PRESS RELEASE

TELEWEST GLOBAL, INC. ANNOUNCES TELEWEST COMMUNICATIONS PLC'S SECOND QUARTER FINANCIAL RESULTS FOR 2004

London, United Kingdom – July 29, 2004 (NASDAQ: TLWT). Telewest Global, Inc. ("Telewest") today announced the US GAAP results for the three and six months ended June 30, 2004, for its predecessor company, Telewest Communications plc ("plc"). Substantially all of the assets of plc were transferred to Telewest UK, a wholly owned subsidiary of Telewest on July 14, 2004 in connection with plc's financial restructuring. During the three and six months ended June 30, 2004, Telewest had no significant assets and no operations. Telewest's quarterly results, including a discussion of how the presentation of its future results will differ from the presentation of the historical results of plc, are included in its quarterly report on Form 10-Q, filed with the U.S. Securities and Exchange Commission today.

Second quarter highlights

Operating income increased year-on-year from £3m to £20m
Quarterly net cash provided by operating activities of £88m
72,000 broadband net additions – a record quarter
Customers taking two or more services increased year-on-year by 4% pts to 75%
Quarterly Revenue Generating Unit ("RGU") growth of 84,000 to 3.45m

London, United Kingdom – Cob Stenham, Chairman of Telewest Global, Inc. commented:

"This is the last set of results for Telewest Communications plc, the predecessor company of Telewest Global, Inc. prior to the completion of its financial restructuring on July 15, 2004. They show continued good operating performance with growth in customers and revenue generating units. Coupled with strong cost control and reduced SG&A expenses, the result is that operating income, and free cash flow are sharply up. In particular, we achieved record growth in broadband services and increased the proportion of our "triple play" customers to 22%.

As a result of the financial restructuring, Telewest now has a strong balance sheet and a sound platform for delivering profitable growth as a leading broadband communications and media group in the United Kingdom."

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COMPANY SUMMARY

We are a leader in the UK broadband communications and media sector. Our operations are divided into two reporting segments: cable and content. The cable segment is further subdivided into a consumer sales division and a business sales division. The consumer sales division provides cable television, consumer telephony and internet access services to residential customers. The business sales division focuses on a wide range of voice, data and managed solutions services for businesses. We use our local distribution networks, our "national network" and our internet protocol services platform to handle the communication, entertainment and information needs of our residential and business customers. Our content segment supplies basic (non-premium) television channels and related services to the UK pay-television broadcasting market.

The content segment, which has four pay-television channels and one free-to-air channel, owns 50% of the companies that comprise UKTV, a joint venture formed with BBC Worldwide. UKTV offers a portfolio of multi-channel television channels based on the BBC's program library. The content segment, together with UKTV, is the largest provider of basic (non-premium) thematic channels to the UK multi-channel pay-television broadcasting market.

FINANCIAL SUMMARY

US GAAP Financial Measures (in £ millions)	**Three months ended June 30, 2004**	**2003**	**Six months ended June 30, 2004**	**2003**
Total revenue	326	323	654	642
Operating income	20	3	39	5
Net (loss)/income	(126)	5	(130)	(158)
Net cash provided by operating activities	88	62	170	136

Operating income for the three months ended June 30, 2004 was £20 million, up £17 million from £3 million for the three months ended June 30, 2003, and for the six months ended June 30, 2004 was £39 million, up £34 million from £5 million for the six months ended June 30, 2003. The improvements resulted from increased revenues and lower operating costs.

Net (loss)/income decreased from £5 million net income for the three months ended June 30, 2003 to £126 million net loss for the three months ended June 30, 2004. The movement resulted principally from foreign exchange losses of £37 million on our dollar-denominated debt in the second quarter of 2004 compared to exchange gains of £117 million in the second quarter of 2003, as a result of the increasing value of the US dollar versus the pound sterling during the second quarter of 2004. As all of the dollar-denominated debt was cancelled under the financial restructuring, foreign exchange movements on this cancelled debt will not occur in the future. Net (loss)/income was also negatively impacted by £83 million and £161 million in the three and six months ended June 30, 2004, respectively, of interest on notes and debentures. These notes and debentures were cancelled under the financial restructuring and the accompanying interest will not be paid.

Net (loss)/income decreased from £158 million for the six months ended June 30, 2003 to £130 million for the six months ended June 30, 2004. The movement resulted principally from improved operating income partially offset by reduced foreign exchange gains.

Net cash provided by operating activities increased from £62 million for the second quarter of 2003 to £88 million for the second quarter of 2004 and from £136 million for the six months ended June 30, 2003 to £170 million for the six months ended June 30, 2004. These increases were principally as a result of improvements in operating income and reduced working capital.

Non-US GAAP Financial Measures (in £ millions)	**Three months ended June 30, 2004**	**2003**	**Six months ended June 30, 2004**	**2003**
Adjusted EBITDA	122	109	244	210
Free cash flow	37	21	62	32

A reconciliation of the above non-US GAAP financial measures, Adjusted EBITDA and Free cash flow, to the most directly comparable US GAAP financial measures are explained and shown on pages 15 to 18.

Adjusted EBITDA for the three months ended June 30, 2004 was £122 million, up 12% as compared to the three months ended June 30, 2003, reflecting increased revenues, improved gross margin and lower selling, general and administrative expenses ("SG&A"). Adjusted EBITDA for the three months ended June 30, 2004, represents Cable Adjusted EBITDA of £119 million and Content Adjusted EBITDA of £3 million compared with £107 million and £2 million, respectively, for the three months ended June 30, 2003.

Adjusted EBITDA for the six months ended June 30, 2004 was £244 million, up 16% as compared to the six months ended June 30, 2003, reflecting increased revenues, improved gross margin and lower SG&A. Adjusted EBITDA for the six months ended June 30, 2004, represents Cable Adjusted EBITDA of £236 million and Content Adjusted EBITDA of £8 million compared with £205 million and £5 million, respectively, for the six months ended June 30, 2003.

Free cash flow for the three and six months ended June 30, 2004 was £37 million and £62 million, respectively, up 76% and 94% compared to the three and six months ended June 30, 2003, as improvements in net cash provided by operating activities were partially offset by increases in cash paid for property and equipment.

OPERATING RESULTS

Comparison of the three-month periods ended June 30, 2004 and 2003

Except where otherwise stated in this section, all comparisons compare the three-month period ended June 30, 2004 to the three-month period ended June 30, 2003. All quarterly financial information is unaudited.

Total revenue (in £ millions)	**Three months ended June 30, 2004**	**Three months ended June 30, 2003**	**Percentage inc/(dec)**
Cable Segment			
Consumer sales	235	228	3%
Business sales	63	69	(9%)
Total Cable Segment	298	297	-
Content Segment	28	26	8%
Total revenue	326	323	1%

Cable segment

Consumer sales division

Consumer sales division revenue increased £7 million from £228 million to £235 million, due primarily to growth in internet revenue.

Overall, the consumer sales division's Average Revenue Per User ("ARPU") for the quarter was up 3% to £44.98 reflecting increasing broadband internet and "triple play" penetration. During the quarter the number of household customers increased by 10,000.

Our successful focus on selling bundled products has resulted in the percentage of customers subscribing to two or more services increasing from 71% to 75% and the percentage of "triple play" customers increasing from 13% to 22%. This success is also reflected in the growth of Revenue Generating Units (RGUs) which grew by 84,000 in the quarter.

Subscriber growth was also helped by a reduction in average monthly churn from 1.3% to 1.1%.

Cable television

The number of TV subscribers rose by 2,000 in the second quarter of 2004 compared to losses of 23,000 in the second quarter of 2003. Average monthly TV churn fell from 1.7% to 1.3%.

We are improving the range of content included in our lower and mid-tier digital TV packs. The entry level Starter pack will expand to incorporate the five most popular digital television channels and the mid-tier Essential pack will now include the top fifteen. Alongside these changes, we have increased the price of our Essential pack by £1 per month with effect from July 1, 2004.

At June 30, 2004, 82% of our TV subscribers took our digital service compared with 73% at June 30, 2003. 94% of our network has been upgraded for broadband and digital. We continue to upgrade the last remaining sections of our network that are currently unable to receive digital television or broadband.

We are currently working on plans to begin rolling out Video On Demand (VOD) and Personal Video Recorder (PVR) services in the future.

Consumer telephony

The number of telephony subscribers increased by 9,000 in the second quarter compared to the loss of 13,000 in the corresponding period in 2003 as we continued to add customers in an increasingly competitive market. Average monthly telephony churn fell from 1.2% to 1.1%.

The number of subscribers to our "Talk" flat rate telephony packages increased by 34,000 in the second quarter, compared to 16,000 in the second quarter of 2003. 32% of all telephony customers are now on a "Talk" flat rate package compared to 25% at June 30, 2003.

Revenues from telephony products have declined slightly, due to lower telephony usage and due to the sale of our Indirect Access ("IDA") telephony business in July 2003. This IDA business had generated £2 million of revenue in the second quarter of 2003. Telephony usage revenue has also been impacted by reductions in our mobile telephony prices following cuts in interconnect charges from mobile operators imposed by Ofcom, (the UK regulatory body for communications).

Internet

The second quarter was our best ever quarter for broadband with 72,000 net additions compared to 51,000 net additions in the first quarter of 2004. This growth was driven principally by the successful launch of our lower tier 256Kb service in March 2004. At June 30, 2004, we had 538,000 broadband internet subscribers.

During the second quarter of 2004, we also increased the connection speeds of our top three broadband tiers at no additional cost to our customers. Our standard broadband service increased in speed from 512Kb to 750Kb. The 1Mb and 2Mb services increased to speeds of 1.5Mb and 3Mb respectively.

We believe we are the broadband internet market leader in our addressable areas (those areas of the country where consumers are able to receive our broadband internet services) with around 70% market share. Broadband continues to be successful in attracting new customers to Telewest. In the second quarter of 2004, 31% of broadband installations were for customers who were not existing customers. We have also achieved strong multi-service penetration amongst our broadband customers, with 71% subscribing to the full "triple play" and 94% to at least one other product as of June 30, 2004.

Business sales division

The business sales division's revenue decreased £6 million to £63 million primarily due to competitive pressures in the business voice market and a reduction of £3 million in carrier services revenues.

The business services market remains extremely competitive and despite continued growth in revenues from data services, this has not been enough to offset weakness in voice and carrier revenues.

Within the fast growing data services market, our IPVPN (Internet Protocol Virtual Private Network) service has become a flagship product and we have seen total data revenues grow by 16%.

Recently, the business sales division has successfully launched two new voice reseller products, Carrier Pre-Select and Wholesale Line Rental services. Within the public sector arena, the business sales division has also won the first contract to be awarded as part of a UK government initiative to boost broadband adoption in the public sector.

We are reorganizing the business division to provide a differentiated service to customers, based more closely on the services and products they have or may require in the future, with separate service models for standard and complex customers. These changes have resulted in significant cost savings and the reorganization process is due to complete in the third quarter of 2004.

Content segment

Content segment revenue increased by £2 million as increases in advertising and subscription revenues were partially offset by a decline in other, non-core, revenues. Advertising revenue was up 27% compared to a 6%

growth in the overall market as multi-channel penetration increased. Subscription revenue grew 10% due to growth in the number of UK pay-television subscribers.

Telewest's 50% share of its joint venture UKTV's net income was £5 million in the second quarter and is included within "share of net income/(loss) of affiliates."

Combined operating costs and expenses

Operating costs and expenses (in £ millions)	Three months ended June 30, 2004			Three months ended June 30, 2003			
	Before financial restruct. charges	Financial restruct. charges	Total	Before financial restruct. charges	Financial restruct. charges	Total	Percentage inc/(dec)
Cable segment expenses	74	-	74	79	-	79	(6%)
Content segment expenses	18	-	18	18	-	18	-
Depreciation	90	-	90	102	-	102	(12%)
SG&A expenses	112	12	124	117	4	121	2%
Total operating costs and expenses	294	12	306	316	4	320	(4%)

Total operating costs and expenses were £306 million, down 4% from £320 million. Total operating costs and expenses excluding financial restructuring charges decreased by £22 million or 7% from £316 million to £294 million. Financial restructuring charges represent those costs incurred in respect of the financial restructuring of plc.

Total gross margin (total revenue less cable and content segment expenses as a percentage of total revenue) increased from 70% to 72% due primarily to the growing number of high margin broadband subscribers, the continued migration of customers onto unmetered "Talk" telephony packages and reductions in interconnect costs.

Depreciation of tangible fixed assets was £90 million, down from £102 million. This reduction was principally due to accelerated depreciation in the second quarter of 2003 which was not repeated in the second quarter of 2004.

Reflecting our continued focus on reducing costs, SG&A (excluding financial restructuring charges) decreased 4% to £112 million due mainly to headcount reductions and lower severance costs. SG&A including financial restructuring charges increased by £3 million to £124 million.

Comparison of six-month periods ended June 30, 2004 and 2003

Except where otherwise stated in this section, all comparisons compare the six-month period ended June 30, 2004 to the six-month period ended June 30, 2003. All financial information is unaudited.

Total revenue (in £ millions)	Six months ended June 30, 2004	Six months ended June 30, 2003	Percentage inc/(dec)
Cable Segment			
Consumer sales	470	450	4%
Business sales	130	139	(6%)
Total Cable Segment	600	589	2%
Content Segment	54	53	2%
Total revenue	654	642	2%

Cable segment

Consumer sales division

Consumer sales division revenue increased £20 million from £450 million to £470 million, primarily due to growth in the number of broadband internet subscribers.

Business sales division

The business sales division's revenue decreased £9 million to £130 million due to the competitive pressures in the business voice market and a £4 million reduction in carrier services revenues, partially offset by 18% growth in data revenues.

Content segment

Content segment revenue increased by £1 million as increases in advertising and subscription revenues were partially offset by a decline in other, non-core, revenues.

Telewest's 50% share of its joint venture UKTV's net income was £9 million in the six months and is included within "share of net income/(loss) of affiliates."

Combined operating costs and expenses

Operating costs and expenses (in £ millions)	Six months ended June 30, 2004			Six months ended June 30, 2003			
	Before financial restruct. charges	Financial restruct. charges	Total	Before financial restruct. charges	Financial restruct. charges	Total	Percentage inc/(dec)
Cable segment expenses	153	-	153	162	-	162	(6%)
Content segment expenses	34	-	34	35	-	35	(3%)
Depreciation	184	-	184	198	-	198	(7%)
SG&A expenses	223	21	244	235	7	242	1%
Total operating costs and expenses	594	21	615	630	7	637	(3%)

Total operating costs and expenses were £615 million, down 3% from £637 million. Total operating costs and expenses excluding financial restructuring charges decreased by £36 million or 6% from £630 million to £594 million.

Total gross margin (total revenue less cable and content segment expenses as a percentage of total revenue) increased from 69% to 71% due primarily to the growing number of high margin broadband subscribers, the continued migration of customers onto unmetered "Talk" telephony packages and reductions in interconnect costs.

Depreciation of tangible fixed assets was £184 million, down from £198 million. This reduction was principally due to accelerated depreciation in the second quarter of 2003 which was not repeated in the second quarter of 2004.

Reflecting our continued focus on reducing costs, SG&A (excluding financial restructuring charges) decreased 5% to £223 million due mainly to headcount reductions, lower severance costs and bad debt savings achieved through improved credit policies. SG&A including financial restructuring charges increased by £2 million to £244 million.

Liquidity and Capital Resources

Net cash provided by operating activities increased from £62 million for the second quarter of 2003 to £88 million for the second quarter of 2004 and from £136 million for the six months ended June 30, 2003 to £170 million for the six months ended June 30, 2004. These increases were principally as a result of improvements in operating income and reduced working capital.

Net cash provided by operating activities in the third quarter of 2004 has been negatively impacted by cash payments made in respect of the financial restructuring, including the remaining £22 million in respect of fees owed under our amended senior secured facility.

Net cash used in investing activities increased from £31 million for the second quarter of 2003 to £61 million for the second quarter of 2004 and from £92 million for the six months ended June 30, 2003 to £124 million for the six months ended June 30, 2004. These increases were principally as a result of increased cash paid for property and equipment and loans made to affiliates. Capital expenditure, on an accrual basis, for the second quarter of 2004 was £54 million.

Net cash used in financing activities decreased from £16 million for the second quarter of 2003 to £9 million for the second quarter of 2004 and from £29 million for the six months ended June 30, 2003 to £21 million for the six months ended June 30, 2004. These decreases were principally as a result of decreased repayments in respect of our capital leases.

Cash and cash equivalents at June 30, 2004 were £452 million.

Subsequent events

On July 15, 2004, plc completed its financial restructuring, part of which consisted of the transfer, on July 14, 2004, of substantially all of its assets and post-restructuring liabilities to Telewest. As a result of the financial restructuring, £3,282 million of notes and debentures and £479 million of unpaid accrued interest were extinguished resulting in the transfer of post-restructuring liabilities of approximately £2.8 billion to Telewest. In addition, as part of the financial restructuring, the senior secured credit facility entered into by Telewest Communications Networks Limited, now a wholly owned subsidiary of Telewest, was amended. As part of the amendment process, approximately £160 million outstanding under the prior facility was repaid.

As at June 30, 2004, on a pro forma basis adjusting for the impact of the financial restructuring, total indebtedness was £1,965 million and net debt was £1,719 million. The pro forma net debt consisted of £118 million of total capital lease obligations, £7 million in other debt and £1,840 million drawn down on our £2,030 million amended senior secured credit facility less £246 million of cash and cash equivalents. An explanation and a reconciliation of net debt to the most directly comparable US GAAP financial measure is shown on pages 15 to 18. For a further discussion of the pro forma impact of the financial restructuring, see the Registration Statement on Form S-1 (No. 333-115508) filed by Telewest Global, Inc. with, and declared effective by, the US Securities and Exchange Commission on July 16, 2004.

As a result of the completion of plc’s financial restructuring on July 15, 2004, Telewest adopted “fresh start” accounting in accordance with Statement of Position 90-7 “Financial Reporting by Entities in Reorganization Under the Bankruptcy Code”, or “SOP 90-7”, issued by the American Institute of Certified Public Accountants, with effect from July 1, 2004. Under SOP 90-7, Telewest established a new accounting basis, and recorded its existing assets and liabilities at their respective fair values. As a result of the application of “fresh start” accounting, Telewest’s balance sheet and results of operations for the three months ending September 30, 2004 and for each reporting period thereafter will not be comparable in many material respects to the balance sheet or results of operations reflected in plc’s historical financial statements for periods prior to July 1, 2004.

Basis of preparation

As a consequence of the completion of plc's financial restructuring on July 15, 2004, the transfer of substantially all of the assets of plc to Telewest and the planned liquidation of plc, plc is no longer a going concern. The financial statements, however, have continued to be prepared on a going concern basis to preserve continuity of reporting and to provide more meaningful information to stakeholders. The principal impact to the financial statements if they had not been prepared on a going concern basis would be to impair the remaining goodwill and the potential write down of property and equipment to net realizable value.

Some of the statements in this press release constitute “forward-looking statements” which we believe to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance, including, but not limited to, strategic plans, planned operational changes (including product improvements), product introductions and innovations and customer service improvements that involve known and unknown risks, uncertainties and other factors that may cause our or our businesses’ actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may”, “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of those terms or other comparable terminology.

There are a number of important factors that could cause our actual results and future development to differ materially from those expressed or implied by those forward-looking statements, including, but not limited to:

- our ability to refinance our amended senior credit facility at its final term;
- our ability to fund our operations through operating cash flow, in particular given our obligations to service our substantial indebtedness;
- our ability to comply with financial and performance covenants in our amended senior secured facility, as non-compliance may lead to additional restrictions on us or accelerated repayment obligations;
- changes that may be made to our business, operations and current long-range plan by our new board of directors;
- the extent to which we are able to compete with other providers of broadband internet services, including British Telecommunications plc;
- the extent to which consumers regard cable telephony as an attractive alternative to telephony services provided by, for example British Telecommunications plc, or the emergence of voice-over-internet protocol as a viable alternative to cable telephony;
- the extent to which we are able to successfully compete with mobile network operators;
- the extent to which we are able to retain our current customers and attract new customers;
- the extent to which we are able to migrate customers to additional products or services or to high-margin products or services;
- the extent to which regulatory and competitive pressures in the UK telephony market continue to reduce prices;
- the extent to which UK and EU merger control laws restrict our ability to expand through mergers or acquisitions;
- our ability to develop and introduce attractive interactive and high-speed data services in a rapidly changing and highly competitive technological and business environment;
- our ability to penetrate markets and respond to changes or increases in competition;
- our ability to compete against digital television service providers, including British Sky Broadcasting Group plc and Freeview, by increasing our digital customer base;
- our ability to compete with other internet services providers;
- our ability to achieve, or realize benefits from, any further consolidation in the UK cable industry
- our ability to have an impact on, or respond to, new or changed government regulations;
- our ability to improve operating efficiencies, including through cost reductions;
- our ability to maintain and upgrade our network in a cost-efficient and timely manner;
- adverse changes in the price or availability of telephony interconnection or cable television programming;
- our ability to compete effectively in the advertising-sales, program distribution and programming supply markets; and
- disruption in our supply of programming, services and equipment.

Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to publicly update or revise any of the forward-looking statements after the date of this press release to conform them to actual results, whether as a result of new information, future events or otherwise. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under the caption “Risk Factors” in the Registration Statement on Form S-1 (No. 333-115508) filed by Telewest Global, Inc. with, and declared effective by, the US Securities and Exchange Commission on July 16, 2004, which describe risks and factors that could cause results to differ materially from those projected in those forward-looking statements.

These risk factors may not be exhaustive. Other sections of this press release may describe additional factors that could adversely impact our business and financial performance. We operate in a continually changing business environment, and new risk factors may emerge from time to time. Management cannot anticipate all of these new risk factors, nor can they definitively assess the impact, if any, of new risk factors on us or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results.

Telewest Communications plc
US GAAP
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30

	3 months ended June 30, 2004	3 months ended June 30, 2003 (restated)	6 months ended June 30, 2004	6 months ended June 30, 2003 (restated)
	£m	£m	£m	£m
Revenue				
Consumer Sales Division	235	228	470	450
Business Sales Division	63	69	130	139
Total Cable Segment	298	297	600	589
Content Segment	28	26	54	53
Total revenue	326	323	654	642
Operating costs and expenses				
Cable segment expenses	(74)	(79)	(153)	(162)
Content segment expenses	(18)	(18)	(34)	(35)
Depreciation	(90)	(102)	(184)	(198)
Cost of revenue	(182)	(199)	(371)	(395)
SG&A (excluding financial restructuring charges)	(112)	(117)	(223)	(235)
Financial restructuring charges	(12)	(4)	(21)	(7)
Total SG&A	(124)	(121)	(244)	(242)
	(306)	(320)	(615)	(637)
Operating income	20	3	39	5
Other income/(expense)				
Interest income	8	6	15	12
Interest expense (including amortization of debt discount)	(121)	(122)	(230)	(247)
Foreign exchange (losses)/gains, net	(37)	117	40	69
Share of net income/(loss) of affiliates	5	-	8	2
Other, net	-	-	(1)	(1)
(Loss)/income before income taxes	(125)	4	(129)	(160)
Income taxes (charge)/benefit	(1)	1	(1)	2
Net (loss)/income	(126)	5	(130)	(158)

The consolidated financial information as set out on pages 9 to 11 has been prepared on the basis of the accounting policies set out in Telewest Communications plc's Annual Report on Form 20-F for the year ended December 31, 2003, other than where changes are necessary to implement new accounting pronouncements. The December 31, 2003 balance sheet is derived from the financial statements disclosed in the Annual Report on Form 20-F mentioned earlier.

Telewest Communications plc
US GAAP
UNAUDITED CONSOLIDATED BALANCE SHEETS

	June 30, 2004 £m	Dec 31, 2003 £m
Assets		
Cash and cash equivalents	452	427
Secured cash deposits restricted for more than one year	11	13
Trade receivables	111	114
Other receivables	34	39
Prepaid expenses	41	16
Total current assets	649	609
Investment in affiliates, accounted for under the equity method, and related receivables	367	362
Property and equipment	2,342	2,421
Goodwill	447	447
Inventory	33	27
Other assets	19	23
Total assets	3,857	3,889
Liabilities and shareholders' funds		
Accounts payable	112	98
Other liabilities	917	809
Debt repayable within one year	5,283	5,287
Capital lease obligations repayable within one year	76	89
Total current liabilities	6,388	6,283
Deferred taxes	110	108
Debt repayable after more than one year	6	6
Capital lease obligations repayable after more than one year	42	51
Total liabilities	6,546	6,448
Minority interests	(1)	(1)
Shareholders' deficit	(2,688)	(2,558)
Total liabilities and shareholders' deficit	3,857	3,889

Telewest Communications plc
US GAAP
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30

	3 months ended June 30, 2004	**3 months ended June 30, 2003** (restated)	**6 months ended June 30, 2004**	**6 months ended June 30, 2003** (restated)
	£m	**£m**	**£m**	**£m**
Cash flows from operating activities				
Net (loss)/income	(126)	5	(130)	(158)
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:				
Depreciation	90	102	184	198
Amortization of deferred financing costs and issue discount on Senior Discount debentures	10	32	30	58
Deferred taxes charge/(credit)	1	(1)	1	(2)
Unrealized losses/(gains) on foreign currency translation	37	(117)	(40)	(69)
Share of net (income)/loss of affiliates	(5)	-	(8)	(2)
Loss on disposal of assets	1	-	-	1
Amounts written off investments	-	-	1	-
Changes in operating assets and liabilities, net of effect of acquisition of subsidiaries:				
Change in receivables	11	23	9	32
Change in prepaid expenses	(20)	5	(25)	(14)
Change in other assets	(1)	(4)	(3)	(12)
Change in accounts payable	12	(23)	27	16
Change in other liabilities	78	40	124	88
Net cash provided by operating activities	88	62	170	136
Cash flows from investing activities				
Cash paid for property and equipment	(61)	(43)	(127)	(110)
Repayment of loans made to affiliates, net	(7)	6	(4)	12
Disposal of affiliate	7	6	7	6
Net cash used in investing activities	(61)	(31)	(124)	(92)
Cash flows from financing activities				
Release of restricted deposits	2	-	2	-
Capital element of capital lease repayments	(11)	(16)	(23)	(29)
Net cash used in financing activities	(9)	(16)	(21)	(29)
Net increase in cash and cash equivalents	18	15	25	15
Cash and cash equivalents at beginning of period	434	390	427	390
Cash and cash equivalents at end of period	452	405	452	405
Supplementary cash flow information:				
Cash paid for interest, net	29	51	61	88
Cash received for income taxes	-	-	(2)	-

Telewest Communications plc
US GAAP
QUARTERLY HISTORICAL INFORMATION
FOR THE THREE MONTH PERIODS ENDED

	Jun. 30, 2004	Mar. 31, 2004	Dec. 31, 2003	Sep. 30, 2003 (restated)	Jun. 30, 2003 (restated)
	£m	£m	£m	£m	£m
Revenue					
Consumer Sales Division	235	235	230	227	228
Business Sales Division	63	67	68	71	69
Total Cable Segment	298	302	298	298	297
Content Segment	28	26	33	27	26
Total revenue	326	328	331	325	323
Operating costs and expenses					
Cable segment expenses	(74)	(79)	(78)	(78)	(79)
Content segment expenses	(18)	(16)	(27)	(19)	(18)
Depreciation	(90)	(94)	(95)	(96)	(102)
Cost of revenue	(182)	(189)	(200)	(193)	(199)
SG&A (excluding financial restructuring charges)	(112)	(111)	(112)	(118)	(117)
Financial restructuring charges	(12)	(9)	(9)	(9)	(4)
Total SG&A	(124)	(120)	(121)	(127)	(121)
	(306)	(309)	(321)	(320)	(320)
Operating income	20	19	10	5	3
Other income/(expense)					
Interest income	8	7	7	5	6
Interest expense (including amortization of debt discount)	(121)	(109)	(122)	(119)	(122)
Foreign exchange (losses)/gains, net	(37)	77	184	15	117
Share of net income/(loss) of affiliates	5	3	(3)	2	-
Other, net	-	(1)	8	1	-
(Loss)/income before income taxes	(125)	(4)	84	(91)	4
Income taxes (charge)/benefit	(1)	-	(20)	2	1
Net (loss)/income	(126)	(4)	64	(89)	5

Subsequent to the issue of the Company's consolidated financial statements for the year ended Dec. 31, 2002, the Group determined the need to adjust the classification of debt previously reflected as non-current in the consolidated balance sheet at Dec. 31, 2002 and write off deferred issue costs as at that date relating to the restated debt. Accordingly, the unaudited consolidated financial statements for the three and six months ended Jun. 30, 2003, and the quarterly historical information for the three months ended Jun. 30 and Sep. 30, 2003 also need to be restated.

Previously reported interest expense for the three and six months ended Jun. 30, 2003 included a charge of £2 million and £5 million, respectively, and the three months ended Sep. 30 2003 included a charge of £2 million in respect of amortization of deferred issue costs. These charges have been written back now that all deferred issue costs on the restated debt have been written off with effect from Dec. 31, 2002. Additionally, charges of £5 million and £8 million, respectively, have been made in the three and six months ended Jun. 30, 2003, and a charge of £6 million made for the three months ended Sep. 30, 2003 for further interest on bonds in default. Consequently, the net effect of these adjustments to "Interest expense" for the three and six months ended Jun. 30, 2003 is £3 million and £3 million, respectively, and £4 million for the three months ended Sep. 30, 2003.

	Restatement impact on Jun. 30, 2003			
	3 months ended Jun. 30, 2003		6 months ended Jun. 30, 2003	
	As reported	As restated	As reported	As restated
	£m	£m	£m	£m
Interest expense (including amortization of debt discount)	(119)	(122)	(244)	(247)
Net income/(loss)	8	5	(155)	(158)

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Telewest Communications plc
QUARTERLY OPERATING DATA – Unaudited
FOR THE THREE MONTHS ENDED

The following table sets out certain operating data for the three-month periods shown. The information represents combined operating statistics for all of our franchises.

	Jun. 30, 2004	Mar. 31, 2004	Dec. 31, 2003	Sep. 30, 2003	Jun. 30, 2003
Customer Data					
Homes passed and marketed (1)	4,682,777	4,678,182	4,674,764	4,679,688	4,686,974
Total customer relationships (2)	1,752,553	1,742,144	1,730,438	1,721,550	1,719,868
Customer penetration	37.4%	37.2%	37.0%	36.8%	36.7%
Customer additions	67,118	61,997	64,278	62,553	43,684
Customer disconnections	(56,709)	(50,291)	(55,390)	(60,871)	(67,538)
Net customer additions/(disconnections)	10,409	11,706	8,888	1,682	(23,854)
Revenue Generating Units (“RGUs”) (3)	3,447,254	3,363,240	3,286,706	3,217,600	3,168,205
RGUs per customer	1.97	1.93	1.90	1.87	1.84
Net RGU additions/(losses)	84,014	76,534	69,106	49,395	(6,167)
Average monthly revenue per customer	£44.98	£45.05	£44.42	£43.93	£43.61
Average monthly churn (4)	1.1%	1.0%	1.1%	1.2%	1.3%
Bundled customers					
Customers subscribing to two or more services	1,312,842	1,291,141	1,264,756	1,239,659	1,220,545
Customers subscribing to three services (“triple play”)	381,859	329,955	291,512	256,391	227,792
Percentage of dual or triple-service customers	74.9%	74.1%	73.1%	72.0%	71.0%
Percentage of triple-service customers	21.8%	18.9%	16.8%	14.9%	13.2%
Cable Television					
Television ready homes passed and marketed	4,682,777	4,678,182	4,674,764	4,679,688	4,686,974
Total subscribers	1,288,272	1,285,797	1,272,064	1,258,549	1,250,511
Quarterly net additions/(disconnections)	2,475	13,733	13,515	8,038	(23,034)
Television penetration	27.5%	27.5%	27.2%	26.9%	26.7%
Digital ready homes passed and marketed	4,401,860	4,386,050	4,306,251	4,292,032	4,294,480
Digital subscribers	1,052,855	1,029,759	987,873	945,595	911,191
Quarterly net digital additions	23,096	41,886	42,278	34,404	23,885
Penetration of digital subscribers to total subscribers	81.7%	80.1%	77.7%	75.1%	72.9%
Average monthly churn	1.3%	1.2%	1.3%	1.4%	1.7%
Telephony					
Telephony ready homes passed and marketed	4,677,861	4,674,932	4,670,494	4,678,970	4,680,349
3-2-1 telephony subscribers (metered)	1,105,056	1,130,171	1,144,474	1,164,549	1,190,873
Talk subscribers (unmetered)	516,313	481,976	455,559	427,092	397,485
Total subscribers	1,621,369	1,612,147	1,600,033	1,591,641	1,588,358
Quarterly net additions/(disconnections)	9,222	12,114	8,392	3,283	(13,248)
Telephony penetration	34.7%	34.5%	34.3%	34.0%	33.9%
Average monthly churn	1.1%	1.0%	1.1%	1.2%	1.2%

Telewest Communications plc
QUARTERLY OPERATING DATA – Unaudited (continued)
FOR THE THREE MONTHS ENDED

	Jun. 30, 2004	Mar. 31, 2004	Dec. 31, 2003	Sep. 30, 2003	Jun. 30, 2003
Internet					
Broadband ready homes passed and marketed	4,401,860	4,386,050	4,306,251	4,292,032	4,294,480
Total metered dial-up internet subscribers	47,884	50,953	49,368	52,353	64,958
Total unmetered dial-up internet subscribers	151,457	177,250	184,009	190,571	193,406
Total broadband internet subscribers	537,613	465,296	414,609	367,410	329,336
Quarterly net broadband additions	72,317	50,687	47,199	38,074	30,115
Broadband internet penetration	12.2%	10.6%	9.6%	8.6%	7.7%
Average monthly churn	1.2%	1.0%	1.1%	1.2%	1.1%
	£m	**£m**	**£m**	**£m**	**£m**
NCTA Capital expenditure (accrual basis) (5)					
Customer premise equipment ("CPE")	23	23	25	23	20
Scaleable infrastructure	7	7	11	12	5
Commercial	9	11	15	9	7
Line extensions	1	1	-	1	1
Upgrade/rebuild	4	2	-	-	-
Support capital	9	8	12	10	5
Total NCTA Capital expenditure	53	52	63	55	38
Non NCTA Capital expenditure:					
Content Segment	1	-	1	-	1
Total Capital expenditure (accrual basis)	54	52	64	55	39

(1) The number of homes within our service area that can potentially be served by our network with minimal connection costs.

(2) The number of customers who receive at least one level of service, encompassing television, telephony and broadband services, without regard to which service(s) customers purchase.

(3) Revenue Generating Units or RGUs represent the sum total of all primary analogue television, digital television, broadband and telephony subscribers. Dial-up internet subscribers, second telephone lines and additional TV outlets are not included although they are revenue generating for Telewest.

(4) Average monthly churn represents the total number of customers who disconnected during the quarter divided by the average number of customers in the quarter, divided by three. Subscribers who move premises within Telewest's addressable areas (known as Moves and Transfers) and retain Telewest's services are excluded from this churn calculation.

(5) In order to provide comparable data to the US and UK cable industry, and in accordance with NCTA (National Cable & Telecommunications Association) reporting guidelines, Telewest has allocated capital expenditure (which represents fixed asset additions on an accrual basis) to the standard reporting categories as per below. Telewest is not a member of the NCTA and is providing this information solely for comparative purposes.

CPE – costs incurred at the customer's house to secure new customers, revenue units and additional bandwidth revenues. Includes connections to previously unserved houses in accordance with SFAS 51 and customer premise equipment. Scaleable infrastructure – costs, not CPE or network related, to secure growth of new customers, revenue units and additional bandwidth revenues or provide service enhancements. Commercial – costs to provide high speed data and telephony services to businesses and institutions. Includes network and infrastructure expenditures. Line extensions – network costs associated with entering new service areas including costs of fiber, coaxial cable, amplifiers, electronic equipment, make-ready and design/engineering. Upgrade/rebuild – costs to modify or replace existing coax and fiber networks. Includes materials, contract labor, in-house labor, make-ready, design engineering and other miscellaneous costs associated with all aspects of the construction of the plant miles along an existing route. Benefits include added bandwidth and/or reliability/extended life to the existing plant. Support capital – costs associated with the replacement or enhancement of non-network assets due to obsolescence and wear-out, replacement of network assets unrelated to line extensions, rebuild/upgrade or customer growth.

Adjusted EBITDA

Telewest's primary measure of income or loss for each of our reportable segments is Adjusted EBITDA. Our management, including our chief operating decision maker, considers Adjusted EBITDA an important indicator of the operational strength and performance of our reportable segments. Adjusted EBITDA for each segment and in total excludes the impact of costs and expenses that do not directly affect our cash flows or do not directly relate to the operating performance of that segment. These costs and expenses include depreciation, amortization, financial restructuring charges, interest expense, foreign exchange gains/(losses), share of net income/(loss) from affiliates and income taxes. It is the belief of management that the legal and professional costs relating to our financial restructuring are not characteristic of our underlying business operations. Furthermore management believes that some of the components of these charges are not directly related to the performance of a single reportable segment.

Adjusted EBITDA is not a financial measure recognised under US GAAP. This measure is most directly comparable to the US GAAP financial measure net income/(loss). Some of the significant limitations associated with the use of Adjusted EBITDA as compared to net income/(loss) are that Adjusted EBITDA does not reflect the amount of required reinvestment in depreciable fixed assets, financial restructuring charges, interest expense, foreign exchange gains or losses, income taxes expense or benefit and similar items on our results of operations. We believe Adjusted EBITDA is helpful for understanding our performance and assessing our prospects for the future, and that it provides useful supplemental information to investors. In particular, this non-US GAAP financial measure reflects an additional way of viewing aspects of our operations that, when viewed with our US GAAP results and the reconciliations to net income/(loss), shown on page 17, provide a more complete understanding of factors and trends affecting our business. Because non-US GAAP financial measures are not standardized, it may not be possible to compare Adjusted EBITDA with other companies' non-US GAAP financial measures that have the same or similar names. The presentation of this supplemental information is not meant to be considered in isolation or as a substitute for net cash provided by operating activities, operating income/(loss), net income/(loss), or other measures of financial performance reported in accordance with US GAAP.

Free cash flow

Telewest's primary measure of cash flow is free cash flow. Free cash flow is defined as net cash provided by/(used in) operating activities excluding cash paid for financial restructuring charges, less cash paid for property and equipment. Our management, including our chief operating decision maker, considers free cash flow an important indicator of the operational performance of our business.

Free cash flow is not a financial measure recognized under US GAAP. This measure is most directly comparable to the US GAAP financial measure net cash provided by/(used in) operating activities. The significant limitation associated with the use of free cash flow as compared to net cash provided by/(used in) operating activities is that free cash flow does not consider the amount of cash required to pay financial restructuring charges. We believe free cash flow is helpful for understanding our performance and it provides useful supplemental information to investors. Because non-US GAAP financial measures are not standardized, it may not be possible to compare free cash flow with other companies' non-US GAAP financial measures that have the same or similar names. The presentation of this supplemental information is not meant to be considered in isolation or as a substitute for net cash provided by/(used in) operating activities, or other measures of financial performance reported in accordance with US GAAP.

Capital expenditure (accrual basis)

Telewest's primary measure of expenditure for fixed assets is Capital expenditure (accrual basis). Capital expenditure (accrual basis) is defined as the purchase of fixed assets as measured on an accrual basis. Telewest's business is underpinned by its significant investment in network infrastructure and information technology. Management therefore considers Capital expenditure (accrual basis) an important component in evaluating Telewest's liquidity and financial condition since capital expenditure is a necessary component of ongoing operations. Capital expenditure (accrual basis) is most directly comparable to the US GAAP financial measure cash paid for property and equipment as reported in the Consolidated Statement of Cash Flows. The significant limitation associated with the use of Capital expenditure (accrual basis) as compared to cash paid for property and equipment is Capital expenditure (accrual basis) excludes timing differences from payments of liabilities related to capital expenditure. Management excludes this amount from Capital expenditure (accrual basis) because it is more closely related to the cash management treasury function than to Telewest's management of capital expenditure for long-term operational performance and liquidity. Management compensates for this limitation by separately measuring and forecasting working capital and interest payments.

The presentation of this supplemental information is not meant to be considered in isolation or as a substitute for other measures of financial performance reported in accordance with US GAAP accepted in the United States. These non-US GAAP financial measures reflect an additional way of viewing aspects of Telewest's operations that, when viewed with Telewest's US GAAP results and the accompanying reconciliation to cash paid for property and equipment, shown on page 17, provide a more complete understanding of factors and trends affecting Telewest's business. Management encourages investors to review Telewest's financial statements and publicly-filed reports in their entirety and to not rely on any single financial measure.

Net debt

Net debt is defined as the sum of debt repayable within one year, capital lease obligations repayable within one year, debt repayable after more than one year, capital lease obligations repayable after more than one year less cash and cash equivalents. Telewest's management, including its chief operating decision maker, considers net debt an important measure of the total net debt financing obligations undertaken by Telewest.

Net debt is not a financial measure recognized under US GAAP. This measure is most directly comparable to the US GAAP financial measure, total current liabilities. The significant limitation associated with the use of net debt as compared total current liabilities is that net debt does not consider current liabilities due in respect of accounts payable and other liabilities, whilst it includes debt and capital lease obligations due after more than one year and cash and cash equivalents. Telewest believes net debt is helpful for understanding its entire net debt funding obligations and it provides useful supplemental information to investors. Because non-US GAAP financial measures are not standardized, it may not be possible to compare net debt with other companies' non-US GAAP financial measures that have the same or similar names. The presentation of this supplemental information is not meant to be considered in isolation or as a substitute for total current liabilities, or other measures of financial performance reported in accordance with US GAAP.

Reconciliation of Adjusted EBITDA to net loss

	Three months ended June 30, 2004	Three months ended June 30, 2003	Six months ended June 30, 2004	Six months ended June 30, 2003
	£m	£m	£m	£m
Adjusted EBITDA	122	109	244	210
Financial restructuring charges	(12)	(4)	(21)	(7)
Depreciation	(90)	(102)	(184)	(198)
Operating income	20	3	39	5
Interest income	8	6	15	12
Interest expense (including amortization of debt discount)	(121)	(122)	(230)	(247)
Foreign exchange (losses)/gains, net	(37)	117	40	69
Share of net income/(loss) of affiliates	5	-	8	2
Other, net	-	-	(1)	(1)
Income taxes (charge)/benefit	(1)	1	(1)	2
Net (loss)/income	(126)	5	(130)	(158)

Reconciliation of free cash flow to net cash provided by operating activities

	Three months ended June 30, 2004	Three months ended June 30, 2003	Six months ended June 30, 2004	Six months ended June 30, 2003
	£m	£m	£m	£m
Free cash flow	37	21	62	32
Deduct cash paid for financial restructuring charges	(10)	(2)	(19)	(6)
Add cash paid for property and equipment	61	43	127	110
Net cash provided by operating activities	88	62	170	136
Supplementary cash flow information:				
Cash paid for interest, net	29	51	61	88
Cash received for income taxes	-	-	(2)	-

Free cash flow is reported after cash paid for interest, net and cash received for income taxes.

Reconciliation of capital expenditure (accrual basis) to cash paid for property and equipment

	Three months ended June 30, 2004	Three months ended June 30, 2003	Six months ended June 30, 2004	Six months ended June 30, 2003
	£m	£m	£m	£m
Capital expenditure (accrual basis)	54	39	106	104
Changes in capital accruals	7	4	21	6
Cash paid for property and equipment	61	43	127	110

Reconciliation of net debt to total current liabilities

	June 30, 2004 £m	December 31, 2003 £m
Net debt	5,434	5,358
Cash and cash equivalents	452	427
Total debt	5,886	5,785
Accrued interest payable on notes and debentures	(479)	(352)
Debt repayable after more than one year	(6)	(6)
Capital lease obligations repayable after more than one year	(42)	(51)
Accounts payable	112	98
Other liabilities	917	809
Total current liabilities	6,388	6,283