



EARNINGS RELEASE

TELEWEST Q2 RESULTS SHOW STRONG FINANCIAL PERFORMANCE

August 11, 2005 – London, United Kingdom – Telewest Global, Inc. (“Telewest” or the “Reorganized Company”) (NASDAQ: TLWT) today announces second quarter financial results for 2005.

Highlights

- Adjusted EBITDA growth of 30% over Q2 04 *
- Operating income increased 140% over Q2 04 *
- Consumer sales division revenue growth of 5% (before VAT recovery) over Q2 04
- Triple play penetration increased by 11 percentage points over Q2 04 to 32.8%
- Revenue Generating Units grew by 89,000 in the quarter; RGUs per customer grew from 1.97 at Q2 04 to 2.11 at Q2 05

Financial highlights

(unaudited in £m)	<u>Telewest Global, Inc. *</u> Q2 2005	<u>Telewest Global, Inc.</u> Q1 2005	<u>Predecessor</u> Q2 2004
Revenue	381	338	326
Operating income	48	24	20
Adjusted EBITDA	158	134	122
Net income/(loss)	19	1	(126)
Free cash flow	64	63	37

Operational highlights

	Q2 2005	Q1 2005	Q2 2004
Customer net adds	15,000	23,000	10,000
Broadband net adds	66,000	88,000	72,000
RGU net adds	89,000	113,000	84,000
Triple play percentage	32.8%	30.3%	21.8%

* Includes £40m of Revenue, £20m of Operating income, £20m of Adjusted EBITDA, £22m of Net income, and £20m of Free cash flow resulting from (a) the consolidation of sit-up Limited from May 12, 2005, (b) a £16m VAT recovery and (c) a £4m rates (local government tax) rebate.

Barry Elson, Acting Chief Executive Officer of Telewest Global, Inc., commented:

“Telewest has delivered strong financial results and good subscriber growth in television, telephony and broadband internet. Our focus on marketing the bundle has led to increased triple play penetration, now at 33%.

Our business sales division has returned to top-line revenue growth and our Content assets, Flextech and UKTV along with sit-up are performing well and continue to increase their market share.

We continue to focus upon free cash flow in all of our divisions and remain confident of profitable growth.”

ENQUIRIES

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OPERATIONAL REVIEW**Cable segment*****Consumer sales division***

The consumer sales division had a good quarter with a net increase of 15,000 customer relationships, up 41% on the same quarter in 2004. This was lower than in the previous quarter primarily due to seasonally higher churn.

As expected, churn at 1.2%, was higher than the previous quarter. It was affected by a higher level of movers due to a seasonal increase in people moving house and students finishing college and an increase in non-pay churn. Non-pay churn is up as a result of higher acquisition levels in recent periods together with the impact of a tightened credit policy under which we have reduced the time period before we disconnect newly acquired customers who do not adhere to our payment terms. This change is in line with our focus on maintaining profitable growth and managing credit risk. It is likely that these factors will continue to have an impact in the third quarter.

Household ARPU (excluding the revenue impact of the £16 million VAT recovery, described below) was £44.86 in the quarter, down from £45.34 in the previous quarter. This reduction was principally attributable to lower telephony usage due to the start of the summer and the continued impact of fixed-to-mobile substitution. A reduction in premium and pay-per-view revenue after the end of the football season also negatively impacted ARPU.

Partially offsetting these impacts was the continued growth in RGUs per customer, which grew to 2.11, and triple play penetration, which grew to 32.8%. This reflects our successful focus on profitable growth and on selling bundled products. We remain on target to achieve 40% triple play penetration during 2007.

Consumer internet

We experienced good growth in the number of broadband subscribers, with 66,000 net additions in the quarter. Growth was slower than in the previous quarter, partly due to the factors indicated above. We believe that we have continued to maintain market share at around 67% in our addressable areas.

Growth continued to be strongest in our lowest broadband tier. This impacted the mix of broadband subscribers and broadband ARPU, which fell £0.50 to £19.39 as compared to the previous quarter.

Broadband continued to be successful in attracting new customers to Telewest – 49% of broadband installations in the quarter were for customers who were not existing customers. Multi-service penetration remained high in broadband, with 71% of all broadband internet subscribers subscribing to the full “triple play” and 93% subscribing to at least one other product.

In September 2005, we will commence the increase of our broadband speeds, which we expect to complete by early 2006. This will be at no additional charge to our customers. The 512Kb tier speed will be increased to 2Mb. The 1Mb tier speed will be increased to 4Mb. The currently existing 2Mb and 4Mb tier speeds will be increased to 10Mb.

Consumer television

The number of TV subscribers grew by 11,000 in the quarter compared to 8,000 in the previous quarter. This represents the best second quarter performance for four years.

TV ARPU (excluding the revenue impact of the £16 million VAT recovery, described below) of £20.78 fell £0.34 compared to the previous quarter, primarily due to reduced premium and pay-per-view revenue at the end of the football season. On July 1, 2005, we increased the price of our two lowest digital TV tiers by £1 each. We expect this to have a positive impact on TV ARPU in the third quarter.

The number of digital TV subscribers rose by 40,000 compared to 27,000 in the previous quarter. 89% of our TV subscribers now take our digital service. We estimate that we will be fully digital by the end of 2006. Once complete, this will free up significant amounts of bandwidth in our network, which will allow extra capacity for Video-On-Demand (VOD), High Definition TV, broadband speed increases and other services.

Our VOD roll-out is continuing and is now available to approximately 120,000 subscribers in the South West. We branded this service "Teleport" and have expanded the content available. In addition to the "Teleport Movies" service, we launched "Teleport Replay" which gives access to some of the best television from the BBC and others from the preceding seven days. Subscribers to our top tier "Supreme" pack will also receive free access to "Teleport TV", which makes available a range of library content from the BBC, Flextech, Discovery and others. This service costs £5 per month for non-Supreme customers, therefore encouraging upward migration to higher digital tiers. We plan to continue our region-by-region roll-out during the second half of this year and to complete the national roll-out by early 2006. We expect to launch DVR (Digital Video Recorder) services towards the end of this year.

Consumer telephony

The number of telephony subscribers increased by 12,000 in the quarter. This represents the best second quarter performance for four years.

Telephony ARPU was £22.42 in the quarter, down from £23.00 in the previous quarter. This reduction was principally attributable to lower telephony usage due to the start of the summer and the continued impact of fixed-to-mobile substitution.

We have continued our strategy of migrating subscribers to flat rate packages to reduce the impact of declining telephony usage. As a result, 38% of all telephony subscribers now subscribe to one of our two main "Talk" packages – "Talk Unlimited" or "Talk Evenings and Weekends". On July 1, 2005 we migrated all of our existing "3-2-1" subscribers to "Talk Weekends" which gives subscribers free local and national calls at weekends. This package is charged at £10.50 per month compared to £10 for the "3-2-1" service.

Business sales division

Our business sales division had an improved quarter with revenues up £2 million on the previous quarter to £63 million, driven by growth in new business acquired. The division is operating in challenging market conditions and we are encouraged that this is the first growth in quarterly revenues for seven quarters. In particular, data revenues are up 12% compared to the same quarter last year.

Content segment

Overall revenue in Flextech was £32 million in the quarter, up 14% on the second quarter of 2004, and up £1 million on the previous quarter.

Advertising revenue was up 14% on the same quarter last year at £16 million, resulting primarily from an increase in market share, driven by improved viewing share of Flextech's channels. Advertising revenue was down £1 million from the previous quarter after an exceptionally strong first quarter in the UK television advertising market.

Subscription revenue remained flat at £11 million compared to both the previous quarter and the same quarter last year. During the quarter we signed a new carriage agreement with NTL for Flextech and UKTV channels to be carried on its platform for three years.

Other revenue increased by £2 million compared to both the previous quarter and the same quarter last year principally due to sales of international programming rights and increased commercial revenue.

sit-up segment

On May 12, 2005, Telewest acquired a controlling interest in sit-up Limited ("sit-up") for an aggregate purchase price of approximately £103 million including fees. Telewest completed the acquisition of 100% of the ordinary shares of sit-up on July 7, 2005. sit-up markets and retails a wide variety of consumer products primarily by means of televised shopping programs using an auction-based format.

sit-up's financial results were consolidated into the Group's results from May 12, 2005. As a result, Group revenues of £24 million and Adjusted EBITDA of £0 have been recognized in respect of sit-up in the second quarter.

On a pro forma basis, assuming that sit-up was acquired on January 1, 2005, revenues would have been £46 million in the second quarter. Revenues in the same quarter last year were £36 million on a pro forma basis, assuming that sit-up was acquired on January 1, 2004, thus implying pro forma revenue growth of 28%. On the same pro forma basis, Adjusted EBITDA in the quarter would have been £0, flat compared to the same quarter last year.

sit-up's revenues increased due to growth in multi-channel penetration and the continued success of its innovative auction-based home shopping channels.

sit-up recently launched a third live-auction channel, speed auction tv, on Sky, NTL and Telewest.

FINANCIAL RESULTS

GAAP Financial Measures (unaudited in £ millions)	3 months ended June 30,	
	2005	2004
	Reorganized Company	Predecessor Company
Operating income	48	20
Net income/(loss)	19	(126)
Net cash provided by operating activities	123	88

Total revenue and consumer sales division revenue include a credit of £16 million resulting from the recovery of Value Added Tax (VAT) from HM Customs and Excise, which had been the subject of a court case and subsequent appeals since 2002. A £16 million charge was taken against revenue in 2002 when the case commenced. This recovery has not been included in any ARPU calculations.

Operating income for the second quarter of 2005 was £48 million, up from £20 million for the second quarter of 2004, due principally to the recovery of VAT, revenue growth in our consumer sales division and content segment, and lower SG&A, partially offset by increased depreciation and amortization. SG&A in the second quarter of 2004 was impacted by £12 million of financial restructuring charges compared to £0 in the second quarter of 2005. The second quarter of 2005 was impacted by £7 million of expense relating to sit-up and £3 million of stock-based compensation expense, neither of which arose in the second quarter of 2004. Additionally £4 million of rates (local government tax) rebate was received in the second quarter of 2005 compared with £0 in the second quarter of 2004.

The improvement from net loss of £126 million for the second quarter of 2004 to net income of £19 million for the second quarter of 2005 was due principally to significantly reduced interest costs and decreased foreign exchange losses following our predecessor's financial restructuring, and enhanced operating income.

Net cash provided by operating activities increased from £88 million for the second quarter of 2004 to £123 million for the second quarter of 2005. This increase arose principally as a result of improvements in operating income.

Non-GAAP Financial Measures (unaudited in £ millions)	3 months ended June 30,	
	2005	2004
	Reorganized Company	Predecessor Company
Adjusted EBITDA	158	122
Free cash flow	64	37

Adjusted EBITDA (earnings before interest, taxation, depreciation, amortization and financial restructuring expenses) for the second quarter of 2005 was £158 million, up 30% as compared to the second quarter of 2004. This increase reflects the recovery of VAT, the rates rebate and increased revenues in the consumer sales division and content segment, and lower operating costs and expenses in the cable segment, partially offset by higher operating costs and expenses in the content segment. Adjusted EBITDA margin (Adjusted EBITDA as a percentage of revenue) has increased from 37.4% to 41.5%. Excluding the VAT recovery and rates rebate, Adjusted EBITDA margin would have been 37.8% for the second quarter of 2005.

Stock-based compensation expense ("SBCE") of £3 million was incurred in the second quarter of 2005. SBCE arises as a result of options and restricted stock granted to our employees. SBCE will similarly affect future periods. This is a non-cash item and no such expense was incurred in the second quarter of 2004. Adjusted EBITDA before the deduction of SBCE was £161 million in the second quarter of 2005, an increase of £39 million, or 32%, over the second quarter of 2004 on the same basis.

Free cash flow (cash flow from operating activities excluding financial restructuring expenses less capital expenditure) for the three months ended June 30, 2005 was £64 million, compared with £37 million for the three months ended June 30, 2004. The increase was primarily due to increased Adjusted EBITDA.

Reconciliations of these and other non-GAAP financial measures to the most directly comparable GAAP financial measures are explained and shown on pages 16 to 19.

Costs

Total gross margin (excluding the credit of £16 million VAT recovery), was flat for the quarter as compared to 72% for the same quarter last year due primarily to the growing number of high margin broadband subscribers, television price increases and reduced cable segment expenses partially offset by the consolidation of sit-up, which is comparatively a much lower gross margin business. Total gross margin was 73%, including the credit of £16 million VAT recovery. Gross margin was down from 74% in the previous quarter due to the consolidation of the comparatively lower margin sit-up segment.

Selling, general and administrative expenses (SG&A)

SG&A of £119 million was up £4 million from the previous quarter primarily due to the consolidation of £7 million of sit-up SG&A, partially offset by a rates rebate received of £4 million. This relates to rates charged on our core network. The rebate was for the period April 1, 2001 to March 31, 2005 and is not expected to recur in future quarters.

Debt and Capital Resources

Capital expenditure was £59 million for the quarter. Capital expenditure has been lower than expected in the first half of the year due to further savings on consumer contract installation costs and the phasing of capital project spend. As a result, capital expenditure for the full year is now expected to be in the range of £220 million to £230 million.

During the quarter, certain of Telewest's Flextech subsidiaries entered into a new bank facility related to the acquisition of sit-up. £110 million of the facility has been fully drawn with a £20 million revolver facility, currently undrawn. Interest rates on the facility start at 1.75 percentage points above LIBOR with leverage ratchets down to 1% above LIBOR. The facility matures in June 2009 repayable semi-annually over the life of the facility from December 2005. The facility is secured on the assets of certain Flextech subsidiaries and sit-up along with Telewest's 50% share of the issued equity of UKTV.

As at June 30, 2005, net debt was £1,712 million. This consisted of £1,809 million drawn down on our credit facilities and £116 million of leases and other loans, offset by cash balances of £213 million. The £1,809 million drawn amount includes US\$150 million and Euro100 million.

Principal affiliate

UKTV

(unaudited in £ millions)	3 months ended June 30,	
	2005	2004
Share of net income of UKTV	7	5
Cash inflow from UKTV, being interest received, repayment of loans made, net, and dividends received	10	6

Telewest owns 50% of the companies that comprise UKTV, a group of joint ventures formed with BBC Worldwide. UKTV offers a portfolio of multi-channel television channels based on the BBC's program library.

Telewest accounts for its interest in UKTV under the equity method and recognized its share of net income of £7 million for the three months ended June 30, 2005. This compares with £5 million share of net income for the three months ended June 30, 2004.

UKTV is funded by a loan from Telewest, the balance of which was £178 million at June 30, 2005. Total cash interest and repayments received in respect of this loan by Telewest were £8 million in the second quarter of 2005. Telewest's cash interest receipts from UKTV are recorded in free cash flow but not in Telewest's Adjusted EBITDA. During the three months ended June 30, 2005, we received £2 million of dividends from UKTV. We expect to continue to receive dividends from UKTV as it continues to generate cash.

Telewest Global, Inc.
Consolidated Statements of Operations
(amounts in £millions, except share and per share data)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
	Reorganized Company	Predecessor Company	Reorganized Company	Predecessor Company
Revenue				
Consumer Sales Division	262	235	508	470
Business Sales Division	63	63	124	130
Total Cable Segment	325	298	632	600
Content Segment	32	28	63	54
sit-up Segment	24	-	24	-
Total revenue	381	326	719	654
Operating costs and expenses				
Cable segment expenses	70	74	139	153
Content segment expenses	17	18	37	34
sit-up segment expenses	17	-	17	-
Depreciation	101	90	202	184
Amortization	9	-	18	-
Selling, general and administrative expenses	119	124	234	244
	333	306	647	615
Operating income	48	20	72	39
Other income/(expense)				
Interest income	7	8	11	15
Interest expense (including amortization of debt discount)	(41)	(121)	(70)	(230)
Foreign exchange (losses)/gains, net	(3)	(37)	(7)	40
Share of net income of affiliates	7	5	13	8
Other, net	1	-	1	(1)
Income/(loss) before income taxes	19	(125)	20	(129)
Income tax charge	-	(1)	-	(1)
Net income/(loss)	19	(126)	20	(130)
Basic and diluted earnings per share of common stock	£0.08		£0.08	
Weighted average number of shares of common stock – (millions)	245		245	

Telewest Global, Inc.
Consolidated Balance Sheets
(amounts in £millions, except share and per share data)
(unaudited)

	June 30, 2005	December 31, 2004
	Reorganized Company	Reorganized Company
Assets		
Cash and cash equivalents	213	68
Restricted cash	16	26
Trade receivables	118	108
Other receivables	32	33
Prepaid expenses	38	17
Inventory for re-sale, net	15	-
Other assets	4	-
Total current assets	436	252
Investments accounted for under the equity method	286	304
Property and equipment, net	2,888	2,974
Intangible assets, net	296	314
Reorganization value in excess of amounts allocable to identifiable assets	425	425
Goodwill	142	-
Programming inventory	30	24
Deferred financing costs (net of amortization of £3 million; 2004: £0 million)	52	51
Total assets	4,555	4,344
Liabilities and shareholders' equity		
Accounts payable	153	93
Other liabilities	446	424
Debt repayable within one year	55	21
Capital lease obligations repayable within one year	45	38
Total current liabilities	699	576
Other liabilities	6	-
Deferred taxes	105	105
Debt repayable after more than one year	1,760	1,686
Capital lease obligations repayable after more than one year	65	69
Total liabilities	2,635	2,436
Minority interest	(1)	(1)
Shareholders' equity		
Preferred stock – US\$0.01 par value; authorized 5,000,000 shares, issued none (2005 and 2004)	-	-
Common stock – US\$0.01 par value; authorized 1,000,000,000 shares, issued 245,171,054 (2005) and 245,080,629 (2004)	1	1
Additional paid-in capital	1,960	1,954
Accumulated other comprehensive loss	(14)	-
Accumulated deficit	(26)	(46)
Total shareholders' equity	1,921	1,909
Total liabilities and shareholders' equity	4,555	4,344

Telewest Global, Inc.
Consolidated Statements of Cash Flows
(amounts in £millions)
(unaudited)

	Six months ended June 30,	
	2005	2004
	Reorganized Company	Predecessor Company
Cash flows from operating activities		
Net income/(loss)	20	(130)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Depreciation	202	184
Amortization	18	-
Amortization of deferred financing costs and debt discount	3	30
Deferred tax charge	-	1
Fair value adjustment of interest rate swaps	(10)	-
Accretion expense	1	-
Unrealized losses/(gains) on foreign currency translation	7	(40)
Stock-based compensation expense	6	-
Share of net income of affiliates	(9)	(8)
Profit on disposal of assets	(1)	-
Amounts written off investments	-	1
Changes in operating assets and liabilities, net of effect of acquisition of subsidiaries:		
Change in receivables	(9)	9
Change in prepaid expenses	(19)	(25)
Change in other assets	(11)	(3)
Change in accounts payable	35	27
Change in other liabilities	6	124
Net cash provided by operating activities	239	170
Cash flows from investing activities		
Capital expenditure	(113)	(127)
Proceeds from disposal of fixed assets	2	-
Cash paid for acquisition of subsidiaries, net of cash acquired	(107)	-
Repayment/(advance) of loans made to affiliates, net	9	(4)
Disposal of affiliate	-	7
Proceeds from sale and leaseback	12	-
Net cash used in investing activities	(197)	(124)
Cash flows from financing activities		
Release of restricted cash	10	2
Proceeds from new debt	110	-
Repayment of debt	(6)	-
Cash paid for financing costs	(4)	-
Principal element of capital lease repayments	(19)	(23)
Proceeds from the issue of redeemable preferred stock	12	-
Net cash provided by/ (used in) financing activities	103	(21)
Net increase in cash and cash equivalents	145	25
Cash and cash equivalents at beginning of period	68	427
Cash and cash equivalents at end of period	213	452
Supplementary cash flow information:		
Cash paid for interest, net	41	61
Cash received for income taxes	-	(2)

Telewest Global, Inc.
Selected Quarterly Operating Data – unaudited

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, 2005	Mar. 31, 2005	Dec. 31, 2004	Sep. 30, 2004	Jun. 30, 2004
	Reorganized Company				Predecessor Company
Customer Data					
Homes passed and marketed (1)	4,698,510	4,694,480	4,686,794	4,686,799	4,682,777
Total customer relationships (2)	1,837,191	1,822,530	1,799,556	1,769,263	1,752,553
Customer penetration	39.1%	38.8%	38.4%	37.7%	37.4%
Customer additions	79,365	78,695	89,452	78,707	67,118
Customer disconnections	(64,704)	(55,721)	(59,159)	(61,997)	(56,709)
Net customer additions	14,661	22,974	30,293	16,710	10,409
Revenue Generating Units ("RGUs") (3)	3,873,792	3,784,835	3,671,402	3,539,185	3,447,254
RGUs per customer	2.11	2.08	2.04	2.00	1.97
Net RGU additions	88,957	113,433	132,217	91,931	84,014
Average monthly revenue per customer (4)	£44.86	£45.34	£45.13	£45.05	£44.98
Average monthly churn (5)	1.2%	1.0%	1.1%	1.2%	1.1%
Bundled customers					
Customers subscribing to two or more services	1,434,161	1,409,998	1,379,057	1,338,632	1,312,842
Customers subscribing to three services ("triple play")	602,430	552,307	492,789	431,290	381,859
Percentage of dual or triple play customers	78.1%	77.4%	76.6%	75.7%	74.9%
Percentage of triple play customers	32.8%	30.3%	27.4%	24.4%	21.8%
Consumer Television					
Television ready homes passed and marketed	4,698,510	4,694,480	4,686,794	4,686,799	4,682,777
Total subscribers	1,331,742	1,320,487	1,312,825	1,297,304	1,288,272
Quarterly net additions	11,255	7,662	15,521	9,032	2,475
Television penetration	28.3%	28.1%	28.0%	27.7%	27.5%
Digital ready homes passed and marketed	4,501,169	4,451,420	4,420,388	4,405,162	4,401,860
Digital subscribers	1,189,521	1,149,641	1,122,301	1,078,623	1,052,855
Quarterly net digital additions	39,880	27,340	43,678	25,768	23,096
Penetration of digital subscribers to total subscribers	89.3%	87.1%	85.5%	83.1%	81.7%
Average monthly churn (5)	1.5%	1.4%	1.5%	1.4%	1.3%
Average monthly revenue per subscriber (4)	£20.78	£21.12	£20.88	£20.72	£20.53
Consumer Telephony					
Telephony ready homes passed and marketed	4,694,030	4,691,704	4,683,153	4,682,002	4,677,861
"3-2-1" and "Talk Weekends" telephony subscribers	1,045,139	1,053,226	1,080,893	1,082,125	1,105,056
"Talk Unlimited" and "Talk Evenings and Weekends" subscribers	644,073	624,417	579,448	552,534	516,313
Total subscribers	1,689,212	1,677,643	1,660,341	1,634,659	1,621,369
Quarterly net additions	11,569	17,302	25,682	13,290	9,222
Telephony penetration	36.0%	35.8%	35.5%	34.9%	34.7%
Average monthly churn (5)	1.2%	1.0%	1.1%	1.2%	1.1%
Average monthly revenue per subscriber (4)	£22.42	£23.00	£23.18	£23.53	£23.70

Telewest Global, Inc.
Selected Quarterly Operating Data – unaudited (continued)

	Jun. 30, 2005	Mar. 31, 2005	Dec. 31, 2004	Sep. 30, 2004	Jun. 30, 2004
	Reorganized Company				Predecessor Company
Consumer Internet					
Broadband ready homes passed and marketed	4,501,169	4,451,420	4,420,388	4,405,162	4,401,860
Total metered dial-up internet subscribers	25,048	29,376	33,417	39,196	47,884
Total unmetered dial-up internet subscribers	65,516	85,909	107,220	127,745	151,457
Total broadband internet subscribers	852,838	786,705	698,236	607,222	537,613
Quarterly net broadband internet additions	66,133	88,469	91,014	69,609	72,317
Broadband internet penetration	18.9%	17.7%	15.8%	13.8%	12.2%
Average monthly broadband internet churn (5)	1.3%	1.0%	1.0%	1.3%	1.2%
Average monthly revenue per broadband internet subscriber (4)	£19.39	£19.89	£20.23	£21.50*	£22.45*
	£m	£m	£m	£m	£m
NCTA Capital expenditure (6)					
Customer premise equipment ("CPE")	18	16	25	19	23
Scaleable infrastructure	12	7	14	8	7
Commercial	11	8	8	12	9
Line extensions	1	2	1	1	1
Upgrade/rebuild	3	6	10	1	4
Support capital	12	13	7	10	9
Total NCTA Capital expenditure	57	52	65	51	53
Non NCTA Capital expenditure:					
Content Segment	1	-	1	-	1
sit-up Segment	1	-	-	-	-
Change in capital accruals	-	2	(2)	(1)	7
Total Capital expenditure	59	54	64	50	61

* The product ARPUs for broadband internet in these quarters have been adjusted to reflect the full value of promotional discounts offered.

(1) The number of homes within our service area that can potentially be served by our network with minimal connection costs. Information concerning the number of homes "passed and marketed" is based on physical counts made by us during network construction or marketing phases.

(2) The number of customers who receive at least one of our television, telephony or broadband internet services.

(3) Revenue Generating Units ("RGUs"), refer to subscriptions to each of our analog television, digital television, telephony and broadband internet services on an individual basis. For example, when we provide one customer with digital television and broadband internet services, we record two RGUs. Dial-up internet services, second telephone lines and additional TV outlets are not recorded as RGUs although they generate revenue for us.

(4) Average monthly revenue per customer (often referred to as "ARPU" or "Average Revenue per User") represents the consumer sales division's total quarterly revenue of residential customers, including installation revenues, but excluding the recovery of £16 million VAT, divided by the average number of residential customers in the quarter, divided by three. The same methodology is used for television, telephony and broadband internet ARPU.

(5) 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 our addressable areas (known as "Moves and Transfers") and retain our services are excluded from this churn calculation.

(6) 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 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.

- **Forward-Looking Statements**
- **Fresh-Start Reporting**
- **Pro forma Consolidated Statements of Operations**
- **Quarterly Historical Information**
- **Segmental Information**
- **Use of Non-GAAP Financial Measures**

Forward-Looking Statements

Some of the statements in this earnings release constitute “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, potential growth (including customer net additions and average monthly revenue per customer), product introductions and innovation, meeting customer expectations, planned operational changes (including product improvements and the impact of price increases), expected capital expenditures, future cash sources and requirements, liquidity, customer service improvements, cost savings and the benefits of acquisitions or joint ventures - potential and/or completed - 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. These factors include those discussed under the caption “Risk Factors” in the Annual Report on Form 10-K for the year ended December 31, 2004 (No. 000-50886) filed by Telewest Global, Inc. on March 22, 2005 with the United States Securities and Exchange Commission, although those risk factors may not be exhaustive. Other sections of this earnings 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.

Unless otherwise required by applicable securities laws, we assume no obligation to publicly update or revise any of the forward-looking statements after the date of this earnings release to reflect actual results, whether as a result of new information, future events or otherwise.

Fresh-Start Reporting

As a result of the completion of the financial restructuring of Telewest Communications plc, our predecessor, on July 15, 2004, Telewest adopted fresh-start reporting in accordance with Statement of Position 90-7, “*Reporting by Entities in Reorganization under the Bankruptcy Code*,” (“SOP 90-7”), with effect from July 1, 2004. Under SOP 90-7, Telewest established a new accounting basis, recording our predecessor’s assets at their fair value and liabilities at the present value of amounts to be paid.

A reconciliation of our predecessor’s balance sheet at June 30, 2004 to the fresh-start balance sheet at July 1, 2004, is included in Telewest’s Annual Report on Form 10-K for the year ended December 31, 2004.

As a result of the adoption of fresh-start reporting, our balance sheets and results of operations subsequent to July 1, 2004 will not be comparable in many material respects to the balance sheets or results of operations reflected in our predecessor’s historical financial statements for periods prior to July 1, 2004.

Telewest Global, Inc.
Pro forma Consolidated Statements of Operations *
(amounts in £millions, except share and per share data)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
	Reorganized Company *	Predecessor Company *	Reorganized Company *	Predecessor Company *
Revenue				
Consumer Sales Division	262	235	508	470
Business Sales Division	63	63	124	130
Total Cable Segment	325	298	632	600
Content Segment	32	28	63	54
sit-up Segment	46	36	98	76
Total revenue	403	362	793	730
Operating costs and expenses				
Cable segment expenses	70	74	139	153
Content segment expenses	17	18	37	34
sit-up segment expenses	34	27	72	57
Depreciation	101	91	203	185
Amortization	9	-	18	-
Selling, general and administrative expenses	124	133	251	262
	355	343	720	691
Operating income	48	19	73	39
Other income/(expense)				
Interest income	7	7	11	14
Interest expense (including amortization of debt discount)	(41)	(122)	(72)	(233)
Foreign exchange (losses)/gains, net	(3)	(37)	(7)	40
Share of net income of affiliates	7	4	12	7
Other, net	1	-	1	(1)
Income/(loss) before income taxes	19	(129)	18	(134)
Income tax charge	-	(1)	-	(1)
Net income/(loss)	19	(130)	18	(135)
Basic and diluted earnings per share of common stock	£0.08		£0.07	
Weighted average number of shares of common stock – (millions)	245		245	

* To show pro forma effect as if sit-up Limited had been purchased on January 1, 2005 and 2004, for the periods ended June 30, 2005 and 2004, respectively.

Pro forma adjustments reflect the revenue, segment expenses, depreciation and SG&A for sit-up for the periods January 1, 2005 to May 11, 2005 and January 1, 2004 to June 30, 2004. Interest income and expense have been adjusted to reflect the interest income earned by sit-up during the above periods and the additional interest expense that would have been incurred by Telewest to fund the acquisition at January 1, 2005 and 2004, respectively. Share of net income of affiliates has been adjusted to reverse the equity accounting of sit-up for the periods presented.

Telewest Global, Inc.
Quarterly Historical Information
(amounts in £millions, except share and per share data)

	Three months ended				Jun. 30, 2004 Predecessor Company
	Jun. 30, 2005	Mar. 31, 2005	Dec. 31, 2004	Sep. 30, 2004	
	Reorganized Company				
Revenue					
Consumer Sales Division	262	246	241	238	235
Business Sales Division	63	61	63	63	63
Total Cable Segment	325	307	304	301	298
Content Segment	32	31	32	27	28
sit-up Segment	24	-	-	-	-
Total revenue	381	338	336	328	326
Operating costs and expenses					
Cable segment expenses	70	69	69	72	74
Content segment expenses	17	20	25	17	18
sit-up segment expenses	17	-	-	-	-
Depreciation	101	101	101	103	90
Amortization	9	9	9	9	-
Cost of revenue	214	199	204	201	182
Selling, general and administrative expenses	119	115	114	117	124
	333	314	318	318	306
Operating income	48	24	18	10	20
Other income/(expense)					
Interest income	7	4	5	6	8
Interest expense (including amortization of debt discount)	(41)	(29)	(47)	(49)	(121)
Foreign exchange (losses)/gains, net	(3)	(4)	3	-	(37)
Share of net income of affiliates	7	6	4	4	5
Other, net	1	-	-	-	-
Income/(loss) before income taxes	19	1	(17)	(29)	(125)
Income tax charge	-	-	-	-	(1)
Net income/(loss)	19	1	(17)	(29)	(126)
Basic and diluted earnings/(loss) per share of common stock	£0.08	-	£(0.07)	£(0.12)	
Weighted average number of shares of common stock – (millions)	245	245	245	245	

Telewest Global, Inc.
Segment Information
(amounts in £millions)

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
	Reorganized Company	Predecessor Company	Reorganized Company	Predecessor Company
CABLE SEGMENT				
Consumer Sales Division revenue	262	235	508	470
Business Sales Division revenue	63	63	124	130
Third party revenue	325	298	632	600
Operating costs and expenses (before financial restructuring charges)	(174)	(181)	(353)	(369)
Adjusted EBITDA including inter-segment costs	151	117	279	231
Inter-segment costs (1)	2	2	5	5
Adjusted EBITDA	153	119	284	236
CONTENT SEGMENT				
Content Segment revenue	34	30	68	59
Operating costs and expenses (before financial restructuring charges)	(27)	(25)	(55)	(46)
Adjusted EBITDA including inter-segment revenues	7	5	13	13
Inter-segment revenues (1)	(2)	(2)	(5)	(5)
Adjusted EBITDA	5	3	8	8
SIT-UP SEGMENT				
sit-up Segment revenue	24	-	24	-
Operating costs and expenses (before financial restructuring charges)	(24)	-	(24)	-
Adjusted EBITDA	-	-	-	-
Reconciliation to operating income				
Cable Segment Adjusted EBITDA	153	119	284	236
Content Segment Adjusted EBITDA	5	3	8	8
sit-up Segment Adjusted EBITDA	-	-	-	-
Adjusted EBITDA	158	122	292	244
Financial restructuring charges	-	(12)	-	(21)
Depreciation	(101)	(90)	(202)	(184)
Amortization	(9)	-	(18)	-
Operating income	48	20	72	39

(1) Inter-segment revenues are revenues of our Content Segment which are costs in our Cable Segment and which are eliminated on consolidation.

Telewest Global, Inc.

Use of Non-GAAP Financial Measures

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 GAAP. This measure is most directly comparable to the 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-GAAP financial measure reflects an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliations to net income/(loss), shown below, provide a more complete understanding of factors and trends affecting our business. Because non-GAAP financial measures are not standardized, it may not be possible to compare Adjusted EBITDA with other companies' non-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 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 capital expenditure. 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 GAAP. This measure is most directly comparable to the 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-GAAP financial measures are not standardized, it may not be possible to compare free cash flow with other companies' non-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 GAAP.

Net debt

Net debt is defined as the sum of debt repayable, capital lease obligations and accrued interest payable on notes and debentures less cash and cash equivalents. The Company's management, including its chief operating decision-maker, considers net debt an important measure of the financing obligations undertaken by the Company.

Net debt is not a financial measure recognized under GAAP. This measure is most directly comparable to the GAAP financial measure, total liabilities. The significant limitation associated with the use of net debt as compared total liabilities is that net debt does not consider current liabilities due in respect of accounts payable and other liabilities. It also assumes that all of cash and cash equivalents is available to service debt. Telewest believes net debt is helpful for understanding its entire net debt funding obligations and it provides useful supplemental information to investors. Because non-GAAP financial measures are not standardized, it may not be possible to compare net debt with other companies' non-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 liabilities, or other measures of financial performance reported in accordance with GAAP.

Telewest Global, Inc.

Use of Non-GAAP Financial Measures (continued)

Average monthly revenue per customer or “Household ARPU (excluding impact of the £16 million VAT recovery)”

For a three month period, Household ARPU (excluding impact of the £16 million VAT recovery) represents the consumer sales division’s total quarterly revenue of residential customers, including installation revenues, but excluding the recovery of £16 million VAT, divided by the average number of residential customers in the quarter, divided by three.

For a six month period, Household ARPU (excluding impact of the £16 million VAT recovery) represents the consumer sales division’s total half yearly revenue of residential customers, including installation revenues, but excluding the recovery of £16 million VAT, divided by the average number of residential customers in the half year, divided by six.

Household ARPU (excluding impact of the £16 million VAT recovery) is not a financial measure recognized under GAAP. This measure is most directly comparable to the GAAP financial measure, Household ARPU. The significant limitation associated with the use of Household ARPU (excluding impact of the £16 million VAT recovery) as compared to Household ARPU is that Household ARPU (excluding impact of the £16 million VAT recovery) does not consider £16 million of revenues received in respect of recovered VAT. Telewest believes Household ARPU (excluding impact of the £16 million VAT recovery) is helpful for understanding the trend in respect of its residential revenues derived from customers during the periods and it provides useful supplemental information to investors. The VAT recovery is not expected to recur. Because non-GAAP financial measures are not standardized, it may not be possible to compare Household ARPU (excluding impact of the £16 million VAT recovery) with other companies’ non-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 Household ARPU, or other measures of financial performance reported in accordance with GAAP.

Average monthly revenue per television subscriber or “Television ARPU (excluding impact of the £16 million VAT recovery)”

For a three month period, Television ARPU (excluding impact of the £16 million VAT recovery) represents the sum of the consumer sales division’s total quarterly revenue of television subscribers, including installation revenues, but excluding the recovery of £16 million VAT, divided by the average number of television subscribers in the quarter, divided by three.

For a six month period, Television ARPU (excluding impact of the £16 million VAT recovery) represents the sum of the consumer sales division’s total half yearly revenue of television subscribers, including installation revenues, but excluding the recovery of £16 million VAT, divided by the average number of television subscribers in the half year, divided by six.

Television ARPU (excluding impact of the £16 million VAT recovery) is not a financial measure recognized under GAAP. This measure is most directly comparable to the GAAP financial measure, Television ARPU. The significant limitation associated with the use of Television ARPU (excluding impact of the £16 million VAT recovery) as compared to Television ARPU is that Television ARPU (excluding impact of the £16 million VAT recovery) does not consider £16 million of revenues received in respect of recovered VAT. Telewest believes Television ARPU (excluding impact of the £16 million VAT recovery) is helpful for understanding the trend in respect of its television revenues derived from subscribers during the periods and it provides useful supplemental information to investors. The VAT recovery is not expected to recur. Because non-GAAP financial measures are not standardized, it may not be possible to compare Television ARPU (excluding impact of the £16 million VAT recovery) with other companies’ non-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 Television ARPU, or other measures of financial performance reported in accordance with GAAP.

Telewest Global, Inc.
Use of Non-GAAP Financial Measures (continued)

**Reconciliations of Non-GAAP Financial Measures
(amounts in £millions)**

	Three months ended June 30,		Six months ended June 30,		Three months ended March 31,
	2005	2004	2005	2004	2005
	Reorganized Company	Predecessor Company	Reorganized Company	Predecessor Company	Reorganized Company
Reconciliation of Adjusted EBITDA to net income/(loss)					
Adjusted EBITDA	158	122	292	244	134
Financial restructuring charges	-	(12)	-	(21)	-
Depreciation	(101)	(90)	(202)	(184)	(101)
Amortization	(9)	-	(18)	-	(9)
Operating income	48	20	72	39	24
Interest income	7	8	11	15	4
Interest expense (including amortization of debt discount)	(41)	(121)	(70)	(230)	(29)
Foreign exchange (losses)/gains, net	(3)	(37)	(7)	40	(4)
Share of net income of affiliates	7	5	13	8	6
Other, net	1	-	1	(1)	-
Income tax charge	-	(1)	-	(1)	-
Net income/(loss)	19	(126)	20	(130)	1

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

Free cash flow	64	37	127	62	63
Deduct cash paid for financial restructuring charges	-	(10)	(1)	(19)	(1)
Add capital expenditure	59	61	113	127	54
Net cash provided by operating activities	123	88	239	170	116

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

Supplementary cash flow information:

Cash paid for interest, net	29	29	41	61	12
Cash received for income taxes	-	-	-	(2)	-

	Jun. 30,	Dec. 31,
	2005	2004
	Reorganized Company	Reorganized Company
Reconciliation of net debt to total liabilities		
Net debt	1,712	1,746
Cash and cash equivalents	213	68
Total debt	1,925	1,814
Accounts payable	153	93
Other liabilities	452	424
Deferred taxes	105	105
Total liabilities	2,635	2,436

Telewest Global, Inc.
Use of Non-GAAP Financial Measures (continued)

	Three months ended June 30, 2005	Six months ended June 30, 2005
Reconciliation of Household ARPU to Household ARPU (excluding impact of the £16 million VAT recovery)		
Consumer sales division revenue in the period	£262 million	£508 million
Average number of residential customers in the period	1,830,895	1,820,654
Household ARPU	£47.72	£46.54
Consumer sales division revenue in the period	£262 million	£508 million
VAT recovery	£(16) million	£(16) million
Consumer sales division revenue (excluding £16 million VAT recovery)	£246 million	£492 million
Average number of residential customers in the period	1,830,895	1,820,654
Household ARPU (excluding impact of the £16 million VAT recovery)	£44.86	£45.11
Reconciliation of Television ARPU to Television ARPU (excluding impact of the £16 million VAT recovery)		
Consumer television revenue in the period	£98 million	£182 million
Average number of television subscribers in the period	1,326,317	1,321,291
Television ARPU	£24.72	£22.93
Consumer television revenue in the period	£98 million	£182 million
VAT recovery	£(16) million	£(16) million
Consumer television revenue (excluding £16 million VAT recovery)	£82 million	£166 million
Average number of television subscribers in the period	1,326,317	1,321,291
Television ARPU (excluding impact of the £16 million VAT recovery)	£20.78	£20.95