

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1998
Commission File No. 333-30795

RADIO ONE, INC.
(Exact name of registrant as specified in its charter)

DELAWARE 52-1166660
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

5900 PRINCESS GARDEN PARKWAY,
8TH FLOOR

LANHAM, MARYLAND 20706
(Address of principal executive offices)

(301) 306-1111
Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 12, 1998
Class A Common Stock, \$.01 Par Value	138.45
Class B Common Stock, \$.01 Par Value	0

RADIO ONE, INC. AND SUBSIDIARIES

Form 10-Q
For the Quarter Ended September 30, 1998

TABLE OF CONTENTS

	Page
PART I FINANCIAL INFORMATION	
ITEM 1 Consolidated Financial Statements	3
Consolidated Balance Sheets as of December 31, 1997 and September 30, 1998 (Unaudited)	4
Consolidated Statements of Operations for the Three months and nine months ended September 28, 1997 (Unaudited) and September 30, 1998 (Unaudited)	5
Consolidated Statement of Changes in Stockholders' Deficit for the Nine months ended September 30, 1998 (Unaudited)	6
Consolidated Statements of Cash Flows for the Nine months ended September 28, 1997 (Unaudited) and September 30, 1998 (Unaudited)	7
Notes to Consolidated Financial Statements	8
ITEM 2 Management's Discussion and Analysis of Financial Condition and Results of Operations	10
PART II OTHER INFORMATION	
ITEM 1 Legal Proceedings	14
ITEM 2 Changes in Securities	14

ITEM 3	Defaults upon Senior Securities	14
ITEM 4	Submission of Matters to a Vote of Security Holders	14
ITEM 5	Other Information	14
ITEM 6	Exhibits and Reports on Form 8-K	14
SIGNATURES		15

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

(See pages 4-7 -- This page intentionally left blank.)

RADIO ONE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 1997 AND SEPTEMBER 30, 1998

	December 31, 1997	September 30, 1998
	-----	-----
ASSETS		(Unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 8,500,000	\$ 7,863,000
Trade accounts receivable, net of allowance for doubtful accounts of \$904,000 and \$1,398,000, respectively	8,722,000	11,842,000
Prepaid expenses and other	315,000	309,000
	-----	-----
Total current assets	17,537,000	20,014,000
PROPERTY AND EQUIPMENT, net	4,432,000	6,066,000
INTANGIBLE ASSETS, net	54,942,000	87,234,000
OTHER ASSETS	2,314,000	979,000
	-----	-----
Total assets	\$ 79,225,000	\$ 114,293,000
	=====	=====
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 258,000	\$ 662,000
Accrued expenses	3,029,000	5,950,000
	-----	-----
Total current liabilities	3,287,000	6,612,000
LONG-TERM DEBT AND DEFERRED INTEREST:		
Senior subordinated notes (net of \$10,640,000 and \$7,969,000 unamortized discount, respectively)	74,838,000	77,509,000
Line of credit	-	25,350,000
Note payable and deferred interest	-	3,812,000
Other long-term liabilities	116,000	94,000
	-----	-----
Total liabilities	78,241,000	113,377,000
	-----	-----
COMMITMENTS AND CONTINGENCIES		
SENIOR CUMULATIVE REDEEMABLE PREFERRED STOCK:		
Series A, \$.01 par value, 100,000 shares authorized, 84,843 shares issued and outstanding	9,310,000	10,415,000
Series B, \$.01 par value, 150,000 shares authorized, 124,467 shares issued and outstanding	13,658,000	15,279,000
STOCKHOLDERS' DEFICIT:		
Common stock - Class A, \$.01 par value, 1,000 shares authorized, 138.45 shares issued and outstanding	-	-
Common stock - Class B, \$.01 par value, 1,000 shares authorized, no shares issued and outstanding	-	-
Additional paid-in capital	-	-
Accumulated deficit	(21,984,000)	(24,778,000)
	-----	-----
Total stockholders' deficit	(21,984,000)	(24,778,000)
	-----	-----
Total liabilities and stockholders' deficit	\$ 79,225,000	\$ 114,293,000
	=====	=====

The accompanying notes are an integral part of these consolidated balance sheets.

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS AND NINE MONTHS ENDED

SEPTEMBER 28, 1997 AND SEPTEMBER 30, 1998
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 28, 1997	September 30, 1998	September 28, 1997	September 30, 1998
REVENUES:				
Broadcast revenues	\$ 10,826,000	\$ 15,729,000	\$ 25,952,000	\$ 38,057,000
Less: Agency commissions	1,357,000	1,953,000	3,247,000	4,753,000
Net broadcast revenues	9,469,000	13,776,000	22,705,000	33,304,000
OPERATING EXPENSES:				
Program and technical	1,493,000	2,324,000	4,227,000	5,827,000
Selling, general and administrative	3,555,000	4,716,000	9,412,000	11,723,000
Corporate expenses	508,000	732,000	1,589,000	2,051,000
Depreciation and amortization	1,666,000	2,410,000	4,032,000	6,042,000
Total operating expenses	7,222,000	10,182,000	19,260,000	25,643,000
Operating income	2,247,000	3,594,000	3,445,000	7,661,000
INTEREST EXPENSE	2,416,000	3,071,000	6,611,000	7,996,000
OTHER (INCOME) EXPENSE, net	(171,000)	19,000	(278,000)	(267,000)
Income (loss) before provision for income taxes and extraordinary item	2,000	504,000	(2,888,000)	(68,000)
PROVISION FOR INCOME TAXES	-	-	-	-
Income (loss) before extraordinary item	2,000	504,000	(2,888,000)	(68,000)
EXTRAORDINARY ITEM:				
Loss on early retirement of debt	-	-	1,985,000	-
Net income (loss)	\$ 2,000	\$ 504,000	\$ (4,873,000)	\$ (68,000)

The accompanying notes are an integral part of these consolidated statements.

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998
(Unaudited)

	Common Stock Class A	Common Stock Class B	Additional Paid-In Capital	Accumulated Deficit
	-----	-----	-----	-----
BALANCE, as of December 31, 1997	\$ -	\$ -	\$ -	\$ (21,984,000)
Net loss	-	-	-	(68,000)
Preferred stock dividends earned	-	-	-	(2,726,000)
	-----	-----	-----	-----
BALANCE, as of September 30, 1998 (Unaudited)	\$ -	\$ -	\$ -	\$ (24,778,000)
	=====	=====	=====	=====

The accompanying notes are an integral part of this
consolidated statement.

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 28, 1997 AND SEPTEMBER 30, 1998
(Unaudited)

	Nine Months Ended,	
	September 28, 1997	September 30, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (4,873,000)	\$ (68,000)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	4,032,000	6,042,000
Amortization of debt financing costs, unamortized discount and deferred interest	2,461,000	2,733,000
Loss on extinguishment of debt	1,985,000	-
Effect of change in operating assets and liabilities-		
Trade accounts receivable	(2,855,000)	(2,276,000)
Prepaid expenses and other	(318,000)	12,000
Other assets	128,000	(461,000)
Accounts payable	643,000	311,000
Accrued expenses	2,505,000	2,758,000
Net cash flows from operating activities	3,708,000	9,051,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,311,000)	(1,357,000)
Deposits and payments for station purchases	(19,107,000)	(32,529,000)
Net cash flows from investing activities	(20,418,000)	(33,886,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	(45,599,000)	(459,000)
Proceeds from new debt	72,750,000	25,350,000
Deferred financing costs	(1,717,000)	(693,000)
Net cash flows from financing activities	25,434,000	24,198,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,724,000	(637,000)
CASH AND CASH EQUIVALENTS, beginning of period	1,708,000	8,500,000
CASH AND CASH EQUIVALENTS, end of period	\$ 10,432,000	\$ 7,863,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for-		
Interest	\$ 1,480,000	\$ 3,495,000
Income taxes	\$ -	\$ -

The accompanying notes are an integral part of these consolidated statements.

RADIO ONE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

Radio One, Inc. (a Delaware corporation referred to as Radio One) and its subsidiaries, Radio One Licenses, Inc. (successor by merger to Radio One Licenses LLC), WYCB Acquisition Corporation, Radio One of Detroit, Inc. (Delaware corporations), Bell Broadcasting Company (a Michigan corporation) and Broadcast Holdings, Inc. (a District of Columbia corporation) (collectively referred to as the Company) were organized to acquire, operate and maintain radio broadcasting stations. The Company owns and operates four radio stations in Washington, D.C.; WOL-AM, WMMJ-FM, WKYS-FM and WYCB-AM, four radio stations in Baltimore, Maryland; WWIN-AM, WWIN-FM, WOLB-AM and WERQ-FM, one radio station in Philadelphia, Pennsylvania; WPHI-FM, two radio stations in Detroit, Michigan; WCHB-AM, WDTJ-FM, and one radio station in Kingsley, Michigan; WJZZ-AM. The Company is highly leveraged, which requires substantial semi-annual and other periodic interest payments and may impair the Company's ability to obtain additional working capital financing. The Company's operating results are significantly affected by its market share in the markets that it has stations.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Radio One and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interim Financial Statements

The interim consolidated financial statements included herein for the Company have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In management's opinion, the interim financial data presented herein include all adjustments (which include only normal recurring adjustments) necessary for a fair presentation. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Results for interim periods are not necessarily indicative of results to be expected for the full year. It is suggested that these consolidated financial statements be read in conjunction with the Company's December 31, 1997, financial statements and notes thereto included in the Company's annual report on Form 10-K.

2. ACQUISITIONS:

BELL BROADCASTING ACQUISITION

On June 30, 1998, Radio One purchased all of the outstanding stock of Bell Broadcasting Company (Bell), which owned three radio stations in Michigan for approximately \$34.2 million. Radio One financed this acquisition through a combination of cash and \$25.4 million borrowed under a \$32.5 million line of credit with Credit Suisse First Boston and NationsBank, N.A., which bore interest at an annual rate of LIBOR plus 1.875% at September 30, 1998. The acquisition of Bell resulted in the recording of approximately \$33.1 million of intangible assets resulting from the Bell purchase price being in excess of the net book value of Bell.

WYCB-AM ACQUISITION

On March 16, 1998, WYCB Acquisition Corporation, an unrestricted subsidiary of Radio One, acquired all the stock of Broadcast Holdings, Inc. for \$3,750,000. The acquisition was financed with a promissory note for \$3,750,000 at 13% due 2001, which pays quarterly cash interest payments at an annual rate of 10% through 2001, with the remaining interest being added to the principal.

3. NEW AUTHORITATIVE STANDARDS:

During 1997, the Financial Accounting Standards Board (FASB) issued SFAS No. 130, "Reporting Comprehensive Income" (SFAS No. 130), which is effective for fiscal years beginning after December 15, 1997. This statement establishes standards for reporting and display of comprehensive income and its components. The Company adopted SFAS No. 130 during the nine months ended September 30, 1998, and has determined that the adoption of this statement has no impact on the financial statements as the Company has no comprehensive income adjustments.

During 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS No. 131), which is effective for fiscal years beginning after December 15, 1997. This statement establishes a new approach for determining segments within a company and reporting information on those segments. The Company has performed a preliminary assessment of this statement and believes that no disclosure is necessary as the Company has only one segment.

4. SUBSEQUENT EVENT:

In October 1998, the Company signed an agreement to purchase all of the outstanding stock of Allur-Detroit, Inc., owner of radio station WWBR-FM, located in Detroit, Michigan, for approximately \$27.0 million cash.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in this Quarterly Report and the audited financial statements and Management Discussion and Analysis combined in the Company's Form 10-K filed for the year ended December 31, 1997.

	Three months ended September 28, 1997	Three months ended September 30, 1998	Nine months ended September 28, 1997	Nine months ended September 30, 1998
	-----	-----	-----	-----
STATEMENT OF OPERATIONS DATA:				
Net broadcast revenues	\$ 9,469,000	\$ 13,776,000	\$ 22,705,000	\$ 33,304,000
	-----	-----	-----	-----
Operating expenses excluding depreciation and amortization	5,556,000	7,772,000	15,228,000	19,601,000
Depreciation and amortization	1,666,000	2,410,000	4,032,000	6,042,000
	-----	-----	-----	-----
Broadcast operating income	2,247,000	3,594,000	3,445,000	7,661,000
Interest expense	2,416,000	3,071,000	6,611,000	7,996,000
Other income (expense)	171,000	(19,000)	278,000	267,000
	-----	-----	-----	-----
Income (loss) before provision for income taxes	2,000	504,000	(2,888,000)	(68,000)
Provision for income taxes	-	-	-	-
	-----	-----	-----	-----
Income (loss) before extraordinary item	2,000	504,000	(2,888,000)	(68,000)
Extraordinary item	-	-	(1,985,000)	-
	=====	=====	=====	=====
Net Income (loss)	\$ 2,000	\$ 504,000	\$ (4,873,000)	\$ (68,000)
	=====	=====	=====	=====
OTHER DATA:				
Broadcast cash flow (a)	\$4,421,000	\$6,736,000	\$9,066,000	\$15,754,000
Broadcast cash flow margin	46.7%	48.9%	39.9%	47.3%
Operating cash flow (b)	\$3,913,000	\$6,004,000	\$7,477,000	\$13,703,000
Operating cash flow margin	41.3%	43.6%	32.9%	41.1%
Corporate Expenses	\$ 508,000	\$ 732,000	\$1,589,000	\$2,051,000

Net broadcast revenues increased to approximately \$13.8 million for the three months ended September 30, 1998 from approximately \$9.5 million for the three months ended September 28, 1997 or 45.3%. Net broadcast revenues increased to approximately \$33.3 million for the nine months ended September 30, 1998 from approximately \$22.7 million for the nine months ended September 28, 1997 or 46.7%. These increases in net broadcast revenues were the result of continuing broadcast revenue growth in the Company's Washington, DC, Baltimore, MD and Philadelphia, Pennsylvania markets as the Company benefited from historical ratings increases at certain of its radio stations, improved power ratios at these stations as well as industry growth in each of these markets. Additional revenue gains were derived from the Company's June 30, 1998 acquisition of Bell Broadcasting Company.

Operating expenses excluding depreciation and amortization increased to approximately \$7.8 million for the three months ended September 30, 1998 from approximately \$5.6 million for the three months ended September 28, 1997 or 39.3%. Operating expenses excluding depreciation and amortization increased to approximately \$19.6 million for the nine months ended September 30, 1998 from approximately \$15.2 million for the nine months ended September 28, 1997 or 28.9%. These increases in expenses were primarily related to increases in sales commissions and license fees due to significant revenue growth, additional programming costs related to ratings gains experienced by the Company's overall growth as well as expenses associated with the June 30, 1998 acquisition of Bell Broadcasting Company.

Broadcast operating income increased to approximately \$3.6 million for the three months ended September 30, 1998 from approximately \$2.2 million for the three months ended September 28, 1997 or 63.6%. Broadcast operating income increased to approximately \$7.7 million for the nine months ended September 30, 1998 from approximately \$3.4 million for the nine months ended September 28, 1997 or 126%. These increases were attributable to the increases in broadcast revenues partially offset by higher operating expenses and higher depreciation and amortization expenses associated with the Bell Broadcasting Company acquisition as well as the 1997 acquisition of WPHI-FM in Philadelphia.

Interest expense increased to approximately \$3.1 million for the three months ended September 30, 1998 from approximately \$2.4 million for the three months ended September 28, 1997 or 29.2%. Interest expense increased to approximately \$8.0 million for the nine months ended September 30, 1998 from approximately \$6.6 million for the nine months ended September 28, 1997 or 21.2%. These increases relate primarily to the May 19, 1997 issuance of the Company's approximately \$85.5 million in 12% Senior Subordinated Notes Due 2004 and the associated retirement of the Company's approximately \$45.6 million bank credit facility which was in place prior to that time and was redeemed with the proceeds from the Notes Offering as well as borrowings under the Company's bank credit facility associated with the Bell Broadcasting Company acquisition.

Other income (expense) decreased to (\$19,000) for the three months ended September 30, 1998 from \$171,000 for the three months ended September 28, 1997 or 111%. Other income decreased to \$267,000 for the nine months ended September 30, 1998 from \$278,000 for the nine months ended September 28, 1997 or 4.0%. These decreases were primarily attributable to lower interest income due to lower cash balances as the Company used its free cash balances to help fund the acquisition of Bell Broadcasting Company. Additionally, for the three months ended September 30, 1998, the Company realized a loss on an investment associated with the pursuit and subsequent abandonment of the acquisition of two radio stations in the San Francisco, California market.

Income before provision for income taxes increased to approximately \$504,000 for the three months ended September 30, 1998 from \$2,000 for the three months ended September 28, 1997 or 25,100%. Loss before provision for income taxes decreased to \$68,000 for the nine months ended September 30, 1998 from approximately \$2.9 million for the nine months ended September 28, 1997 or 97.7%. This decrease was due to higher operating income partially offset by lower other income and higher interest expense.

Net income increased to approximately \$504,000 for the three months ended September 30, 1998 from approximately \$2,000 for the three months ended September 28, 1997 or 25,100%. Net loss decreased to \$68,000 for the nine months ended September 30, 1998 from approximately \$4.9 million for the nine months ended September 28, 1997 or 98.6%. This decrease was due to higher operating income and a loss on the retirement of debt in 1997 partially offset by lower other income and higher interest expense.

Broadcast cash flow increased to approximately \$6.7 million for the three months ended September 30, 1998 from approximately \$4.4 million for the three months ended September 28, 1997 or 52.3%. Broadcast cash flow increased to approximately \$15.8 million for the nine months ended September 30, 1998 from approximately \$9.1 million for the nine months ended September 28, 1997 or 73.6%. These increases were attributable to the increase in broadcast revenues partially offset by higher operating expenses as described above.

Operating cash flow increased to approximately \$6.0 million for the three months ended September 30, 1998 from approximately \$3.9 million for the three months ended September 28, 1997 or 53.8%. Operating cash flow increased to approximately \$13.7 million for the nine months ended September 30, 1998 from approximately \$7.5 million for the nine months ended September 28, 1997 or 82.7%. These increases were attributable to the increases in broadcast revenues partially offset by higher operating expenses and higher corporate expenses as described above.

(a) "Broadcast cash flow" is defined as broadcast operating income plus corporate expenses and depreciation and amortization of both tangible and intangible assets. The Company has presented broadcast cash flow data, which the Company believes is comparable to the data provided by other companies in the industry, because such data are commonly used as a measure of performance for broadcast companies. However,

broadcast cash flow does not purport to represent cash provided by operating activities as reflected in the Company's consolidated statements of cash flow, is not a measure of financial performance under generally accepted accounting principles and should not be considered in isolation or as a substitute for measure of performance prepared in accordance with generally accepted accounting principles.

- (b) "Operating cash flow" is defined as broadcast cash flow less corporate expenses and is a commonly used measure of performance for broadcast companies. Operating cash flow does not purport to represent cash provided by operating activities as reflected in the Company's consolidated statements of cash flow, is not a measure of financial performance under generally accepted accounting principles and should not be considered in isolation or as a substitute for measure of performance prepared in accordance with generally accepted accounting principles.

LIQUIDITY AND CAPITAL RESOURCES

The capital structure of the Company consists of the Company's outstanding long-term debt, preferred stock and stockholders' deficit. The stockholders' deficit consists of common stock and accumulated deficit. The Company's balance of cash and cash equivalents was \$8.5 million as of December 31, 1997. The Company's balance of cash and cash equivalents was approximately \$7.9 million as of September 30, 1998. The Company's decrease in cash to approximately \$7.9 million as of September 30, 1998 from \$8.5 million as of December 31, 1997 resulted primarily from the Company using approximately \$9.5 million of its then available cash to partially fund the acquisition of Bell Broadcasting Company ("Bell") on June 30, 1998 offset by a significant increase in cash from operations. The balance of the purchase price and related expenses of the Bell acquisition was funded with approximately \$25.4 million drawn on a \$32.5 million bank credit facility which the Company entered into concurrent with the closing of the acquisition of Bell. At September 30, 1998 approximately \$7.1 million remained available to be drawn down from the Company's bank credit facility. The Company is currently negotiating with a group of banks to increase the size of the credit facility in order to help fund additional acquisitions being contemplated by the Company. In general, the Company's primary source of liquidity is cash provided by operations and, to the extent necessary, on undrawn commitments available under the Company's bank credit facility.

Net cash flow from operating activities increased to approximately \$9.1 million for the nine months ended September 30, 1998 from approximately \$3.7 million for the nine months ended September 28, 1997 or 145.9%. This increase was primarily due to a lower net loss and higher non-cash expenses. Non-cash expenses of depreciation and amortization increased to approximately \$6.0 million for the nine months ended September 30, 1998 from approximately \$4.0 million for the nine months ended September 28, 1997 or 50.0% due to the acquisition of radio station WPHI-FM in the second quarter of 1997, the acquisition, by a wholly-owned unrestricted subsidiary of the Company, of Broadcast Holdings, Inc. ("BHI") in the first quarter of 1998, the acquisition of Bell on June 30, 1998 as well as leasehold improvements made to the Company's new headquarters and Washington, DC radio studios in the second half of 1997. Non-cash expenses of amortization of debt financing costs, unamortized discount and deferred interest increased to approximately \$2.7 million for the nine months ended September 30, 1998 from approximately \$2.5 million for the nine months ended September 28, 1997 or 8.0% due to the May 19, 1997 issuance of the Company's approximately \$85.5 million in 12% Senior Subordinated Notes Due 2004 as well as entering into a \$32.5 million senior bank credit facility on June 30, 1998, of which approximately \$25.4 million was drawn down at September 30, 1998 offset by interest deferred in the period ended September 28, 1997 related to the subordinated notes outstanding for part of 1997. The Company also had a non-cash expense during the nine months ended September 28, 1997 of approximately \$2.0 million related to the loss on extinguishment of debt.

Net cash flow used in investing activities increased to approximately \$33.9 million for the nine months ended September 30, 1998 compared to approximately \$20.4 million for the nine months ended September 28, 1997 or 66.2%. During the nine months ended September 30, 1998 the Company acquired Bell for approximately \$34.2 million plus the cost of additional assets and expenses related to the transaction and the Company made purchases of capital equipment totaling approximately \$1.4 million. During the nine months ended September 28, 1997 the Company paid approximately \$19.1 million related to the approximately \$20.1 million acquisition of radio station WPHI-FM and made purchases of capital equipment totaling approximately \$1.3 million.

Net cash flow from financing activities was approximately \$24.2 million for the nine months ended September 30, 1998. During the nine months ended September 30, 1998, the Company entered into a \$32.5 million bank credit facility, of which, approximately \$25.4 million was used to finance partially the acquisition of Bell. Additionally, during the nine months ended September 30, 1998 a wholly-owned unrestricted subsidiary of the Company financed the acquisition of BHI with a promissory note due to the seller of BHI for \$3.75 million. Net cash flow from financing activities was approximately \$25.4 million for the nine months ended September 28, 1997. During the nine months ended September 28, 1997, the Company completed a high yield debt offering and raised net proceeds of approximately \$72.8 million. The Company used approximately \$19.1 million of these proceeds for an acquisition and approximately \$45.6 million of the proceeds to retire the outstanding indebtedness under the Company's then existing bank credit facility.

As a result of the aforementioned, cash and cash equivalents decreased by \$637,000 during the nine months ended September 30, 1998 compared to an approximate \$8.7 million increase during the nine months ended September 28, 1997.

YEAR 2000 COMPLIANCE

Based upon the Company's current assessment of its Year 2000 readiness, there are no significant Year 2000 issues known that the Company anticipates would have a material effect on its results of operations, liquidity or financial condition. The Company also did not incur any significant cost specifically related to the Year 2000 readiness during the nine months ended September 30, 1998.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

EXHIBITS

The following exhibits are filed or incorporated by reference as a part of this report:

27 Financial data schedule (Edgar version only)

REPORTS ON FORM 8-K

The Company filed Form 8-K on July 3, 1998, to report the closing of its purchase of Bell Broadcasting Company.

Additionally, the Company filed Form 8-K/A1 on September 10, 1998, to include the audited financial statements Bell Broadcasting Company as of December 31, 1997, December 31, 1996, June 30, 1998 and June 30, 1997 and pro forma financial information.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RADIO ONE, INC.

/s/ Scott R. Royster

November 12, 1998

Scott R. Royster
Executive Vice President and Chief Financial Officer
(Principal Accounting Officer)

The schedule contains summary financial information extracted from the consolidated financial statements of the Company for the fiscal year ended December 31, 1997 for the three months and the nine months ended September 28, 1997 and September 30, 1998, and is qualified in its entirety by reference to such financial statements.

1000
US DOLLARS

YEAR	3-MOS	3-MOS	9-MOS	9-MOS
DEC-31-1997	DEC-31-1997	DEC-31-1997	DEC-31-1997	DEC-31-1997
JAN-01-1997	JUL-01-1997	JUL-01-1998	JAN-01-1997	JAN-01-1998
DEC-31-1997	SEP-28-1997	SEP-30-1998	SEP-28-1997	SEP-30-1998
1	1	1	1	1
8,500,000	0	0	0	7,863,000
0	0	0	0	0
9,626,000	0	0	0	13,240,000
(904,000)	0	0	0	(1,398,000)
0	0	0	0	0
17,537,000	0	0	0	20,014,000
7,819,000	0	0	0	10,306,000
(3,387,000)	0	0	0	(4,240,000)
79,225,000	0	0	0	114,293,000
3,287,000	0	0	0	6,612,000
74,954,000	0	0	0	0
0	0	0	0	106,765,000
22,968,000	0	0	0	25,694,000
0	0	0	0	0
(21,984,000)	0	0	0	(24,778,000)
79,225,000	0	0	0	114,293,000
0	10,826,000	15,729,000	25,952,000	38,057,000
0	0	(1,357,000)	(1,953,000)	(3,247,000)
0	(1,357,000)	(1,953,000)	(3,247,000)	(4,753,000)
0	7,222,000	10,182,000	19,260,000	25,643,000
0	287,000	553,000	812,000	1,281,000
0	2,416,000	3,071,000	6,611,000	7,996,000
0	2,000	504,000	(2,888,000)	(68,000)
0	0	0	0	0
0	2,000	504,000	(2,888,000)	(68,000)
0	0	0	0	0
0	0	0	(1,985,000)	0
0	0	0	0	0
0	0	0	0	0
0	2,000	504,000	(4,873,000)	(68,000)
0	0	0	0	0
0	0	0	0	0