		1		2
		5,789		6,891
Current assets				
Stocks		67		69
Debtors		239		244
Secured cash deposits restricted for more than one year		20		12
Cash at bank and in hand		14		60
		340		385
Creditors: amounts falling due within one year		(670)		(1,343)
Net current liabilities		(330)		(958)
Total assets less current liabilities		5,459		5,933
Creditors: amounts falling due after more than one year (including convertible debt)		(5,031)		(3,580)
Minority interests		(1)		2
Net assets		427		2,355
Equity shareholders' funds		427		2,355

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

	2001 £m	2000 £m
Net cash inflow from operating activities (note 5)	348	194
Dividends received from associated undertakings	3	3
Returns on investments and servicing of finance		
Interest received	5	7
Interest paid	(335)	(164)
Interest element of finance lease payments	(20)	(14)
Issue costs of Notes and credit facility arrangement costs	(41)	(21)
Net cash outflow from returns on investments and servicing of finance	(391)	(192)
Capital expenditure		
Purchase of tangible fixed assets	(548)	(547)
Sale of tangible fixed assets	2	2
Net cash outflow for capital expenditure	(546)	(545)
Acquisition and disposals		
Purchase of subsidiary undertakings	(6)	(32)
Disposal of a subsidiary undertaking	10	-
Cash acquired with subsidiary undertakings	-	8
Cash disposed of with a subsidiary undertaking	(2)	-
Investments in associated undertakings and other participating interests	(26)	(10)
Net cash outflow from acquisitions and disposals	(24)	(34)
Net cash outflow before use of liquid resources and financing	(610)	(574)
Management of liquid resources		
Net decrease in fixed and secured deposits	11	32
Financing		
Net repayment of borrowings under old credit facilities	(824)	(141)
Net proceeds/(repayments) from borrowings under new credit facilities	1,393	(260)
Share issue costs	-	(13)
Repayments of loans made to joint ventures (net)	21	14
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
Net proceeds from maturity of forward contracts	-	107
Proceeds from exercise of share options	6	3
Capital element of finance lease payments	(54)	(35)
Net cash inflow from financing	572	569
(Decrease)/increase in cash in the year	(27)	27

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

	Cable	Content	Inter- divisional	Total	Cable	Content	Inter- divisional	Total
	Year ended 31 Dec 2001 £m	Year ended 31 Dec 2001 £m	Year ended 31 Dec 2001 £m	Year ended 31 Dec 2001 £m	Year ended 31 Dec 2000 £m	Year ended 31 Dec 2000 £m	Year ended 31 Dec 2000 £m	Year ended 31 Dec 2000 £m
1 Segmental analysis								
Group Turnover	1,131	143	(14)	1,260	1,011	89	(7)	1,093
Operating expenses before depreciation and amortisation	(833)	(135)	14	(954)	(763)	(90)	7	(846)
EBITDA	298	8	-	306	248	(1)	-	247
Depreciation and amortisation	(497)	(129)	-	(626)	(435)	(106)	-	(541)
Exceptional item – impairment of goodwill	-	(992)	-	(992)	-	-	-	-
Group operating loss	(199)	(1,113)	-	(1,312)	(187)	(107)	-	(294)
							Year ended 31 Dec 2001 £m	Year ended 31 Dec 2000 £m
2 Total operating costs								
Cost of sales:								
Consumer programming expenses							142	132
Business and consumer telephony expenses							238	235
Content Division cost of sales							83	46
Prime cost of sales (cost of sales before depreciation)							463	413
Depreciation of tangible fixed assets							445	399
							908	812
Administration expenses:								
Selling, general and administrative expenses							491	433
Amortisation of goodwill and intangible assets (including exceptional impairment of goodwill £992m)							1,173	142
							1,664	575
Total operating costs							2,572	1,387
3 Interest payable and similar charges								
Share of interest of associated undertakings and joint ventures							11	9
On bank loans							105	79
Finance costs of Notes and Debentures							329	289
Finance charges payable in respect of finance leases and hire purchases contracts							19	4
Exchange losses on foreign currency translation, net							15	17
Extinguishment of debt							-	15
Other							15	11
Total interest payable and similar charges							494	424

Telewest Communications plc**UK GAAP****NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER****4 Exceptional Items**

Following the requirements of UK Accounting Standards, the Group has reviewed the carrying value of goodwill associated with its acquisitions over recent years. In compliance with FRS10 and FRS11 this review has resulted in non-cash goodwill impairment adjustments of £992 million relating to the Group's investment in Flextech and £138 million relating to its equity investments in SMG and UKTV.

During the year, the Group closed its Florida based subsidiary HSNDI incurring an exceptional loss of £4 million.

	31 Dec 2001 £m	31 Dec 2000 £m
5 Reconciliation of operating loss to net cash inflow from operating activities		
Group operating loss	(1,312)	(294)
Depreciation of tangible fixed assets	445	399
Amortisation of goodwill and intangible assets	181	142
Impairment of goodwill	992	-
Decrease/(increase) in stocks and programming inventory	2	(24)
Decrease/(increase) in debtors	23	(10)
Increase/(decrease) in creditors	17	(19)
Net cash inflow from operating activities	348	194
6 Net debt		
Net debt, other than short-term creditors and accruals		
Convertible Notes	904	847
Other Notes and Debentures	2,598	2,523
Bank facility	1,324	806
Other loans	45	30
Vendor financing and obligations under finance leases and hire purchase contracts	261	245
Total debt	5,132	4,451
Less cash at bank and in hand	14	60
Net debt	5,118	4,391

Telewest Communications plc
UK GAAP
SUMMARISED UNAUDITED QUARTERLY CONSOLIDATED PROFIT AND LOSS
ACCOUNTS
FOR THE QUARTERS ENDED

	Mar 31 2001 £m	June 30 2001 £m	Sept 30 2001 £m	Dec 31 2001 £m	Total 2001 £m	Dec 31 2000 £m
Turnover						
Consumer Division:						
Cable television	78	80	85	86	329	68
Telephony	120	122	120	126	488	119
Internet and other	7	8	11	14	40	6
Business Division	205	210	216	226	857	193
	68	71	64	71	274	78
Total Cable Division	273	281	280	297	1,131	271
Content Division:						
Programming, transactional and interactive revenues	32	31	30	36	129	30
Share of joint ventures' turnover (UKTV)	16	15	15	17	63	15
Total Content Division	48	46	45	53	192	45
Total Turnover	321	327	325	350	1,323	316
Less: share of joint ventures' turnover	(16)	(15)	(15)	(17)	(63)	(15)
Group Turnover	305	312	310	333	1,260	301
Total Operating Costs	(395)	(396)	(387)	(1,394)	(2,572)	(419)
Group operating loss	(90)	(84)	(77)	(1,061)	(1,312)	(118)
Group Turnover	305	312	310	333	1,260	301
Operating expenses before depreciation and amortisation	(242)	(242)	(230)	(240)	(954)	(234)
EBITDA	63	70	80	93	306	67
Depreciation and amortisation	(153)	(154)	(157)	(1,154)	(1,618)	(185)
Group operating loss	(90)	(84)	(77)	(1,061)	(1,312)	(118)
Loss for the financial period	(209)	(207)	(181)	(1,338)	(1,935)	(231)
Basic and diluted loss per ordinary share (pence)	(7.2)	(7.2)	(6.3)	(46.5)	(67.2)	(8.2)

Telewest Communications plc
UK GAAP
SUMMARISED UNAUDITED QUARTERLY CONSOLIDATED PROFIT AND LOSS
ACCOUNTS
FOR THE QUARTERS ENDED

	Mar 31 2001 £m	June 30 2001 £m	Sept 30 2001 £m	Dec 31 2001 £m	Total 2001 £m	Dec 31 2000 £m
Total operating costs						
Cost of sales:						
Consumer programming expenses	37	38	34	33	142	30
Business and consumer telephony expenses	61	61	57	59	238	63
Content Division cost of sales	19	19	19	26	83	16
Prime cost of sales (cost of sales before depreciation)	117	118	110	118	463	109
Depreciation of tangible fixed assets	108	109	111	117	445	142
	225	227	221	235	908	251
Administration expenses:						
Selling, general and administrative expenses	125	124	120	122	491	125
Amortisation of goodwill and tangible assets	45	45	46	45	181	43
Exceptional item - impairment of goodwill	-	-	-	992	992	-
	170	169	166	1,159	1,664	168
Total operating costs	395	396	387	1,394	2,572	419
Interest payable and similar charges						
Share of interest of associated undertakings and joint ventures	3	2	3	3	11	5
On bank loans	20	25	27	33	105	18
Finance costs of Notes and Debentures	81	82	83	83	329	80
Finance charges payable in respect of finance leases and hire purchase contracts	4	4	3	8	19	(3)
Exchange loss/(gain) on foreign currency transaction, net	19	3	(16)	9	15	(11)
Extinguishment of debt	-	-	-	-	-	15
Other	2	7	5	1	15	2
Total interest payable and similar charges	129	123	105	137	494	106

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 2001 \$m	3 months ended 31 Dec 2001 £m	3 months ended 31 Dec 2000 £m	Year ended 31 Dec 2001 \$m	Year ended 31 Dec 2001 £m	Year ended 31 Dec 2000 £m
Revenue						
Cable television	125	86	67	478	329	279
Consumer telephony	183	126	119	710	488	445
Internet and other	21	14	7	58	40	16
Total Consumer Division	329	226	193	1,246	857	740
Business Services Division	96	66	67	390	268	248
Total Cable Division	425	292	260	1,636	1,125	988
Content Division	54	37	29	188	129	81
Total Revenue	479	329	289	1,824	1,254	1,069
Operating costs and expenses						
Consumer programming expenses	(46)	(32)	(31)	(206)	(142)	(132)
Business and consumer telephony expenses	(83)	(57)	(62)	(342)	(235)	(235)
Content expenses	(38)	(26)	(16)	(121)	(83)	(46)
Selling, general and administrative	(179)	(123)	(133)	(723)	(497)	(445)
Depreciation	(179)	(123)	(146)	(682)	(469)	(423)
Amortisation of goodwill	(67)	(46)	(47)	(266)	(183)	(147)
Impairment of goodwill	(1,114)	(766)	-	(1,114)	(766)	-
	(1,706)	(1,173)	(435)	(3,454)	(2,375)	(1,428)
Operating loss	(1,227)	(844)	(146)	(1,630)	(1,121)	(359)
Other income/(expense)						
Interest income	4	3	9	22	15	15
Interest expense	(184)	(127)	(97)	(686)	(472)	(385)
Foreign exchange (loss)/gain, net	(10)	(7)	22	-	-	(15)
Share of net losses of affiliates and impairment	(313)	(215)	(17)	(314)	(216)	(15)
Minority interest in losses of consolidated subsidiaries, net	1	1	1	1	1	1
Other, net	6	4	(2)	(4)	(3)	(3)
Loss before income taxes	(1,723)	(1,185)	(230)	(2,611)	(1,796)	(761)
Income tax benefit	91	63	5	102	70	6
Net loss before extraordinary item	(1,632)	(1,122)	(225)	(2,509)	(1,726)	(755)
Extinguishment of debt	-	-	-	(22)	(15)	-
Net loss after extraordinary item	(1,632)	(1,122)	(225)	(2,531)	(1,741)	(755)
Basic and diluted loss per ordinary share						
Before extraordinary loss	\$(0.55)	£(0.38)	£(0.08)	\$(0.86)	£(0.59)	£(0.28)
After extraordinary loss	\$(0.55)	£(0.38)	£(0.08)	\$(0.87)	£(0.60)	£(0.28)
Note: Earnings before interest, taxes, depreciation and goodwill ("EBITDA")						
Operating loss	(1,227)	(844)	(146)	(1,630)	(1,121)	(359)
Add: depreciation, amortisation and impairment of goodwill	1,360	935	193	2,062	1,418	570
EBITDA (after non-cash share-based compensation cost)	133	91	47	432	297	211
Add back: non-cash share-based compensation (benefit)/cost	-	-	(1)	1	1	5
EBITDA (before non-cash share-based compensation cost)	133	91	46	433	298	216

The consolidated financial information as set out on pages 17 to 19, 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 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 \$1.4543 per £1.00, the noon buying rate of the Federal Reserve Bank of New York on 31st December 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 31 DECEMBER

	2001 \$m	2001 £m	2000 £m
Assets			
Cash and cash equivalents	20	14	60
Secured cash deposits restricted for more than one year	29	20	12
Receivables and prepaid expenses	380	261	260
Investments	795	547	784
Property and equipment	5,051	3,473	3,289
Goodwill and other intangibles	2,752	1,892	2,803
Programming inventory	44	30	31
Inventory	54	37	38
Other assets	84	58	47
Total assets	9,209	6,332	7,324
Liabilities			
Debt	7,122	4,897	4,254
Other Liabilities	1,431	984	927
Total liabilities	8,553	5,881	5,181
Minority interests	-	-	(2)
Shareholders' equity	656	451	2,145
Total liabilities and shareholders' equity	9,209	6,332	7,324

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

	2001 \$m	2001 £m	2000 £m
Cash flows from operating activities			
Net loss	(2,531)	(1,741)	(755)
Adjustments to reconcile net loss to net cash provided by/(used in) operating activities:			
Depreciation	682	469	423
Amortisation and impairment of goodwill	1,380	949	147
Amortisation of deferred financing costs and issue discount on Senior Discount Debentures	144	99	147
Deferred tax credit	(102)	(70)	-
Unrealised (gain)/loss on foreign currency translation	(15)	(10)	20
Non-cash accrued share-based compensation cost	1	1	5
Extinguishment of debt	22	15	-
Share of net losses of affiliates and impairment	314	216	15
Loss on disposal of investments (net)	6	4	-
Minority interest in losses of consolidated subsidiaries	(1)	(1)	(1)
Changes in operating assets and liabilities, net of effect of acquisition of subsidiaries:			
Change in receivables	19	13	(19)
Change in prepaid expenses	9	6	(19)
Change in other assets	1	1	(46)
Change in accounts payable	4	3	(2)
Change in other liabilities	68	47	70
Net cash provided by/(used in) operating activities	1	1	(15)
Net cash used in investing activities	(798)	(549)	(545)
Net cash provided by financing activities	730	502	555
Net decrease in cash and cash equivalents	(67)	(46)	(5)
Cash and cash equivalents at beginning of year	87	60	65
Cash and cash equivalents at end of year	20	14	60