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 June 30, 2005

Commission File No. 0-25969

RADIO ONE, INC.

(Exact name of registrant as specified in its charter)

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

5900 Princess Garden Parkway,
7th 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 o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☑ No o

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

Class	Outstanding as of August 5, 2005
Class A Common Stock, $.001 Par Value	16,932,280
Class B Common Stock, $.001 Par Value	2,867,643
Class C Common Stock, $.001 Par Value	3,132,458
Class D Common Stock, $.001 Par Value	82,851,078

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PART I. FINANCIAL INFORMATION

Item 1. *Financial Statements*

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
	(Unaudited)		(Unaudited)	
	(In thousands, except share data)			
NET BROADCAST REVENUE	$ 101,525	$ 86,210	$ 178,534	$ 155,872
OPERATING EXPENSES:				
Program and technical	17,815	13,587	33,450	27,733
Selling, general and administrative	28,404	24,791	52,326	46,703
Corporate expenses	6,029	4,118	11,324	7,878
Depreciation and amortization	3,150	4,561	6,616	8,991
Total operating expenses	55,398	47,057	103,716	91,305
Operating income	46,127	39,153	74,818	64,567
INTEREST INCOME	271	585	743	1,307
INTEREST EXPENSE, including amortization of deferred financing costs	17,240	9,748	29,669	19,723
EQUITY IN NET LOSS OF AFFILIATED COMPANY	304	1,431	763	3,798
OTHER INCOME, net	33	62	123	144
Income before provision for income taxes and minority interest in income of subsidiary	28,887	28,621	45,252	42,497
PROVISION FOR INCOME TAXES	8,525	11,162	15,095	16,247
Income before minority interest in income of subsidiary	20,362	17,459	30,157	26,250
MINORITY INTEREST IN INCOME OF SUBSIDIARY	518	—	625	—
Net income	19,844	17,459	29,532	26,250
PREFERRED STOCK DIVIDENDS	—	5,035	2,761	10,070
NET INCOME APPLICABLE TO COMMON STOCKHOLDERS	$ 19,844	$ 12,424	$ 26,771	$ 16,180
BASIC AND DILUTED NET INCOME PER COMMON SHARE	$ 0.19	$ 0.12	$ 0.25	$ 0.15
WEIGHTED AVERAGE SHARES OUTSTANDING:				
Basic	105,567,725	104,953,961	105,479,569	104,906,935
Diluted	105,732,976	105,545,683	105,654,762	105,553,155

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

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	June 30, 2005 (Unaudited)	December 31, 2004
	(In thousands, except share data)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 16,135	$ 10,391
Short term investments	3,000	10,000
Trade accounts receivable, net of allowance for doubtful accounts of $2,912 and $4,943, respectively	71,950	61,830
Prepaid expenses and other current assets	4,815	2,845
Income tax receivable	3,650	3,650
Deferred income tax asset	4,311	4,036
Total current assets	103,861	92,752
PROPERTY AND EQUIPMENT, net	48,153	44,827
GOODWILL	132,177	116,865
RADIO BROADCASTING LICENSES	1,798,167	1,801,196
OTHER INTANGIBLE ASSETS, net	74,844	12,984
INVESTMENT IN AFFILIATED COMPANY	37,641	37,384
OTHER ASSETS	4,176	5,133
Total assets	$ 2,199,019	$ 2,111,141
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 5,566	$ 8,933
Accrued interest	19,427	14,221
Accrued compensation and related benefits	18,949	16,282
Income taxes payable	3,840	3,291
Other accrued expenses	4,512	4,752
Fair value of derivative instruments	944	246
Other current liabilities	4,009	621
Current portion of long-term debt	8	70,008
Total current liabilities	57,255	118,354
LONG-TERM DEBT, net of current portion	937,515	550,020
DEFERRED REVENUE, net of current portion	342	—
DEFERRED INCOME TAX LIABILITY	140,297	114,322
Total liabilities	$ 1,135,409	$ 782,696
MINORITY INTEREST IN SUBSIDIARY	1,522	—
STOCKHOLDERS' EQUITY:		
Convertible preferred stock, $.001 par value, 1,000,000 shares authorized; no shares issued at June 30,2005. 309,820 shares issued and outstanding at December 31, 2004. Liquidation preference of $1,000 per share plus cumulative dividends at 6.5% per year, unpaid dividends were $0 at June 30, 2005 and $4,198 at December 31, 2004	—	—
Common stock — Class A, $.001 par value, 30,000,000 shares authorized; 18,198,244 and 22,374,547 shares issued and outstanding at June 30, 2005 and December 31, 2004, respectively	18	22
Common stock — Class B, $.001 par value, 150,000,000 shares authorized; 2,867,463 shares issued and outstanding	3	3
Common stock — Class C, $.001 par value, 150,000,000 shares authorized; 3,132,458 shares issued and outstanding at June 30, 2005 and December 31, 2004, respectively	3	3
Common stock — Class D, $.001 par value, 150,000,000 shares authorized; 81,577,487 and 76,635,971 shares issued and outstanding at June 30, 2005 and December 31, 2004, respectively	82	77
Accumulated other comprehensive loss	(588)	(151)
Stock subscriptions receivable	(11,385)	(34,731)
Treasury stock, at cost, 137,100 shares of Class A and 988,800 shares of Class D common stock	(14,837)	—
Additional paid-in capital	1,115,083	1,416,284
Accumulated deficit	(26,291)	(53,062)
Total stockholders' equity	1,062,088	1,328,445
Total liabilities and stockholders' equity	$ 2,199,019	$ 2,111,141

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

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2004 AND FOR THE SIX MONTHS ENDED JUNE 30, 2005 (UNAUDITED)

(In thousands, except share data)

	Convertible Preferred Stock	Common Stock Class A	Common Stock Class B	Common Stock Class C	Common Stock Class D	Comprehensive Income	Accumulated Other Comprehensive Income	Stock Subscriptions Receivable	Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCE, as of December 31, 2003	—	23	3	3	76		(2,605)	(35,017)	—	1,410,460	(94,524)	1,278,419
Comprehensive income:												
Net income	—	—	—	—	—	61,602	—	—	—	—	61,602	61,602
Change in unrealized loss on derivative and hedging activities, net of taxes	—	—	—	—	—	2,454	2,454	—	—	—	—	2,454
Comprehensive income						$ 64,056						
Vesting of non-employee restricted stock	—	—	—	—	—		—	—	—	803	—	803
Preferred stock dividends	—	—	—	—	—		—	—	—	—	(20,140)	(20,140)
Interest on stock subscriptions receivable	—	—	—	—	—		—	(1,714)	—	—	—	(1,714)
Repayment of interest on officer loan	—	—	—	—	—		—	2,000	—	—	—	2,000
Adjustment of basis for investment in affiliated company	—	—	—	—	—		—	—	—	2,840	—	2,840
Employee exercise of options for 162,953 shares	—	—	—	—	—		—	—	—	1,721	—	1,721
Conversion of 30,000 shares of Class A common stock to 30,000 shares of Class D common stock	—	(1)	—	—	1		—	—	—	—	—	—
Tax effect on non-qualified option exercises	—	—	—	—	—		—	—	—	460	—	460
BALANCE, as of December 31, 2004	—	22	3	3	77		(151)	(34,731)	—	1,416,284	(53,062)	1,328,445
Comprehensive income:												
Net income	—	—	—	—	—	29,532	—	—	—	—	29,532	29,532
Change in unrealized gain on derivative and hedging activities, net of taxes	—	—	—	—	—	(437)	(437)	—	—	—	—	(437)
Comprehensive income						$ 29,095						
Adjustment of basis for investment in affiliated company	—	—	—	—	—		—	—	—	(10)	—	(10)
Vesting of non-employee restricted stock	—	—	—	—	—		—	—	—	53	—	53
Preferred stock dividends	—	—	—	—	—		—	—	—	—	(2,761)	(2,761)
Redemption of preferred stock	—	—	—	—	—		—	—	—	(309,820)	—	(309,820)
Issuance of common stock pursuant to investment in Reach Media, Inc.	—	—	—	—	2		—	—	—	25,424	—	25,426
Repayment of officer loan	—	—	—	—	—		—	5,962	—	—	—	5,962
Interest income on stock subscriptions receivable	—	—	—	—	—		—	(368)	—	—	—	(368)
Repurchase of 137,100 shares of Class A and 988,800 shares of Class D common stock	—	—	—	—	(1)		—	17,752	(14,837)	(18,070)	—	(15,156)
Conversion of 4,189,000 shares of Class A common stock to 4,189,000 shares	—	(4)	—	—	4		—	—	—	—	—	—

of Class D common stock											
Employee exercise of options for 100,940 shares	—	—	—	—	—	—	—	—	847	—	847
Tax effect on non-qualified option exercises and vesting of restricted stock	—	—	—	—	—	—	—	—	375	—	375
BALANCE, as of June 30, 2005	$ —	$ 18	$ 3	$ 3	$ 82	$ (588)	$ (11,385)	$ (14,837)	$ 1,115,083	$ (26,291)	$ 1,062,088

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

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
	(Unaudited, in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 29,532	$ 26,250
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	6,616	8,991
Amortization of debt financing costs	3,162	848
Deferred income taxes	13,173	15,963
Equity in net loss of affiliated company	763	3,798
Minority interest in income of subsidiary	625	—
Non-cash compensation	909	1,517
Effect of change in operating assets and liabilities, net of assets acquired:		
Trade accounts receivable, net	(9,457)	(3,337)
Prepaid expenses and other current assets	(465)	(1,507)
Other assets	309	(241)
Accounts payable	(3,447)	(1,367)
Accrued interest	5,206	(214)
Accrued compensation and related benefits	1,967	634
Deferred income	257	—
Income taxes payable	322	(46)
Other accrued expenses	(4,676)	(1,582)
Net cash flows from operating activities	44,796	49,707
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(8,291)	(3,927)
Equity investments	(33)	(3,456)
Acquisition of 51% of common stock of Reach Media, Inc., net of cash acquired	(21,320)	—
Change in short term investments	7,000	8,700
Purchase of other intangible assets	(285)	—
Deposits and payments for station purchases	—	(38,143)
Net cash flows used in investing activities	(22,929)	(36,826)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	(455,005)	(26,252)
Proceeds from bank credit facility	572,500	—
Proceeds from debt issuances, net of offering costs	195,472	—
Redemption of convertible preferred stock	(309,820)	—
Proceeds from stock subscriptions due	5,962	—
Payment of bank financing costs	(3,908)	—
Payment of preferred stock dividends	(6,966)	(10,070)
Proceeds from exercise of stock options	847	1,313
Repurchase of common stock	(14,837)	—
Change in interest income on stock subscriptions receivable	(368)	(850)
Net cash flows used in financing activities	(16,123)	(35,859)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,744	(22,978)
CASH AND CASH EQUIVALENTS, beginning of period	10,391	38,010
CASH AND CASH EQUIVALENTS, end of period	$ 16,135	$ 15,032
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Interest	$ 21,301	$ 19,089
Income taxes	$ 953	$ 332

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

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Organization and Business

Radio One, Inc. (a Delaware corporation referred to as “Radio One”) and subsidiaries (collectively the “Company”) were organized to acquire, operate and maintain radio broadcasting stations and other media properties. The Company owns and/or operates 69 radio stations in 22 markets throughout the United States. In July 2003, the Company entered into a joint venture with an affiliate of Comcast Corporation and other investors to create TV One, LLC (“TV One”), an entity formed to operate a cable television network featuring lifestyle, entertainment, and news-related programming targeted primarily towards African-American viewers. In February 2005, the Company completed the acquisition of 51% of the common stock of Reach Media, Inc. (“Reach Media”) for approximately $55.8 million in a combination of approximately $30.4 million of cash and 1,809,648 shares of the Company’s Class D common stock.

The Company’s operating results are significantly affected by its share of the audience in markets where it owns and/or operates stations. To increase its share, the Company has made and may continue to make significant acquisitions of and investments in radio stations and other media properties, which may require it to incur additional debt. The service of this debt will require the Company to make significant debt service payments.

(b) Basis of Presentation

The accompanying consolidated financial statements include the accounts of Radio One, Inc. and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Certain reclassifications have been made to prior period amounts to conform to the current presentation.

(c) Interim Financial Statements

The interim consolidated financial statements included herein for Radio One and subsidiaries have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). 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 accounting principles generally accepted in the United States 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, 2004 financial statements and notes thereto included in the Company’s annual report on Form 10-K/ A.

(d) Financial Instruments

Financial instruments as of June 30, 2005 and December 31, 2004 consist of cash and cash equivalents, short term investments, trade accounts receivable, notes receivable (which are included in

other current assets), accounts payable, accrued expenses, long-term debt and subscriptions receivable. The carrying amounts approximate fair value for each of these financial instruments as of June 30, 2005 and December 31, 2004, except for the Company's outstanding senior subordinated notes. The 8⁷/₈% senior subordinated notes had a fair value of approximately $321.8 million and $334.1 million as of June 30, 2005 and December 31, 2004, respectively. In February 2005, the Company completed the private placement of $200.0 million 6³/₈% senior subordinated notes. The 6³/₈% senior subordinated notes had a fair value of approximately $196.5 million as of June 30, 2005. The fair value was determined based on the fair market value of similar instruments.

(e) Revenue Recognition

The Company recognizes revenue for broadcast advertising when the commercial is broadcast and is reported net of agency commissions in accordance with Staff Accounting Bulletin No. 101, *"Revenue Recognition in Financial Statements"* as amended by Staff Accounting Bulletin No. 104, Topic 13, *"Revenue Recognition, Revised and Updated."* Agency commissions, when applicable, are calculated based on a stated percentage applied to gross billing. Generally, clients remit the gross billing amount to the agency and the agency remits the gross billing, less their commission, to the Company. Agency commissions were approximately $13.0 million and $12.1 million during the three months ended June 30, 2005 and 2004, respectively. Agency commissions were $23.1 million and $21.3 million during the six months ended June 30, 2005 and 2004, respectively.

(f) Stock-Based Compensation

The Company accounts for stock-based compensation arrangements in accordance with the provisions of Accounting Principles Board Opinion No. 25 ("APB No. 25"), *"Accounting for Stock Issued to Employees,"* and related interpretations, and complies with the disclosure provisions of Statement of Financial Accounting Standards No. 123 ("SFAS No. 123"), *"Accounting for Stock-Based Compensation."* Under APB No. 25, compensation expense is based upon the difference, if any, on the date of grant, between the fair value of the Company's stock and the exercise price.

At June 30, 2005, the Company had one stock-based employee compensation plan. The Company accounts for the plan under the recognition and measurement principles of APB No. 25 and related interpretations. The following table illustrates the effect on net income if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2005	2004	2005	2004
	(In thousands, except share data)			
Net income applicable to common stockholders, as reported:	$ 19,844	$ 12,424	$ 26,771	$ 16,180
Add: stock-based employee compensation expense included in net income	23	—	43	—
Less: total stock-based employee compensation expense determined under fair value-based method for all awards	(4,886)	(3,367)	(9,489)	(6,820)
Pro forma net income applicable to common stockholders	$ 14,981	$ 9,057	$ 17,325	$ 9,360
As reported net income per share — basic	$ 0.19	$ 0.12	$ 0.25	$ 0.15
As reported net income per share — diluted	$ 0.19	$ 0.12	$ 0.25	$ 0.15
Pro forma net income per share — basic	$ 0.14	$ 0.09	$ 0.16	$ 0.09
Pro forma net income per share — diluted	$ 0.14	$ 0.09	$ 0.16	$ 0.09

The per share weighted-average fair value of employee options granted during the three months ended June 30, 2005 and 2004 was $7.01 and $9.93, respectively, on the date of grant. The per share weighted-average fair value of employee options granted during the six months ended June 30, 2005 and 2004 was $7.17 and $10.19, respectively, on the date of grant. These fair values were derived using the Black-Scholes Option Pricing Model with the following weighted-average assumptions:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2005	2004	2005	2004
Average risk-free interest rate	3.77%	3.93%	3.77%	3.93%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Expected lives	5 years	5 years	5 years	5 years
Expected volatility	62%	67%	62%	67%

(g) Comprehensive Income

The Company's comprehensive income consists of net income and other items recorded directly to the equity accounts. The objective is to report a measure of all changes in equity of an enterprise that result from transactions and other economic events during the period, other than transactions with owners. The Company's other comprehensive income consists principally of gains and losses on derivative instruments that qualify for cash flow hedge treatment.

The following table sets forth the components of comprehensive income:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
	(In thousands)			
Net income	$ 19,844	$ 17,459	$ 29,532	$ 26,250
Other comprehensive income (loss), (net of tax provision of $260, tax benefit of $174, tax provision of $732, and tax provision of $208, respectively):				
Derivative and hedging activities	(1,191)	2,547	(437)	1,937
Comprehensive income	$ 18,653	$ 20,006	$ 29,095	$ 28,187

(h) Net Income Applicable to Common Stockholders

The net income applicable to common stockholders for the three months ended June 30, 2005 and 2004 (defined as net income less dividends on the Company's preferred stock) was approximately $19.8 million and $12.4 million, respectively. The net income applicable to common stockholders for the six months ended June 30, 2005 and 2004 was approximately $26.8 million and $16.2 million, respectively.

(i) Earnings Per Share

Earnings per share is based on the weighted average number of common and diluted common equivalent shares for stock options and warrants outstanding during the period the calculation is made, divided into the net income applicable to common stockholders. Diluted common equivalent shares consist of shares issuable upon the exercise of stock options and warrants, using the treasury stock method.

2. RECENT ACCOUNTING PRONOUNCEMENTS:

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 123(R), (“SFAS No. 123(R)”), *“Accounting for Stock-Based Compensation.”* SFAS No. 123(R) sets accounting requirements for “share-based” compensation to employees, including employee stock purchase plans. The statement eliminates the ability to account for share-based compensation transactions using Accounting Principles Board (“APB”) Opinion No. 25, *“Accounting for Stock Issued to Employees,”* and generally requires instead that such transactions be accounted for using a fair-value-based method. Disclosure of the effect of expensing the fair value of equity compensation is currently required under existing literature. The statement also requires the tax benefit associated with these share based payments be classified as financing activities in the Statement of Cash Flows rather than operating activities as currently permitted. The SEC delayed the required implementation date for this statement from the third quarter of 2005 to the beginning of the 2006 fiscal year. The Company currently uses the Black-Scholes Option Pricing Model to compute the fair value of its stock options in connection with its disclosure of the pro forma effects on net earnings and earnings per share as if compensation cost had been recognized for such options at the date of grant. However, a number of technical implementation issues have not yet been resolved, including the selection and use of an appropriate valuation model, and therefore, the Company has not yet determined the ultimate impact of the adoption of SFAS No. 123(R).

3. ACQUISITIONS:

In February 2005, the Company completed the acquisition of 51% of the common stock of Reach Media for approximately $55.8 million in a combination of approximately $30.4 million of cash and 1,809,648 shares of the Company’s Class D common stock. Reach Media commenced operations in 2003 and was formed by Tom Joyner, Chairman, and David Kantor, Chief Executive Officer, to operate the Tom Joyner Morning Show and related businesses. Reach Media primarily derives its revenue from the sale of advertising inventory in connection with its syndication agreements. Mr. Joyner is a leading nationally syndicated radio personality. The Tom Joyner Morning Show is broadcast on over 115 affiliate stations across the United States and is a top-rated morning show in many of the markets in which it is broadcast. Reach Media also operates the Tom Joyner Sky Show, the Tom Joyner Family Reunion and various other special event-related activities. Additionally, Reach Media operates BlackAmericaWeb.com, an African-American targeted internet destination, and airs a television program on TV One. The Company allocated approximately $1.2 million of the purchase price to net working capital balances and the remaining amount to other intangible assets on the Company’s consolidated balance sheet as of June 30, 2005, pending completion of the purchase price allocation.

In November 2004, the Company completed the acquisition of the assets of WABZ-FM, a radio station located in the Charlotte metropolitan area. Upon completing the acquisition, the Company consolidated the station with its existing Charlotte operations, changed the call sign to WPZS-FM and reformatted the station. The total acquisition price was approximately $11.5 million in cash. The Company initially allocated the full value of the purchase price to radio broadcasting licenses on the Company’s consolidated balance sheet as of December 31, 2004. Upon completion of this purchase price allocation in February 2005, the allocation was adjusted and approximately $11.4 million and $76,000 was assigned to radio broadcasting licenses and goodwill, respectively.

In October 2004, the Company acquired the outstanding stock of New Mableton Broadcasting Corporation (“NMBC”), which owned WAMJ-FM, a radio station located in the Atlanta metropolitan area. The Company had operated WAMJ-FM under a local marketing agreement (“LMA”) since August 2001. New Mableton Broadcasting Corporation’s majority shareholder was an entity controlled by the Company’s Chief Executive Officer and President. The total acquisition price was approximately

$35.0 million in cash. The Company initially allocated the full value of the purchase price to radio broadcasting licenses on the Company's consolidated balance sheet as of March 31, 2005. Upon completion of this purchase price allocation in April 2005, the allocation was adjusted and approximately $32.0 million was assigned to radio broadcasting licenses, approximately $2.0 million was assigned to goodwill, and $872,000 was assigned to other assets.

In February 2004, the Company completed the acquisition of the assets of WSNJ-FM, a radio station located in the Philadelphia metropolitan area. Upon receiving the necessary regulatory approvals, the Company consolidated the station with its existing Philadelphia operations, changed the call sign to WRNB-FM and reformatted the station. The acquisition price was approximately $35.0 million in cash. The Company initially allocated the full value of the purchase price to radio broadcasting licenses on the Company's consolidated balance sheet as of December 31, 2004. Upon completion of the purchase price allocation in January 2005, the allocation was adjusted and approximately $34.9 million and $54,000 was assigned to radio broadcasting licenses and goodwill, respectively.

4. INVESTMENT IN AFFILIATED COMPANY:

In July 2003, the Company entered into a joint venture agreement with an affiliate of Comcast Corporation and other investors to create TV One, an entity formed to operate a cable television network featuring lifestyle, entertainment and news-related programming targeted primarily towards African-American viewers. The Company has committed to make a cumulative cash investment of $74.0 million in TV One over approximately four years, of which the Company has already funded $37.0 million. In December 2004, TV One entered into a distribution agreement with DIRECTV, Inc. ("DIRECTV") and certain affiliates of DIRECTV became investors in TV One. As of June 30, 2005, the Company owned approximately 36% of TV One on a fully converted basis.

The Company has recorded its investment at cost and has adjusted the carrying amount of the investment to recognize the change in the Company's claim on the net assets of TV One resulting from losses of TV One as well as other capital transactions of TV One using a hypothetical liquidation at book value approach. For the three months ended June 30, 2005 and 2004, the Company's allocable share of TV One's losses was $304,000 and approximately $1.4 million, respectively. For the six months ended June 30, 2005 and 2004, the Company's allocable share of TV One's losses was $763,000 and approximately $3.8 million, respectively. Under the hypothetical liquidation at book value approach, the decrease in the Company's claim on the change in net assets of TV One resulting from additional equity contributed to TV One by investors, resulted in an insignificant decrease to additional paid-in capital of the Company in accordance with SEC Staff Accounting Bulletin No. 51, *"Accounting for Sales of Stock by a Subsidiary."*

The Company also entered into separate network services and advertising services agreements with TV One in 2003. Under the network services agreement, which expires in January 2009, the Company is providing TV One with administrative and operational support services and access to Company personalities. Under the advertising services agreement, the Company is providing a specified amount of advertising to TV One over a term of five years ending in January 2009. In consideration of providing these services, the Company has received equity in TV One, and receives an annual fee of $500,000 in cash for providing services under the network services agreement.

The Company is accounting for these services transactions in accordance with Emerging Issues Task Force, Issue No. 00-8, *"Accounting by a Grantee for an Equity Instrument to Be Received in Conjunction with Providing Goods or Services."* As these services are provided to TV One, the Company is recording revenue based on the fair value of the most reliable unit of measurement in these transactions. For the advertising services agreement, this has been determined to be the value of underlying advertising time that is being provided to TV One. For the network services agreement, this has been determined to be the

initial value of the equity received in TV One. As a result, the Company is re-measuring the fair value of the equity received to complete its obligations under the network services agreement in each subsequent reporting period as the services are provided. The Company recognized $674,000 and $423,000 of revenue relating to these two agreements for the three months ended June 30, 2005 and 2004, respectively. The Company recognized approximately $1.3 million and $1.5 million of revenue relating to these two agreements for the six months ended June 30, 2005 and 2004, respectively.

5. LONG-TERM DEBT:

Long-term debt consists of the following:

	June 30, 2005	December 31, 2004
	(In thousands)	
8⁷/₈% Senior subordinated notes	$ 300,000	$ 300,000
6³/₈% Senior subordinated notes	200,000	—
Bank credit facilities	437,500	320,000
Capital lease obligations	23	28
Total long-term debt	937,523	620,028
Less: current portion	(8)	(70,008)
Long term debt, net of current portion	$ 937,515	$ 550,020

Senior Subordinated Notes

In February 2005, the Company completed the private placement of $200.0 million 6³/₈% senior subordinated notes due 2013 realizing net proceeds of approximately $195.5 million. The Company recorded approximately $4.5 million in deferred offering costs, which are being amortized to interest expense over the life of the notes using the effective interest rate method.

In May 2001, the Company completed the private placement of $300.0 million of 8⁷/₈% senior subordinated notes due 2011 realizing net proceeds of approximately $291.8 million. The Company recorded approximately $8.2 million in deferred offering costs, which are being amortized to interest expense over the life of the notes using the effective interest rate method. In November 2001, the 8⁷/₈% senior subordinated notes were exchanged for an equal amount of notes registered under the Securities Act of 1933, as amended (the “Securities Act”).

Bank Credit Facilities

In June 2005, the Company entered into a new credit agreement (the “Credit Agreement”) with a syndicate of banks. The term of the Credit Agreement is seven years and the total amount available under the Credit Agreement is $800.0 million, consisting of a $500.0 million revolving facility and a $300.0 million term loan facility. Borrowings under the bank credit facilities are subject to compliance with provisions of the Credit Agreement, including but not limited to financial covenants. The Company may use proceeds from the bank credit facilities for working capital, capital expenditures made in the ordinary course of business and other lawful corporate purposes, for its common stock repurchase program, and for direct and indirect investments permitted under the Credit Agreement. The Credit Agreement contains affirmative and negative covenants that the Company must comply with, including (a) maintaining a ratio of consolidated adjusted EBITDA to consolidated interest expense of no less than 2.50 to 1.00, (b) maintaining a ratio of consolidated debt for borrowed money to consolidated adjusted EBITDA of, no greater than 6.50 to 1.00 from June 13, 2005 to September 30, 2006, and no greater than 6.00 to 1.00

from October 1, 2006 and thereafter, (c) limitations on liens, (d) limitations on the sale of assets, (e) limitations on the payment of dividends, and (f) limitations on mergers, as well as other customary covenants. Simultaneous with entering into the Credit Agreement, the Company borrowed $437.5 million under the Credit Agreement to retire all outstanding obligations under its previous credit agreement, dated as of July 17, 2000. The previous credit agreement provided for borrowings of up to $600.0 million, and consisted of a $350.0 million term facility and a $250.0 million revolving facility.

The Credit Agreement, and the indentures governing the Company's senior subordinated notes, contain covenants that restrict, among other things, the ability of the Company to incur additional debt, purchase capital stock, make capital expenditures, make investments or other restricted payments, swap or sell assets, engage in transactions with related parties, secure non-senior debt with assets, or merge, consolidate or sell all or substantially all of its assets.

Future minimum principal payments of long-term debt as of June 30, 2005 are as follows:

	Senior Subordinated Notes	Bank Credit Facilities	Capital Leases
		(In thousands)	
July — December, 2005	$ —	$ —	$ 2
2006	—	—	7
2007	—	7,500	7
2008	—	37,500	7
2009	—	67,500	—
2010 and thereafter	500,000	325,000	—
Total long-term debt	$ 500,000	$ 437,500	$ 23

6. STOCKHOLDERS' EQUITY:

On May 25, 2005, the Company's Board of Directors authorized a stock repurchase program for up to $150.0 million of the Company's Class A and Class D common stock over a period of 18 months, with the amount and timing of repurchases based on stock price, general economic and market conditions, certain restrictions contained in the Credit Agreement, the indentures governing the Company's senior subordinated debt, and certain other factors. The repurchase program does not obligate the Company to repurchase any of its common stock and may be discontinued or suspended at any time.

For the three and six months ended June 30, 2005, 137,100 shares of Class A and 988,800 shares of Class D common stock were repurchased at an average price of $13.15 and $13.17, respectively.

In February 2005, the Company redeemed all of its outstanding $6^1/_2$% Convertible Preferred Remarketable Term Income Deferrable Equity Securities ("HIGH TIDES") in the aggregate sum of approximately $309.8 million. This redemption was financed with the net proceeds of the sale of the Company's $6^3/_8$% senior subordinated notes due 2013, borrowings under its revolving credit facility and available excess cash.

7. INCOME TAXES:

On June 30, 2005, the state of Ohio enacted a law that will phase-out the Corporation Franchise Tax and phase-in a Commercial Activity Tax. The Commercial Activity Tax is based on gross receipts. Temporary differences reversing after the phase-in period of the gross receipts based tax will no longer impact the Company's income tax provision. The Company has determined the likelihood of a reversal of the temporary differences within the five year period of the phase-out is unlikely, as these temporary items

have indefinite lives. Therefore, the Company reduced its deferred tax liability and recorded an income tax benefit of approximately $3.9 million for the three months ended June 30, 2005.

8. RELATED PARTY TRANSACTIONS:

Three officers of the Company, the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the Chief Administrative Officer ("CAO"), purchased 1,500,000 shares of the Company's Class D common stock, 333,334 shares of the Company's Class A common stock and 666,666 of the Company's Class D common stock, and 250,000 shares of the Company's Class D common stock, respectively. The stock was purchased with the proceeds of full recourse loans from the Company in the amounts of approximately $21.1 million, $7.0 million and $2.0 million, respectively. The CEO made an interest payment on his loan in the amount of $2.0 million in December 2004. As of December 31, 2004, accrued interest on these loans were approximately $2.5 million, $1.7 million and $401,000, respectively. The CEO made a further repayment of approximately $17.8 million on his loan in February 2005 and repaid the remaining balance of the loan of approximately $6.0 million in March 2005. The repayment of approximately $17.8 million was effected using 1,125,000 shares of the Company's Class D common stock owned by the CEO. All shares transferred to the Company in satisfaction of these loans have been retired by the Company. As of June 30, 2005, the accrued interest on these loans to the CFO and CAO were approximately $1.9 million and $445,000, respectively.

The Company also had loans outstanding to the Company's CEO, CFO and Chief Operating Officer ("COO") in the amounts of $380,000, $88,000 and $262,000, respectively. The loans are due on demand and bear interest at 5.6%. As of December 31, 2004, accrued interest on these loans was $163,000, $31,000 and $99,000, respectively. The CEO repaid in full, and in cash, the balance of his loan in the amount of $549,000 in March 2005. As of June 30, 2005, the accrued interest on the loans to the CFO and COO was $35,000 and $110,000 respectively.

In February 2002, the Company's CFO exercised a contractual right to receive a non-interest-bearing loan in the amount of $750,000. The loan was paid in full in January 2005. The repayment was effected using a combination of cash and 20,000 shares of the Company's Class D common stock owned by the CFO. All shares transferred to the Company in satisfaction of these loans have been retired by the Company.

In October 2004, the Company acquired the outstanding stock of NMBC, which owned WAMJ-FM, a radio station licensed to the Atlanta metropolitan area. The total acquisition price was approximately $35.0 million in cash, of which approximately $10.0 million was paid in available cash and $25.0 million was paid through borrowings under the Company's bank credit facility. Prior to the acquisition, Mableton Investment Group, LLC ("MIG") was NMBC's majority shareholder. Alfred C. Liggins, III, the Company's CEO, was the sole member and manager of MIG. Until February 2003, Syndicated Communications Venture Partners II, LP was also a member of MIG. Terry L. Jones, a general partner of Syndicated Communications Venture Partners II, LP is a member of the Company's board of directors. The terms of the NMBC acquisition were approved by an independent committee of the Company's board of directors and a fairness opinion was obtained from an independent third party. Prior to acquiring NMBC, the Company programmed and provided marketing services to WAMJ-FM through an LMA with MIG. Total fees paid under the LMA were $0 and $43,000, respectively for the three months ended June 30, 2005 and June 30, 2004. Total fees paid under the LMA were $0 and $154,000, respectively for the six months ended June 30,2005 and June 30, 2004.

The Company leased office space from a partnership in which the Company's CEO and Chairperson are partners. Effective June 28, 2004, the partnership sold the property to a third party. On that date, the Company entered into a new lease agreement with the third party that expired in January 2005, after which the Company relocated to a new facility. Total rent paid to the partnership was $60,000 during the

three months ended June 30, 2004. Total rent paid to the partnership was $119,000 during the six months ended June 30, 2004.

9. COMMITMENTS AND CONTINGENCIES:

Radio Broadcasting Licenses

Each of the Company's radio stations operates pursuant to one or more licenses issued by the Federal Communications Commission that have a maximum term of eight years prior to renewal. The Company's radio broadcasting licenses expire at various times through August 1, 2013. Although the Company may apply to renew its radio broadcasting licenses, third parties may challenge the Company's renewal applications. The Company is not aware of any facts or circumstances that would prevent the Company from having its current licenses renewed.

TV One Cable Network

Pursuant to a limited liability company agreement dated July 18, 2003, the Company and certain other investors formed TV One for the purpose of developing and distributing a new television programming service. The Company has committed to make a cumulative cash investment of $74.0 million in TV One over approximately four years. As of June 30, 2005, the Company has already funded $37.0 million under this agreement.

Royalty Agreements

The Company has entered into fixed fee and variable share agreements with music performance rights organizations that expire as late as 2009. During the three months ended June 30, 2005 and 2004, the Company incurred expenses of approximately $2.7 million and $2.4 million, respectively, in connection with these agreements. During the six months ended June 30, 2005 and 2004, the Company incurred expenses of approximately $5.4 million and $4.8 million, respectively, in connection with these agreements.

Other Contingencies

The Company has been named as a defendant in several legal actions occurring in the ordinary course of business. It is management's opinion, after consultation with its legal counsel, that the outcome of these claims will not have a material adverse effect on the Company's financial position or results of operations.

CONSOLIDATING FINANCIAL STATEMENTS

The Company conducts a portion of its business through its subsidiaries. Radio One, Inc. and its restricted subsidiaries (“Subsidiary Guarantors”) have fully and unconditionally guaranteed the Company’s $8^{7}/_{8}$% senior subordinated notes due 2011 and $6^{3}/_{8}$% senior subordinated notes due 2013.

Set forth below are consolidating financial statements for the Company and the Subsidiary Guarantors as of June 30, 2005 and 2004, and for the three- and six-month periods then ended. The equity method of accounting has been used by the Company to report its investments in subsidiaries. Separate financial statements for the Subsidiary Guarantors are not presented based on management’s determination that they do not provide additional information that is material to investors.

CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED JUNE 30, 2005

	Combined Guarantor Subsidiaries	Radio One, Inc.	Eliminations	Consolidated
		(Unaudited) (In thousands)		
NET BROADCAST REVENUE	$ 49,864	$ 51,661	$ —	$ 101,525
OPERATING EXPENSES:				
Program and technical	7,156	10,659	—	17,815
Selling, general and administrative	15,378	13,026	—	28,404
Corporate expenses	—	6,029	—	6,029
Depreciation and amortization	1,935	1,215	—	3,150
Total operating expenses	24,469	30,929	—	55,398
Operating income	25,395	20,732	—	46,127
INTEREST INCOME	—	271	—	271
INTEREST EXPENSE, including amortization of deferred financing costs	—	17,240	—	17,240
EQUITY IN NET LOSS OF AFFILIATED COMPANY	—	304	—	304
OTHER INCOME (EXPENSE), net	(8)	41	—	33
Income before provision for income taxes and minority interest in income of subsidiary	25,387	3,500	—	28,887
PROVISION FOR INCOME TAXES	—	8,525	—	8,525
MINORITY INTEREST IN INCOME OF SUBSIDIARY	—	518	—	518
Net income (loss) before equity in income of subsidiaries	25,387	(5,543)	—	19,844
EQUITY IN INCOME OF SUBSIDIARIES	—	25,387	(25,387)	—
Net income	$ 25,387	$ 19,844	$ (25,387)	$ 19,844
PREFERRED STOCK DIVIDEND		—		—
NET INCOME APPLICABLE TO COMMON STOCKHOLDERS		$ 19,844		$ 19,844

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

CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED JUNE 30, 2004

	Combined Guarantor Subsidiaries	Radio One, Inc.	Eliminations	Consolidated
		(Unaudited) (In thousands)		
NET BROADCAST REVENUE	$ 42,844	$ 43,366	$ —	$ 86,210
OPERATING EXPENSES:				
Program and technical, exclusive of depreciation and amortization shown below	6,761	6,826	—	13,587
Selling, general and administrative	13,710	11,081	—	24,791
Corporate expenses	—	4,118	—	4,118
Depreciation and amortization	2,989	1,572	—	4,561
Total operating expenses	23,460	23,597	—	47,057
Operating income	19,384	19,769	—	39,153
INTEREST INCOME	10	575	—	585
INTEREST EXPENSE, including amortization of deferred financing costs	19	9,729	—	9,748
EQUITY IN NET LOSS OF AFFILIATED COMPANY	—	1,431	—	1,431
OTHER INCOME, net	61	1	—	62
Income before provision for income taxes	19,436	9,185	—	28,621
PROVISION FOR INCOME TAXES	—	11,162	—	11,162
Net income (loss) before equity in income of subsidiaries	19,436	(1,977)	—	17,459
EQUITY IN INCOME OF SUBSIDIARIES	—	19,436	(19,436)	—
Net income	$ 19,436	$ 17,459	$ (19,436)	$ 17,459
PREFERRED STOCK DIVIDEND		5,035		5,035
NET INCOME APPLICABLE TO COMMON STOCKHOLDERS		$ 12,424		$ 12,424

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

CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2005

	Combined Guarantor Subsidiaries	Radio One, Inc.	Eliminations	Consolidated
			(Unaudited) (In thousands)	
NET BROADCAST REVENUE	$ 89,310	$ 89,224	$ —	$ 178,534
OPERATING EXPENSES:				
Program and technical	14,720	18,730	—	33,450
Selling, general and administrative	28,685	23,641	—	52,326
Corporate expenses	—	11,324	—	11,324
Depreciation and amortization	3,882	2,734	—	6,616
Total operating expenses	47,287	56,429	—	103,716
Operating income	42,023	32,795	—	74,818
INTEREST INCOME	—	743	—	743
INTEREST EXPENSE, including amortization of deferred financing costs	1	29,668	—	29,669
EQUITY IN NET LOSS OF AFFILIATED COMPANY	—	763	—	763
OTHER INCOME, net	32	91	—	123
Income before provision for income taxes and minority interest in income of subsidiary	42,054	3,198	—	45,252
PROVISION FOR INCOME TAXES	—	15,095	—	15,095
MINORITY INTEREST IN INCOME OF SUBSIDIARY	—	625	—	625
Net income (loss) before equity in income of subsidiaries	42,054	(12,522)	—	29,532
EQUITY IN INCOME OF SUBSIDIARIES	—	42,054	(42,054)	—
Net income	$ 42,054	$ 29,532	$ (42,054)	$ 29,532
PREFERRED STOCK DIVIDEND		2,761		2,761
NET INCOME APPLICABLE TO COMMON STOCKHOLDERS		$ 26,771		$ 26,771

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

CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2004

	Combined Guarantor Subsidiaries	Radio One, Inc.	Eliminations	Consolidated
		(Unaudited) (In thousands)		
NET BROADCAST REVENUE	$ 77,991	$ 77,881	$ —	$ 155,872
OPERATING EXPENSES:				
Program and technical, exclusive of depreciation and amortization shown below	13,759	13,974	—	27,733
Selling, general and administrative	26,155	20,548	—	46,703
Corporate expenses	—	7,878	—	7,878
Depreciation and amortization	5,954	3,037	—	8,991
Total operating expenses	45,868	45,437	—	91,305
Operating income	32,123	32,444	—	64,567
INTEREST INCOME	12	1,295	—	1,307
INTEREST EXPENSE, including amortization of deferred financing costs	64	19,659	—	19,723
EQUITY IN NET LOSS OF AFFILIATED COMPANY	—	3,798	—	3,798
OTHER INCOME, net	61	83	—	144
Income before provision for income taxes	32,132	10,365	—	42,497
PROVISION FOR INCOME TAXES	—	16,247	—	16,247
Net income (loss) before equity in income of subsidiaries	32,132	(5,882)	—	26,250
EQUITY IN INCOME OF SUBSIDIARIES	—	32,132	(32,132)	—
Net income	$ 32,132	$ 26,250	$ (32,132)	$ 26,250
PREFERRED STOCK DIVIDEND		10,070		10,070
NET INCOME APPLICABLE TO COMMON STOCKHOLDERS		$ 16,180		$ 16,180

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

CONSOLIDATING BALANCE SHEET
AS OF JUNE 30, 2005

	Combined Guarantor Subsidiaries	Radio One, Inc.	Eliminations	Consolidated
		(Unaudited) (In thousands)		
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 202	$ 15,933	$ —	$ 16,135
Short-term investments	—	3,000	—	3,000
Trade accounts receivable, net of allowance for doubtful accounts	36,500	35,450	—	71,950
Prepaid expenses and other current assets	911	3,904	—	4,815
Income tax receivable	—	3,650	—	3,650
Deferred tax asset	2,281	2,030	—	4,311
Total current assets	39,894	63,967	—	103,861
PROPERTY AND EQUIPMENT, net	29,174	18,979	—	48,153
INTANGIBLE ASSETS, net	1,934,992	70,196	—	2,005,188
INVESTMENT IN SUBSIDIARIES	—	1,960,326	(1,960,326)	—
INVESTMENT IN AFFILIATED COMPANY	—	37,641	—	37,641
OTHER ASSETS	683	3,493	—	4,176
Total assets	$ 2,004,743	$ 2,154,602	$ (1,960,326)	$ 2,199,019
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable	$ 1,368	$ 4,198	$ —	$ 5,566
Accrued expenses	6,303	40,425	—	46,728
Fair value of derivative	—	944	—	944
Other current liabilities	463	3,546	—	4,009
Current portion of long-term debt	8	—	—	8
Total current liabilities	8,142	49,113	—	57,255
LONG-TERM DEBT, net of current portion	15	937,500	—	937,515
DEFERRED REVENUE, net of current portion	—	342	—	342
DEFERRED INCOME TAX LIABILITY	36,260	104,037	—	140,297
Total liabilities	44,417	1,090,992	—	1,135,409
MINORITY INTEREST IN SUBSIDIARY	—	1,522	—	1,522
STOCKHOLDERS' EQUITY:				
Common stock	—	106	—	106
Accumulated other comprehensive income	—	(588)	—	(588)
Stock subscriptions receivable	—	(11,385)	—	(11,385)
Treasury stock	—	(14,837)	—	(14,837)
Additional paid-in capital	1,240,502	1,115,083	(1,240,502)	1,115,083
Accumulated deficit	719,824	(26,291)	(719,824)	(26,291)
Total stockholders' equity	1,960,326	1,062,088	(1,960,326)	1,062,088
Total liabilities and stockholders' equity	$ 2,004,743	$ 2,154,602	$ (1,960,326)	$ 2,199,019

The accompanying notes are an integral part of this consolidating balance sheet.

CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2004

	Combined Guarantor Subsidiaries	Radio One, Inc.	Eliminations	Consolidated
		(Unaudited) (In thousands)		
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 192	$ 10,199	$ —	$ 10,391
Short-term investments	—	10,000	—	10,000
Trade accounts receivable, net of allowance for doubtful accounts	29,773	32,057	—	61,830
Prepaid expenses and other current assets	1,020	1,825	—	2,845
Income tax receivable	—	3,650	—	3,650
Deferred tax asset	2,282	1,754	—	4,036
Total current assets	33,267	59,485	—	92,752
PROPERTY AND EQUIPMENT, net	26,349	18,478	—	44,827
INTANGIBLE ASSETS, net	1,924,945	6,100	—	1,931,045
INVESTMENT IN SUBSIDIARIES	—	1,954,344	(1,954,344)	—
INVESTMENT IN AFFILIATED COMPANY	—	37,384	—	37,384
OTHER ASSETS	807	4,326	—	5,133
Total assets	$ 1,985,368	$ 2,080,117	$ (1,954,344)	$ 2,111,141
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable	$ 1,274	$ 7,659	$ —	$ 8,933
Accrued expenses	5,633	32,913	—	38,546
Fair value of derivative instruments	—	246	—	246
Other current liabilities	356	265	—	621
Current portion of long-term debt	8	70,000	—	70,008
Total current liabilities	7,271	111,083	—	118,354
LONG-TERM DEBT, net of current portion	18	550,002	—	550,020
DEFERRED INCOME TAX LIABILITY	23,735	90,587	—	114,322
Total liabilities	31,024	751,672	—	782,696
STOCKHOLDERS' EQUITY:				
Common stock	—	105	—	105
Accumulated other comprehensive loss	—	(151)	—	(151)
Stock subscriptions receivable	—	(34,731)	—	(34,731)
Additional paid-in capital	1,276,574	1,416,284	(1,276,574)	1,416,284
Accumulated deficit	677,770	(53,062)	(677,770)	(53,062)
Total stockholders' equity	1,954,344	1,328,445	(1,954,344)	1,328,445
Total liabilities and stockholders' equity	$ 1,985,368	$ 2,080,117	$ (1,954,344)	$ 2,111,141

The accompanying notes are an integral part of this consolidating balance sheet.

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2005

	Combined Guarantor Subsidiaries	Radio One, Inc.	Eliminations	Consolidated
		(Unaudited) (In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 42,054	$ 29,532	$ (42,054)	$ 29,532
Adjustments to reconcile loss to net cash from operating activities:				
Depreciation and amortization	3,882	2,734	—	6,616
Amortization of debt financing costs, unamortized discount and deferred interest	—	3,162	—	3,162
Deferred income taxes	—	13,173	—	13,173
Minority interest in income of subsidiary	—	—	625	625
Equity in net losses of affiliated company	—	763	—	763
Non-cash compensation	—	909	—	909
Effect of change in operating assets and liabilities, net of assets acquired:				
Trade accounts receivable, net	6,727	(16,184)	—	(9,457)
Due to corporate/from subsidiaries	(60,009)	60,009	—	—
Prepaid expenses and other	(109)	(356)	—	(465)
Other assets	—	309	—	309
Accounts payable	94	(3,541)	—	(3,447)
Accrued expenses and other	13,284	(10,208)	—	3,076
Net cash flows from operating activities	5,923	80,927	(42,054)	44,796
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	(5,913)	(2,378)	—	(8,291)
Equity investments	—	(33)	—	(33)
Acquisition of 51% of common stock in Reach Media, Inc., net of cash acquired	—	(21,320)	—	(21,320)
Change in short-term investments	—	7,000	—	7,000
Investment in subsidiaries	—	(42,054)	42,054	—
Purchase of other intangible assets	—	(285)	—	(285)
Net cash flows used in investing activities	(5,913)	(59,070)	42,054	(22,929)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of debt	—	(455,005)	—	(455,005)
Proceeds from credit facility	—	572,500	—	572,500
Proceeds from debt issuances, net of offering costs	—	195,472	—	195,472
Redemption of convertible preferred stock	—	(309,820)	—	(309,820)
Proceeds from stock subscriptions due	—	5,962	—	5,962
Payment of bank financing costs	—	(3,908)	—	(3,908)
Payment of preferred stock dividends	—	(6,966)	—	(6,966)
Proceeds from exercise of stock options	—	847	—	847
Repurchase of common stock	—	(14,837)	—	(14,837)
Change in interest due on stock subscription receivable	—	(368)	—	(368)
Net cash flows used in financing activities	—	(16,123)	—	(16,123)
INCREASE IN CASH AND CASH EQUIVALENTS	10	5,734	—	5,744
CASH AND CASH EQUIVALENTS, beginning of period	192	10,199	—	10,391
CASH AND CASH EQUIVALENTS, end of period	$ 202	$ 15,933	$ —	$ 16,135

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

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2004

	Combined Guarantor Subsidiaries	Radio One, Inc.	Eliminations	Consolidated
		(Unaudited) (In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 32,132	$ 26,250	$ (32,132)	$ 26,250
Adjustments to reconcile loss to net cash from operating activities:				
Depreciation and amortization	5,954	3,037	—	8,991
Amortization of debt financing costs, unamortized discount and deferred interest	—	848	—	848
Deferred income taxes	(1)	15,963	—	15,962
Equity in net loss of affiliated company	—	3,798	—	3,798
Non-cash compensation	—	1,517	—	1,517
Effect of change in operating assets and liabilities:				
Trade accounts receivable, net	(2,264)	(1,073)	—	(3,337)
Due to Corporate/from subsidiaries	4,317	(4,317)	—	—
Prepaid expenses and other	(168)	(1,338)	—	(1,506)
Other assets	88	(329)	—	(241)
Accounts payable	(230)	(1,138)	—	(1,368)
Accrued expenses and other	(205)	(1,002)	—	(1,207)
Net cash flows from operating activities	39,623	42,216	(32,132)	49,707
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	$ (1,935)	$ (1,992)	$ —	$ (3,927)
Equity investments	(3,500)	44	—	(3,456)
Purchase of short-term investments	—	8,700	—	8,700
Investment in Subsidiaries	—	(32,132)	32,132	—
Deposits and payments for station purchases	(34,341)	(3,802)	—	(38,143)
Net cash flows used in investing activities	(39,776)	(29,182)	32,132	(36,826)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of debt	—	(26,252)	—	(26,252)
Proceeds from exercise of stock options	—	1,313	—	1,313
Interest on stock subscription receivable	—	(850)	—	(850)
Payment of preferred stock dividends	—	(10,070)	—	(10,070)
Net cash flows used in financing activities	—	(35,859)	—	(35,859)
DECREASE IN CASH AND CASH EQUIVALENTS	(153)	(22,825)	—	(22,978)
CASH AND CASH EQUIVALENTS, beginning of period	414	37,596	—	38,010
CASH AND CASH EQUIVALENTS, end of period	$ 261	$ 14,771	$ —	$ 15,032

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

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following information should be read in conjunction with "Selected Financial Data" and the Consolidated Financial Statements and Notes thereto included elsewhere in this report and the audited financial statements and Management Discussion and Analysis contained in our Annual Report on Form 10-K/ A for the year ended December 31, 2004.

Introduction

Revenue

We primarily derive revenue from the sale of advertising time and program sponsorships to local and national advertisers. Advertising revenue is affected primarily by the advertising rates our radio stations are able to charge as well as the overall demand for radio advertising time in a market. These rates are largely based upon a radio station's audience share in the demographic groups targeted by advertisers, the number of radio stations in the related market, and the supply of and demand for radio advertising time. Advertising rates are generally highest during morning and afternoon commuting hours.

On February 28, 2005, we acquired 51% of the common stock of Reach Media, Inc. ("Reach Media"). Reach Media primarily derives revenue from the sale of advertising time on the affiliate stations which broadcast the Tom Joyner Morning Show. The affiliate radio stations provide Reach Media with advertising inventory on their stations which is then sold to the marketplace through a sales representative agreement with ABC Radio Networks. ABC Radio Networks guarantees Reach Media an agreed upon amount of annual revenue with the potential to earn additional amounts if certain revenue goals are met. The agreement with ABC Radio Networks runs through 2009. Additional revenue is generated by Reach Media from special events, sponsorships, its internet business and other related activities.

Approximately 65% of our net revenue was generated from local advertising and approximately 33% was generated from national spot advertising, including network advertising, during the three months ended June 30, 2005. In comparison, approximately 71% of our net revenue was generated from local advertising and approximately 27% was generated from national spot advertising, including network advertising, during the three months ended June 30, 2004. Approximately 67% of our net revenue was generated from local advertising and approximately 30% was generated from national spot advertising, including network advertising, during the six months ended June 30, 2005. In comparison, approximately 70% of our net revenue was generated from local advertising and approximately 27% was generated from national spot advertising, including network advertising, during the six months ended June 30, 2004. The balance of revenue was generated primarily from tower rental income, ticket sales and revenue related to our sponsored events, management fees and other revenue.

In the broadcasting industry, radio stations often utilize trade or barter agreements to reduce cash expenses by exchanging advertising time for goods or services. In order to maximize cash revenue for our spot inventory, we monitor and limit the use of trade agreements.

Expenses

Our significant broadcast expenses are (i) employee salaries and commissions, (ii) programming expenses, (iii) advertising and promotion expenses, (iv) rental of premises for studios, (v) rental of transmission tower space and (vi) music license royalty fees. We strive to control these expenses by centralizing certain functions such as finance, accounting, legal, human resources, management information systems, and the overall programming management function. We also use our multiple stations, market presence and purchasing power to negotiate favorable rates with certain vendors and national representative selling agencies.

We generally incur advertising and promotional expenses to increase our audiences. However, because Arbitron reports ratings quarterly, any changed ratings and therefore the effect on advertising revenue, tends to lag behind the incurrence of advertising and promotional expenditures.

Measurement of Performance

We monitor the growth and operational results of our business using net income and the following key metrics:

(a) Net broadcast revenue: The performance of an individual radio station or group of radio stations in a particular market is customarily measured by its ability to generate net broadcast revenue. Net broadcast revenue consists of gross broadcast revenue net of local and national agency commissions, consistent with industry practice. Net broadcast revenue is recognized in the period in which advertisements are broadcast. Net broadcast revenue also includes advertising aired in exchange for goods and services, which is recorded at fair value.

(b) Station operating income: Net income before depreciation and amortization, income taxes, interest income, interest expense, equity in net loss of affiliated company, minority interest in income of subsidiary, other expense, corporate expenses, excluding non-cash compensation and non-cash compensation expenses is commonly referred to in our industry as station operating income. Station operating income is not a measure of financial performance under generally accepted accounting principles. Nevertheless we believe station operating income is often a useful measure of a broadcasting company's operating performance and is a significant basis used by our management to measure the operating performance of our stations within the various markets because station operating income provides helpful information about our results of operations apart from expenses associated with our physical plant, income taxes provision, investments, debt financings, overhead and non-cash compensation. Station operating income is frequently used as one of the bases for comparing businesses in our industry, although our measure of station operating income may not be comparable to similarly titled measures of other companies. Station operating income does not purport to represent operating loss or cash flow from operating activities, as those terms are defined under generally accepted accounting principles, and should not be considered as an alternative to those measurements as an indicator of our performance.

(c) Station operating income margin: Station operating income margin represents station operating income as a percentage of net broadcast revenue. Station operating income margin is not a measure of financial performance under generally accepted accounting principles. Nevertheless, we believe that station operating income margin is a useful measure of our performance because it provides helpful information about our profitability as a percentage of our net broadcasting revenue.

(d) EBITDA: Net income before interest income, interest expense, income taxes, depreciation and amortization is commonly referred to in our industry as "EBITDA." EBITDA is not a measure of financial performance under generally accepted accounting principles. We believe EBITDA is often a useful measure of a company's operating performance and is a significant basis used by our management to measure the operating performance of our business because EBITDA excludes charges for depreciation, amortization and interest expense that have resulted from our acquisitions and debt financings, and our provision for tax expense. Accordingly, we believe that EBITDA provides helpful information about the operating performance of our business, apart from the expenses associated with our physical plant or capital structure. EBITDA is frequently used as one of the bases for comparing businesses in our industry, although our measure of EBITDA may not be comparable to similarly titled measures of other companies. EBITDA does not purport to represent operating loss or cash flow from operating activities, as those terms are defined under generally accepted accounting principles, and should not be considered as an alternative to those measurements as an indicator of our performance.

Summary of Performance

The table below provides a summary of our performance based on the metrics described above:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
	(In thousands)			
Net Broadcast Revenue	$ 101,525	$ 86,210	$ 178,534	$ 155,872
Station Operating Income(1)	$ 55,331	$ 48,024	$ 92,811	$ 82,149
Station Operating Income Margin	55%	56%	52%	53%
EBITDA(2)	$ 48,488	$ 42,345	$ 80,169	$ 69,904
Net Income	$ 19,844	$ 17,459	$ 29,532	$ 26,250

(1) The reconciliation of net income to station operating income is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
	(In thousands)			
Net income as reported	$ 19,844	$ 17,459	$ 29,532	$ 26,250
Add back non-station operating income items included in net income:				
Interest income	(271)	(585)	(743)	(1,307)
Interest expense	17,240	9,748	29,669	19,723
Provision for income taxes	8,525	11,162	15,095	16,247
Corporate expenses, excluding non-cash compensation	5,552	3,716	10,468	7,074
Non-cash compensation	502	594	909	1,517
Equity in net loss of affiliated company	304	1,431	763	3,798
Other income, net	(33)	(62)	(123)	(144)
Depreciation and amortization	3,150	4,561	6,616	8,991
Minority interest in income of subsidiary	518	—	625	—
Station operating income	$ 55,331	$ 48,024	$ 92,811	$ 82,149

(2) The reconciliation of net income to EBITDA is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
	(In thousands)			
Net income as reported	$ 19,844	$ 17,459	$ 29,532	$ 26,250
Add back non-EBITDA items included in net income:				
Interest income	(271)	(585)	(743)	(1,307)
Interest expense	17,240	9,748	29,669	19,723
Provision for income taxes	8,525	11,162	15,095	16,247
Depreciation and amortization	3,150	4,561	6,616	8,991
EBITDA	$ 48,488	$ 42,345	$ 80,169	$ 69,904

RADIO ONE, INC. AND SUBSIDIARIES

RESULTS OF OPERATIONS

The following table summarizes our historical consolidated results of operations:

Three Months Ended June 30, 2005 Compared to Three Months Ended June 30, 2004 (In thousands)

	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Increase/(Decrease)	
Statements of Operations:				
Net broadcast revenue	$ 101,525	$ 86,210	$ 15,315	17.8%
Operating expenses:				
Programming and technical, excluding non-cash compensation	17,790	13,395	4,395	32.8
Selling, general and administrative	28,404	24,791	3,613	14.6
Corporate expenses, excluding non-cash compensation	5,552	3,716	1,836	49.4
Non-cash compensation	502	594	(92)	(15.5)
Depreciation and amortization	3,150	4,561	(1,411)	(30.9)
Total operating expenses	55,398	47,057	8,341	17.7
Operating income	46,127	39,153	6,974	17.8
Interest income	271	585	(314)	(53.7)
Interest expense	17,240	9,748	7,492	76.9
Other income, net	33	62	(29)	(46.8)
Equity in net loss of affiliated company	304	1,431	(1,127)	(78.8)
Income before provision for income taxes and minority interest in income of subsidiary	28,887	28,621	266	—
Income tax provision	8,525	11,162	(2,637)	(23.6)
Minority interest in income of subsidiary	518	—	518	—
Net income	$ 19,844	$ 17,459	$ 2,385	13.7
Preferred stock dividend	—	5,035	(5,035)	(100.0)
Net income applicable to common stockholders	$ 19,844	$ 12,424	$ 7,420	59.7%

Three Months Ended June 30, 2005 Compared to Three Months Ended June 30, 2004

Net broadcast revenue

Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Increase/(Decrease)	
$101,525	$ 86,210	$ 15,315	17.8%

During the three months ended June 30, 2005, we recognized approximately $101.5 million in net broadcast revenue compared to $86.2 million during the three months ended June 30, 2004. These amounts are net of agency commissions, which were approximately $13.0 million during the three months ended June 30, 2005, compared to approximately $12.1 million for the same period in 2004. The increase in net broadcast revenue was due primarily to our consolidation of the 2005 second quarter operating results of Reach Media, increased pricing for advertising on our stations that resulted from improvement in the general economy, increased listenership and ratings, and revenue from three new stations launched in late 2004. The revenue growth in many of our markets, including, Atlanta, Charlotte, Cleveland, Dallas,

Houston, Indianapolis, Raleigh and Washington, DC, was partially offset by revenue declines in some of our other markets, including Philadelphia and St. Louis due to format changes, Los Angeles due to soft ratings, and Baltimore and Detroit due to general market conditions. Excluding the 2005 second quarter operating results of Reach Media, our net broadcast revenue increased 7.1% for the three months ended June 30, 2005, compared to the same period in 2004.

Operating expenses

Programming and technical

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$17,790	$13,395	$4,395	32.8%

Programming and technical expenses include expenses associated with on-air talent and the management and maintenance of the systems, tower facilities, and studios used in the creation, distribution and broadcast of programming on our radio stations. Programming and technical expenses also include expenses associated with our research activities and music royalties. The increase in programming and technical expenses during the three months ended June 30, 2005 resulted primarily from our consolidation of the 2005 second quarter operating results of Reach Media, and to a lesser extent, an increase in programming expenses relating to our on-air talent, music royalties, incremental costs relating to expanding our presence on the Internet and three new stations launched in late of 2004. Excluding the 2005 second quarter operating results of Reach Media, programming and technical expenses increased 3.2% for the three months ended June 30, 2005, compared to the same period in 2004.

Selling, general and administrative

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$28,404	$24,791	$3,613	14.6%

Selling, general and administrative expenses include expenses associated with our sales departments, offices, facilities and headcount (outside of our corporate headquarters), marketing expenses, back office expenses, and the advertising traffic (scheduling and insertion) functions. The increase in selling, general and administrative expenses during the three months ended June 30, 2005 resulted primarily from our consolidation of the 2005 second quarter operating results of Reach Media. The increase also resulted from higher compensation (mainly commissions and national rep fees) and other selling expenses driven by increased revenue, and sales expenses associated with three new stations launched in late 2004. Excluding the 2005 second quarter operating results of Reach Media, selling, general and administrative expenses increased 6.5% for the three months ended June 30, 2005, compared to the same period in 2004.

Corporate expenses, excluding non-cash compensation

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$5,552	$3,716	$1,836	49.4%

Corporate expenses, excluding non-cash compensation consist of expenses associated with maintaining Radio One's and Reach Media's corporate headquarters and facilities, including headcount. The increase in corporate expenses, excluding non-cash compensation during the three months ended June 30, 2005, resulted primarily from our consolidation of the 2005 second quarter operating results of Reach Media, increased compensation, and additional professional fees. Excluding the 2005 second quarter operating results of Reach Media, corporate expenses, excluding non-cash compensation increased 14.6% for the three months ended June 30, 2005, compared to the same period in 2004.

Non-cash compensation

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$502	$594	$(92)	(15.5)%

During the three months ended June 30, 2004, we issued restricted stock to certain on-air talent, some of which vested immediately. As a result, the non-cash compensation expense during the three months ended June 30, 2005 decreased from the expense recorded in the comparable period of the prior year.

Depreciation and amortization

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$3,150	$4,561	$(1,411)	(30.9)%

The decrease in depreciation and amortization expense for the three months ended June 30, 2005 was due primarily to the completion of amortization of some of our trade names in late 2004, partially offset by depreciation for our additional capital expenditures made since the second quarter of 2004. Excluding the 2005 second quarter operating results of Reach Media, depreciation and amortization expense decreased 31.8% for the three months ended June 30, 2005, compared to the same period in 2004.

Interest income

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$271	$585	$(314)	(53.7)%

The decrease in interest income resulted primarily from lower average balances of cash, cash equivalents and short-term investments and the pay-off of certain officer loans during the three months ended March 31, 2005.

Interest expense

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$17,240	$9,748	$7,492	76.9%

The increase in interest expense during the three months ended June 30, 2005, resulted from the write-off of approximately $2.1 million of deferred financing costs associated with the June 2005 refinancing of our bank credit facilities. The refinancing consisted of entering into a $800.0 million credit agreement, and the simultaneous borrowing of $437.5 million to retire our previous bank credit facilities. The increase in interest expense also resulted from additional interest obligations incurred from borrowings to partially fund the February 2005 redemption of our Convertible Preferred Remarketable Term Income Deferrable Equity Securities (“HIGH TIDES”) for approximately $309.8 million, and the acquisition of 51% of the common stock of Reach Media. The redemption of the outstanding HIGH TIDES was funded with the issuance of $200.0 million $6^{3}/_{8}$% senior subordinated notes and $110.0 million borrowed under our previous revolving credit facility. The acquisition of 51% of the common stock of Reach Media was partially funded with $25.0 million borrowed under our previous revolving credit facility.

Equity in net loss of affiliated company

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$304	$1,431	$(1,127)	(78.8)%

In July 2003, we entered into a joint venture agreement with an affiliate of Comcast Corporation and certain other investors to form TV One for the purpose of distributing a new cable television programming service. See “Liquidity and Capital Resources” section below for further discussion. In December 2004, we modified our methodology for estimating our equity in the net loss of TV One. As a result of this modification, we recognized a net loss of $304,000 for the three months ended June 30, 2005, compared to a net loss of approximately $1.4 million in for the three months ended June 30, 2004.

Provision for income taxes

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$8,525	$11,162	$(2,637)	(23.6)%

The decrease in the provision for income taxes for the three months ended June 30, 2005, was primarily due to a favorable change to Ohio state tax laws enacted on June 30, 2005. The decrease was partially offset by our consolidation of the 2005 second quarter operating results of Reach Media, an increase in the reserve for contingencies, and an increase in our effective tax rate due to permanent differences between income subject to income tax for book versus tax purposes. Excluding the increase in the reserve for contingencies, and the decrease in the provision due to the to the Ohio tax law change, our effective tax rate as of June 30, 2005 was 40.2%, compared to 39.2% as of June 30, 2004. The effective tax rate as of June 30, 2005 does not reflect the impact of SFAS No. 123(R), given we have not yet adopted this pronouncement. Excluding the 2005 second quarter operating results of Reach Media, the provision for income taxes decreased 29.7% for the three months ended June 30, 2005., compared to the same period in 2004.

Minority interest in income of subsidiary

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$518	$—	$518	—%

The minority interest in income of subsidiary of $518,000 for the three months ended June 30, 2005, compared to $0 for the same period in 2004, reflects the 49% minority stockholders’ interest in Reach Media’s net income for the three months ended June 30, 2005.

Net income

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$19,844	$17,459	$2,385	13.7%

As described above, the increase in net income for the three months ended June 30, 2005, is primarily a result of approximately $7.0 million in increased operating income, and a decrease in the equity in net loss of affiliated company of approximately $1.1 million, offset by an increase in net interest expense of approximately $7.8 million, a decrease in the provision for income taxes of approximately $2.6 million, and an increase in minority interest in income of subsidiary of $518,000.

Net income applicable to common stockholders

Three Months Ended June 30,		Increase/(Decrease)	
2005	2004		
$19,844	$12,424	$7,420	59.7%

Net income applicable to common stockholders is defined as, net income less dividends on our outstanding HIGH TIDES. The increase in net income applicable to common stockholders during the three months ended June 30, 2005, was attributable to an increase in net income of approximately $2.4 million and the elimination of preferred stock dividends of approximately $5.0 million during the three months ended June 30, 2005. In February 2005, we redeemed our outstanding HIGH TIDES using proceeds from our sale of $200.0 million $6^{3}/_{8}$% senior subordinated notes, borrowings of $110.0 million under our revolving bank credit facility, and available excess cash.

Other Data

Station operating income. Station operating income consists of net income before depreciation and amortization, income taxes, interest income, interest expense, equity in net loss of affiliated company, minority interest in income of subsidiary, other expense, corporate expenses, excluding non-cash compensation and non-cash compensation expenses. Station operating income is not a measure of financial performance under generally accepted accounting principles. Station operating income increased to approximately $55.3 million for the three months ended June 30, 2005, compared to approximately $48.0 million for the three months ended June 30, 2004, an increase of approximately $7.3 million or 15.2%. In addition to consolidating the 2005 second quarter operating results of Reach Media, this increase was primarily attributable to an increase in net broadcast revenue in Radio One markets, partially offset by higher operating expenses as described above. A reconciliation of net income to station operating income is provided on page 27.

Station operating income margin. Station operating income margin represents station operating income as a percentage of net broadcast revenue. Station operating income margin is not a measure of financial performance under generally accepted accounting principles. Our station operating income margin was 54.5% for the three months ended June 30, 2005, compared to 55.7% for the three months ended June 30, 2004. Our station operating income was approximately $55.3 million and $48.0 million for the three months ended June 30, 2005 and 2004, respectively, while our net broadcast revenue was approximately $101.5 million and $86.2 million for the three months ended June 30, 2005 and 2004, respectively.

EBITDA. EBITDA represents net income before interest income, interest expense, income taxes, depreciation and amortization. EBITDA is not a measure of financial performance under generally accepted accounting principles. EBITDA was approximately $48.5 million for the three months ended June 30, 2005, compared to approximately $42.3 million for the three months ended June 30, 2004, an increase of approximately $6.2 million or 14.7%. A reconciliation of net income to EBITDA is provided on page 27.

Six Months Ended June 30, 2005 Compared to Six Months Ended June 30, 2004 (In thousands)

	Six Months Ended June 30,			
	2005	2004	Increase/(Decrease)	
Statements of Operations:				
Net broadcast revenue	$ 178,534	$ 155,872	$ 22,662	14.5%
Operating expenses:				
Programming and technical, excluding non-cash compensation	33,397	27,020	6,377	23.6
Selling, general and administrative	52,326	46,703	5,623	12.0
Corporate expenses, excluding non-cash compensation	10,468	7,074	3,394	48.0
Non-cash compensation	909	1,517	(608)	(40.1)
Depreciation and amortization	6,616	8,991	(2,375)	(26.4)
Total operating expenses	103,716	91,305	12,411	13.6
Operating income	74,818	64,567	10,251	15.9
Interest income	743	1,307	(564)	(43.2)
Interest expense	29,669	19,723	9,946	50.4
Other income, net	123	144	(21)	(14.6)
Equity in net loss of affiliated company	763	3,798	(3,035)	(79.9)
Income before provision for income taxes and minority interest in income of subsidiary	45,252	42,497	2,755	6.5
Income tax provision	15,095	16,247	(1,152)	(7.1)
Minority interest in income of subsidiary	625	—	625	—
Net income	$ 29,532	$ 26,250	$ 3,282	12.5
Preferred stock dividend	2,761	10,070	(7,309)	(72.6)
Net income applicable to common stockholders	$ 26,771	$ 16,180	$ 10,591	65.5%

Six Months Ended June 30, 2005 Compared to Six Months Ended June 30, 2004

Net broadcast revenue

Six Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$178,534	$155,872	$22,662	14.5%

During the six months ended June 30, 2005, we recognized approximately $178.5 million in net broadcast revenue compared to approximately $155.9 million during the six months ended June 30, 2004. These amounts are net of agency commissions, which were approximately $23.1 million during the six months ended June 30, 2005, compared to approximately $21.3 million for the same period in 2004. The increase in net broadcast revenue was due primarily to our consolidation of the March through June 2005 operating results of Reach Media, increased pricing for advertising on our stations that resulted from improvement in the general economy, increased listenership and ratings, and revenue from three new stations launched in late 2004. The revenue growth in many of our markets, including, Atlanta, Charlotte, Cleveland, Dallas, Houston, Indianapolis, Raleigh and Washington, DC, was partially offset by revenue declines in some of our other markets, including Philadelphia and St. Louis due to format changes, Los Angeles due to soft ratings and Baltimore and Detroit due to general market conditions. Excluding the March through June 2005 operating results of Reach Media, our net broadcast revenue increased 7.0% for the six months ended June 30, 2005, compared to the same period in 2004.

Operating expenses

Programming and technical

Six Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$33,397	$27,020	$6,377	23.6%

Programming and technical expenses include expenses associated with on-air talent and the management and maintenance of the systems, tower facilities, and studios used in the creation, distribution and broadcast of programming on our radio stations. Programming and technical expenses also include expenses associated with our research activities and music royalties. The increase in programming and technical expenses during the six months ended June 30, 2005 resulted primarily from our consolidation of the March through June 2005 operating results of Reach Media, and to a lesser extent, an increase in programming expenses relating to our on-air talent, music royalties, incremental costs relating to expanding our presence on the Internet and three new stations launched in late 2004. Excluding the March through June 2005 operating results of Reach Media, programming and technical expenses increased 4.3% for the six months ended June 30, 2005, compared to the same period in 2004.

Selling, general and administrative

Six Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$52,326	$46,703	$5,623	12.0%

Selling, general and administrative expenses include expenses associated with our sales departments, offices, facilities and headcount (outside of our corporate headquarters), marketing expenses, back office expenses, and the advertising traffic (scheduling and insertion) functions. The increase in selling, general and administrative expenses during the six months ended June 30, 2005 resulted primarily from our consolidation of the March through June 2005 operating results of Reach Media. The increase also resulted from higher compensation (mainly commissions and national rep fees) and other selling expenses driven by increased revenue, and sales expenses associated with three new stations launched in late 2004. Excluding the March through June 2005 operating results of Reach Media, selling, general and administrative expenses increased 6.7% for the six months ended June 30, 2005, compared to the same period in 2004.

Corporate expenses, excluding non-cash compensation

Six Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$10,468	$7,074	$3,394	48.0%

Corporate expenses, excluding non-cash compensation consist of expenses associated with maintaining Radio One’s and Reach Media’s corporate headquarters and facilities, including headcount. The increase in corporate expenses, excluding non-cash compensation during the six months ended June 30, 2005, resulted primarily from our consolidation of the March through June 2005 operating results of Reach Media, increased compensation and additional professional fees. Excluding the March through June 2005 operating results of Reach Media, corporate expenses, excluding non-cash compensation increased 22.5% for the six months ended June 30, 2005, compared to the same period in 2004.

Non-cash compensation

Six Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$909	$1,517	$ (608)	(40.1)%

During the six months ended June 30, 2004, we issued restricted stock to certain on-air talent, some of which vested immediately. As a result, the non-cash compensation expense during the six months ended June 30, 2005 decreased from the expense recorded in the comparable period of the prior year.

Depreciation and amortization

Three Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$6,616	$8,991	$(2,375)	(26.4)%

The decrease in depreciation and amortization expense for the six months ended June 30, 2005 was due primarily to the completion of amortization of some of our trade names in late 2004, partially offset by depreciation for our additional capital expenditures made since the second quarter of 2004. Excluding the March through June 2005 operating results of Reach Media, depreciation and amortization expense decreased 27.0% for the six months ended June 30, 2005, compared to the same period in 2004.

Interest income

Six Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$743	$1,307	$(564)	(43.2)%

The decrease in interest income resulted primarily from lower average balances of cash, cash equivalents and short-term investments and the pay-off of certain officer loans during the first quarter of 2005.

Interest expense

Six Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$29,669	$19,723	$9,946	50.4%

The increase in interest expense during the six months ended June 30, 2005, resulted from the write-off of approximately $2.1 million of deferred financing costs associated with the June 2005 refinancing of our bank credit facilities. The refinancing consisted of entering into a $800.0 million credit agreement, and the simultaneous borrowing of $437.5 million to retire our previous bank credit facilities. The increase in interest expense also resulted from additional interest obligations incurred from borrowings to partially fund the February 2005 redemption of our outstanding HIGH TIDES for approximately $309.8 million, and the acquisition of 51% of the common stock of Reach Media. The redemption of the HIGH TIDES was funded with the issuance of $200.0 million 6 3/8% senior subordinated notes and $110.0 million borrowed under our previous revolving credit facility. The acquisition of 51% of the common stock of Reach Media was partially funded with $25.0 million borrowed under our previous revolving credit facility.

Equity in net loss of affiliated company

Six Months Ended June 30,			
2005	2004	Increase/(Decrease)	
$763	$3,798	$(3,035)	(79.9)%

In July 2003, we entered into a joint venture agreement with an affiliate of Comcast Corporation and certain other investors to form TV One for the purpose of distributing a new cable television programming service. See “Liquidity and Capital Resources” section below for further discussion. In December 2004, we modified our methodology for estimating our equity in the net loss of TV One. As a result of this modification, we recognized a net loss of $763,000 for the six months ended June 30, 2005, compared to a net loss of approximately $3.8 million in for the six months ended June 30, 2004.

Provision for income taxes

Six Months Ended June 30,			
2005	**2004**	**Increase/(Decrease)**	
$15,095	$16,247	$(1,152)	(7.1)%

The decrease in the provision for income taxes for the six months ended June 30, 2005, was primarily due to a favorable change to Ohio state tax laws enacted on June 30, 2005. The decrease was partially offset by our consolidation of the March through June 2005 operating results of Reach Media, an increase in the reserve for contingencies, and an increase in our effective tax rate due to permanent differences between income subject to income tax for book versus tax purposes. Excluding the increase in the reserve for contingencies, and the decrease in the provision due to the Ohio tax law change, our effective tax rate as of June 30, 2005 was 40.2%, compared to 39.2% as of June 30, 2004. The effective tax rate as of June 30, 2005 does not reflect the impact of SFAS No. 123(R), given we have not yet adopted this pronouncement. Excluding the March through June 2005 operating results of Reach Media, the provision for income taxes decreased 12.1% for the six months ended June 30, 2005, compared to the same period in 2004.

Minority interest in income of subsidiary

Six Months Ended June 30,			
2005	**2004**	**Increase/(Decrease)**	
$625	$—	$625	—%

The minority interest in income of subsidiary of $625,000 for the six months ended June 30, 2005, compared to $0 for the same period in 2004, reflects the 49% minority stockholders’ interest in Reach Media’s March through June 2005 net income.

Net income

Six Months Ended June 30,			
2005	**2004**	**Increase/(Decrease)**	
$29,532	$26,250	$3,282	12.5%

As described above, the increase in net income during the six months ended June 30, 2005 is primarily a result of approximately $10.3 million in increased operating income, and a decrease of approximately $3.0 million in equity in net loss of affiliated company, offset by an increase in net interest expense of approximately $10.5 million, a decrease in the provision for income taxes of approximately $1.2, and an increase in minority interest in income of subsidiary of $625,000.

Net income applicable to common stockholders

Six Months Ended June 30, 2005	Six Months Ended June 30, 2004	Increase/(Decrease)	
$26,771	$16,180	$10,591	65.5%

Net income applicable to common stockholders is defined as net income less dividends on our outstanding HIGH TIDES. The increase in net income applicable to common stockholders during the six months ended June 30, 2005, was attributable to the increase in net income of approximately $3.3 million and a decrease in preferred stock dividends of approximately $7.3 million. In February 2005, we redeemed our outstanding HIGH TIDES using proceeds from our sale of $200.0 million 6³/₈% senior subordinated notes, borrowings of $110.0 million under our revolving bank credit facility, and available excess cash.

Other Data

Station operating income. Station operating income consists of net income before depreciation and amortization, income taxes, interest income, interest expense, equity in net loss of affiliated company, minority interest in income of subsidiary, other expense, corporate expenses, excluding non-cash compensation and non-cash compensation expenses. Station operating income is not a measure of financial performance under generally accepted accounting principles. Station operating income increased to approximately $92.8 million for the six months ended June 30, 2005, compared to approximately $82.1 million for the six months ended June 30, 2004, an increase of approximately $10.7 million or 13.0%. In addition to consolidating the March through June 2005 operating results of Reach Media, this increase was primarily attributable to an increase in net broadcast revenue, partially offset by higher operating expenses as described above. A reconciliation of net income to station operating income is provided on page 27.

Station operating income margin. Station operating income margin represents station operating income as a percentage of net broadcast revenue. Station operating income margin is not a measure of financial performance under generally accepted accounting principles. Our station operating income margin was 52.0% for the six months ended June 30, 2005, compared to 52.7% for the six months ended June 30, 2004. Our station operating income was approximately $92.8 million and $82.1 million for the six months ended June 30, 2005 and 2004, respectively, while our net broadcast revenue was approximately $178.5 million and $155.9 million for the six months ended June 30, 2005 and 2004, respectively.

EBITDA. EBITDA represents net income or loss before interest income, interest expense, income taxes, depreciation and amortization. EBITDA is not a measure of financial performance under generally accepted accounting principles. EBITDA was approximately $80.2 million for the six months ended June 30, 2005, compared to approximately $69.9 million for the six months ended June 30, 2004, an increase of approximately $10.3 million or 14.7%. A reconciliation of net income to EBITDA is provided on page 27.

LIQUIDITY AND CAPITAL RESOURCES

Our primary source of liquidity is cash provided by operations and, to the extent necessary, commitments available under our bank credit facilities and other debt or equity financings.

In June 2005, we entered into a new credit agreement (the “Credit Agreement”) with a syndicate of banks. The term of the Credit Agreement is seven years and the total amount available under the Credit Agreement is $800.0 million, consisting of a $500.0 million revolving facility and a $300.0 million term loan facility. Borrowings under the bank credit facilities are subject to compliance with provisions of the Credit Agreement, including but not limited to financial covenants. We may use proceeds from the bank

credit facilities for working capital, capital expenditures made in the ordinary course of business and other lawful corporate purposes, for our common stock repurchase program, and for direct and indirect investments permitted under the Credit Agreement. The Credit Agreement contains affirmative and negative covenants that we must comply with, including (a) maintaining a ratio of consolidated adjusted EBITDA to consolidated interest expense of no less than 2.50 to 1.00, (b) maintaining a ratio of consolidated debt for borrowed money to consolidated adjusted EBITDA of, no greater than 6.50 to 1.00 from June 13, 2005 to September 30, 2006, and no greater than 6.00 to 1.00 from October 1, 2006 and thereafter, (c) limitations on liens, (d) limitations on the sale of assets, (e) limitations on the payment of dividends, and (f) limitations on mergers, as well as other customary covenants. Simultaneous with entering into the Credit Agreement, we borrowed $437.5 million under the Credit Agreement to retire all outstanding obligations under our previous credit agreement, dated as of July 17, 2000. The previous credit agreement provided for borrowings up to $600.0 million, and consisted of a $350.0 million term facility and a $250.0 million revolving facility.

As of June 30, 2005, we had approximately $362.1 million available for borrowing, of which approximately $143.0 million is available to be drawn down, taking into consideration the covenants under the Credit Agreement. Both the term loan facility and the revolving facility under the Credit Agreement bear interest, at our option, at a rate equal to either LIBOR plus a spread that ranges from 0.63% to 1.50%, or the prime rate plus a spread of up to 0.50%, depending on our leverage ratio. We also pay a commitment fee that varies depending on certain financial covenants and the amount of unused commitment, up to a maximum of 0.375% per annum on the average balance of the revolving facility. We believe that we are in compliance with all covenants under the Credit Agreement.

In connection with entering into the Credit Agreement, we (a) recorded approximately $3.9 million of deferred financing costs to be amortized over the life of the Credit Agreement, and (b) wrote-off approximately $2.1 million of the previous bank facilities' unamortized deferred financing costs as a loss on extinguishment of debt for the three months and six months ended June 30, 2005.

Under our Credit Agreement, we may be required from time to time to protect ourselves from interest rate fluctuations using interest rate hedge agreements. As a result, we have entered into various fixed rate swap agreements designed to mitigate our exposure to higher floating interest rates. These swap agreements require that we pay a fixed rate of interest on the notional amount to a bank and that the bank pays to us a variable rate equal to three-month LIBOR. As of June 30, 2005, we have swap agreements in place for a total notional amount of $100.0 million, and the periods remaining on these swap agreements range in duration from two to seven years.

Our credit exposure under these swap agreements is limited to the cost of replacing an agreement in the event of non-performance by our counter-party; however, we do not anticipate non-performance. All of the swap agreements are tied to the three-month LIBOR interest rate, which may fluctuate significantly on a daily basis. The valuation of each of these swap agreements is affected by the change in the three-month LIBOR rates and the remaining term of the agreement. Any increase in the three-month LIBOR rate results in a more favorable valuation, while a decrease in the three-month LIBOR rate results in a less favorable valuation.

The following table summarizes the interest rates in effect with respect to our debt as of June 30, 2005 (excluding capital leases):

Type of Debt	Amount Outstanding (Millions)	Applicable Interest Rate
Senior bank term debt (swap matures 6/16/2012)(1)(2)	$ 25.0	5.72%
Senior bank term debt (swap matures 6/16/2010))(1)(2)	25.0	5.52
Senior bank term debt (swap matures 6/16/2008))(1)(2)	25.0	5.38
Senior bank term debt (swap matures 6/16/2007))(1)(2)	25.0	5.33
Senior bank term debt (subject to variable interest rates)(3)	200.0	4.69
Senior bank revolving debt (subject to variable interest rates)(3)	137.5	4.69
8 7/8% Senior subordinated notes (fixed rate)	300.0	8.88
6 3/8% Senior subordinated notes (fixed rate)	200.0	6.38

(1) A total of $100.0 million is subject to fixed rate swap agreements that became effective on June 16, 2005.

(2) Under our fixed rate swap agreements, we pay a fixed rate plus a spread based on our leverage ratio, as defined in our Credit Agreement. That spread is currently set at 1.25% and is incorporated into the applicable interest rates outlined above.

(3) Subject to rolling 90-day LIBOR plus a spread currently at 1.25% and incorporated into the applicable interest rate.

In May 2001, we completed the private placement of $300.0 million of 8 7/8% senior subordinated notes due 2011, realizing net proceeds of approximately $291.8 million. We recorded approximately $8.2 million in deferred offering costs, which are being amortized to interest expense over the life of the notes using the effective interest rate method. The net proceeds of the offering were primarily used to repay amounts owed on our bank credit facilities and previously outstanding senior subordinated notes. In November 2001, the 8 7/8% senior subordinated notes were exchanged for an equal amount of notes registered under the Securities Act of 1933, as amended (“the Securities Act”).

In February 2005, we completed the private placement of $200.0 million 6 3/8% senior subordinated notes due 2013, realizing net proceeds of approximately $195.5 million. We recorded approximately $4.5 million in deferred offering costs, which are being amortized to interest expense over the life of the related notes using the effective interest rate method. The net proceeds of the offering, in addition to borrowings of $110.0 million under our previous revolving credit facility and available excess cash, were primarily used to redeem our outstanding HIGH TIDES.

Our Credit Agreement and the indentures governing our senior subordinated notes require that we comply with certain financial covenants limiting our ability to incur additional debt. Such terms also place restrictions on us with respect to the sale of assets, liens, investments, dividends, debt repayments, capital expenditures, transactions with affiliates, consolidation and mergers, and the issuance of equity interests, among other things. Our Credit Agreement also requires compliance with financial tests based on financial position and results of operations, including a leverage ratio, an interest coverage ratio and a fixed charge coverage ratio, all of which could effectively limit our ability to borrow under the Credit Agreement or to otherwise raise funds in the debt markets.

The following table provides a comparison of our statements of cash flows for the six months ended June 30, 2005 and 2004:

	2005	2004
	(In thousands)	
Net cash flows from operating activities	$ 44,796	$ 49,707
Net cash flows used in investing activities	(22,929)	(36,826)
Net cash flows used in financing activities	(16,123)	(35,859)

Net cash flows from operating activities were approximately $44.8 million and $49.7 million for the six months ended June 30, 2005 and 2004, respectively. Cash flows from operating activities for the six months ended June 30, 2005 declined from the prior year primarily because of changes to the components of working capital. Specifically, trade accounts receivable increased due to sales growth and accounts payable and other current liabilities declined due to the elimination of the dividend accrual associated with the redemption of our outstanding HIGH TIDES.

Net cash flows used in investing activities were approximately $32.2 million and $36.8 million for the six months ended June 30, 2005 and 2004, respectively. During the six months ended June 30, 2005, we completed the acquisition of 51% of the common stock of Reach Media for approximately $55.8 million in a combination of approximately $30.4 million of cash and 1,809,648 shares of our Class D common stock, and we sold short-term marketable securities for approximately $7.0 million. Capital expenditures were approximately $8.3 million for the six months ended June 30, 2005. During the six months ended June 30, 2004, we completed the acquisition of the assets of WRNB-FM (formerly WSNJ-FM) in the Philadelphia market for approximately $35.0 million, made a deposit of approximately $3.6 million for the acquisition of KRTS-FM in the Houston market, paid $3.5 million pursuant to our agreement to purchase all of the outstanding stock of New Mableton broadcasting Corporation (“NMBC”) for approximately $35.0 million and sold short term marketable securities for approximately $8.7 million. Capital expenditures were approximately $3.9 million for the six months ended June 30, 2004.

Net cash flows used in financing activities were approximately $16.1 million for the six months ended June 30, 2005 compared to net cash flows used in financing activities of approximately $35.9 million for the six months ended June 30, 2004. During the six months ended June 30, 2005, we made a principal payment of $17.5 million on our previous term loan, paid approximately $437.5 million of amounts outstanding under our previous bank credit facilities with proceeds from the new bank credit facilities, repurchased shares of Class A and Class D common stock for approximately $14.8 million, realized net proceeds of approximately $195.5 million from the private placement of $200.0 million 6³/₈% senior subordinated notes due 2013, borrowed $135.0 million under our previous revolving credit facility, redeemed our outstanding HIGH TIDES, received approximately $6.0 million from our stock subscriptions receivable and paid dividends on our HIGH TIDES of approximately $7.0 million. During the six months ended June 30, 2004, we made a principal payment of approximately $26.3 million on our previous term loan facility and also paid dividends on our HIGH TIDES of approximately $10.1 million.

We continuously review opportunities to acquire additional radio stations, primarily in the top 60 African-American markets, and to make strategic investments. Other than our agreement with an affiliate of Comcast Corporation, DIRECTV and other investors to fund TV One (the balance of our commitment is $37.0 million as of June 30, 2005), we have no definitive agreements to make acquisitions of additional radio stations or to make strategic investments. We anticipate that any future acquisitions or strategic investments will be financed through funds generated from operations, cash on hand, equity financings, permitted debt financings, debt financings through unrestricted subsidiaries or a combination of these sources. However, there can be no assurance that financing from any of these sources, if available, will be available on favorable terms.

As of June 30, 2005, we had a standby letter of credit in the amount of $417,000 in connection with our annual insurance policy renewals. To date, there has been no activity on the standby letter of credit.

Our ability to meet our debt service obligations and reduce our total debt, our ability to refinance the 8⁷/₈% senior subordinated notes at or prior to their scheduled maturity date in 2011, and our ability to refinance the 6³/₈% senior subordinated notes at or prior to their scheduled maturity date in 2013 will depend upon our future performance which, in turn, will be subject to general economic conditions and to financial, business and other factors, including factors beyond our control. During the remainder of 2005, our principal liquidity requirements will be for working capital, continued business development, strategic investment opportunities and for general corporate purposes, including capital expenditures.

We believe that, based on current levels of operations and anticipated internal growth, for the foreseeable future, cash flow from operations together with other available sources of funds will be adequate to make required payments of interest on our indebtedness, to fulfill our commitment to fund TV One, to fund potential acquisitions, to fund anticipated capital expenditures and working capital requirements and to enable us to comply with the terms of our debt agreements. However, in order to finance future acquisitions or investments, if any, we may require additional financing and there can be no assurance that we will be able to obtain such financing on terms acceptable to us.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our accounting policies are described in Note 1 of the Consolidated Financial Statements. We prepare our Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States, which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. In Management's Discussion and Analysis contained in our Annual Report on Form 10-K/ A for the year ended December 31, 2004, we summarized the policies and estimates that we believe to be most critical in understanding the judgments involved in preparing our financial statements and the uncertainties that could affect our results of operations, financial condition and cash flows. There have been no material changes on such policies or estimates since we filed our Annual Report on Form 10-K/ A for the year ended December 31, 2004.

RECENT ACCOUNTING PRONOUNCEMENTS

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 123(R), ("SFAS No. 123(R)"), *"Accounting for Stock-Based Compensation."* SFAS No. 123(R) sets accounting requirements for "share-based" compensation to employees, including employee stock purchase plans. The statement eliminates the ability to account for share-based compensation transactions using Accounting Principles Board ("APB") Opinion No. 25, *"Accounting for Stock Issued to Employees,"* and generally requires instead that such transactions be accounted for using a fair-value-based method. Disclosure of the effect of expensing the fair value of equity compensation is currently required under existing literature. The statement also requires the tax benefit associated with these share based payments be classified as financing activities in the Statement of Cash Flows rather than operating activities as currently permitted. The Securities and Exchange Commission delayed the required implementation date for this statement from the third quarter of 2005 to the beginning of the 2006 fiscal year. We currently use the Black-Scholes Option Pricing Model to compute the fair value of our stock options in connection with our disclosure of the pro forma effects on net earnings and earnings per share as if compensation cost had been recognized for such options at the date of grant. However, a number of technical implementation issues have not yet been resolved, including the selection and use of an appropriate valuation model, and therefore, we have not yet determined the ultimate impact of the adoption of SFAS No. 123(R).

CAPITAL AND COMMERCIAL COMMITMENTS

Long-term debt

In February 2005, we completed the private placement of $200.0 million 6³/₈% senior subordinated notes due 2013 realizing net proceeds of approximately $195.5 million. The net proceeds were primarily used to redeem our outstanding HIGH TIDES.

In May 2001, we completed the private placement of $300.0 million of 8⁷/₈% senior subordinated notes due 2011 realizing net proceeds of approximately $291.8 million. In November 2001, the 8⁷/₈% senior subordinated notes were exchanged for an equal amount of notes registered under the Securities Act.

Lease obligations

We have non-cancelable operating leases for office space, studio space, broadcast towers and transmitter facilities and non-cancelable capital leases for equipment that expire over the next 20 years.

Contractual Obligations Schedule

The following table represents our contractual obligations as of June 30, 2005:

Contractual Obligations	Payments Due by Period(1)						
	July — December 2005	2006	2007	2008	2009	2010 and Beyond	Total
				(In thousands)			
8⁷/₈% Senior subordinated notes	$ —	$ —	$ —	$ —	$ —	$ 300,000	$ 300,000
6³/₈% Senior subordinated notes	—	—	—	—	—	200,000	200,000
Bank credit facilities	—	—	7,500	37,500	67,500	325,000	437,500
Capital lease obligations	2	7	7	7	—	—	23
Other operating contracts/ agreements(2)(3)(4)	18,739	33,907	25,723	20,026	18,095	61,000	177,490
Operating lease obligations	3,528	6,232	5,874	5,823	5,439	15,458	42,354
Total	$ 22,269	$ 40,146	$ 39,104	$ 63,356	$ 91,034	$ 901,458	$ 1,157,367

(1) The above amounts do not include interest, which in some cases is variable in amount.

(2) Includes employment contracts, severance obligations, on-air talent contracts and other programming agreements.

(3) Includes a retention bonus of approximately $2.0 million pursuant to an employment agreement with the Chief Administrative Officer (“CAO”) for remaining employed with the Company through and including October 31, 2008. If the CAO’s employment ends before October 31, 2008, the amount paid will be a pro rata portion of the retention bonus based on the number of days of employment between October 31, 2004 and October 31, 2008.

(4) Includes a retention bonus of approximately $7.0 million pursuant to an employment agreement with the Chief Financial Officer (“CFO”) for remaining employed with the Company through and including October 18, 2010. If the CFO’s employment ends before October 18, 2010, the amount paid will be a pro rata portion of the retention bonus based on the number of days of employment between October 18, 2005 and October 18, 2010.

In addition to the obligations above, as of June 30, 2005, we had swap agreements in place for a total notional amount of $100.0 million. The periods remaining on the swap agreements range in duration from two to seven years. If we terminate our interest swap agreements before they expire, we will be required to pay early termination fees. Our credit exposure under these agreements is limited to the cost of replacing an agreement in the event of non-performance by our counter-party, however, we do not anticipate non-performance.

We anticipate that we will fund our obligations and commitments through one or more of the following: (1) cash on hand; (2) cash flow from operations; (3) additional permitted borrowings; or (4) other debt or equity financings.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are not historical facts, but rather reflect our current expectations concerning future results and events. You can identify some of these forward-looking statements by our use of words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “likely,” “may,” “estimates” and similar expressions. We cannot guarantee that we will achieve these plans, intentions or expectations. Because these statements apply to future events, they are subject to risks and uncertainties that could cause actual results to differ materially from those forecast or anticipated in the forward-looking statements. These risks, uncertainties and factors include, but are not limited to:

- economic conditions, both generally and relative to the radio broadcasting industry;
- risks associated with our acquisition strategy;
- the highly competitive nature of the broadcast industry;
- our high degree of leverage; and
- other factors described in our reports on Form 10-K/ A and Form 10-Q.

You should not place undue reliance on these forward-looking statements, which reflect our view as of the date of this report. We undertake no obligation to publicly update or revise any forward-looking statements because of new information, future events or otherwise.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

For quantitative and qualitative disclosures about market risk affecting Radio One, see Item 7A: “Quantitative and Qualitative Disclosures about Market Risk” in our Annual Report on Form 10-K/ A, for the fiscal year ended December 31, 2004. Our exposure related to market risk has not changed materially since December 31, 2004.

Item 4. ***Controls and Procedures***

Evaluation of disclosure controls and procedures

We have carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, our CEO and CFO concluded that as of such date, our disclosure controls and procedures are effective in timely alerting them to material information required to be included in our periodic SEC reports. Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide a reasonable level of assurance of reaching our desired disclosure controls objectives. Our management, including our CEO and CFO, has concluded that our disclosure controls and procedures are effective in reaching that level of reasonable assurance.

Changes in internal control over financial reporting

During the second quarter of 2005, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

In November 2001, Radio One and certain of its officers and directors were named as defendants in a class action shareholder complaint filed in the United States District Court for the Southern District of New York, now captioned, In re Radio One, Inc. Initial Public Offering Securities Litigation, Case No. 01-CV-10160. Similar complaints were filed in the same court against hundreds of other public companies (Issuers) that conducted initial public offerings of their common stock in the late 1990s (the IPO Lawsuits). In the complaint filed against Radio One (as amended), the plaintiffs claim that Radio One, certain of its officers and directors, and the underwriters of certain of its public offerings violated Section 11 of the Securities Act of 1933 as amended (the "Securities Act") based on allegations that its registration statement and prospectus failed to disclose material facts regarding the compensation to be received by, and the stock allocation practices of, the underwriters. The complaint also contains a claim for violation of Section 10(b) of the Securities Exchange Act of 1934 based on allegations that this omission constituted a deceit on investors. The plaintiffs seek unspecified monetary damages and other relief.

In July 2002, Radio One joined in a global motion, filed by the Issuers, to dismiss the IPO Lawsuits. In October 2002, the court entered an order dismissing the Company's named officers and directors from the IPO Lawsuits without prejudice, pursuant to an agreement tolling the statute of limitations with respect to Radio One's officers and directors until September 30, 2003. In February 2003, the court issued a decision denying the motion to dismiss the Section 11 and Section 10(b) claims against Radio One and most of the Issuers.

In July 2003, a Special Litigation Committee of Radio One's Board of Directors approved in principle a settlement proposal with the plaintiffs that is anticipated to include most of the Issuers. The proposed settlement would provide for the dismissal with prejudice of all claims against the participating Issuers and their officers and the assignment to plaintiffs of certain potential claims that the Issuers may have against their underwriters. The tentative settlement also provides that, in the event that plaintiffs ultimately recover less than a guaranteed sum from the underwriters, plaintiffs would be entitled to payment by each participating Issuer's insurer of a pro rata share of any shortfall in the plaintiffs guaranteed recovery. In September 2003, in connection with the proposed settlement, Radio One's named officers and directors extended the tolling agreement so that it would not expire prior to any settlement being finalized. In June 2004, Radio One executed a final settlement agreement with the plaintiffs. On February 15, 2005, the Court issued a decision certifying a class action for settlement purposes and granting preliminary approval of the settlement subject to modification of certain bar orders contemplated by the settlement. In addition, the settlement is still subject to statutory notice requirements as well as final judicial approval.

Radio One is involved from time to time in various routine legal and administrative proceedings and threatened legal and administrative proceedings incidental to the ordinary course of our business. Radio One believes the resolution of such matters will not have a material adverse effect on its business, financial condition or results of operations.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

During the three months and six months ending June 30, 2005, we made repurchases of our Class A and Class D common stock pursuant to the $150.0 million stock repurchase program adopted by our Board of Directors on May 25, 2005.

The following table provides information on our repurchases during the three months and six months ended June 30, 2005.

Period	(a) Total Number of Shares Purchased(1)	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Approximate Dollar Value of Shares That May yet be Purchased Under the Plans or Programs
6/15/2005 — 6/30/2005	137,100 Class A	$ 13.17	137,100	
6/15/2005 — 6/30/2005	988,800 Class D	$ 13.15	988,800	
Total	1,125,900		1,125,900	$ 135,197,246

(1) On May 25, 2005, the Company's Board of Directors authorized a stock repurchase program for up to $150.0 million of the Company's Class A and Class D common stock over a period of 18 months, with the amount and timing of repurchases based on stock price, general economic and market conditions, certain restrictions contained in the Credit Agreement governing the Company's bank credit facilities and subordinated debt and certain other factors. The repurchase program does not obligate the Company to repurchase any of its common stock and may be discontinued or suspended at any time.

Item 3. *Defaults Upon Senior Securities*

None.

Item 4. *Submission of Matters to a Vote of Security Holders*

On May 25, 2005, the Company held its Annual Meeting of its holders of common stock pursuant to a Notice of Annual Meeting of Stockholders and Proxy Statement dated April 25, 2005, a copy of which has been previously filed with the Securities and Exchange Commission. Stockholders were asked to vote upon the following proposals:

1) The election of Terry L. Jones and Brian W. McNeill as Class A directors to serve until the 2006 annual meeting of stockholders or until their successors are duly elected and qualified.

2) The election of Catherine L. Hughes, Alfred C. Liggins, III, D. Geoffrey Armstrong, L. Ross Love and Ronald E. Blaylock as directors to serve until the 2006 annual meeting of stockholders or until their successors are duly elected and qualified.

3) The ratification of the appointment of Ernst & Young, LLP as independent auditors for the Company for the year ending December 31, 2005.

		Number of Votes	
		Class A	Class B
Proposal 1			
Jones	For	16,157,877	
	Withhold Authority	2,318,709	
McNeill	For	15,694,708	
	Withhold Authority	2,781,878	
Proposal 2			
Hughes	For	11,456,905	28,674,630
	Withhold Authority	7,019,681	
Liggins	For	11,453,939	28,674,630
	Withhold Authority	7,022,647	
Armstrong	For	16,157,875	28,674,630
	Withhold Authority	2,318,711	
Love	For	14,001,087	28,674,630
	Withhold Authority	4,475,499	
Blaylock	For	18,460,467	28,674,630
	Withhold Authority	16,119	
Proposal 3			
	For	18,445,849	28,674,630
	Against	28,697	
	Abstain	2,040	

Item 5. ***Other Information***

None.

Item 6. ***Exhibits***

3.1	Amended and Restated Certificate of Incorporation of Radio One, Inc. (dated as of May 4, 2000), as filed with the State of Delaware on May 9, 2000 (incorporated by reference to Radio One’s Quarterly Report on Form 10-Q for the period ended March 31, 2000 (File No. 000-25969)).
3.1.1	Certificate of Amendment (dated as of September 21, 2000) of the Amended and Restated Certificate of Incorporation of Radio One, Inc. (dated as of May 4, 2000), as filed with the State of Delaware on September 21, 2000 (incorporated by reference to Radio One’s Current Report on Form 8-K filed October 6, 2000 (File No. 000-25969)).
3.2	Amended and Restated By-laws of Radio One, Inc., amended as of June 5, 2001 (incorporated by reference to Radio One’s Quarterly Report on Form 10-Q filed August 14, 2001 (File No. 000-25969)).
4.1	Amended and Restated Stockholders Agreement dated as of September 28, 2004 among Catherine L. Hughes and Alfred C. Liggins, III.
10.1	Credit Agreement, dated June 13, 2005, by and among Radio One Inc., Wachovia Bank and the other lenders party thereto (incorporated by reference to Radio One’s Current Report on Form 8-K filed June 17, 2005 (File No. 000-25969)).
10.2	Guarantee and Collateral Agreement, dated June 13, 2005, made by Radio One, Inc. and its Restricted Subsidiaries in favor of Wachovia Bank (incorporated by reference to Radio One’s Current Report on Form 8-K filed June 17, 2005 (File No. 000-25969)).
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2

SIGNATURE

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

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

August 8, 2005

Exhibit 4.1

AMENDED AND RESTATED

STOCKHOLDERS AGREEMENT

Dated as of September 28, 2004

Between

CATHERINE L. HUGHES,

And

ALFRED C. LIGGINS, III

AMENDED AND RESTATED STOCKHOLDERS AGREEMENT

This A**MENDED AND RESTATED STOCKHOLDERS AGREEMENT** (this "AGREEMENT") is dated as of September 28, 2004 between (i) **CATHERINE L. HUGHES**, an individual whose business address is 5900 Princess Garden Parkway, 8th Floor, Lanham, Maryland 20706 ("HUGHES" or a "PRINCIPAL STOCKHOLDER"), and (ii) **ALFRED C. LIGGINS, III**, an individual whose business address is 5900 Princess Garden Parkway, 8th Floor, Lanham, Maryland 20706 ("LIGGINS" or a "PRINCIPAL STOCKHOLDER"), each being one of the PRINCIPAL STOCKHOLDERS of RADIO ONE, INC., a Delaware corporation (the "COMPANY"). Further, each other person or entity who hereafter executes a counterpart of this Agreement (or otherwise agrees to be bound by the provisions hereof) shall become an additional party to this Agreement (the Principal Stockholders and each such other person or entity are sometimes referred to herein individually as a "STOCKHOLDER" and collectively as the "STOCKHOLDERS" of the COMPANY).

WHEREAS, the Principal Stockholders were parties to a March 2, 1999 Stockholders Agreement (the "Original Agreement"); and

WHEREAS, the Parties now desire to amend and restate the Original Agreement in its entirety.

NOW, THEREFORE, in consideration of the mutual promises, covenants, undertakings and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

SECTION 1. DEFINITIONS. For purposes of this Agreement, the following terms have the indicated meanings:

"APPROVED SALE" is defined in Section 6.

"AUTHORIZATION DATE" is defined in Section 4(c).

"BENEFICIAL OWNERSHIP" means possession of the power and authority, either singly or jointly with another, to vote or dispose of or to direct the voting or disposition of shares of Common Stock.

"BENEFICIAL OWNER" in respect of shares of Common Stock shall mean the person or persons who possess Beneficial Ownership of such Common Stock.

"BOARD" means the Company's Board of Directors.

"CHANGE OF CONTROL" means any transaction that causes the Principal Stockholders, in the aggregate, to own less than (i) 35.0% of the voting power of the

Company; or (ii) 50.0% of the voting power of the Company if any stockholder or group of stockholders other than the Principal Stockholders controls, directly or indirectly, more than 25.0% of the voting power of the Company. A principal purpose of this Agreement is to prevent any Change of Control without the knowledge and consent of both Principal Stockholders (or such one as is then living and not incapacitated).

"*CLASS A COMMON STOCK*" means the Company's Class A common stock, par value $.01 per share.

"*CLASS B COMMON STOCK*" means the Company's Class B common stock, par value $.01 per share.

"*CLASS C COMMON STOCK*" means the Company's Class C common stock, par value $.01 per share.

"*CLASS B DIRECTORS*" means those members of the Board as to the election or removal of which holders of the Class B Common Stock may exercise voting rights.

"*COMMON STOCK*" means the Class A Common Stock, the Class B Common Stock and the Class C Common Stock.

"*COMPANY*" means Radio One, Inc., a Delaware corporation.

"*COMPANY SALE*" means a transaction with one or more independent third parties pursuant to which such party or parties (i) acquire (whether by merger, consolidation or transfer or issuance of capital stock) capital stock of the Company (or any surviving or resulting corporation) possessing the voting power to elect a majority of the board of directors of the Company (or such surviving or resulting corporation) or (ii) acquire all or substantially all of the Company's assets determined on a consolidated basis.

"*DEADLOCK*" is defined in Section 8(a).

"*FAIR MARKET VALUE*" as of any date means (a) with respect to any Transfer of Common Stock occurring by reason of the death of a Stockholder, the federal estate tax value of such Common Stock as finally determined with respect to such Stockholder's estate (or if there is no such federal estate tax determination, the Fair Market Value of such Common Stock shall be determined by applying federal estate tax valuation principles); and (b) with respect to any other Transfer of Common Stock, the value of such Common Stock as of such date, as agreed in writing among the Principal Stockholders and the Stockholder initiating the Transfer (the "Interested Stockholders"), or if the Interested Stockholders fail to agree on the Fair Market Value within thirty (30) days of the Transfer Notice (as required in Section 4), then the Fair Market Value of such Common Stock shall be determined in good faith by an independent, nationally

recognized appraisal firm or investment banking firm, as selected by the Board, applying the valuation principles of the federal gift tax (the cost of obtaining any such independent appraisal of Fair Market Value shall be borne equally among the Interested Stockholders).

"*FINAL AUCTION PRICE*" is defined in Section 8(c).

"*FINAL PURCHASE PRICE*" is defined in Section 8(d).

"*HUGHES*" is defined in the preface.

"*INCAPACITATED*" means, with respect to an individual, that (1) such individual is under a legal disability (under the laws of such individual's domicile), (2) such individual has been certified in writing to be unable to manage his or her financial affairs by the principal physician attending to such individual's care, and the Stockholders and the Company may rely upon written notice of that determination without any duty to inquire into the authenticity of the certification or any of the facts upon which it is based, or (3) such individual's whereabouts are unknown and such individual has not been able to be located by an officer of the Company or a member of the Board for at least ninety (90) days.

"*INITIAL AUCTION DATE*" is defined in Section 8(b).

"*INITIAL OFFER*" is defined in Section 8(c).

"*LAW*" means all applicable statutes laws ordinances, regulations, rules, guidelines, orders, writs, injunctions, or decrees of any state, commonwealth, nation, territory, province, possession, township, county, parish, municipality or Tribunal.

"*LIGGINS*" is defined in the preface.

"*OPTION PLAN*" means that certain Management Stock Option Plan adopted by the Board as of March 2, 1999, as the same may be amended or supplemented from time to time.

"*OPTIONS*" means options to purchase shares of Common Stock granted by the Company pursuant to the Option Plan.

"*OTHER STOCKHOLDERS*" is defined in Section 6.

"*PERMITTED TRANSFER*" is defined in Section 4(b).

"*PERMITTED TRANSFEREE*" shall be, if the Stockholder is an individual:

(A) the estate (or a revocable trust that is a substitute of an estate) of the Stockholder or any legatee, heir or distributees thereof;

(B) the spouse or former spouse of the Stockholder;

(C) any parent or grandparent and any lineal descendant (including any adopted child) of any parent or grandparent of the Stockholder or of the Stockholder's spouse or former spouse;

(D) any guardian or custodian (including a custodian for purposes of the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act) for, or any executor, administrator, conservator and/or other legal representative of, the Stockholder and/or any Permitted Transferee or Permitted Transferees thereof;

(E) a trust (including a voting trust), and any savings or retirement account, such as an individual retirement account for purposes of federal income tax laws, whether or not involving a trust, principally for the benefit of such Stockholder and/or any Permitted Transferee or Permitted Transferees thereof, including any trust in respect of which such Stockholder and/or any Permitted Transferee or Permitted Transferees thereof has any general or special power of appointment or general or special non-testamentary power or special testamentary power of appointment limited to any Permitted Transferee or Permitted Transferees;

(F) any corporation, partnership or other business entity if Substantial Beneficial Ownership thereof is held by such Stockholder and/or any Permitted Transferee or Permitted Transferees thereof;

(G) any Principal Stockholder and/or any Permitted Transferee or Permitted Transferees of a Principal Stockholder; and

(H) the Company.

A "Permitted Transferee" shall be, if the Stockholder is a corporation, partnership or other business entity:

(A) any employee benefit plan, or trust thereunder or therefor, sponsored by the Stockholder;

(B) any trust (including any voting or liquidating trust) principally for the benefit of the Stockholder and/or any Permitted Transferee or Permitted Transferees thereof;

(C) any corporation, partnership or other business entity if Substantial Beneficial Ownership thereof is held by such Stockholder and/or any Permitted Transferee or Permitted Transferees thereof;

(D) the stockholders of the corporation, partners of the partnership or other owners of equity interests in any other business entity, who receive such shares, by way of dividend or distribution (upon dissolution, liquidation or otherwise), provided that such transfer will not result in Beneficial Ownership of any of such shares by any person who did not have the power to control such corporation, partnership or business entity at the time such corporation, partnership or business entity first acquired Beneficial Ownership of such shares of Class B Common Stock (other than by any person who qualifies as a Permitted Transferee pursuant to any other provision of this paragraph);

(E) the Company; and

(F) any Principal Stockholder and/or any Permitted Transferee or Permitted Transferees of a Principal Stockholder.

"PERSON" means any individual, corporation, partnership, firm, joint venture, association, limited liability company, joint-stock company, trust, unincorporated organization, governmental or regulatory body or other legal entity.

"PRINCIPAL STOCKHOLDER" is defined in the preface.

"SALE NOTICE" is defined in Section 7.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SELLING PRINCIPAL STOCKHOLDER" is defined in Section 7.

"STOCKHOLDER" is defined in the preface.

"STOCKHOLDER SHARES" means (i) all shares of Common Stock acquired by the Stockholders, including all shares of Common Stock acquired pursuant to the exercise of Options, and (ii) all shares of Common Stock or other securities issued or issuable directly or indirectly with respect to the securities referred to in clause (i) by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization. Stockholder Shares shall cease to be such when they have been sold (x) pursuant to a registered public offering under the Securities Act or (y) to the public pursuant to Rule 144 under the Securities Act, or any successor provision.

"SUBSTANTIAL BENEFICIAL OWNERSHIP" in respect of any corporation, partnership or other business entity shall mean possession of the power and authority,

either singly or jointly with another, to vote or dispose of or to direct the voting or disposition of at least 80% of each class of equity ownership interest in such corporation, partnership or other business entity.

"TRANSFER" means, with respect to any Stockholder Shares, the gift, sale, assignment, transfer, pledge, hypothecation or other disposition (whether for or without consideration and whether voluntary, involuntary or by operation of law) of such Stockholder Shares or any interest therein; provided, however, that "Transfer" does not include: (i) any pledge, assignment, hypothecation, encumbrance or similar disposition of Stockholder Shares for security as collateral security for obligations of the Company, either Stockholder, or affiliates of the Company under or in connection with that certain Amended and Restated Credit Agreement among the Company, the lenders from time to time party thereto (the "Lenders"), NationsBank, N.A., as Administrative Agent for the Lenders, First Union National Bank, as Syndication Agent for the Lenders, and Credit Suisse First Boston, as Documentation Agent for the Lenders, as such Credit Agreement may be amended, modified, restated, supplemented, renewed, extended, increased, rearranged, and/or substituted from time to time, or (ii) any sale or foreclosure of and such pledge, assignment, hypothecation, encumbrance or similar disposition for security.

"*TRANSFER NOTICE*" is defined in Section 4(c).

"*TRIBUNAL*" means any court or governmental department, commission, board, bureau, agency or instrumentality of the United States of America or any state, commonwealth, nation, territory, province, possession, township, county, parish or municipality, whether now or hereafter constituted or existing.

"*VESTED OPTIONS*" means Options that are exercisable by the holder thereof on the date of determination.

SECTION 2. VOTING ARRANGEMENTS.

(a) ELECTION OF DIRECTORS. Each Stockholder agrees that such Person will vote, or cause to be voted, all voting securities of the Company over which such Person has the power to vote or direct the voting, and will take all other necessary or desirable action within such Person's control, to cause the authorized number of directors for the Board to be at least five persons and no more than seven persons, and to elect or cause to be elected to the Board and cause to be continued in such office, Hughes, Liggins and the individual or individuals designated by mutual agreement of the Principal Stockholders to fill the remainder of Board seats to be filled by Class B Directors, including the seat that would otherwise be filled by a Principal Stockholder if such Principal Stockholder is unwilling or unable to serve on the Board, or has been removed from the Board as the result of such Principal Stockholder's being Incapacitated; provided, however, that if either Principal Stockholder is Incapacitated, the

other Principal Stockholder shall have the sole power to exercise the designation rights granted to the Principal Stockholders pursuant to this paragraph.

(b) REMOVAL OF DIRECTORS. If at any time the Principal Stockholders shall notify the other Stockholders of their mutual desire to remove, with or without cause, any Class B Director from the Board, all such Persons so notified will vote, or cause to be voted, all voting securities of the Company over which they have the power to vote or direct the voting, and shall take all such other actions promptly as shall be necessary or desirable to cause the removal of such Class B Director; provided, however, that if either Principal Stockholder is Incapacitated, the other Principal Stockholder shall have the sole power to exercise the removal rights granted to the Principal Stockholders pursuant to this paragraph, including, without limitation, requiring the removal of the Incapacitated Principal Stockholder.

(c) VACANCIES. If at any time any Class B Director ceases to serve on the Board (whether due to resignation, removal or otherwise), then the Principal Stockholders shall be entitled to designate a successor director to fill the vacancy created thereby on the terms and subject to the conditions of Section 2(a) above. Each Stockholder agrees that he, she or it will vote, or cause to be voted, all voting securities of the Company over which such Person has the power to vote or direct the voting, and shall take all such other actions as shall be necessary or desirable to cause the successor designated by the Principal Stockholders to be elected to fill such vacancy.

(d) RIGHTS UNIMPAIRED. Nothing in this Agreement shall be construed to impair any rights that the stockholders of the Company may have to remove any director. No removal for cause of an individual designated pursuant to this Section 2 shall affect the right of the Principal Stockholders to designate a different individual pursuant to Section 2 to fill the directorship from which such individual was removed.

(e) APPOINTMENT OF PROXY. IN ORDER TO SECURE THE OBLIGATIONS OF EACH AND EVERY STOCKHOLDER TO VOTE ALL COMMON STOCK HELD BY SUCH STOCKHOLDER IN ACCORDANCE WITH ALL OF THE PROVISIONS OF THIS AGREEMENT, EACH STOCKHOLDER HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS EACH OF CATHERINE L. HUGHES AND ALFRED C. LIGGINS, III (ACTING TOGETHER, OR IF ONE OF THEM IS DECEASED, INCAPACITATED OR UNAVAILABLE, THE OTHER OF THEM ACTING ALONE) AS SUCH STOCKHOLDER'S TRUE AND LAWFUL ATTORNEY, AGENT AND PROXY, WITH FULL POWER OF SUBSTITUTION, TO ATTEND MEETINGS OF STOCKHOLDERS OF THE COMPANY HELD FROM TIME TO TIME, AND TO VOTE ON SUCH STOCKHOLDER'S BEHALF AND IN SUCH STOCKHOLDER'S NAME, PLACE, AND STEAD, OR TO EXECUTE WRITTEN CONSENTS IN LIEU OF SUCH MEETINGS, THE NUMBER OF VOTES THAT SUCH STOCKHOLDER WOULD BE ENTITLED TO CAST IF ACTUALLY PRESENT OR WITH RESPECT TO WHICH

SUCH STOCKHOLDER WOULD BE ENTITLED TO EXECUTE A WRITTEN CONSENT, IN CONNECTION WITH ANY ELECTION OF DIRECTORS (IN ACCORDANCE WITH THIS SECTION 2) OR ANY COMPANY SALE (IN ACCORDANCE WITH SECTION 6). THE POWERS GRANTED HEREIN SHALL BE DEEMED TO BE COUPLED WITH AN INTEREST, SHALL BE IRREVOCABLE AND SHALL SURVIVE THE DEATH, INCOMPETENCY, DISABILITY OR DISSOLUTION OF ANY STOCKHOLDER.

(f) OTHER VOTING RIGHTS. In the event that a Principal Stockholder is Incapacitated, the other Principal Stockholder shall have the right, in addition to the other rights granted pursuant to this Section 2, to vote, or cause to be voted, all voting securities of the Company over which such Incapacitated Principal Stockholder would otherwise have the power to vote or direct the voting, as to all matters presented for a vote of the Company's stockholders.

(g) REGULATORY SAVINGS PROVISION. If at any time the possession by a Principal Stockholder of the voting power represented by the voting securities held by such Principal Stockholder, or over which such Principal Stockholder has the power to vote or direct the voting, differs from the voting power required or permitted to be held by such Principal Stockholder, or requires a consent or waiver that at such time has not been obtained, under any Law applicable to such Principal Stockholder or the Company, then (i) if such voting power exceeds the amount permitted to be held by such Principal Stockholder, or with respect to which such a consent or waiver has been obtained, the other Principal Stockholder shall have the sole power to vote, or cause to be voted, the number of voting securities of the Company representing such excess voting power and over which the first Principal Stockholder would otherwise have the power to vote or direct the voting, as to all matters presented for a vote of the Company's stockholders, and (ii) if such voting power is less than the amount required to be held by such Principal Stockholder, such Principal Stockholder shall have the sole power to vote, or cause to be voted, as to all matters presented for a vote of the Company's stockholders, that number, and only that number of voting securities of the Company representing sufficient voting power to eliminate such shortfall and over which the other Principal Stockholder would otherwise have the power to vote or direct the voting. In all cases, the provisions of this Section 2(g) shall be applied only to the extent and for the period necessary to bring the Principal Stockholders and the Company into compliance with applicable Law, and shall not operate to cause either Principal Stockholder not to be in compliance with applicable Law. In the exercise of voting rights provided by this Section 2(g), each Principal Stockholder shall remain subject to the other provisions of this Agreement.

SECTION 3. DISPOSITION OF IN CAPACITATED PRINCIPAL STOCKHOLDER'S SHARES.

In the event that a Principal Stockholder is Incapacitated, the other Principal Stockholder shall have the right to direct the disposition of all Stockholder Shares held by the Incapacitated Principal Stockholder, including, without limitation, the right to purchase such Stockholder Shares; provided, however, that any Transfer of any such Stockholder Shares shall be for a consideration equal to the Fair Market Value of such Stockholder Shares. During any period while any Principal Stockholder is deemed to be Incapacitated, until such time as the Stockholder Shares held by such Incapacitated Principal Stockholder are disposed of pursuant to this Section 3, the other Principal Stockholders shall have the right to vote the Incapacitated Principal Stockholder's Stockholder Shares, as provided in Section 2(f).

SECTION 4. RESTRICTIONS ON TRANSFER.

(a) RESTRICTIONS ON TRANSFER. No Stockholder may Transfer any Stockholder Shares, except in a Permitted Transfer (as defined in Section 4(b)), subject to the remaining provisions of this Section 4; provided, a Transfer may be made to any Person if both Principal Stockholders (or such one Principal Stockholder as is not then Incapacitated, if one is Incapacitated) consent in writing to such Transfer, subject to the provisions of Section 4(g).

(b) CERTAIN PERMITTED TRANSFERS. "Permitted Transfers" shall include Transfers of Stockholder Shares (i) pursuant to Sections 3, 6, 7 or 8; or (ii) to a Permitted Transferee of a Principal Stockholder; provided that, as a condition of any such Permitted Transfer, each such Permitted Transferee not already a party to this Agreement executes a Joinder Agreement substantially in the form attached hereto as Exhibit A and thereby becomes a party to this Agreement, and, provided further that all remaining, applicable requirements of this Section 4 are satisfied.

(c) GENERAL RIGHT OF FIRST REFUSAL. No Permitted Transfer shall occur with respect to any Class of Common Stock (other than Class B Common Stock) unless, at least ninety (90) days prior to making any such Permitted Transfer, the transferring Stockholder delivers a written notice (the "TRANSFER NOTICE") to each Principal Stockholder that discloses in reasonable detail the identity of the prospective transferee(s) and the terms and conditions of the proposed Permitted Transfer; provided, in the event of a Stockholder's death, no Permitted Transfer (including, without limitation, any Transfer of any Class of Common Stock (other than Class B Common Stock) to an executor, trustee or other fiduciary or successor in interest to the deceased Stockholder) shall occur with respect to such Common Stock held (directly or indirectly) by such Stockholder immediately prior to his death until (i) a legal representative of such deceased Stockholder's estate (or another duly authorized fiduciary or successor in interest to such deceased Stockholder) delivers to the surviving Principal Stockholders

documentation identifying his authority to act as a fiduciary or other successor in interest with respect to the deceased Stockholder's Common Stock (and delivery of such documentation shall constitute a "Transfer Notice" under this Section 4(c)); and (ii) at least ninety (90) days have elapsed after delivery to the surviving Principal Stockholders of such Transfer Notice. No Stockholder shall consummate any such Permitted Transfer until thirty (30) days (ninety (90) days in the case of a Permitted Transfer upon the death of a Stockholder) after the Transfer Notice has been delivered to each Principal Stockholder then living (the expiration of such 30 or 90-day period being the "GENERAL AUTHORIZATION DATE"). Any time prior to the General Authorization Date, each Principal Stockholder then living may elect to purchase all or a portion of such Principal Stockholder's pro rata share of Common Stock (other than Class B Common Stock) proposed to be transferred (the "GENERAL RIGHT OF FIRST REFUSAL") at a price equal to the greater of (i) the price set forth in the Transfer Notice; or (ii) Fair Market Value of such Common Stock proposed to be transferred; provided, in the case of a proposed Transfer by or on behalf of a Principal Stockholder (or a Transfer that would occur as a result of a Principal Stockholder's death; such Principal Stockholder who has proposed such Transfer or died, being referred to as the "Transferor Principal Stockholder"), the other Principal Stockholder's General Right of First Refusal shall extend to the entire Transfer (or any part thereof, as may be elected by such other Principal Stockholder) proposed to be made by or on behalf of the Transferor Principal Stockholder (or as a result of his death). Any Principal Stockholder desiring to exercise the General Right of First Refusal shall deliver written notice of such election to the transferring Stockholder (or to the fiduciary or other successor in interest that provided the Transfer Notice with respect to a deceased Stockholder) within thirty (30) days after the receipt of the Transfer Notice (ninety (90) days in the case of a Transfer upon the death of a Stockholder) by the Principal Stockholders. If one or more of the Principal Stockholders have elected not to exercise the General Right of First Refusal, the transferring Stockholder shall offer each Principal Stockholder electing to exercise the General Right of First Refusal the option to purchase such Principal Stockholder's pro rata share of the Common Stock (other than Class B Common Stock) proposed to be transferred and for which a General Right of First Refusal has not been exercised. In the event less than all of such shares of Common Stock proposed to be transferred are acquired by the Principal Stockholders pursuant to the General Right of First Refusal, the transferring Stockholder may Transfer such remaining shares of Common Stock to the prospective transferee(s) as specified in the Transfer Notice, at a price and on terms no more favorable to the transferee(s) thereof than specified in the Transfer Notice, during the 90-day period immediately following the General Authorization Date. Any shares of Common Stock (other than Class B Common Stock) not so transferred within such 90-day period must be reoffered to the Principal Stockholders in accordance with the provisions of this Section 4(c).

(d) RIGHT OF FIRST REFUSAL CLASS B STOCK. No Permitted Transfer shall occur with respect to Class B Common Stock unless, at least ninety (90) days prior to making any such Permitted Transfer, the transferring Stockholder delivers a written

notice (the “CLASS B TRANSFER NOTICE”) to each Principal Stockholder that discloses in reasonable detail the identity of the prospective transferee(s) and the terms and conditions of the proposed Permitted Transfer; provided, in the event of a Stockholder’s death, no Permitted Transfer (including, without limitation, any Transfer of Class B Common Stock to an executor, trustee or other fiduciary or successor in interest to the deceased Stockholder) shall occur with respect to the Class B Common Stock held (directly or indirectly) by such Stockholder immediately prior to his death until (i) a legal representative of such deceased Stockholder’s estate (or another duly authorized fiduciary or successor in interest to such deceased Stockholder) delivers to the surviving Principal Stockholders documentation identifying his authority to act as a fiduciary or other successor in interest with respect to the deceased Stockholder’s Class B Common Stock (and delivery of such documentation shall constitute a “Class B Transfer Notice” under this Section 4(d)); and (ii) at least ninety (90) days have elapsed after delivery to the surviving Principal Stockholders of such Class B Transfer Notice. No Stockholder shall consummate any such Permitted Transfer until thirty (30) days (ninety (90) days in the case of a Permitted Transfer upon the death of a Stockholder) after the Transfer Notice has been delivered to each Principal Stockholder then living (the expiration of such 30 or 90-day period being the “CLASS B AUTHORIZATION DATE”). Any time prior to the Class B Authorization Date, each Principal Stockholder then living may elect to purchase all or a portion of such Principal Stockholder’s pro rata share of Class B Common Stock proposed to be transferred (the “CLASS B RIGHT OF FIRST REFUSAL”) at a price equal to the greater of (i) the price set forth in the Class B Transfer Notice; or (ii) Fair Market Value of the Class B Common Stock proposed to be transferred; provided, in the case of a proposed Transfer by or on behalf of a Principal Stockholder (or a Transfer that would occur as a result of a Principal Stockholder’s death; such Principal Stockholder who has proposed such Transfer or died, being referred to as the “Transferor Principal Stockholder”), the other Principal Stockholder’s Class B Right of First Refusal shall extend to the entire Transfer (or any part thereof, as may be elected by such other Principal Stockholder) proposed to be made by or on behalf of the Transferor Principal Stockholder (or as a result of his death). Any Principal Stockholder desiring to exercise the Class B Right of First Refusal shall deliver written notice of such election to the transferring Stockholder (or to the fiduciary or other successor in interest that provided the Class B Transfer Notice with respect to a deceased Stockholder) within thirty (30) days after the receipt of the Class B Transfer Notice (ninety (90) days in the case of a Transfer upon the death of a Stockholder) by the Principal Stockholders. If one or more of the Principal Stockholders have elected not to exercise the Class B Right of First Refusal, the transferring Stockholder shall offer each Principal Stockholder electing to exercise the Class B Right of First Refusal the option to purchase such Principal Stockholder’s pro rata share of the Class B Common stock proposed to be transferred and for which a Class B Right of First Refusal has not been exercised. In the event less than all of the shares of Class B Common Stock proposed to be transferred are acquired by the Principal Stockholders pursuant to the Class B Right of First Refusal, the transferring Stockholder may Transfer the remaining shares of Class B Common Stock to the prospective transferee(s) as specified in the Class B Transfer Notice, during the 90-day

period immediately following the Class B Authorization Date, at a price and on terms no more favorable to the transferee(s) thereof than specified in the Class B Transfer Notice. Any shares of Class B Common Stock not so transferred within such 90-day period must be reoffered to the Principal Stockholders in accordance with the provisions of this Section 4(d).

(e) IRREVOCABLE PROXY. In the event any Principal Stockholder elects not to exercise the Class B Right of First Refusal and, as a result, the transferring Stockholder proposes to engage in a Permitted Transfer of the shares of Class B Common Stock to any person other than a Principal Stockholder, immediately prior to the time of such Permitted Transfer, the transferring Stockholder shall irrevocably appoint and constitute the other Principal Stockholders, agents and attorneys of the transferring Stockholder, to vote such shares of Class B Common Stock in the Principal Stockholders' sole and exclusive discretion, with full power of substitution and resubstitution, to the full extent of such transferring Stockholder's rights with respect to the shares of Class B Common Stock proposed to be transferred. Similarly, in the event of a Stockholder's death, if any Principal Stockholder elects not to exercise the Class B Right of First Refusal and, as a result, the deceased Stockholder's Class B Common Stock would pass to any Person other than a Principal Stockholder in a Permitted Transfer, then (as a condition precedent to any such Permitted Transfer) the Permitted Transferees shall irrevocably appoint and constitute the Principal Stockholders then living as the agents and attorneys of such Permitted Transferees, to vote such shares of Class B Common Stock in such Principal Stockholders' sole and exclusive discretion, with full power of substitution and resubstitution, to the full extent of such deceased Stockholder's rights with respect to all shares of Class B Common Stock that are proposed to be transferred by reason of such Stockholder's death. Notwithstanding the foregoing, nothing contained in this Section 4(e) shall be deemed to vest in the Principal Stockholders any direct or indirect ownership or incidence of ownership of or with respect to any of the shares of Class B Common Stock proposed to be transferred. All rights (other than voting rights), ownership and economic benefits of and relating to the shares of Class B Common Stock proposed to be transferred shall remain vested in the transferring Stockholder, and upon such Permitted Transfer shall vest in the Permitted Transferee.

(f) LIFE INSURANCE ON PRINCIPAL STOCKHOLDERS' LIVES. Each Principal Stockholder (each, respectively, the "Insured") agrees to permit the other Principal Stockholder (each, respectively, the "Owner") to apply for one or more life insurance policies (the "Policies") insuring the Insured's life, with the Owner being the owner of each such policy (controlling all incidents of ownership of any insurance policy obtained on the Insured's life pursuant to this Section 4(f)); provided, the total face amount of the death benefits on any such Policies shall not exceed the amounts as may be agreed to in writing (prior to application for any such life insurance) by both Principal Stockholders. Further, each Insured agrees to consent to such life insurance applications, medical exams and other reasonable underwriting procedures as may be required by the insurance companies (as selected by the Owner) in connection with issuing any such

Policies. Each Owner may (but shall not be required to) use the death benefits from any such Policies to facilitate a purchase of Class B Common Stock following the death of the Insured (pursuant to any Class B Right of First Refusal that may be triggered by reason of the Insured's death).

(g) OPINION OF COUNSEL. No holder of Stockholder Shares may Transfer any such stock (other than pursuant to an effective registration statement under the Securities Act) without first delivering to the Company, if the Company so requests, an opinion of counsel reasonably acceptable in form and substance to the Company that registration under the Securities Act is not required in connection with such transfer.

SECTION 5. LEGENDS.

(a) STOCKHOLDERS AGREEMENT LEGEND. The certificates representing Stockholder Shares shall bear the following legend:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AN AMENDED AND RESTATED STOCKHOLDERS AGREEMENT DATED AS OF SEPTEMBER 28, 2004 AMONG CERTAIN STOCKHOLDERS OF RADIO ONE, INC., A COPY OF WHICH MAY BE OBTAINED WITHOUT CHARGE BY THE HOLDER HEREOF AT THE PRINCIPAL PLACE OF BUSINESS OF RADIO ONE, INC. DISPOSITION OF THIS CERTIFICATE OR THE SECURITIES REPRESENTED HEREBY OR ANY RIGHTS OR INTERESTS THEREIN IN VIOLATION OF SUCH STOCKHOLDERS AGREEMENT SHALL BE NULL AND VOID.

SECTION 6. SALE OF THE COMPANY. If the Principal Stockholders mutually approve a Company Sale (an "APPROVED SALE"), the other holders of Stockholder Shares (the "OTHER STOCKHOLDERS") shall consent to and raise no objections against such Approved Sale (and shall waive any rights of appraisal arising in connection therewith) and shall fully cooperate with and take all necessary and desirable actions in connection with the consummation of such Approved Sale, including without limitation (a) executing a purchase and sale agreement and any other agreement reasonably necessary to effectuate such Approved Sale in the form to be entered into by the Principal Stockholders, (b) amending the Company's Certificate of Incorporation, (c) merging, combining or consolidating the Company with any other Person, (d) reorganizing, recapitalizing, liquidating, dissolving or winding-up the Company, (e) exchanging or splitting stock of the Company or (f) selling, leasing or exchanging all or substantially all of the property and assets of the Company and its subsidiaries on a consolidated basis. If the Approved Sale is structured as a sale of stock, the Other Stockholders shall agree to sell all of their shares of Common Stock and rights to acquire shares of Common Stock on the terms and conditions approved by

the Board and the Principal Stockholders. The obligations of the Other Stockholders with respect to any Approved Sale are subject to the conditions that (a) upon the consummation of such Approved Sale, all of the holders of Common Stock will receive the same form and amount of consideration per share of Common Stock, or if any holders are given an option as to the form and amount of consideration to be received, all holders will be given the same option and (b) no stockholder shall be required to incur indemnification obligations (whether several or joint and several) which are in excess of the net proceeds received by such Stockholder in connection with such Approved Sale. In the event that a Principal Stockholder is Incapacitated, any Company Sale that is approved by the Principal Stockholder that is not Incapacitated shall be deemed to be an Approved Sale for all purposes hereof, and all references to the Principal Stockholders in this paragraph shall be deemed to exclude the Incapacitated Principal Stockholder.

SECTION 7. PARTICIPATION RIGHTS. Not less than twenty (20) days prior to any proposed Transfer of Stockholder Shares by a Principal Stockholder (the “SELLING PRINCIPAL STOCKHOLDER”), the Selling Principal Stockholder shall deliver to the other Principal Stockholder (so long as such other Principal Stockholder is not Incapacitated) a written notice (the “SALE NOTICE”) specifying in reasonable detail the identity of the proposed transferee(s) and the terms and conditions of the proposed Transfer. Provided that the other Principal Stockholder is not Incapacitated and has not elected to exercise the Rights of First Refusal provided in Sections 4(c) and 4(d), as applicable, with respect to the Transfer specified in the Sale Notice, such other Principal Stockholder may elect to participate in the proposed Transfer by delivering to the Selling Principal Stockholder a written notice of such election within the 10-day period following delivery of the Sale Notice. If the other Principal Stockholder elects to participate in such Transfer, the Selling Principal Stockholder and such other Principal Stockholder will be entitled to sell in such proposed Transfer, at the same price and on the same terms, a number of shares of each class of Common Stock specified in the Sale Notice equal to the product of (i) the quotient determined by dividing the number of shares of such class of Common Stock then held by the Selling Principal Stockholder or such other Principal Stockholder, as the case may be, by the aggregate number of shares of such class of Common Stock then held by the Selling Principal Stockholder and such other Principal Stockholder, multiplied by (ii) the number of shares of such class of Common Stock to be sold in such proposed Transfer. For purposes of this Section 7, the amount of Common Stock held by a Principal Stockholder shall be deemed to include all shares of Common Stock acquirable pursuant to the exercise of Vested Options then held by such Principal Stockholder. Notwithstanding the foregoing, this Section 7 shall not apply to (i) Transfers pursuant to Rule 144 under the Securities Act (or any successor provision), (ii) Transfers pursuant to Section 4, or (v) Transfers pursuant to Section 6.

SECTION 8. DEADLOCKS.

(a) DEFINITION. For purposes hereof, a "DEADLOCK" shall be deemed to have occurred if after having tried on a good-faith basis to do so for a period of at least ninety (90) days after delivery by one Principal Stockholder to the other Principal Stockholder of a written notice requesting the commencement of such good faith efforts, the Principal Stockholders are unable to reach mutual agreement with respect to either (i) the individual or individuals to fill one or more of the Board seats to be filled by Class B Directors, other than Hughes or Liggins, or (ii) a Company Sale proposed by one of the Principal Stockholders.

(b) INITIATION OF AUCTION. Upon the occurrence of a Deadlock, either Principal Stockholder may, by written notice delivered to the other Principal Stockholder, initiate a bidding process to determine which Principal Stockholder shall acquire all of the other Principal Stockholder's Stockholder Shares. Such bidding process shall begin on the date (the "INITIAL AUCTION DATE") mutually agreed to by the Principal Stockholders, which date shall be not later than thirty (30) days after delivery of the notice referred to in the preceding sentence. Such bidding process shall in all events proceed in two stages: first, the Principal Stockholders shall determine a market valuation for the corporation, taken as a whole, through the competitive bidding procedures described in paragraph (c) below and second, the purchase price for the winning bidder to purchase all of the losing bidder's Stockholder Shares shall be determined based on the formula set forth in paragraph (d) below.

(c) AUCTION PROCEDURE. On the Initial Auction Date, each Principal Stockholder shall initiate the bidding process by delivering simultaneously to the other Principal Stockholder a written offer (the "INITIAL OFFER") which sets forth its valuation of the outstanding Common Stock of the Company, taken as a whole. The higher of the valuations shall constitute the initial bid. Such initial bid and each subsequent valuation must be met in turn, within forty-eight (48) hours following delivery thereof, by either acceptance or delivery of a written counteroffer. Each counteroffer after the initial bid must be in a minimum amount equal to the lesser of (a) the amount that is five percent (5%) higher than the preceding bid (on a percentage basis) and (b) the amount that is $10,000.00 higher than the preceding bid. Any failure to respond within forty-eight (48) hours of delivery of a bid as provided above shall be deemed to constitute an irrevocable and unconditional acceptance of that bid. This bidding process shall continue until one Principal Stockholder accepts the other Principal Stockholder's latest valuation, either affirmatively or by failing to make a counteroffer (such final valuation, the "FINAL AUCTION PRICE").

(d) DETERMINATION OF FINAL PURCHASE PRICE. The final purchase price (the "FINAL PURCHASE PRICE") payable by the winning bidder for all of the losing bidder's Stockholder Shares shall be the amount equal to the product of (x) the

Final Auction Price and (y) the percentage of the outstanding Common Stock of the Company represented by the Stockholder Shares held by the losing bidder.

(e) CONSUMMATION OF SALE AND TRANSFER. The sale and transfer of the losing bidder's Stockholder Shares to the winning bidder shall be consummated as soon as practicable after the determination of the Final Auction Price, subject to receipt of necessary governmental, regulatory and antitrust approvals. Each Principal Stockholder shall cooperate with the other to take all actions necessary to conclude the sale and transfer contemplated hereunder.

SECTION 9. TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any Stockholder Shares in violation of this Agreement shall be void, and the Company shall not be obligated to record such Transfer on its books or treat any purported transferee of such Stockholder Shares as the owner of such shares for any purpose.

SECTION 10. AMENDMENT AND WAIVER. Except as otherwise provided herein, no amendment or waiver of any provision of this Agreement shall be effective against the Stockholders unless such amendment or waiver is approved in writing by the Principal Stockholders other than any Incapacitated Principal Stockholder. The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver of such provision and shall not affect the right of such party thereafter to enforce each provision of this Agreement in accordance with its terms.

SECTION 11. SEVERABILITY. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

SECTION 12. ENTIRE AGREEMENT. Except as otherwise expressly set forth herein, this document embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

SECTION 13. SUCCESSORS AND ASSIGNS; THIRD PARTY BENEFICIARY. This Agreement shall bind and inure to the benefit of and be enforceable by the Stockholders and their respective permitted successors and assigns so long as such Stockholders and their respective permitted successors and assigns hold Stockholder Shares. The Company is and shall be an intended third party beneficiary of this Agreement.

SECTION 14. COUNTERPARTS. This Agreement may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

SECTION 15. REMEDIES. The Company (as a third party beneficiary) and the Stockholders shall be entitled to enforce their rights under this Agreement specifically to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that the Company or any Stockholder may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation of the provisions of this Agreement.

SECTION 16. NOTICES. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, or sent via facsimile, or mailed first class mail (postage prepaid) or sent by reputable overnight courier service (charges prepaid) to the Principal Stockholders at their respective addresses set forth in the preface to this Agreement, and to any subsequent holder of Stockholder Shares subject to this Agreement at such address as indicated by the Company's records, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder when delivered personally or sent via facsimile (against receipt therefor), three days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service.

SECTION 17. GOVERNING LAW. The corporate law of Delaware shall govern all issues concerning the relative rights of the Company and its stockholders. All other questions concerning the construction, validity and interpretation of this Agreement shall be governed by the internal law, and not the law of conflicts, of Maryland.

SECTION 18. DESCRIPTIVE HEADINGS. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

SECTION 19. TERMINATION. Notwithstanding anything herein to the contrary, this Agreement shall terminate upon a Company Sale.

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Stockholders Agreement as of the date first above written.

____
Catherine L. Hughes

____
Alfred C. Liggins, III

EXHIBIT A

FORM OF JOINDER

TO

STOCKHOLDERS AGREEMENT

This Joinder (this "Agreement") is made as of the date written below by the undersigned (the "Joining Party") in favor of and for the parties to the Amended and Restated Stockholders Agreement, dated as of September 28, 2004 (the "Stockholders Agreement"). Capitalized terms used but not defined herein shall have the meanings given such terms in the Stockholders Agreement.

The Joining Party hereby acknowledges, agrees and confirms that, by his or her execution of this Joinder, the Joining Party will be deemed to be a party to the Stockholders Agreement and shall have all of the obligations of a Stockholder thereunder as if he or she had executed the Stockholders Agreement. The Joining Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Stockholders Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date written below.

____
Name: ______________________
Date: ______________________

Exhibit 31.1

I, Alfred C. Liggins, III, Chief Executive Officer, President and Director of Radio One, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Radio One, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ ALFRED C. LIGGINS, III

Alfred C. Liggins, III
Chief Executive Officer, President and Director

Date: August 8, 2005

Exhibit 31.2

I, Scott R. Royster, Executive Vice President, Chief Financial Officer and Principal Accounting Officer of Radio One, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Radio One, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Scott R. Royster

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

Date: August 8, 2005

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Radio One, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2005 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Alfred C. Liggins, III

Name: **Alfred C. Liggins, III**
Title: **Chief Executive Officer and President**

Date: August 8, 2005

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Radio One, Inc. and will be retained by Radio One, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Radio One, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2005 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Scott R. Royster

Name: **Scott R. Royster**
Title: **Executive Vice President and Chief Financial Officer**

Date: August 8, 2005

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 200 has been provided to Radio One, Inc. and will be retained by Radio One, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.